



Rhondda Cynon Taf
County Borough Council

Internal Audit Final Report

**LLWYDCOED
CREMATORIUM**

MANAGEMENT IN CONFIDENCE

Date of Audit:	July 2017
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1. INTRODUCTION

1.1 Llwydcoed Crematorium is managed and administered by the Llwydcoed Crematorium Joint Committee, under the Local Government (Wales) Act 1994. The Committee is made up of nine members, five from Rhondda Cynon Taf CBC and four from Merthyr Tydfil CBC. In 1996 RCTCBC became the host authority for the Joint Committee.

2. SCOPE & OBJECTIVES

2.1 In accordance with the Internal Audit Plan for financial year 2017/18, which has been agreed by Audit Committee, a review of the establishment's main financial systems was undertaken.

2.2 Audit testing was carried out on transactions made during the financial year 2017/18 to ensure that fundamental controls are present and operating satisfactorily.

2.3 The objectives of the audit review were to ensure that:

- Receipts are retained in orderly manner and are produced for all income received.
- The Purchase Card is being used in accordance with guidance and procedures issued by the Procurement Service.
- All confidential data is retained securely and electronic records/systems are backed up regularly and access restricted to authorised users.
- Accurate and up to date records are maintained of all burials, graves and purchased graves.

3. AUDIT APPROACH

- 3.1 Having agreed the objectives, fieldwork took place specifically targeted at meeting the agreed objectives.
- 3.2 A draft report was prepared and provided to management for review and comment with an opportunity given for discussion or clarification if required.
- 3.3 This final report incorporates management comments together with the timetable for the implementation of agreed recommendations.
- 3.4 It has been issued electronically to the following Officers:
 - Chief Executive
 - Group Director, Corporate & Frontline Services
 - Group Director, Community & Children's Services
 - Service Director, Public Health & Protection
 - Head of Leisure, Parks and Countryside
 - Bereavement Services Manager
 - Service Director, Performance & Improvement
- 3.5 A copy of this report should be presented to the Joint Committee.
- 3.6 Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has expired.

4. AUDIT OPINION

4.1 The overall control environment at Llwydcoed Crematorium is considered to be effective.

4.2 **Statutory Obligations**

The Burial and Cremation Administration System (BACAS) is used to administer the day to day functions of the Service.

A sample of 10 applications confirmed that all of the required application forms and documents were in place such as Confirmatory Notice of Cremation, Application for Cremation and Medical Certificate.

The purchase of plots is recorded on the 'Register of Graves & Grants of Exclusive Rights of Burial' ledgers and on BACAS. The owner of the plot is provided with a deed which is printed from the BACAS system.

The Register of Graves & Grants Exclusive Rights of Burial ledgers are used to record each interment of each plot. The maximum number of interments for all plots is 4 and these are all recorded on the BACAS system.

4.3 **Information Management & I.T Security**

The site has a number of fireproof safes in which the statutory ledgers for the service are held. In addition, access to the BACAS system is restricted to those members of staff that have a unique username and password. It should be noted that the site does encounter continuity issues in respect of network connection, due to its isolated location. This can occasionally cause issues with Webpaystaff system and network connected equipment such as chip and pin machines and receipt printer.

4.3 **Collections & Deposits / Receipts**

The site use the Webpaystaff system to record all income received directly on site. The system allows the site to take payments in person, over the phone and take card payments via chip and pin devices, and entries onto the Financials system are in real time. The system generates receipts which are given directly to or sent to customers (via email) and a copy retained on site. As a back up to the system an income ledger is in place which is updated as and when income is received.

One occasion noted where details of payment were recorded in the ledger but no copy receipt was present (although a receipt number was recorded in ledger) and one instance where a receipt was present but nothing recorded in the ledger.

4.4 **Purchase Card**

Overall, the administration of the purchase card is undertaken in accordance with the procedures issued by the Council's Procurement Service.

However, although a transaction log is maintained it was reported that it is completed when the payments / purchases need to be reconciled to the system (usually the 15th of the month) rather than being updated as and when transactions

occur. There were a small number of transactions that did not have the required supporting documentation.

4.5 Implementing the recommendations in the report will improve the control environment further.

ACKNOWLEDGEMENTS

A number of staff gave their time and cooperation during the course of this review. Internal Audit would like to record its thanks to all individuals concerned.

5. DETAILED FINDINGS

The findings of the review are reported on an exception basis to focus on issues where action is recommended. Each of the issues / recommendations detailed has been given a priority rating to assist management in directing and prioritising resources in accordance with areas of risk, these ratings being high, medium or low.

5.1 Collections & Deposits / Receipts

AUDIT OBJECTIVE: All income due to the Council is identified and all collections are receipted and banked promptly and completely.

REF & PRIORITY	FINDING	IMPLICATION	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBILITY & TARGET DATE
5.1.1 Low	<p>Review of the income records at the site identified the following discrepancies;</p> <ul style="list-style-type: none"> • One instance was noted whereby income was supported by a receipt (<i>RCSH10301169 for £155.00</i>) – but details had not been entered into the income ledger. • One instance where income had been recorded in the income ledger but no receipt was present on file (<i>RCSH10302788 for £926.00</i>). 	Income records are incomplete.	The administrative staff must ensure that all income is receipted and entered into the income ledger. All transactions should be supported by relevant receipts.	Agreed - Staff reminded of importance of accuracy in recording payments.	All Staff Implemented
5.1.2 Low	Discussions at the site revealed that currently there is no retrospective, periodic review of income records.	Errors / mistakes may not be identified in the absence of regular review.	The Crematorium Manager should undertake a periodic, sample based review of income records to ensure that there are no anomalies.	Agreed – monthly exercise to be undertaken checking a sample of income records for accuracy and completeness.	Site Manager November 2017

5.2 Purchase Card

AUDIT OBJECTIVE: The Purchase Card is being used in accordance with guidance and procedures issued by Procurement Services.

REF & PRIORITY	FINDING	IMPLICATION	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBILITY & TARGET DATE
5.2.1 Low	<p>On review of the purchase card records it was noted that there is no evidence to confirm when and whom the monthly reconciliation has taken place i.e. transactions should be ticked as correct and signed and dated by the officer responsible for this task.</p> <p>It was also reported that the transaction log is now completed once a month (when the account is to be reconciled) rather than as and when transaction occur. Also the transaction log is completed in calendar month periods rather than the billing period i.e. May billing period cover last 2 weeks of April and first two weeks of May.</p>	<p>Non compliance with Cardholder Manual.</p> <p>No evidence to confirm the process of reconciliation of the Barclaycard account.</p>	<p>The officer responsible should ensure that the transaction log is used as part of the reconciliation of the account and that the log shows evidence of this and is signed and dated as correct.</p> <p>The transaction log should be updated (as soon as possible) when the transactions occur. The log should be retained in each monthly billing period.</p>	<p>Agreed, new column added for signatures.</p> <p>Agreed. Table to be printed out and manually updated due to issues with connection on site.</p>	<p>Admin Officer</p> <p>Implemented</p>
5.2.2 Medium	<p>Review of purchase card transactions made since April 2017 identified the following;</p> <ul style="list-style-type: none"> 27.4.2107 – Timpson - £25.00 – no receipt details of payment recorded on a blank sheet of paper. 10.5.2017 – Tesco - £16.00 – no receipt was present on file. 6.7.2017 – Amazon - £30.36 – no receipt was present on file. <p><i>(continued over the page)</i></p>	<p>Non compliance with prescribed guidelines.</p> <p>In the absence of a receipt, assurance cannot be provided that the expenditure incurred is appropriate.</p>	<p>Management should ensure that a receipt is retained for all spend incurred.</p> <p>For instances where a receipt cannot be provided or it has been lost, the 'Record of Expenditure without a Receipt' pro-forma should be used.</p> <p>The cardholder and authorising officer also need to ensure that all transactions have been reviewed and authorised on the Barclaycard system up to the 15th of each monthly billing period.</p>	<p>3 of the 4 receipts were in fact present, but possibly not in file at the time of the auditors visit.</p> <p>A 'Record of Expenditure without a Receipt' pro forma has been used for the other, again this was not in the file but this will continue to be used.</p> <p>All transactions have now been authorised by Site Manager.</p>	<p>Site Manager & Admin Officer</p> <p>Implemented</p>

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REF & PRIORITY	FINDING	IMPLICATION	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBILITY & TARGET DATE
	<p align="center"><i>(continued from over the page)</i></p> <ul style="list-style-type: none"> 7.7.2017 – Amazon - £11.35 – no receipt on file on file. <p>It was also noted that the transactions on the Barclaycard system have only been reviewed and authorised up to the end of June 2017. The transactions need to be reviewed and authorised for each billing period up to the 15th of monthly billing period.</p>				