

Mountsett Crematorium Joint Committee

17 June 2011

**Annual Internal Audit Report
2010 / 2011**

**Report of the Manager of Internal Audit
& Risk**



Don McLure, Corporate Director Resources

Purpose of the Report

1. The purpose of this report is to present for Members consideration the Mountsett Crematorium Joint Committee Annual Internal Audit Report for 2010 / 2011 (attached at Appendix 2).

Background

2. The Joint Committee has a responsibility for maintaining sound systems of internal control that support the achievement of its objectives and for reviewing their effectiveness.
3. The Joint Committee has in place a Service Level Agreement (agreed 4th February 2011) with Durham County Council's Internal Audit Service for the provision of Internal Audit services for the period 1st April 2010 to 31st March 2014.
4. This report fulfils the requirement of the CIPFA Code of Practice for Internal Audit in Local Government in the UK (2006) for the Head of Internal Audit to provide, "a written report to those charged with governance (the Joint Committee) timed to support the Statement of Internal Control", which is now incorporated as part of the Joint Committee's Annual Governance statement (AGS).
5. The Annual Internal Audit Report should therefore be considered in the context of fulfilling the requirement to provide an opinion on the overall adequacy and effectiveness of the Joint Committee's control environment during the year, and how this opinion has been derived. This is in compliance with professional guidelines and in accordance with the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations (Amendment) (England) 2006.
6. The opinion on the control environment and any significant issues arising will be reflected in the Joint Committee's Annual Government Statement (AGS) which will be published as part of the Joint Committee's Annual Statement of Accounts for 2010/11.

7. As part of our work programme for the year we carried out an annual review of the Crematorium during March 2011, in accordance with the terms of reference agreed with the Crematorium Superintendent and Registrar. There were only a number of minor issues arising from the 2010/11 audit and all recommendations made have been agreed by Management. The final report was issued on the 23rd May 2011 and is included in Appendix 2 (Annex 3).
8. All recommendations relating to the 2009/10 audit have now been fully implemented.
9. The Assurance level for the review has been classed as **Substantial**. This means that the control systems in place are working effectively but Internal Audit have identified some low risk, minor weaknesses which if addressed will further assist the Crematorium Superintendent and Registrar in meeting the Joint Committee's system objectives.

Recommendations

10. It is recommended that the Annual Internal Audit Report and the overall opinion provided on the adequacy and effectiveness of the Joint Committee's control environment for 2010/11 is noted.
11. It is also recommended that the Joint Committee approve the revised Internal Audit Charter, programme of work and level of fees for 2011/12 as set out in the annexes to the Annual Internal Audit Report.

Background Documents

SLA Report to the Joint Committee

CIPFA checklists

Internal Audit Charter, Internal Audit Report 2009/10 and 2010/11

Joint Committee Annual Audit letter

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Appendix 1: Implications

Finance

There are no direct financial implications arising for the Joint Committee as a result of this report, although we aim through our audit planning arrangements to review areas outlined in the Service Level Agreement in operation and ensure through our broad programme of work that the Joint Committee has made safe and efficient arrangements for the proper administration of its financial affairs.

Staffing

None

Risk

The Internal Audit programme of work has been devised using a risk based audit approach which is dependent on an assessment of known risks and the reliability of other assurance sources.

Equality and Diversity

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability Discrimination Act

None

Legal Implications

This report is in accordance with the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations (Amendment) (England) 2006, and fulfils the requirements of the CIPFA Code of Practice for Internal Audit in Local Government in the UK (2006)



**MOUNTSETT
CREMATORIUM JOINT
COMMITTEE
INTERNAL AUDIT
ANNUAL REPORT**

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Introduction

1. This report summarises work carried out by Internal Audit during 2010/11 and provides an independent opinion on the assurance on the effectiveness of the Joint Committee's control environment, risk management and corporate governance arrangements.
2. Our primary objective is the provision of reasonable, not absolute, evidence based assurance on the effectiveness of the whole of the Crematorium's risk management, control and governance environment to the Joint Committee in accordance with the Service Level Agreement.
3. All work carried out is in accordance with proper internal control practice for internal audit as described within the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom
4. This report fulfils the requirement of the CIPFA Code of Practice for the Head of Internal Audit to provide, "a written report to those charged with governance timed to support the Statement of Internal Control", which is now incorporated as part of the Joint Committee's Annual Governance statement.

Service Provided and Audit Methodology

5. Internal Audit is an independent, objective assurance and consultancy activity designed to add value and improve an organisation's operations.
6. The primary objective of Internal Audit is to provide an independent and objective opinion on the Joint Committee's control environment.
7. The Internal Audit Charter, agreed by the Joint Committee, establishes and defines the role, authority, scope of audit work, organisational independence, resource requirements, and reporting lines of Internal Audit. This was reviewed during the year to reflect changes in the audit process to a more risk based approach and is attached at Annex 1 for Joint Committee approval.
8. This report will describe the work carried out during the year as set out in Schedule 1 of the Service Level Agreement under the following headings:-
 - Management and Assurance
 - Advice
 - Risk Management
 - Corporate Governance
 - Counter Fraud
 - Value for Money reviews.

9. We will also compare the actual number of days spent on internal audit, risk management and Corporate Governance work during 2010/11 with that planned together with an explanation for any variance.
10. A proposed plan of internal audit work for 2011/12 is also included for consideration by the Joint Committee.

Audit Quality Assurance Framework

11. Terms of reference for each audit review are agreed with the Crematorium Superintendent and Registrar who is also given the opportunity to challenge the findings and content of draft reports prior to them being finalised.
12. The Crematorium Superintendent and Registrar will review the work of internal audit by completing and returning the Internal Audit satisfaction survey.
13. The Accounts and Audit (England) Regulation 2011 requires the Joint Committee to carry out an annual review of the effectiveness of Internal Audit. To ensure that this review is carried out independently of the service the Head of Finance, HR and Business Support has carried out this review. The outcome will be reported to the Joint Committee in a separate report.
14. Independent quality reviews are undertaken by audit managers as a matter of routine and periodically by the Head of Internal Audit to ensure consistent application of agreed processes and procedures and to ensure expected quality standards are maintained.
15. The external auditor, although no longer required to carry out a formal tri-annual review of the effectiveness of internal audit, carries out brief periodic reviews as part of the final accounts audit process.
16. The Durham County Council Internal Audit Service continues to be a member of the CIPFA Audit Benchmarking Club. 2009/10 was the first year comparative unitary data was available. The outcomes, reported to the Council's Audit Committee in October 2010, indicated that the cost of the service was well below average. Performance, in terms of chargeable days, was also below average. The latter was considered primarily due to the move to unitary status and the need to develop and embed consistent policies and procedures. The need to reduce controllable overheads has been recognised as an area for improvement and is being addressed. Comparative Data for the last 5 years is shown in the table below.

17. Comparative Data

	2005/06	2006/07	2007/08	2008/09	2009/10
DCC In house cost	£592k	£525k	£571k	£732k	1,330k
FTE auditors	14.2	13.1	13.5	13.8	30.6
DCC Cost per auditor	£41,829	£40,076	£42,296	£52,945	£43,464
Average	£49,823	£51,796	£53,250	£55,659	£46,830
Chargeable days per auditor	170	161	164	158	167
Average	167	168	166	173	171

Comparator Authorities are Bristol, Middlesbrough, North Yorkshire, Sunderland, Cumbria, Lancashire, Northumberland, Newcastle and Wiltshire.

Summary of Audit Work Carried Out

Management and Assurance Work

18. During the past year Internal audit have continued to provide an independent and impartial service in accordance with best professional practice as outlined by CIPFA's Code of Internal Audit Practice in Local Government in the UK 2006, and other professional bodies as considered relevant.

Internal Audit Charter

19. In accordance with the SLA an annual review of the Internal Audit Charter has been carried out, which sets out the terms of reference and audit strategy of how the Service is to be delivered. The amended Charter includes changes to reflect a more risk based approach to the audit process and is attached at Annex 1

Strategic Audit Plan

20. The strategic audit plan has been amended in an effort to focus scarce audit resources in the most cost effective way. Strategic risk registers inform but not drive the internal planning process and we will now audit those risks where controls have been identified as the means of managing the risk. Priority will be given to those risks which have a high gross score and a low net score, where the effective management of the risk is heavily dependent on the identified controls, and there is little or no other source of assurance.

Annual Audit Plan 2011/12 Preparatory Work

21. In respect of the annual audit plan for 2011/12 minimum assurance levels will be informed by the maturity of the Crematorium's risk management arrangements its risk appetite and the reliance that can be placed on other assurance sources. Operational risks relating to key service activities and key systems will be audited annually dependent on an audit assessment of known risks and the reliability of other assurance sources.
22. We will adopt a risk based approach to evaluate the effectiveness of controls designed to mitigate risks through substantive testing and/ or compliance testing. Compliance testing will confirm if a control actually exists and substantive testing will provide assurance that the control is effective and / or is consistently applied. The level of testing will be relative to the impact and likelihood of the risk occurring due to a control weakness.
23. We will work with the Crematorium Superintendent and Registrar to help embed effective risk management of operational risks by supporting them to carry out a control risk self assessment (CRSA) for each audit area subject to review in advance of each assurance audit.
24. We will agree the objectives and risks associated with each key system or service delivery area to be reviewed with the Crematorium Superintendent and Registrar prior to the start of any audit to ensure that the scope and objectives of each review are focused on providing assurance on the high or significant risks identified through the CRSA. Terms of reference will be issued to the Crematorium Superintendent and Registrar to formally agree the scope of each review, in respect of identified key risks, potential impact and expected key controls.
25. As the budget had already been set for the Joint Committee before entering into the Service Level Agreement in 2010/11 it was agreed with the Committee that the cost of audit, risk management and governance work for this year would be recharged in accordance with existing arrangements. From 2011/12 onwards all time will be charged at the daily rate of £250.00 that has already been agreed.
26. To increase accountability in the future; internal audit will also record actual time spent for each of the individual areas shown in the proposed plan of work and this will be compared with the expected plan as part of the Annual report.
27. For information the number of days work carried out in 2010/11 compared to the proposed plan is shown below:-

Area	2010/11 proposed	2010/11 actual	Reason for variance
Internal Audit	20	18	Contingency not required
Risk Management	1	1	
Corporate Governance	1	1	

28. In 2011/12 terms of reference will confirm the scope of each review and the audit approach to be applied. The latter may vary due to the nature of the risk upon which assurance is required and the extent of reliance on other assurance sources.
29. A summary of expected Audit coverage for 2011/12 is attached at Annex 2 for the Joint Committee's consideration.

Annual Review of the Crematorium.

30. Our work programme for the year was agreed by the Joint Committee on the 4th February 2011 and the SLA included an annual review of the Crematorium which was carried out during March 2011 in accordance with the terms of reference agreed with the Crematorium Superintendent. All recommendations have been agreed by Management and the final report was issued on the 23rd May 2011. See Annex 3
31. All recommendations relating to the 2009/10 audit have been fully implemented.
32. There were only a number of minor issues arising from the 2010/11 audit.
33. The Assurance level for the review has been classed as **Substantial**. This means that the control systems in place are working effectively but Internal Audit have identified some low risk, minor weaknesses which if addressed will further assist the Crematorium Superintendent and Registrar in meeting the joint Committee's system objectives.

Follow Ups

34. Follow ups in implementing agreed audit recommendations have been carried out in accordance with the Audit Charter.
35. The recent report to the Joint Committee in February 2011 on progress against outstanding Internal Audit and External Audit recommendations is a positive step forward and Internal Audit welcome this improvement in the monitoring process.

Advice

36. Help and advice for the Crematorium Superintendent and Registrar and his staff has been available/provided on an ad hoc basis during the year.

Risk Management

37. The Risk Register considered and approved by the Joint Committee in September 2010 has been reviewed, reassessed and updated in accordance with the Durham County Council methodology/approach to Risk Management in January 2011.
38. All risk actions have now been completed with the exception of one, Risk 8 "Slips trips and falls" one action remains outstanding. The action to carry out training in risk assessments for ladder duties had been arranged but the course was cancelled. The training is to be re-arranged and as a result the timescale for this action has been amended.
39. No new emerging risks were identified during the review.

Embedding Risk Management

40. In order to ensure that risk management continues to be embedded and that the risk register is kept up to date, regular reviews will need to continue to be carried out to ensure any new and emerging risks are identified, existing risks are removed if no longer appropriate and existing risks are reviewed taking into account current issues.

Corporate Governance

41. Internal Audit has undertaken work aimed to provide assurance on the effectiveness of key corporate governance policies and procedures, both in a compliance and an advice and consultancy role. The Joint Committee's corporate governance arrangements have also been reviewed using a pre determined check list incorporating the 6 principle areas considered for effective governance. See Annex 4.
42. Mountsett Crematorium Joint Committee has adopted and operates under the Code of Corporate Governance, policies and strategies including contract Procedure rules, Financial Procedure rules, financial regulations, developed agreed and adopted by Durham County Council, its lead authority. Separate declarations of interest have also been submitted.
43. The Governance framework comprises the systems, processes, culture and values by which the Mountsett Crematorium Joint Committee directs and controls its activities through which it accounts to, engages with and leads the community. It enables the Committee to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

44. I can conclude that from the work carried out the Mountsett Crematorium Joint Committee has appropriate Corporate Governance arrangements in place and that they are working effectively.

Counter Fraud

45. A number of counter fraud measures have been introduced by Durham County Council's Internal Audit service during the year to raise awareness. This has included the printing of leaflets for distribution at customer service points and other public places, specific targeted literature to Heads of Service and Line Managers, and updating of the Council's Intranet and web site.

Value for Money

46. There has been no formal value for money work carried out in 2010/11 on behalf of the Mountsett Crematorium Joint Committee

Key Areas for Opinion

47. The key areas of the control environment where assurance is required to inform our overall opinion are:
- Financial Management
 - Risk Management
 - Corporate Governance
48. Assurance has been provided on all aspects of the Crematorium's Financial Management arrangements during the year.
49. Independent assurance on the effectiveness of the Crematorium's risk management arrangements has been provided by Durham County Council's risk management service. The review concluded that overall risk management arrangements are robust and effective, work well and are of benefit to the managers that use it.
50. Internal audit have reviewed the overall risk management processes in place and found these to be working effectively.
51. A full description of the Governance framework currently in place is contained within the Committee's Annual Governance Statement appended to the 2010/11 Statement of Accounts. There were two significant governance issues reported for the year ending 31st March 2010.
- Recording of Income – Fully implemented. The Crematorium Superintendent now reconciles all income from the source recording document to the Interim FMS which in turn is reconciled by Financial Services to Durham County Council FMS. Any miscoding is highlighted and corrected via the robust Budgetary Control processes in place.

- Contaminated Bodies – Procedures. Fully implemented. In conjunction with the Central Durham Crematorium, the Superintendent & Registrar has been working with a consultant in Communicable Disease at the Health Protection Agency in Newcastle upon Tyne to provide a framework for any action necessary around contaminated body disposals. Initial processes have been put in place in that, upon notification of a contaminated body to be cremated, contact is to be made with the Health Protection Agency, whereby advice will be given on a case by case basis.

The following action has also been added to the operational risk register: “Such directions as may be given by the Health Protection Agency will be adhered to”. Procedures have been put in place to ensure that, in the event of the receipt or potential receipt of a contaminated body, staff are aware of the need to contact the Health Protection Agency to seek advice and to make appropriate records of and act on that advice.

52. The External Auditors Annual return for 2009/10 did not highlight any material weaknesses in internal control, minor issues relating to the review of the effectiveness of internal audit were identified. This was in addition to the two areas of weakness identified by internal audit as part of their annual review which are shown above.

53. A review of the recommendations made in order to strengthen internal control arrangements was presented to the Joint Committee in January 2011. For consistency purposes recommendations made by the Audit Commission for the Central Durham Crematorium were also considered. It was recommended that Members note the progress made with regards to addressing the External Audit recommendations arising from the Annual Governance report and Annual Audit letter for 2009/10

54. A further update is shown in the Table below.

Recommendation	Progress
Recording of income to improve the financial systems of the Joint Committee.	Fully implemented
Review the effectiveness of internal audit	Fully implemented
Adoption of Lead Authority Member Code of Conduct	Fully implemented
Declarations of Interest	Fully implemented
A written record prepared between Durham County Council and the Committee setting out the terms of the Treasury Management Arrangements	Fully implemented

55. There are no significant issues arising from the work carried out in 2010/11 that warrants inclusion in the 2010/11 Annual Governance Statement.
56. Independent assurance is also provided on the effectiveness of the Council's Corporate governance arrangements through a number of external sources/inspection bodies. A summary of these is provided in the following table:

Other Assurance Sources
External Audit's Annual Audit Letter and Annual Governance Report – no major issues identified. VFM opinion – there are adequate arrangements in place to secure value for money.
Independent testing of all cremators and equipment is carried out annually.
The Crematorium is licensed and is regulated by Durham County Council's Environmental Monitoring section. Regular progress reports are provided to the regulator regarding compliance with emissions.
The Crematorium Superintendent is a member of the Northern branch of the Institute of Cemeteries and Crematoria
Crematorium charges are regularly benchmarked against other Crematoria.
The Crematorium Superintendent must provide an annual statement to the Federation of Burial and Cremation Authorities that they have complied with the Federations Code of practice set out during the year.
The Ministry of Justice can inspect Crematorium premises at any time, although this is normally carried out by the Regulator on their behalf
IIP Standard retained

Audit Opinion Statement

57. The Joint Committee has responsibility for maintaining a sound system of internal control that supports the achieving of its objectives.
58. Internal Audit is required to provide an opinion on the Joint Committee's risk management, control and governance process.
59. In giving this opinion it should be noted that assurance can never be absolute and therefore only reasonable assurance can be provided that there are no major weaknesses in these processes.
60. In assessing the level of assurance to be given, we based our opinion on:
- The audit review of the Mountsett Crematorium undertaken during the year
 - Follow up action on audit recommendations
 - Any significant recommendations not accepted by management and the consequent risk

- The effects of any significant changes in the Crematorium's systems
- Matters arising from previous reports to the Joint Committee
- Any limitations which may have been placed on the scope of internal audit's annual review.
- The extent to which resource constraints may impinge on internal audit's ability to meet the full audit needs of the Joint Committee
- The outcomes of the audit quality assurance process
- Consideration of other sources of assurance
- We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Joint Committee's system of internal control. Based on the work undertaken, we are able to provide a Substantial overall assurance opinion on the adequacy and effectiveness of internal control operating across the operations of the Mountsett Crematorium in 2010/11. This means that overall the control systems in place are working effectively. Some low risk, minor weaknesses have been identified which if addressed will further assist the Crematorium Superintendent and Registrar in meeting the joint Committee's system objectives.

61. Where Internal Audit has identified areas for improvement, recommendations were made to minimise the level of risk, and action plans for their implementation were drawn up and agreed by management.



**MOUNTSETT
CREMATORIUM JOINT
COMMITTEE
INTERNAL AUDIT
CHARTER**

MAY 2011

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Introduction

- 1 This Charter forms part of Durham County Council's corporate Audit Strategy and is designed to establish the terms of reference for Durham County Council's Internal Audit Service and outline how that service will be delivered in relation to the Crematorium.

Statutory Basis

1. Durham County Council is responsible for maintaining an adequate and effective Internal Audit function under the Accounts and Audit Regulations 2006. The guidance accompanying this legislation states that proper internal control practices for Internal Audit are those contained within CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.
2. Our statutory responsibility and rights of access are included in Durham County Council's Financial Regulations, Financial Standards and Financial Procedure notes which are part of the Council's Constitution and which have been adopted by the Crematorium Committee.

Definition

3. The CIPFA Code of Practice for Internal Audit 2006 defines Internal Audit as:
4. "An assurance function that provides an independent and objective opinion to the organisation on risk management, control and governance **by evaluating their effectiveness in achieving the organisations objectives**. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources".

Strategic Aims

5. Our overall strategy is to support the Crematorium Committee in its strategic aims and objectives through the provision of a high quality internal audit service that gives the Committee reasonable assurance on the effectiveness of the Crematorium's internal control environment and acts as an agent for change by making recommendations for continual improvement. The Internal Audit Service aims to be flexible, pragmatic and to work in collaboration with the Committee to suit organisational needs. Through a risk based approach to audit planning, the Internal Audit Service will make a positive contribution to corporate governance arrangements and assist the Committee in developing a framework for achieving its objectives within acceptable levels of risk.

Objectives of Internal Audit

6. Our primary objective is the provision of reasonable, not absolute, evidence based assurance on the effectiveness of the whole of the Crematorium's risk management, control and governance environment to the Crematorium Committee.
7. The provision of our annual assurance opinion will be in compliance with professional guidelines and in accordance with the Accounts and Audit regulations 2003 as amended by the Accounts and Audit Regulations (Amendment) (England) 2006 and will be included in the Crematorium Committee's Annual Governance Statement which forms part of their published annual Statement of Accounts.
8. To determine the audit opinion the internal audit service will review, appraise and report upon:
 - The adequacy of risk identification, assessment and mitigation
 - The adequacy and application of controls to mitigate identified risk
 - The adequacy and extent of compliance with the Crematorium's corporate governance framework
 - The extent of compliance with relevant legislation
 - The extent to which the Crematorium's assets and interests are accounted for and safeguarded from loss of all kinds including fraud, waste, extravagance, inefficient administration and poor value for money.
 - The quality and integrity of financial and other management information utilised within the Crematorium's day to day operations.
9. When presenting the annual audit opinion the Head of Internal Audit will:
 - Disclose any qualification to that opinion, together with the reasons for that qualification
 - Present a summary of the audit work undertaken from which the opinion is derived, including reliance placed on the work of others
 - Draw attention to any issues considered particularly relevant to the preparation of the Annual Governance Statement
 - Compare the work actually undertaken to the work that was planned and summarise the performance of the internal audit service
 - Comment on compliance with the CIPFA Code of Practice for internal audit

10. Other objectives include:

- Supporting the Treasurer of the Crematorium in discharging his/her duties for ensuring the proper administration of the Crematorium Committee's financial affairs.
- Supporting the Committee to deliver good governance by helping to improve the Committee's risk management, control and governance processes by providing the Crematorium Committee with timely advice and guidance as required.
- Supporting the Crematorium Committee in fulfilling their governance responsibilities as detailed in the Committee's terms of reference set out in its Constitution.
- Supporting Officers and Members in identifying and understanding exposure to risk and providing advice on control design, techniques and strategies.
- Working with other assurance and review bodies to ascertain the extent to which reliance can be placed on the work of other auditors and inspectorates to maximise assurance and the effectiveness of audit resources available.
- Helping to promote a strong counter fraud culture through the adoption of Durham County Council's Counter fraud and Corruption Strategy and Anti-Money Laundering policy.
- Providing quality services through the highest standards of professional practice, quality assurance systems and investment in staff.

Outcomes of Internal Audit

11. Our main outcome is the provision of independent assurance to the Mountsett Crematorium Joint Committee on the effectiveness or otherwise of its risk management, control and governance arrangements and in so doing we contribute to:

- Improved identification and management of risks contributing to improved performance management and the successful achievement of the Mountsett Crematorium Joint Committee's vision and priorities.
- Improved corporate governance through helping to support compliance with relevant legislation, policies, plans and procedures.
- Improved accountability, and the safeguarding of Mountsett Crematorium Joint Committee's assets and interests.
- Improved quality and reliability of financial and other management information used to support informed decisions

Independence of Internal Audit

12. To be effective Internal Audit must operate independently and have unrestricted access to all records deemed necessary in the course of our work.
13. As the Mountsett Crematorium Joint Committee has adopted Durham County Council's Financial Regulations, Financial Management Standards and Financial Procedure Rules this allows Internal Audit a right of access to all information relevant to the Crematorium's functions and services which is necessary to meet our responsibilities. Specifically this includes a right to:
- Access all assets, property, staff, records, documents, information (including computer files) correspondence and control systems.
 - Receive any information and explanation considered necessary concerning any matter under consideration for the effective performance of the audit subject to legal constraints. Although prior notice of requests for access will be given in most instances, there may be occasions when this is not possible or appropriate and the absence of prior notice does not invalidate or limit the right of access.
 - Require any employee of the Committee to account for cash, stores or any other Committee asset under his/her control. (This includes Crematorium information held by or managed by third parties on the Committee's behalf.)
 - Direct access to the Mountsett Crematorium Joint Committee.
14. The Head of Internal Audit can report directly to those charged with governance, officers or Members, at any level.
15. Our independence is achieved by reporting in our own name, ensuring that all Internal Auditors are free from any conflicts of interest and being free from direct management responsibility for the development, implementation or operations of systems.

Scope of Audit Work

16. Our role applies to all functions and services for which the Committee is responsible.
17. In addition to the regular review of all key systems of internal control which forms the bulk of our assurance work, we will:

- Respond to requests for support, advice and guidance on implementing and/or improving best practice control procedures for current and new systems.
 - Promote the development and effective implementation of Control Risk Self Assessments
 - Provide support, advice and guidance on risk and controls to staff involved in the design and implementation of new systems and processes.
 - Provide assistance on key projects, including attendance on project boards, and conduct specialist consultancy and value for money reviews. The scope of this work will be agreed with the Committee and is subject to having the necessary resources, skills and ensuring suitable assurance over our independence and objectivity.
 - Be alert in all our work to risks and exposure that could allow fraud or corruption to occur and to any indications that a fraudulent or corrupt practice may have been occurring.
 - Determine the most appropriate course of action by which fraud and irregularities should be investigated.
 - Review the effectiveness of the Committee's, corporate governance and risk management arrangements.
18. It must be noted that whilst Internal Audit will promote Durham County Council's counter fraud policy (which has been adopted by the Committee) to deter and prevent fraud, for example participating in the National Fraud Initiative, it does not have responsibility for the prevention and detection of fraud and corruption. We cannot guarantee that fraud or corruption will be detected in our work. Managing the risk of fraud and corruption is the responsibility of managers.

Strategic Audit Planning

19. The level of Internal Audit resources required to examine all of the Crematorium's activities will be agreed on an annual basis but must ensure that sufficient work is undertaken each year to draw reasonable conclusion and assurance on the effectiveness of the Crematorium's risk management, control and governance arrangements.
20. Our strategic planning process aims to provide a reasonable level of independent review of the Crematorium's risk management, control and governance systems in a way which affords suitable priority to the Committee's objectives and risks.

21. The starting point for our strategic planning is understanding the Committee's strategic aims and objectives, its corporate governance arrangements and the assurance framework in place by which those charged with governance gain confidence that any risks which may impact on the achievement of those aims and objectives are effectively identified, assessed and managed.

22. In consultation with the Crematorium Superintendent we will:

- Consider the Crematorium's risk across two categories:
 - a. **Strategic Risks** - these are the high level risks that may arise both internally and externally from the Council and should be included in Corporate and Service Strategic Risk Registers
 - b. **Operational Risks** - these are the risks that arise directly from the core activities of delivering services that may not always be documented
- Identify key service delivery activities, and their objectives in supporting the delivery of the Committee's strategic aims and objectives, on which independent assurance is required.
- Review the assurance arrangements in place to clearly map out an integrated assurance framework of all known sources of assurance, independent or otherwise, and identify any gaps and duplication
- Assess the reliability of other assurance sources
- Regularly risk assess each key service activity, and key systems that supports the delivery of service objectives, to determine our priorities for reviewing operational risks.

23. Strategic risk registers will inform but not drive the internal planning process and we will audit those risks where controls have been identified as the means of managing the risk. Priority will be given to those risks which have a high gross score and a low net score, where the effective management of the risk is heavily dependent on the identified controls, and there is little or no other source of assurance.

24. Assurance on the strategic risk of fraud and corruption will be provided each year with some specific targeted fraud prevention and detection reviews as part of a risk assessed counter fraud programme of work.

25. Operational risks relating to key service activities and key systems will be audited annually dependent on an audit assessment of known risks and the reliability of other assurance sources.

Annual Audit Plans

26. The Crematorium's systems and processes both financial and non financial (including such sub systems and support services that the Crematorium relies upon on a day to day basis) will be reviewed annually to provide a reasonable level of assurance on both strategic and operational risks and to enable an annual opinion on the entire control environment to be given. In areas which are cross cutting (such as salaries and wages, creditors and debtors) assurance can be two fold overall assurance on these main financial systems can be provided by the actual audit review work carried out directly, however, where full assurance cannot be obtained this will be supplemented by testing specific transactions relating to those areas which directly impact on the Crematorium's operations.
27. The preparation of the annual plan will also consider any strategic objectives of the service in relation to delivering any commitments under Service Level Agreements or undertaking certain reviews at particular frequencies to fulfil statutory requirements. Agreement to annual audit plans will be submitted for approval by the Committee before the start of each audit year.
28. In addition to our risk based assurance reviews, our annual audit plans will also include provision for our advice and consultancy role. This provision covers time set aside for reactive and proactive work and value added work and includes:
- Proactive, responsive and innovative solutions to problems and opportunities to help the Committee achieve its business objectives.
 - Timely response to ad hoc requests for advice on the identification, assessment and mitigation of risks through effective controls.
 - Timely response to ad hoc requests for advice on the impact of proposed policy initiatives, programmes and projects as well as responses to emerging risks
 - Planned involvement in new initiatives or working groups established to help identify and access risk and design suitable controls.
 - Undertaking VFM reviews in accordance with the Committee's VFM strategy.
 - Investigation of irregularities and suspected fraud and corruption
29. The level of audit resources required to deliver, at the very least, both a minimum level of independent assurance and adequate provision for advice

and consultancy will be considered by the Head of Internal Audit. Minimum assurance levels will be informed by the maturity of the Crematorium's risk management arrangements and its risk appetite and the reliance that can be placed on other assurance sources. Any concerns the Head of Internal has over the quantity and quality of skills available to deliver the required level of assurance, or to add value through its advice and consultancy work, will be referred to the Treasurer, and the Mountsett Crematorium Joint Committee for consideration.

30. The terms of reference for the annual review of the Crematorium will be agreed with the Crematorium Superintendent.

Audit Approach

31. We will adopt a risk based approach to all our assurance work as outlined below:

Strategic Risk

Our reviews of strategic risks will provide assurance that:

- Risk management processes, defined by the Committee's risk management strategy and policy, are in place and are operating as intended.
- Managers are responding to risks adequately and effectively so that those risks are reduced to an acceptable level.
- The processes and controls that managers have in place are successful in managing those risks

Operational Risk

32. Our reviews of key service delivery activities and key systems will provide assurance on the effectiveness of

- Compliance with corporate governance arrangements
- Risk identification, assessment and business continuity
- The control environment to manage identified risks and to ensure that the Committee's assets and interests are accounted for and safeguarded from loss of all kinds including fraud, waste, extravagance, inefficient administration and poor value for money, including.

- Information governance (quality and integrity of financial and other management information and how it is used and communicated)
33. We will adopt a risk based approach to evaluate the effectiveness of controls designed to mitigate risks through substantive testing and/ or compliance testing. Compliance testing will confirm if a control actually exists and substantive testing will provide assurance that the control is effective and / or is consistently applied. The level of testing will be relative to the impact and likelihood of the risk occurring due to a control weakness.
34. We will work with service managers to help embed effective risk management of operational risks by supporting them to carry out a control risk self assessment (CRSA) for each audit area subject to review in advance of each assurance audit.
35. We will agree the objectives and risks associated with each key system or service delivery area to be reviewed with the relevant service manager/key contact prior to the start of any audit to ensure that the scope and objectives of each review are focused on providing assurance on the high or significant risks identified through the CRSA. Terms of reference will be issued to key contacts to formally agree the scope of each review, identified keys risks, potential impact and expected key controls.
36. The key contact is the person who is authorised by the head of service to agree resultant draft reports and the implementation of any proposed audit recommendations.
37. Terms of reference will confirm the scope of each review and the audit approach to be applied. The latter may vary due to the nature of the risk upon which assurance is required and the extent of reliance on other assurances sources.

Audit Reporting

38. All audit assignments will be the subject of formal reports and all assurance reviews will include an audit opinion.
39. Our reporting structure is designed to ensure that final versions of reports are agreed with managers and are both accurate and practical.
40. Towards the end of an audit we will arrange an exit meeting with the key contact where we will share and discuss our initial findings. If this is not practical, we will issue an informal draft report to the key contact which will set out our initial findings.

41. The purpose of the exit meeting/informal draft stage is to give feedback and to eliminate any inaccuracies in our findings so that these can be resolved before a formal draft report is issued.
42. Draft reports will ask the key contact to provide a management response to the recommendations made and agree target implementation dates and responsible officer.
43. To assist managers in their response we categorise our recommendations as follows:

High	Action that is considered imperative to ensure that the control system is not exposed to high risk from weaknesses in critical or key controls
Medium	Action required to ensure that the control system is not exposed to significant risk
Low	Action that is considered desirable to address minor weaknesses in control that should result in enhanced control or better value for money

44. It is the responsibility of managers to accept and implement internal audit findings and recommendations, or accept the risk resulting from not taking action.
45. We will also provide an overall assurance opinion on each audit review to help us inform our overall opinion required to support the Committee's Annual Governance Statement. We categorise our opinions as:

Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives
Substantial Assurance	Whilst there is a sound system of control, there are some minor weaknesses, which may put some of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some significant / serious weaknesses, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key areas in the system of control, which put the system objectives at high risk.
No Assurance	Control is generally weak as controls in numerous key areas are ineffective leaving the system open to high risk of error or abuse

46. The determination of our audit assurance opinion is derived from the overall level of assurance, positive as well as negative, of the effectiveness of controls operating in each specific area reviewed and is informed by risk identified through our recommendation rankings e.g. any area reviewed where a high risk ranking recommendation is made will lead to an audit assurance opinion of no more than Moderate. Where a Limited assurance opinion is given controls are considered to be ineffective overall and require improvement to maintain an acceptable level of control.
47. Managers responses to recommendations made in draft reports will be incorporated and reissued as finals. Copies of all final reports are shared with our External Auditors on request.
48. Wherever possible the circulation of audit reports will be agreed at the outset and will have due regard to confidentiality and legal requirements.
49. Any information gained in the course of audit work remains confidential without limiting or preventing internal audit from meeting its reporting responsibilities.
50. It is the responsibility of the Crematorium Superintendent to assist in the progressing of draft reports to final report stage; any significant delay will be reported to the Head of Finance, HR and Business Support.
51. To ensure that adequate progress is made by the Crematorium Superintendent we request that a response to draft reports is provided within 20 working days. If a response has not been received within this timescale the following escalation process will be invoked.
 - A reminder will be sent to the Crematorium Superintendent, and copied to the Head of Finance, HR and Business Support requesting a response within the next 10 days.
 - If a response is still not forthcoming, a second reminder will be issued to the Head of Finance, HR and Business Support advising that if a response is not received within the next 5 days the matter will be reported to the relevant Corporate Director.
52. We will also follow up progress made by the Crematorium Superintendent on the implementation of all high and medium recommendations. In addition listings of all recommendations outstanding at the end of each month will be produced and issued to the Head of Finance, HR and Business Support.
53. We will report annually to the Mountsett Crematorium Joint Committee on progress made on delivering the agreed Service Level Agreement, overdue responses to draft reports, and progress made by the Crematorium Superintendent in implementing audit recommendations. We will also:-
 - a) Compare actual activity with planned work.

- b) Provide an overall opinion on the control environment
- c) A summary of work undertaken to formulate the annual opinion on the entire control environment, including reliance placed on work by other assurance bodies.
- d) Draw attention to any issues considered particularly relevant to the preparation of the Annual Governance Statement.

Responsibilities of Managers

- 54. Internal Audit is involved in a wide range of internal and external relationships. The quality of these relationships impacts on the effective delivery of the service, its reputation and independence.
- 55. We strive to build effective working relationships with all our stakeholders, internal and external, by encouraging an environment of mutual trust, confidence and understanding.
- 56. A key relationship is with managers. Managers at all levels need complete confidence in the integrity, independence and capability of internal audit.
- 57. Managers' role is to manage the risks facing their service and to maintain an adequate and effective system of internal control to mitigate these risks. Managers are also responsible for ensuring that staff are aware of the processes and procedures required to operate the control systems in place.
- 58. We encourage managers to maximise the effectiveness of the outcome of internal audit work by:
 - Commenting on, and inputting to, strategic and annual audit plans.
 - Carrying out control risk self assessments (CRSA) prior to each audit
 - Agreeing terms of reference for each audit assignment to ensure attention is focused on areas of greatest risk or concern.
 - Giving information and explanations that are sought during audit reviews.
 - Providing access at all reasonable times to premises, personnel, documents and assets as necessary.
 - Giving early notification of plans for change, including potential new initiatives, operational systems and processes.
 - Ensuring key contacts provide responses to draft audit reports within the required timescales.

- Ensuring agreed actions arising from audit recommendations are carried out efficiently and on a timely basis
- Notify internal audit of any suspected fraud, irregularity, improper use or misappropriation of the Committee's property or resources.
- Pending investigations and reporting, take all responsible steps to prevent further loss and to secure records and documents against removal or alteration.
- Acting in line with the Committee's disciplinary procedures.

Audit Resources, Skills and Service Quality

59. In order for Internal Audit to demonstrate high standards of professional conduct, the Internal Auditor must be impartial in discharging all responsibilities. Bias, prejudice or undue influence must not be allowed to limit or override objectivity.
60. The service operates in accordance with standards of best professional practice applicable to internal audit as identified through the Institute of Internal Auditors (IIA) and International Auditing Standards, but with particular reference to the CIPFA Code of Practice for Internal Audit in Local Government, as CIPFA is recognised as the key professional body for providing advice and guidance to Internal Audit in the public sector. This Code is identified as representing 'proper practices in relation to internal audit' and governs the way in which we operate. Policies and standard working practices have been put in place to ensure audit staff understand and comply with the Code and best professional practice.
61. In addition, the Council recognises and formally adopts the CIPFA Statement of Professional Practice on Ethics, as appropriate standards by which the conduct of the Internal Audit Service can be measured.
62. The service is provided by Durham County Council's in house internal audit team. The staffing structure will, as far as possible, be comprised of a suitable mix of qualifications, experience and skills.
63. The Head of Internal Audit ensures internal audit resources are sufficient to meet its responsibilities and achieve its objectives. Resource requirements are reviewed annually in relation to draft annual audit plans. Resources will be considered in terms of available days and the skills and experience of audit staff.
64. Individual training needs are identified in accordance with the Council's Performance Appraisal Scheme. As well as basic training in audit techniques and the development of specialist skills, the service is committed to coaching

and mentoring its staff and to providing opportunities for continuous professional development (CPD).

65. Internal review of work standards is undertaken through a system of management review of working papers and reports prior to release.

66. Internal Audit maintains its awareness of national and local issues through membership and subscription to professional bodies such as CIPFA's Technical Information Service, "TIS online", the Finance Advisory Network (FAN) and the Institute of Internal Auditors as well as liaison with external audit and networking with other internal audit services.

67. A number of performance indicators and targets have been developed to measure and monitor the performance and effectiveness of the service.

68. The service is a member of the CIPFA IPF Audit Benchmarking Club.

69. Performance progress reports are submitted on a quarterly basis to the Audit Committee.

70. An annual review of the effectiveness of the system of internal audit is undertaken to fulfil the requirements of the Accounts and Audit Regulations 2006. The 'system of internal audit' is defined as,

"The framework of assurance available to satisfy a local authority that the risks to its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation."

71. This annual review includes an independent assessment of the effectiveness of the internal audit service against the CIPFA Code. This is reviewed by the Treasurer to the Committee and is reported to the Crematorium Sub Committee for consideration.

72. External review of the quality of the service is undertaken by external audit.

Approval and Review

73. The Head of Internal Audit will annually review this Charter to ensure that it is kept up to date and fit for purpose. The Charter is endorsed by the Corporate Management Team and approved by the Mountsett Crematorium Joint Committee. Any amendments will be reported to the Mountsett Crematorium Joint Committee for approval. A copy of the Charter will be made available on the Council's intranet and website.

Key Contact

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Other Related Documents

Other related documents that should be read in conjunction with this Charter are:-

Durham County Council's

Code of Corporate Governance

Risk Management Strategy

Constitution – Financial Procedure Rules

Constitution – Codes of Conduct

Counter Fraud and Corruption Strategy

Confidential Reporting Code (Whistle Blowing Policy)

Fraud Response Plan

Mountsett Crematorium's

Constitution

Committee Terms of Reference

Summary of expected audit coverage for 20011/12

AREA	Proposed days	
	2010/11	2011/12
Management and Assurance		
Preparation of Internal Audit Plan (including risk assessment of audit needs, planning for reviews)	3	1
Production of Annual report and opinion	2	3
Attendance at ad hoc meetings	1	1
Liaison with staff and follow up of recommendations	1	1
Fundamental Accounting Systems		
Audit testing in relation to sub systems including Payroll, Personnel, Expenditure/Purchasing, Accounts Payable, Accounts receivable	2	3
Crematorium Review		
Establishment audit to include Petty cash, Budgetary control, financial reporting, income, debt collection, bank reconciliation, Asset management, stock control, risk management and governance arrangements	7	7
Advice and assistance	2	1
Redevelopment of Crematorium	0	0
Contingency	2	2
Total	20	19
Optional Additional Services		
Risk Management support	1	1
Corporate Governance support	1	1
Total for all Services	22	21



INTERNAL AUDIT REPORT

Mountsett Crematorium

Assurance level:	Substantial
Report status:	Final
Date:	23rd May 11
Prepared by:	Sarah Bell (Auditor)
Reviewed by:	Peter Jackson (Audit Manager)
Issued to:	Terry Collins (Director of Neighbourhood Services) Ian Staplin (Superintendent and Registrar) Paul Darby (Head of Finance, HR and Business Support)
Copied to:	Ian Houtt (Street Scene Area Manager North) Avril Wallage (Manager of Internal Audit and Risk) Teresa Maddison (Risk Officer)



INTRODUCTION

1. In accordance with the County Council's annual Internal Audit Plan, we have carried out a review of Mountsett Crematorium. The review involved a visit to the Crematorium between 8th and 10th March 2011.
2. In carrying out the audit, the time and assistance afforded by Ian Staplin and his staff was greatly appreciated.

OBJECTIVES

3. The overall objective of our reviews is to provide a risk based assessment of the systems in place in order to form an opinion as to whether they are robust and provide an adequate basis for effective control. The detailed objectives for this audit, as specified in the terms of reference, were to ensure that;
 - Income charged agrees with set rates, is collected and banked promptly and is correctly allocated
 - Expenditure complies with Durham County Council regulations
 - Budgetary control procedures are in place
 - All national policies are adhered to and all policies/service plans required for the operation of the Crematorium have been compiled and are followed
 - All legal requirements have been adhered to, including the Cremation Regulations 2008
 - All equipment is serviced and maintained in accordance with manufacturer's guidelines
 - Set contingency plans are in place
 - All information is held securely and in line with data retention requirements
 - There are effective risk management and governance arrangements in place
 - Payroll arrangements are adequate

SCOPE

4. The review undertaken by Internal Audit forms part of the overall assurance process now required by the Chief Executive and the Leader for inclusion within the Annual Governance Statement which is included as part of the Authority's Statement of Accounts.
5. The report is intended to present to management the observations and conclusions of the audit. Wherever possible the observations and recommendations have been discussed with members of staff and their views taken into account.

EXECUTIVE SUMMARY

6. Overall, internal controls at the Crematorium are embedded and risks are managed effectively. All income could be identified and reconciled and there was a clear audit trail in place. All amounts due have been correctly receipted and securely held prior to banking. Bankings have been made regularly, promptly and generally intact. Budgetary control processes are in place and are working effectively. Policies, procedures and regulations are generally adhered to by the staff. Corporate Governance arrangements have been examined and are also considered to be adequate. There were some issues identified as a result of the audit which have been detailed below:

Income

7. It was identified that the cash receipting system entry for Book of Remembrance income had been set at an incorrect vat rate of 15%. (instead of 17.5%) This has been corrected on the 1st January 2011 when the vat rate was increased to 20%. This has resulted in the Book of Remembrance income being overstated by 2.5% from January 2010 to January 2011 and a vat adjustment is required to correct this error. This will inevitably have an adverse affect on the anticipated income for the Crematorium in respect of Book of Remembrance fees and charges.
8. During reconciliation of the Book of Remembrance income, it was identified that a cash refund had been given to a member of the public who had made a justified complaint regarding an erroneous book of remembrance entry. The error was made by the publishers. Crematorium staff are aware that refunds are normally made by cheque, however, due to the sensitive nature of the situation the refund was authorised by management and paid immediately.

Service Development Plan

9. Crematoria grounds are a finite resource and there is a risk that there will not be enough land available to continue to scatter ashes/inter urns. Significant improvements had been made during the last year in terms of the Grounds Maintenance service and investments made in the music system and on footpath and fencing works. In addition, the Crematorium Accounts are in a much stronger financial position with regards to funding major works, including cremator replacements, going forwards.
10. There may also be opportunities to develop parts of the Crematoria grounds for the display of memorial plaques etc with a view to increasing income for the Joint Committee and plans are in place to bring a feasibility study forward for members' consideration.
11. It was identified that it may be prudent for the Joint Committee to establish how they view the future plans of the service in continuing to meet the needs of residents through the development of a Service Asset Management Plan.

Other issues

- 10 Some additional minor issues were identified during the course of the audit, which have been communicated to Crematorium staff and which have been included in the action plan as low risk

OBSERVATIONS, RISKS AND RECOMMENDATIONS

- 11 Our observations together with the associated risks are detailed in the action plan accompanying this report. For each area where an observation is made, a recommendation and priority for action is attached.
- 12 We have categorised the importance of our recommendations as follows:
- High – Action that is considered imperative to ensure that the control system is not exposed to high risk from weaknesses in critical or key controls
 - Medium – Action required to ensure that the control system is not exposed to significant risk
 - Low – Action that is considered desirable to address minor weaknesses in control that should result in enhanced control or better value for money
- 13 Four low priority issues are shown in the report to indicate where overall control could be improved.

AUDIT ASSURANCE LEVEL

- 14 Based upon the number and potential impact of the observations made, we can provide Substantial assurance. This level of assurance is one of five possible levels which are shown in the table below.

Level of Assurance	Definition
Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives
Substantial Assurance	Whilst there is a sound system of control, there are some minor weaknesses, which may put some of the system objectives at risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some significant / serious weaknesses, which may put some of the system objectives at risk.
Limited Assurance	There are significant weaknesses in key areas in the system of control, which put the system objectives at high risk.
No Assurance	Control is generally weak as controls in numerous key areas are ineffective leaving the system open to high risk of error or abuse

Action Ref	Observation	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
1	Minor errors have been identified for the coding of VAT in respect of the Book of Remembrance as a result of cashiering system errors.	Potential voluntary disclosure to and penalty imposed by HMRC. Loss of income to Crematorium	Low	Adjustments should be made to ensure all Book of Remembrance income correctly accounts for VAT.	Cash Receipting system error (parameters set wrong). Impact relatively minor: Income 1.1.10-31.3.10 £4,050.78 – VAT incorrect £98.80 Income 1.4.10-31.3.10 £11,795.00 – VAT incorrect £287.63 Journal via VAT Adjustment code 099999 952852 System corrected immediately following the issue being highlighted by the Superintendent and Registrar whilst reconciling income Total impact £386.43 coded incorrectly to Income – Negligible to C&E and Crematorium	Principal Accountant Implemented
2	The audit testing carried out found that 20% of Cremation application forms selected had not been signed by the relevant Funeral Director.	Incomplete records	Low	Application for Cremation forms should be signed by the Funeral Director.	Forms signed by Funeral Directors are effectively their agreement that all service requirements have been carried out in a suitable manner. The Superintendent and Registrar has now ensured that procedures and processes include the mandatory signing of such forms	Superintendent and Registrar Immediate
3	Although Funeral Directors sign when ashes are collected the date of collection is not always recorded.	Incomplete records	Low	Dates of when ashes are collected must be recorded on the collection form as well as the signature of the person collecting the ashes.	Agreed that all forms will be signed and dated in the future	Superintendent and Registrar Immediate

INTERNAL AUDIT REPORT – Mountsett Crematorium

Action Ref	Observation	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
4	Whilst significant improvements had been implemented in the last year, there is no formal service asset management plan in place.	Opportunities for improvement identified	Low	Consideration should be given for the development of a Service Asset Management Plan to be compiled.	As recognised in the report, substantial improvements have been made through the opportunities afforded by the harmonisation of fees and charges in 2010/11. The Crematorium Committee has significantly more financial capacity to address investment requirements going forward and a number of works and feasibility studies are already underway to inform an asset Management Plan, which will be produced during the coming year.	Superintendent and Registrar End of 2011/12 Financial Year