

**23 April 2014**



**Annual Internal Audit Report  
2013/14**

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**Report of the Chief Internal Auditor and Corporate Fraud Manager**

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**Purpose of the Report**

1. The purpose of this report is to present the Annual Internal Audit Report for 2013/14. (Copy attached at Appendix 2).

**Background**

2. This report fulfils the requirements of Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.
3. The Annual Internal Audit Opinion makes conclusions on the overall adequacy and effectiveness of the Committees Framework of Governance, Risk Management and Control.
4. Based on the work undertaken, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a **Full** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2013/14. This opinion ranking provides assurance that there is a sound system of control in operation and there are no significant control weaknesses that warrant inclusion in the 2013/14 Annual Governance Statement.

**Recommendation**

5. Members note the content of the Annual Internal Audit Report and the overall 'Full' opinion provided on the adequacy and effectiveness of the Council's control environment for 2013/14.

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## **Appendix 1: Implications**

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### **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 core systems in operation and ensure through our work that the Joint Committee has made safe and efficient arrangements for the proper administration of its financial affairs.

### **Staffing**

None

### **Risk**

There are no direct risk implications arising for the Joint Committee as a result of this report, although we aim through our planning arrangements to review the adequacy and effectiveness of the risk management arrangements in place.

### **Equality and Diversity / Public Sector Equality Duty**

None

### **Accommodation**

None

### **Crime and disorder**

None

### **Human rights**

None

### **Consultation**

None

### **Procurement**

None

### **Disability issues**

None

### **Legal Implications**

Compliance with PSIAS



**CENTRAL DURHAM CREMATORIUM  
JOINT COMMITTEE**

**INTERNAL AUDIT  
ANNUAL REPORT  
2013/14**

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### **Appendix:**

Appendix 3 Internal Audit Report Central Durham Crematorium 2013/14

## **Introduction**

1. This report summarises the work carried out by Durham County Council Internal Audit and Risk Service during 2013/14, as part of the 4 year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2014.
2. The SLA was revised in year and an extension for the period April 2014 to June 2017 was agreed by the Joint Committee at its last meeting on 22 January 2014.
3. All Internal Audit work carried out in 2013/14 was in accordance with proper internal audit practices as described within the PSIAS that came into effect from 01 April 2013.
4. This report fulfils the requirements of Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its 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. Our primary objective is to provide an independent and objective annual opinion on the Joint Committee's control environment which is comprised of the systems of governance, risk management and internal control.
7. The Internal Audit Charter establishes and defines the role, the terms of reference and the scope of audit work, including the audit strategy, organisational independence and the reporting lines of Internal Audit. The Charter was revised during 2013/14 to reflect PSIAS which was approved by the Joint Committee on 22 January 2014.
8. In accordance with the Internal Audit Charter, a risk based audit approach has been applied to work undertaken in 2013/14.
9. To determine the audit opinion the internal audit service has considered the following:
  - 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 Council's corporate governance framework
  - The extent of compliance with relevant legislation
  - The extent to which the organisation'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 organisation

## Work carried out in 2013/14 to inform the annual audit opinion

10. The key areas of assurance of the control environment where assurance is required to inform our overall opinion are financial management, risk management and corporate governance.
11. Our assurance opinion for 2013/14 has been primarily determined through the annual review of processes and procedures in place on site at the Crematorium which evaluated the management of the following risks:
  - Non compliance with the Cremation Regulations 2008.
  - Non compliance with the Federation of British Cremation Authorities Code of Cremation Practice.
  - Ashes are disposed of incorrectly.
  - Equipment failure.
  - Health impact to the public.
  - Lack of experienced staff.
  - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.
  - Injury to staff.
  - Income is not accounted for/misappropriated.
  - Unauthorised payments are made.
  - Stock / Assets are not accounted for / misappropriated.
  - Damage / theft of equipment.
  - Employees are incorrectly paid.
12. This audit was carried out during February 2014 in accordance with terms of reference agreed with the Crematorium's Bereavement Services Manager. The review concluded that the internal control systems in place provided a **full** level of assurance that the above risks were being effectively managed. The full audit report is attached as Appendix 3.
13. Further assurance on the effectiveness of risk management arrangements can also be taken from the work carried out by the County's Corporate Risk Officers who have continued to monitor strategic and operational risk registers during the year, with their most recent review being reported for consideration by the Joint Committee on 25 September 2013.
14. Processes in place provide assurance that the Bereavement Services Manager and his staff have a very good understanding of risk and adequate measures have been put in place to either mitigate or tolerate identified risks and it is evident from audit work carried out that risk management processes are well embedded.

15. No specific work has been carried out this year in reviewing the effectiveness of the Joint Committee's key corporate governance arrangements by Internal Audit as this was not considered a high risk area. The majority of the Joint Committee's key corporate governance arrangements in place reflect those of Durham County Council which are subject to an annual effectiveness review to inform the County Council's Annual Governance Statement. This is subject to review and challenge by the County's Audit Committee.
16. It should, however, be noted that in evaluating the control framework in place relating to the risks identified at paragraph 10, the adequacy and effectiveness of relevant policies and procedures that contribute to the Joint Committee's corporate governance arrangements were considered in arriving at the Full Assurance Opinion.

### **Conformance with Public Sector Internal Audit Standards (PSIAS) and results of Quality Assurance and Improvement Programme**

17. The Committee at its meeting on 22 January 2014 received the evaluation carried out by the Chief Internal Auditor and Corporate Fraud Manager with regards to compliance with PSIAS and the subsequent Improvement Plan that was also agreed by the County Councils Audit Committee in June 2013.
18. The Chief Internal Auditor and Corporate Fraud Manager can therefore confirm that the Internal Audit Service conforms with PSIAS and will continually monitor the results of the Quarterly Assurance and Improvement Plan. A formal review will again be presented to the County Council's Audit Committee in June 2014.
19. The scope and terms of reference for this year's annual audit review were developed using a risk based approach agreed with the Bereavement Services Manager. This approach ensured that audit resources were applied to agreed high risk areas where there was little or no other assurance.
20. In accordance with the Internal Audit Charter audit working papers and all audit reports have been reviewed by an audit manager to ensure that expected quality standards are maintained and that all audit findings and conclusions were supported by appropriate testing and evidence.
21. The accuracy of audit findings were confirmed by the Bereavement Services Manager who was given the opportunity to challenge audit findings and the draft report prior to it being finalised.
22. A customer satisfaction survey is issued after every audit to provide feedback and help the service continually improve,

### **Audit Opinion Statement**

23. The Joint Committee has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives.

24. The Chief Internal Auditor and Corporate Fraud Manager is required to provide an opinion on the adequacy and effectiveness of the Joint Committee's risk management, control and governance processes.
25. 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.
- In assessing the level of assurance to be given, we based our opinion on:
    - The audit review of the Central Durham Crematorium undertaken during the year
    - Follow up action on audit recommendations
    - Matters arising from the work carried out by Internal Audit on the redevelopment of the Crematorium
    - 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 a number of other sources of assurance available
26. Based on the work undertaken, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a **Full** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Joint Committee in 2013/14. This opinion ranking is an improvement on the previous audit opinion of 2012/13 and provides assurance that there is a sound system of control with no material weaknesses. Consequently, there are no significant issues that warrant inclusion in the 2013/14 Annual Governance Statement.





## INTERNAL AUDIT REPORT

**Durham Crematorium**

Ref No 13580/2014

*Final Report*

<b>Assurance Opinion:</b>	<b>Full Assurance</b>
<b>Prepared by:</b>	<b>Debra Lewis, Senior Auditor</b>
<b>Reviewed by:</b>	<b>David Mitchell, Principal Auditor Stephen Carter, Audit Manager</b>
<b>Date issued:</b>	<b>25th March 2014</b>
<b>Distribution List</b>	
<b>For Action:</b>	<b>Graham Harrison, Bereavement Services Manager</b>
<b>For Information:</b>	<b>Ian Hault, Neighbourhood Protection Manager Paul Darby, Head of Finance – Financial Services Terry Collins, Corporate Director for Neighbourhood Services Oliver Sherratt, Head of Direct Services Paul Bradley, Chief Internal Auditor and Corporate Fraud Manager Teresa Morgan, Strategic Insurance &amp; Risk Officer Debra Kitching, Policy &amp; Performance Team Leader</b>

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# **INTERNAL AUDIT REPORT – Durham Crematorium**

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## **EXECUTIVE SUMMARY**

1. This report relates to the evaluation of the control framework in place to provide assurance on the management of the risks associated with the Durham Crematorium.
2. The objective of the review was to ensure that there are effective controls and procedures in place with regards to the running and operating of Durham Crematorium, and that practices are carried out in compliance with legislative requirements and the Code of Cremation Practice issued by the Federation of British Cremation Authorities.
3. Transactions were reviewed, from 1st January 2013 to 31st December 2013.
4. The review confirmed that there are effective arrangements in place for the management of the risks associated with the Durham Crematorium, and no recommendations were made as part of this audit review.
5. In conclusion, the audit work carried out can provide a Full level of assurance that the control framework in place is effective in managing risks.

## **BACKGROUND**

6. This review has been carried out in accordance with the Terms of Reference attached at Appendix A.
7. This review aims to help management achieve its objectives by providing an opinion on the adequacy of the control framework in place to manage risks effectively. The conclusions from the review will inform the annual audit opinion provided by the Chief internal Auditor on the adequacy and effectiveness of the entire control environment operating across the whole of the Authority, required to inform the Annual Governance Statement.
8. The report is intended to present to management the findings and conclusions of the audit. Wherever possible findings and recommendations made to improve the control framework have been discussed with the appropriate officers and their views taken into account.
9. In carrying out the audit, the time and assistance afforded by the staff at Durham Crematorium was greatly appreciated.

## **SCOPE AND AUDIT APPROACH**

10. The scope and audit approach for this review were agreed as part of the preparation stage of the audit and reflected in the agreed terms of reference. The scope was informed by a Control Risk Assessment (CRA) determined in consultation with appropriate officers.

## **FINDINGS AND RECOMMENDATIONS**

11. The CRA has been updated to reflect actual evidenced controls in place and improvements agreed. This is attached in Appendix D, to aid monitoring and future self assessment of risks and the control framework. It is recommended that a Control Risk **Self** Assessment (CRSA) is carried out annually.

## **AUDIT FINDINGS AND ASSURANCE OPINION RATINGS**

12. Details of how individual findings and assurance opinions have been assessed are detailed in Appendix B.

## **LIMITATIONS AND RESPONSIBILITIES**

13. Details of limitations and responsibilities of auditors and management in relation to this review are summarised in Appendix C.
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## APPENDIX A – TERMS OF REFERENCE

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### DURHAM COUNTY COUNCIL INTERNAL AUDIT SERVICE

#### Terms of Reference

<b>Client</b>	<b>Neighbourhood Services</b>
<b>Service</b>	<b>Bereavement Services</b>
<b>Head of Service</b>	<b>Ian Hault, Neighbourhood Protection Manager Paul Darby, Head of Finance – Financial Services</b>
<b>Responsible Key Contact</b>	<b>Graham Harrison, Bereavement Services Manager</b>
<b>Nominated Manager</b>	<b>Graham Harrison, Bereavement Services Manager</b>
<b>Audit</b>	<b>Durham Crematorium</b>

#### Introduction

1. This review is being undertaken in accordance with the approved Internal Audit Plan for 2013/14.

#### Overall Objective of the Audit

2. To evaluate the control environment of Durham Crematorium and provide an independent opinion on whether or not controls are adequate, appropriate and effective in providing reasonable assurance that risks to the achievement of service/system/process objectives are being managed effectively.
3. In arriving at this opinion consideration will be given to the effectiveness of:
  - relevant key corporate governance policies and procedures
  - the arrangements in place to identify, assess and monitor risks
  - the control design to ensure that the Council'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.

#### System Objectives

4. The objectives Durham Crematorium are :
  - To provide a sensitive, respectful service suitable for the bereaved.
  - To ensure cremations comply with the Cremation Regulations 2008.
  - To ensure the FBCA Code of Cremation Practice is complied with.
  - To ensure all income and expenditure is in line with financial regulations.

#### Control Risk Assessment

5. A summary of identified risks, the potential impact and expected controls, agreed as part of the audit planning process, using a control risk assessment (CRA) methodology to inform the scope of this review, is attached as an accompanying document.
  6. The criteria used to assess identified gross risks (before controls are applied) are attached as Appendix A.
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## **APPENDIX A – TERMS OF REFERENCE**

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### **Scope of Audit**

7. The scope of this audit is to provide assurance on the management of the following risks:
- Non compliance with the Cremation Regulations 2008.
  - Non compliance with the Federation of British Cremation Authorities Code of Cremation Practice.
  - Ashes are disposed of incorrectly.
  - Equipment failure.
  - Health impact to the public.
  - Lack of experienced staff.
  - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.
  - Injury to staff.
  - Income is not accounted for/misappropriated.
  - Unauthorised payments are made.
  - Stock / Assets are not accounted for / misappropriated.
  - Damage / theft of equipment.
  - Employees are incorrectly paid.

### **Audit Approach**

8. The review will be carried out using a risk based approach informed by the CRA and will involve:
- Review of relevant documentation held and maintained
  - Interviews with responsible persons where necessary
  - Assessment of existing controls
  - Perform testing.

### **Key Contact**

9. Key contacts for this review are
- Debra Lewis, Lead Auditor
  - David Mitchell, Principal Auditor

### **Target Dates**

10. The target dates for this review are:
- Fieldwork start date: 3rd February 2014
  - 12 audit days
  - Draft report issued date: 31st March 2014
11. These timescales are subject to the following assumptions:
- All relevant documentation, including source data, reports and procedures will be made available promptly on request.
  - Staff and management will make reasonable time available for interviews and will promptly follow-up questions or requests for documentation.
  - Assistance will be available in scheduling meetings and interviews where required.
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## **APPENDIX A – TERMS OF REFERENCE**

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### **Reporting Arrangements**

12. Graham Harrison will be kept regularly informed of progress on our review. Any significant issues will be discussed as they arise.
13. On completion of the review, our findings together with recommendations to address any control weaknesses will be discussed with Graham Harrison at an exit meeting prior to the preparation and issue of a Formal Draft report. The Formal Draft will then be issued to Graham Harrison and will include responses.
14. We request that managers aim to provide a full response within 20 working days of receipt of the agreed draft report.
15. An updated CRA will be provided as an accompanying document to draft reports to reflect any changes to expected controls identified through the audit process and actual controls in place. Any recommendations made to improve the control environment will be incorporated into an action plan and reflected in the updated CRA to aid future self assessment of risks and the control framework.

### **Limitations of scope**

16. This audit review will focus on Crematorium arrangements and the financial reporting of expenditure from these activities.

### **Terms of Reference Approval**

17. These terms of reference have been reviewed and approved by:
  - Graham Harrison, Bereavement Services Manager
  - Stephen Carter, Audit Manager

## APPENDIX B: AUDIT FINDINGS, RECOMMENDATIONS AND ASSURANCE OPINION RATINGS

### Findings

Individual findings are assessed on their impact and likelihood based on the assessment rationale in the tables below:

Impact Rating	Assessment Rationale
<b>Critical</b>	<b>A finding that could have a:</b>
	<b>Critical</b> impact on operational performance (Significant disruption to service delivery)
	<b>Critical</b> monetary or financial statement impact (In excess of 5% of service income or expenditure budget )
	<b>Critical</b> breach in laws and regulations that could result in significant fine and consequences (Intervention by regulatory body or failure to maintain existing status under inspection regime)
	<b>Critical</b> impact on the reputation of the Council (Significant reputational damage with partners/central government and/or significant number of complaints from service users)
	<b>Critical</b> impact on the wellbeing of employees or the public (Loss of life/serious injury to employees or the public)
<b>Major</b>	<b>A finding that could have a:</b>
	<b>Major</b> impact on operational performance (Disruption to service delivery)
	<b>Major</b> monetary or financial statement impact (1-5% of service income or expenditure budget )
	<b>Major</b> breach in laws, regulations or internal policies and procedures (non compliance will have major impact on operational performance, monetary or financial statement impact or reputation of the service)
	<b>Major</b> impact on the reputation of the service within the Council and/or complaints from service users
<b>Minor</b>	<b>A finding that could have a:</b>
	<b>Minor</b> impact on operational performance (Very little or no disruption to service delivery)
	<b>Minor</b> monetary or financial statement impact (less than 1% of service income or expenditure budget )
	<b>Minor</b> breach in internal policies and procedures (non compliance will have very little or no impact on operational performance, monetary or financial statement impact or reputation of the service)

Likelihood	Assessment criteria
<b>Probable</b>	Highly likely that the event will occur (>50% chance of occurring)
<b>Possible</b>	Reasonable likelihood that the event will occur (10% - 50% chance of occurring)
<b>Unlikely</b>	The event is not expected to occur (<10% chance of occurring)

## APPENDIX B: AUDIT FINDINGS, RECOMMENDATIONS AND ASSURANCE OPINION RATINGS

### Overall Finding Rating

This grid is used to determine the overall finding rating.

LIKELIHOOD			
Probable	M	H	H
Possible	L	M	H
Unlikely	L	L	L
	Minor	Major	Critical
	<b>IMPACT</b>		

### Priority of our recommendations

We define the priority of our recommendations arising from each overall finding as follows;

<b>High</b>	Action that is considered imperative to ensure that the service/system/process objectives are not exposed to <b>significant risk</b> from weaknesses in critical or key controls
<b>Medium</b>	Action required to ensure that the service/system/process objectives are not exposed to <b>major risk</b> from weaknesses in controls
<b>Low</b>	Action required to ensure that the service/system/process objectives is not exposed to <b>minor risk</b> from weaknesses in controls
<b>Advisory</b>	Action that is considered desirable to address minor weaknesses in control that if implemented may not reduce the impact or likelihood of a risk occurring but should result in enhanced control or better value for money.

### Overall Assurance Opinion

Based upon the ratings of findings and recommendations arising during the audit as summarised in risk matrix above we define the overall conclusion of the audit through the following assurance opinions:

<b>Full Assurance</b>	There is a sound system of control designed to achieve the process/system/service objectives and manage the risks to achieving those objectives. (No H, M or L findings/recommendations)
<b>Substantial Assurance</b>	Whilst there is a sound system of control, there are some weaknesses, which may put some of the system objectives at minor risk. (No H or M findings/recommendations)
<b>Moderate Assurance</b>	Whilst there is basically a sound system of control, there are some weaknesses, which may put some of the system objectives at major risk. (No H findings/recommendations)
<b>Limited Assurance</b>	There are weaknesses in key areas in the system of control, which put the system objectives at significant risk.(H findings/recommendations)
<b>No Assurance</b>	Control is weak as controls in numerous key areas are ineffective leaving the system open to significant risk of error or abuse



## APPENDIX C: LIMITATIONS AND RESPONSIBILITIES

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### **Limitation inherent to the internal auditor's work**

We have undertaken this review subject to the following limitations.

#### **Internal Control**

Internal control, no matter how well designed and operated, can provide only reasonable assurance not absolute assurance regarding achievement of the service objectives. The likelihood of the achievement is affected by limitations inherent in all internal control frameworks. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

#### **Future Periods**

The assessment of the control framework in place relating to this review is at 20th February 2014. Historic evaluation of effectiveness is not relevant to the future period due to:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate

### **Responsibilities of management and internal auditors**

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance for the prevention and detection of fraud and irregularities. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We will endeavour to plan our work so that we have a reasonable expectation of detecting **significant control weaknesses** and if detected, we will carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.

### **Management responses**

We ask that management responses to our recommendations are provided within 20 working days of the draft report being issued.

Outstanding responses will be monitored. Any overdue responses will be escalated to the responsible Corporate Director and reported to the Audit Committee.

### **Follow up**

In accordance with the Internal Audit Charter, we will monitor progress on the implementation of agreed recommendations and the findings will be reported to the audit committee. Where considered appropriate follow-up audits will be scheduled.

## APPENDIX D – CONTROL RISK ASSESSMENT (CRA)

<b>Service activity process/system</b>		<b>Durham Crematorium</b>
<b>Objectives</b>	<b>1</b>	To provide a sensitive, respectful service suitable for the bereaved.
	<b>2</b>	To ensure cremations comply with the Cremation Regulations 2008.
	<b>3</b>	To ensure the FBCA Code of Cremation Practice is complied with.
	<b>4</b>	To ensure all income and expenditure is in line with financial regulations.

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
1	3	Non-compliance with the Cremation Regulations 2008.	Legislation	Reputational damage. Federation intervention. Legal Action	Critical	Possible	High	A Register of Cremations is maintained accurately detailing all cremations that have taken place, and this is securely held.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
								Pre-printed forms provided by the Home Office are used to ensure all relevant data is collected.	As expected	Y	N/A	
								Cremation application forms have been fully completed and are held on file.	As expected	Y	N/A	
								Staff are aware of the applicant's right to inspect medical certificates and make representation to the medical referee, and procedures are in place to allow for this.	As expected	Y	N/A	
								Forms are retained for 15 years following cremation.	As expected	Y	N/A	
								Operational procedures have been produced and distributed to all staff to ensure compliance with the Regulations.	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
2	3	Non-compliance with the Federation of British Cremation Authorities Code of Cremation Practice.	Legislation	Reputational damage. Federation intervention. Legal Action	Critical	Possible	High	The Code of Practice has been formally adopted by Committee.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
								Coffins and their contents are cremated as soon as practicable following committal.	As expected	Y	N/A	
								Procedures should ensure adequate identification of the deceased from the moment the coffin is received until the disposal of cremated remains.	As expected	Y	N/A	
								All coffins are cremated separately.	As expected	Y	N/A	
								Cremators should be kept in good repair and are maintained in accordance with manufacturer's recommendations.	As expected	Y	N/A	
								Operational procedures have been produced and distributed to all staff to ensure compliance with the Regulations.	As expected	Y	N/A	
3	1	Ashes are disposed of incorrectly.	Legislation	Reputational damage. Distress to the family of the deceased.	Minor	Unlikely	Low	Disposal of ashes corresponds with instructions from the Funeral Director's acting on behalf of the family.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
								The method of disposal is cross checked to the application form before disposal.	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Where ashes are to be collected, records are maintained to show the date on which they were collected and the person who collected them. Records are maintained to show the area in which ashes have been interned.	As expected	Y	N/A	
								A Service Development Plan is in place, has been approved by Committee and is regularly revised.	As expected	Y	N/A	
								There is a planned maintenance programme in place for all equipment in accordance with manufacturer's guidelines.	As expected	Y	N/A	
								There are adequate arrangements and protocols in place to complete emergency repairs where required.	As expected	Y	N/A	
4	2, 3	Equipment failure.	Performance Management	Inability to provide service. Reputational damage. Distress to the family of the deceased.	Minor	Possible	Low	A Service Development Plan is in place, has been approved by Committee and is regularly revised.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014
								There is a planned maintenance programme in place for all equipment in accordance with manufacturer's guidelines.	As expected	Y	N/A	February 2014
								There are adequate arrangements and protocols in place to complete emergency repairs where required	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
5	1, 2	Health impact to the public.	Legislation	Reputational damage. Fines.	Major	Unlikely	Low	There are documented disposal guidelines and arrangements where the body of the deceased has been contaminated or where the death was as a result of a contagious disease.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
6	1	Lack of experienced staff.	People	Inability to provide service. Reputational damage.	Major	Possible	Medium	There are adequate staffing arrangements in place to ensure continuous service delivery.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
7	1	Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster.	People	Reputational damage.	Major	Possible	Medium	There are adequate arrangements in place to ensure that demand can be met in the event of an epidemic, pandemic or major disaster.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
8	2	Injury to staff.	People Legislation	Inability to provide service. Legal action.	Minor	Possible	Low	A Health and Safety policy is in place documenting working practices and procedures within the Crematorium.  An Accident Book is maintained to record any accidents and adequate remedial action has been undertaken in the event of such occurrences.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
9	4	Income is not accounted for/misappropriated.	Financial Management	Loss of monies. Fraud/theft. Reputational damage. Non-compliance with Financial policies and procedures.	Minor	Unlikely	Low	<u>Cremation Fees</u> Fees are regularly reviewed and approved by Committee.  Fees charged comply with those approved.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
								<u>Book of Remembrance Fees</u> Fees are regularly reviewed and approved by Committee.  Fees charged comply with those approved.	As expected	Y	N/A	
								<u>Memorial Plaques</u> Fees are regularly reviewed and approved by Committee.  Fees charged comply with those approved.	As expected	Y	N/A	
								<u>All Income</u> Collection and banking of income are as far as possible separated wherever staff resources are limited and where this is not the case, compensating internal controls and checks exist.  Income is securely held until banking.  Income is deposited into a nominated bank account and banked intact and on a timely basis.  Bank paying in slips should be fully and properly completed Counterfoils should be stamped and	As expected	Y	N/A	

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								display the cheque drawer and amount.  Income is reconciled to the bank statements and correctly coded to appropriate income codes.  Banking documentation is kept in line with the data retention policy.  Debt recovery action is undertaken where appropriate  Financial policies, procedures and regulations are adhered to at all times.  <u>Bank Reconciliation</u> All monies received are independently reconciled to the bank account on a timely basis.				
10	4	Unauthorised payments are made.	Financial Management	Overspent budgets. Inappropriate spend. Fraud/theft. Poor VFM. Loss of monies.	Major	Unlikely	Low	<u>Requisitions, Ordering and Payment of Invoices</u> Requisitions are authorised by the budget holder prior to the order being raised.  Goods are promptly received when they are received.  Creditor invoices are authorised prior to being paid.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
								<u>Petty Cash</u> A record is held detailing all petty cash spend.	As expected	Y	N/A	Internal Audit  Durham Crematorium

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Receipts are provided as evidence of purchase.  Petty cash is reconciled on a regular basis before a return is completed for reimbursement.				13590/2014  February 2014
11	4	Stock / Assets are not accounted for/misappropriated.	Financial Management  Procurement / Contracts / Supply Chain	Loss of monies. Fraud/theft. Reputational damage. Non-compliance with Financial policies and procedures.	Minor	Unlikely	Low	Appropriate stock control procedures are in place to ensure that a stock book is maintained that accurately reflects the current level of stock held.  All purchases and sales are accurately recorded in the stock book.  Periodic stock checks are carried out and any discrepancies are properly explained	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
12	4	Damage/theft of equipment.	Financial Management	Inability to operate.	Major	Possible	Medium	The Crematorium is adequately secured out of office hours.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
13	4	Employees are incorrectly paid.	Financial Management  People	Overspent budgets. Loss of monies.	Minor	Possible	Low	Adequate starter information is retained on file for all new starters.	As expected	Y	N/A	Internal Audit  Durham Crematorium 13590/2014  February 2014
								Starters are correctly paid for their first working month.	As expected	Y	N/A	
								All leaver information has been correctly entered into the Payroll system.	As expected	Y	N/A	



Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Leavers are correctly paid for their last working month.	As expected	Y	N/A	
								All salaried payments correspond to that on the employees contract.	As expected	Y	N/A	
								All additional payments, such as overtime, can be verified to suitably authorised paperwork, have been correctly calculated and paid on a timely basis.	<b>TBC – Information needs to be provided by HR in respect of honorariums</b>			
								All deductions have been authorised by the employee and correctly applied to the payroll system.	As expected	Y	N/A	
								All employees in receipt of SSP are appropriately monitored and have been correctly paid	As expected	Y	N/A	
								Adequate records have been maintained in respect of employees receiving SMP and SPP and have been correctly paid.	As expected	Y	N/A	
								The Council's Establishment list is periodically matched to actual employees.	As expected	Y	N/A	