

Professional, Approachable, Independent

Internal Audit Report




COYCHURCH CREMATORIUM 2024/25

Final Report Issued	14th June 2024
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**REGIONAL INTERNAL AUDIT SERVICE /
GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL**



AUDIT OPINION	RECOMMENDATION SUMMARY	
	High Priority	0
	Medium Priority	0
	Low Priority	0
	Total	0
<p style="text-align: center;">SUBSTANTIAL ASSURANCE</p> <p style="text-align: center;">A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>		
<p style="text-align: center;">KEY STRENGTHS & AREAS FOR IMPROVEMENT</p>		
<p>During the audit a number of strengths and areas of good practice were identified as follows:</p> <ul style="list-style-type: none"> • The Crematorium Joint Committee convened 3 times and met quorate requirements as set out in the Joint Committee memorandum. • Joint Committee meeting minutes are made available to the public. The Council provided a treasurer report, Business Plan and 2023/24 fees were approved in March 2023. • The Crematorium uses the Council’s main bank account and ledger system as well as adopting the Council’s Financial Procedure Rules. • Crematorium staff are employed by the Council and are paid via the Council’s payroll system, as per the NJC payscales set out in the Council’s pay policy. • All Council staff paid through the crematorium cost centre during 2023/24 were in roles associated with the crematorium. <p>There were no significant issues identified during this review.</p>		

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1. INTRODUCTION & BACKGROUND

An audit of Coychurch Crematorium was undertaken to allow certification of the 2023/24 annual return.

This report sets out the findings of the audit and provides an opinion on the adequacy and effectiveness of internal control, governance and risk management arrangements in place. Where controls are not present or operating satisfactorily, recommendations have been made to allow Management to improve internal control, governance and risk management to ensure the achievement of objectives.

Coychurch Crematorium provides a cremation service and makes available many different types of memorials. Coychurch Crematorium is governed by the Joint Committee with a memorandum of agreement in place between Bridgend, Rhondda Cynon Taf and Vale of Glamorgan Councils.

2. OBJECTIVES & SCOPE OF THE AUDIT

The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Coychurch Crematorium.

Audit testing was undertaken in respect of financial year(s) 2023/24.

The internal control, governance and risk management arrangements have been evaluated against the following audit objectives:

- Governance – review monitoring arrangements for performance management, budgetary reviews, scrutiny.
- Income Management - monitoring of debts, recording of income and timely banking.
- Staffing - review new starters, leavers and employees are charged to the correct cost centre.
- Invoice and Order Management – review orders and invoices are authorised in line with delegated authorisation limits, are subject to segregation of duties, are recorded in a timely manner through the Council's accounting systems.

3. AUDIT APPROACH

Fieldwork took place to allow completion of the annual return.

A draft report will be prepared and provided to Management for review and comment with an opportunity given for discussion or clarification.

The final report will incorporate Management comments together with a Management Action Plan for the implementation of recommendations.

Governance & Audit Committee will be advised of the outcome of the audit and may receive

a copy of the Final Report.

Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has been reached.

Any audits concluded with a no assurance or limited assurance opinion will be subject to a follow up audit.

4. ACKNOWLEDGMENTS

A number of staff gave their time and co-operation during the course of this review. We would like to record our thanks to all of the individuals concerned.

The work undertaken in performing this audit has been conducted in conformance with the Public Sector Internal Audit Standards.

The findings and opinion contained within this report are based on sample testing undertaken. Absolute assurance regarding the internal control, governance and risk management arrangements cannot be provided given the limited time to undertake the audit. Responsibility for internal control, governance, risk management and the prevention and detection of fraud lies with Management and the organisation.

Any enquires regarding the disclosure or re-issue of this document to third parties should be sent to the Head of the Regional Internal Audit Service via awathan@valeofglamorgan.gov.uk.

FINDINGS & RECOMMENDATIONS

COYCHURCH CREMATORIUM

Control Objective:

Suitable governance and financial controls are in place to help enable Coychurch Crematorium to operate effectively.

Strengths:

- The Crematorium Joint Committee convened 3 times and met quorate requirements as set out in the Joint Committee memorandum.
- Joint Committee meeting minutes are made available to the public. The Council provided a treasurer report on 1st September 2023, and the Business Plan and fees were approved in March 2023.
- The Crematorium uses the Council's main bank account and ledger system and has adopted the Council's Financial Procedure Rules.
- There have been 459 invoice payments made by the Crematorium, the highest individual payment was approximately £328,000, as this figure lies above the Bereavement Services Manager's approved authorisation limit (£50,000), it was instead correctly approved by either the Head of Operations for Community Services or the Green Spaces and Bereavement Services Manager.
- The Auditor reviewed 10 payments were authorised accordingly and VAT is correctly accounted for and had Purchase Orders attached within NEC Document Management (previously EDRM).
- Although the Crematorium is self-funding and raises its own invoices, all income is registered through the Council's accounting system.
- Crematorium staff are employed by the Council, and are paid via the Council's payroll system, as per the NJC pay scales set out in the Council's pay policy.
- All Council staff paid through the crematorium cost centre during 2023/24 were in roles associated with the crematorium.

DEFINITIONS

AUDIT ASSURANCE CATEGORY CODE	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

RECOMMENDATION CATEGORISATION	
Risk may be viewed as the chance, or probability, one or more of the systems of governance, risk management or internal control being ineffective. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
High Priority	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
Medium Priority	Action that is considered necessary to avoid exposure to significant risks.
Low Priority	Action that is considered desirable and should result in enhanced control.