APPENDIX A

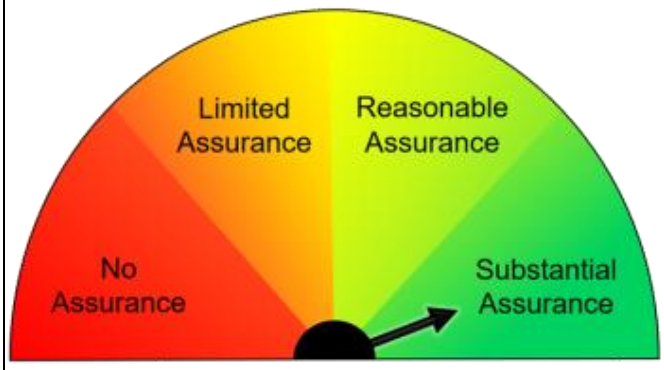
Professional, Approachable, Independent

Internal Audit Final Report

COYCHURCH CREMATORIUM

2026/27

Final Report Issued	**9th June 2026**
Report Authors	**Chris Evans – ICT Auditor** **Nathan Smith – Assistant Audit Manager** **Helen Harbord – Assistant Audit Manager**
Report Distribution	**Joanna Hamilton - Bereavement Services Manager and Registrar** **Kevin Mulcahy – Group Manager, Highways & Infrastructure** **(See page 3 for full distribution list)**

AUDIT OPINION	RECOMMENDATION SUMMARY	
	**High Priority**	0
	Medium Priority	0
	Low Priority	0
	Total	0

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.

KEY STRENGTHS & AREAS FOR IMPROVEMENT

During the audit a number of strengths and areas of good practice were identified as follows:

- A cost code for Coychurch Crematorium is in place and has been consistently applied throughout the year, as confirmed through testing and demonstrates effective financial tracking and control.
- The Crematorium is appropriately recorded on the Council's Asset Register, providing assurance that the asset is formally recognised and managed within corporate records.
- Approved fees and charges are formally documented and minuted through Joint Committee meetings, aligned with the Council's policy and CPI adjustments. Published fees are consistent with those available online, demonstrating transparency and effective governance.
- The establishment demonstrated good practice in maintaining oversight of device assets. The device allocation list reviewed was accurate and up to date
- Good practice was observed in relation to password security. On-site visits confirmed that no passwords were visible at workstations
- Information is securely stored on the approved network drive, as confirmed by the manager and supported by the auditor's on-site checks. No evidence of local or removable media storage was identified, reducing the risk of data loss or unauthorised access.

There were no significant issues identified during this review.

DISTRIBUTION LIST – FINAL REPORT	
Deputy Head of Finance	Deborah Exton
Head of Operations	Zachary Snell
Group Manager, Highways & Infrastructure	Kevin Mulcahy
Bereavement Services Manager & Registrar	Joanna Hamilton
Finance Manager – Financial Control and Closing	Samantha Coombs

1. INTRODUCTION & BACKGROUND

An audit of Coychurch Crematorium was undertaken in accordance with the Internal Audit Plan 2026/27.

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 offers a variety of memorial options. Coychurch Crematorium is governed by the Joint Committee under a Memorandum of Agreement between Bridgend, Rhondda Cynon Taf and Vale of Glamorgan Councils.

2. OBJECTIVES & SCOPE OF THE AUDIT

Audit testing was undertaken in respect of financial year(s) 2025/26.

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

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.

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

ICT Equipment & Local ICT Controls - Review whether key local ICT controls are in place and operating effectively, confirm that ICT equipment is appropriately recorded and safeguarded. Establish whether information is stored in approved corporate locations, and determine whether arrangements for the use of approved/council-managed devices are in place and applied in practice.

Accounting Records & Asset Stewardship - Confirm that appropriate cost centre/cost code arrangements are in place and review whether accounting activity supports completeness across the financial year. Examine the Council's asset register to determine whether relevant assets are appropriately recorded and assess supporting documentation to evaluate whether stewardship and accounting entries are adequately evidenced.

Financial Transaction Controls - Examine key financial transaction processes to evaluate whether appropriate controls are in place, review whether authorisation arrangements and limits operate effectively. Assess whether records support an adequate audit trail, determine whether VAT requirements are appropriately considered. Establish whether fees/charges are formally approved and applied consistently.

3. AUDIT APPROACH

Fieldwork takes place following the Terms of Reference being issued.

A draft report is prepared where medium and high priority recommendations are made. This is issued to Management following a closing meeting. The draft report will contain recommendations within the Management Action Plan and Managers are requested to complete the Management Action Plan within 10 working days.

The final report incorporates the completed Management Action Plan for the implementation of recommendations. Where no or low priority recommendations are made, the final report is issued without a draft stage.

Governance and 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 to ensure successful implementation.

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 Global Internal Audit Standards.

The findings and opinion contained within this report are based on sample testing undertaken. Absolute assurance regarding 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

ACCOUNTING RECORDS & ASSET STEWARDSHIP

Control Objective:
Accounting records are properly maintained, and assets/investment registers are complete, accurate and appropriately controlled.

Strengths:

- A cost code for Coychurch Crematorium is in place, and testing confirmed that it has been consistently used throughout the year, demonstrating effective financial tracking and control.
- The Crematorium is appropriately recorded on the Council's Asset Register, providing assurance that the asset is formally recognised and managed within corporate records.

FINANCIAL TRANSACTION CONTROLS

Control Objective:
Payments, income and payroll are properly authorised, supported, accurately recorded, with VAT/PAYE/NI treated appropriately.

Strengths:

- Payments tested were accurately recorded with supplier details, dates, and amounts aligning between the General Ledger and supporting invoices in EDRM, demonstrating effective financial controls.
- Authorisation limits were obtained and reviewed, with no breaches identified, demonstrating adherence to approved financial controls.

- VAT was correctly accounted for based on testing of sampled items, with consistency between receipts and the ledger and no errors identified.
- Approved fees and charges are formally documented and recorded through Joint Committee meetings, aligned with the Council's policy and CPI adjustments. Published fees are consistent with those available online, demonstrating transparency and effective governance.
- Staff charged to the Coychurch Crematorium cost centre are appropriately allocated, with all roles under the Bereavement Services Manager confirmed as relevant to Crematorium operations.

ICT EQUIPMENT & LOCAL ICT CONTROLS

Control Objective:
Suitable controls are in place to ensure ICT equipment and ICT-related processes at the establishment are appropriately managed in line with Council requirements.

Strengths:

- The establishment demonstrated good practice in maintaining oversight of device assets. The device allocation list was reviewed, and information was accurate and up to date.
- Good practice was observed in relation to password security. During the on-site visit, the auditor confirmed that no passwords were visible at workstations.
- Appropriate physical security controls are in place to prevent unauthorised public access to portable devices. Through on-site inspections, it was observed that devices are not freely accessible, with entry to the premises controlled via an electronic lock.
- Information is securely stored on the approved network drive, as confirmed by the manager and supported by the auditor's on-site checks.

5. 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.