

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Environmental Services
C.C. Chief Executive
Head of Finance
Bereavement Services Manager

SUBJECT: Bereavement Services
DATE: 31 May 2013

1. Introduction

- 1.1 In accordance with the Audit Plan for 2013/14, 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. This topic was last audited in June 2010.
- 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 operates the Mid-Warwickshire Crematorium and a natural woodland burial area at Oakley Wood, Bishops Tachbrook, and four cemeteries in Leamington, Warwick, Kenilworth and Old Milverton. The council also maintains a number of closed churchyards.
- 2.2 A capital project is currently underway at the Crematorium which involves the rearrangement and the expansion of the current facilities.
- 2.3 The service is also involved in the lean systems experiments that are being undertaken by Environmental Services. As a result, a staff member from Environmental Health is currently working at the crematorium for two days a week. There have also been other staff changes since the last audit was undertaken.
- 2.4 At the time of the previous audit a draft strategy had been drawn up for the provision of bereavement services and this had been passed to SMT for approval. However this had never received approval and had not been formally adopted.

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 Staffing

- 4.1.1 The Bereavement Services Manager (BSM) advised that all staff have set job descriptions but, in reality, most will undertake any of the jobs that need doing at either the crematorium or at the cemeteries if they were qualified to do so.
- 4.1.2 She indicated that staffing requirements had recently been reviewed as part of the lean systems experiments that were being undertaken and this highlighted that a decision to allow a previous staff member to reduce their hours had been a mistake and that an extra post in place during the experiment actually increased the number of 'admin' hours being worked.
- 4.1.3 She suggested that there was no formal timetable by which staffing requirements would be reviewed, but advised that she would discuss issues with the Head of Environmental Services as and when they arose.
- 4.1.4 Overtime payments on the relevant TOTAL ledger codes for 2012/13 were reviewed. This highlighted that all staff, with the exception of the BSM, had been paid overtime during the year, although the actual number of hours varied between 2.5 and 62.
- 4.1.5 The BSM advised that the majority of overtime was worked in relation to crematorium services that were performed on Fridays, as the cremations could not be carried over to the next day. Therefore, overtime is worked to ensure that all cremations are performed within the required timescales.
- 4.1.6 She also highlighted that two staff members had been working overtime until the new post was filled (as highlighted above), due to the amount of admin that was being undertaken.
- 4.1.7 The BSM advised that, whilst the cost of overtime was reviewed as part of the budget monitoring, the overall amount being worked was not specifically reviewed. She advised that the need to work overtime would be reviewed each week, depending on the amount of bookings for the crematorium and any 'queues' that were building up and that, based on the nature of the work and the capacity of the cremators, it would not be possible to appoint another staff member to a substantive role to reduce the amount of overtime being worked in this area.
- 4.1.8 However, the retirement of a previous employee had enabled the amount of overtime to be reduced and a substantive post to be created in relation to weekend opening at the crematorium for viewings of the book of remembrance.

4.2 Finance

- 4.2.1 The Assistant Accountant for the service advised that he had no concerns over the budget management in relation to the relevant bereavement services codes and advised that the BSM regularly performs extracts from TOTAL and sends him spreadsheets with relevant comments on specific budget lines.

- 4.2.2 Significant budget variances as per TOTAL for the 2012/13 financial year were queried with the BSM who was able to provide satisfactory explanations for the material variances that had occurred.
- 4.2.3 A general review of relevant budget codes on TOTAL highlighted that orders are being placed for the majority of items purchased. Specific queries were raised with the BSM in relation to certain types of expenditure and appropriate answers were provided.
- 4.2.4 One specific area of expenditure was examined in detail. Payments to medical referees are based on the number of certificates they sign off each month. This information is extracted from the CAS system and is checked against diary entries. The form is then sent to Payments. Sample details from forms held at the Crematorium were checked to TOTAL and no issues were identified.
- 4.2.5 A review of petty cash claims on TOTAL highlighted that purchases are reasonable in terms of the value and the nature of the individual items. Petty cash held on site was also checked and was found to balance to the £100 imprest.
- 4.2.6 An issue was, however, identified regarding the security of the money held. Whilst the office is locked when it is not in use, the actual cash tin is not locked and is placed in an unlocked drawer which can be accessed by any staff member. The BSM advised that receipts will generally be passed to another staff member so that they can get the cash out of the tin for reimbursement.

Risk

Misappropriation of petty cash.

Recommendation

The security of petty cash monies should be improved, with the cash tin being locked and access being restricted to specific staff.

- 4.2.7 An extract was performed from TOTAL detailing all of the orders placed against the relevant ledger codes and the cost of all orders with the same suppliers was ascertained. Queries were then raised with the BSM to ascertain whether contracts were in place or whether any relevant quotations had been received or price benchmarking had been undertaken.
- 4.2.8 One formal contract was found to be in place and this had been let following a formal process. Other quotations were found to have been received in relation to the capital project.
- 4.2.9 However, a number of companies had received payments in the £5,000 to £20,000 bracket and, under the Code of Financial Practice, quotations should have been received. Whilst specific reasons were given as to why this had generally not been undertaken (e.g. the use of specific designs for memorials), the need to obtain value for money needs to be taken into consideration.

Risk

Value for money is not achieved.

Recommendation

The Code of Financial Practice is followed and quotations are received as necessary.

- 4.2.10 Fees for the service were presented to and approved by Executive as part of the main fees and charges report, subject to a follow up report which was presented to Executive in December 2012.
- 4.2.11 The relevant council web pages covering the available services include links to copies of the fee documents, although two minor errors were noted:
- Fees for researching genealogical information are misstated on the main web pages.
 - The linked fees document shows two different prices for genealogical research, but an error is present in that it states that both fees include email confirmation of details, whereas one of the fees includes the confirmation of details being sent by post.

Risk

Customers are misled regarding the fees that they will be charged.

Recommendation

The fee errors identified on the web pages and the linked documents should be rectified.

- 4.2.12 Invoices are generated from the CAS system at the end of each month in relation to the services provided at the crematorium and the cemeteries. Date ranges will be selected and the system will automatically generate an invoice for each funeral director, based on the details entered onto the system, with all relevant services that have been undertaken during the selected time period being picked up and detailed on a supporting sheet.
- 4.2.13 A formal invoice will then be raised on TOTAL in relation to each CAS invoice. A sample of services provided were selected from the CAS invoices held on site and testing was undertaken to ensure that the correct fees had been charged and the invoices had been accurately raised on a timely basis. Of the twenty services examined, three were found to have been charged at incorrect rates, with two being charged at the previous year's prices and one being charged at the non-resident rate despite having been a resident of the district.

Risk

Additional administration work is required to rectify errors.

Recommendation

Care should be taken to ensure that the correct fees are charged for all services provided.

- 4.2.14 The BSM advised that, whilst the majority of payments are made via post to the DMC, some payments are taken locally at the Crematorium. A receipt will be issued for each payment received, with the receipt books being controlled stationery. The details from each receipt are recorded in a manual cash

ledger (although the BSM advised that they will possibly move this onto a spreadsheet soon).

- 4.2.15 Prior to banking, any cash received is held in the records safe. When the monies are due to be banked, the totals for each ledger column will be calculated and a paying in slip will be completed, detailing the amounts for each ledger code. The monies will then be taken to DMC for paying in and a PARIS receipt will be provided. Testing was undertaken on a sample of receipts which confirmed that all amounts had been paid in to the correct ledger codes.

4.3 Security & Risk Assessment

- 4.3.1 The BSM advised that no conscious site security reviews are performed, although Health & Safety reviews are performed and the departmental management team undertake service risk assessments (see below). She advised that the two main pieces of (portable) equipment (the petrol lawnmower and leaf blower), are locked in a garage when not in use. She also advised that no inventory is in place at present.

Risk

Inadequate records maintained to track equipment in case of loss, damage or theft.

Recommendation

An inventory should be drawn up and maintained.

- 4.3.2 An issue had arisen in the past with regards to the security of cremated remains. A review of the current processes was undertaken and this confirmed that the processes were secure and actions suggested by Secretary of the Federation of Burial and Cremation Authorities, following the previous incident, were found to have been undertaken.
- 4.3.3 A risk register was presented to the Finance & Audit Scrutiny Committee in July 2012 for the whole of Environmental Services. The committee were concerned about the generic nature of the register.
- 4.3.4 However, the BSM advised that, rather than making specific entries relating to all of the services provided by Environmental Services, generic entries were used.
- 4.3.5 Specific examples quoted including the generic risk of 'compliance with legal duty' which would cover the Bereavement Services risk of 'failure to meet emission compliance standards' as had been detailed in the previous MOSS risk register. Similarly, the generic risk of 'changes to economic climate' covers the risk of competition from other local authorities building crematoria, as had been covered in the draft strategy that had been drawn up in 2010 (see 2.4 above).

4.4 Records Maintenance

- 4.4.1 The BSM advised that all electronic records are maintained on the CAS system, based on information provided on relevant forms and obtained during the relevant processes.

- 4.4.2 Cremation details have to be input prior to the cremation taking place with burial details being updated both before and after the service. The Crematorium Officer advised that the burial forms are due to change and that both forms are (now) fairly user friendly in terms of the 'flow' of information.
- 4.4.3 The physical burial ledgers are updated on roughly a weekly basis, with the details from the forms and deeds being input manually. The BSM advised that physical copies of burial registers are held at the crematorium in fireproof safes. The documents are also scanned so that digital copies are available.
- 4.4.4 The BSM advised that the registers are statutory documents and, in theory, access could be granted to members of the public. However, Bereavement Services staff generally search for the information requested as they know how best to use them.
- 4.4.5 The BSM also advised that the main server for CAS is at the Crematorium and is backed up both on site and at Riverside House. The miniature hard drive containing the scanned copies of the registers is held at Kenilworth Cemetery and this is also backed up at Riverside House.
- 4.4.6 She highlighted that the back-ups are run from Riverside House, with the only input from staff at the Crematorium being the changing of the tapes which are automatically ejected from Riverside House.

5. Summary & Conclusion

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place for the management of Bereavement Services are appropriate and are working effectively.
- 5.2 Minor issues were identified relating to the security of petty cash, the receiving of quotations for relevant purchases, the display of some incorrect information on the internet, the occasional use of incorrect fees on invoices, and the lack of an inventory.

6. Management Action

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

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Audit and Risk Manager