

Audit Report for South Lakeland District Council

People and Places Directorate – Neighbourhood Services



Audit of Bereavement Services

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Internal Audit Services are delivered to South Lakeland District Council under contract by Cumbria Shared Internal Audit Service, Cumbria County Council

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Audit Committee	The Audit Committee, which is due to be held on 21 July 2016, will receive the final audit report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

1. Background

- 1.1. This report summarises the findings from the audit of Bereavement Services. This audit was a planned audit assignment which was undertaken in accordance with the 2015/16 Audit Plan.
- 1.2. The Council owns and manages eight cemeteries and one closed burial ground. It also has a direct maintenance obligation, under Section 215 of the Local Government Act 1972, for the closed churchyards in the district.
- 1.3. In 2015/16 approximately 250 burials (full burials and burial of ashes) have been undertaken. Income of £189,000 has been raised from Bereavement Services in the financial year, of which 87% related to internment and grave space income.

2. Audit Approach

2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Assistant Director Neighbourhood Services. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:
 - Future Planning (including future provision, alternative arrangements, budget management and performance)
 - Fees and Charges (including the Council's policy and transparency of charges made).

2.2.2. There were some instances whereby the audit work undertaken was impaired by the availability of information and this has had a bearing on the audit findings as detailed in section 5.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Bereavement Services provide **Partial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There are ten audit recommendations arising from this audit review and these can be summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. Management - achievement of the organisation's strategic objectives achieved (see section 5.1)	3	4	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	2	1
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-

5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	3	6	1

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- The Bereavement Services Officer has many years' experience in the post and as a result developed a vast knowledge of the Service.
- A fees and charges policy has been developed and is reviewed on an annual basis.
- Charges are benchmarked against other local authorities.

4.4. **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority matters:*

- There are no specific targets or objectives set in the Community and Leisure Service Plan for Bereavement Services.
- Bereavement service risks are not identified, monitored and managed.
- Arrangements are not in place to review and assess future planning arrangements for the service.

4.4.2. *Medium priority matters:*

- Bereavement services procedures are not comprehensively documented. Business continuity actions for bereavement services have not been progressed.
- Arrangements are not in place to assure management that efficiency opportunities are fully explored.
- Bereavement services performance is not monitored and reported.
- There is no independent verification carried out to confirm that the charges raised are accurate and that the fees and charges policy is consistently applied.
- Arrangements are not in place to assure management that the service keeps abreast of relevant legislation.

4.4.3. *Advisory issues:*

- The Bereavement Officer's job description is out of date.

Comment from the Assistant Director Neighbourhood Services

Whilst this council service is perhaps not one that is immediately thought of other than by those requiring it, It is a service that is managed sensitively and with care and compassion and with an attention to detail that is paramount .The audit has identified a number of strengths of the service and some areas for consideration to secure improvements. These will be carefully considered and improvements implemented where required taking into account the sensitive nature of this activity.

5. Matters Arising / Agreed Action Plan

5.1. **Management** - achievement of the organisation's strategic objectives.

● **High priority (Rec 1)** ● **Medium priority (Rec 2-4)**

Audit finding

5.1.1. Service Planning and Delivery

- **Service Plan**

The Community and Leisure Service Plan identifies links with three of the main Council priorities.

Cemeteries fall under Community Spaces within the Service Plan. However, other than actions relating to grounds maintenance, which includes the maintenance of cemeteries, there are no specific targets or objectives set for bereavement services. As a result it is unclear as to how bereavement services are delivering and aligning with Council priorities.

- **Procedures**

The Bereavement Services Officer has been in post for many years and carries out the day to day duties associated with the service. Comprehensive procedures have not been documented which detail the day to day operational activities that he undertakes.

The service has acknowledged the risks posed by reliance on one key individual and without documented procedures, as part of business continuity considerations. Actions to address this risk include a requirement for a second member off staff to provide some resilience in this area. It could not be demonstrated that this action has been progressed.

- **Efficiencies**

We were advised that service efficiencies were under consideration e.g. the timing of funerals, changes to the grounds maintenance contract etc. and details were requested. However, no evidence has been provided to show that this has taken place. We are therefore unable to provide

Management response

Agreed management action:

Recommendation 1:

The service is flexibly delivered to meet customer needs at what is often a very difficult time for grieving families, we do not believe that the service would benefit from specific targets at this time. The service does contribute to the broader outcomes of the council plan in making the area the best place to live, work and explore and to provide excellence in how it delivers the service. The current and future objectives for the service will be considered in the drafting of the Parks and Open Spaces Strategy. A target date for completion of the strategy is December 2016

Recommendation 2:

The development and documenting of procedures has been set as a target for the Bereavement Services Officer, as part of the appraisal process. The target date for achievement was July 2015. Whilst some procedures have been documented Further work is required to complete this task and a

assurance that efficiencies relating to future service planning opportunities have been considered.

Recommendation 1:

The Community and Leisure Service Plan should be developed to include specific objectives and targets for Bereavement services which clearly contribute to Council priorities. Arrangements should be put in place to monitor and report on performance.

Recommendation 2:

Management should make arrangements to develop comprehensive documented procedures for Bereavement Services.

Recommendation 3:

Business continuity actions for bereavement services should be progressed.

Recommendation 4:

Management should assure themselves that efficiencies relating to future service planning opportunities have been fully explored and actions identified and progressed as appropriate.

Risk exposure if not addressed:

- Council priorities are not delivered

new timescale will be set.

Recommendation 3:

The training of a Support Assistant to provide cover for the Bereavement Services Officer role has been included as a target as part of the Bereavement Services Officer's appraisal. The target date for achievement was July 2015. This activity has commenced but due to staff changes further work is required to complete this task and a new timescale will be set.

Recommendation 4:

Fees and charges for this service area are reviewed annually. Emerging best practice and service enhancements are considered including alternative burial options in light of customer need and appropriate legislation at the time. These will additionally be considered in the drafting of the Parks and Open Spaces Strategy.

Responsible manager for implementing:

R1: Principal Community Spaces Officer

- Failure to deliver the service in accordance with the Council's expectations because staff are unclear of their objectives and priorities to be delivered by the service.
- Failure to deliver services because business continuity risks have not been addressed.
- Failure to make service efficiencies

R2: Principal Community Spaces Officer / Bereavement Services Officer
R3: Principal Community Spaces Officer / Bereavement Services Officer
R4: Community and Leisure Manager/ Principal Community Spaces Officer / Bereavement Services Officer

Date to be implemented:

R1: Dec 2016

R2: Oct 2016

R3: Oct 2016

R4: Nov 2016 and Annually

● **High priority (Rec 5 and 6)**

Audit finding

5.1.2. Service risks and Future Planning

Operational risks are included in the Community and Leisure Service Plan. These have a named responsible manager and actions to mitigate the risks. However, no risks have been documented for bereavement services.

Discussions held with the Bereavement Services Officer indicated that risks around the availability of future burial space have been raised with management. These risks have not been captured in a risk register for action to be taken to mitigate the risk.

Further risks at an operational level highlighted during the audit include health and safety (e.g.

Management response

Agreed management action: Recommendation 5

Service operational risks associated with the work undertaken in Cemeteries is comprehensively recorded and reviewed by the contractor undertaking this activity and is subject to scrutiny and consideration by the client officers .

Risks associated with business continuity will be considered and assessed in accordance with the corporate risk management approach. Target Sept

when working in cemeteries / using equipment etc), loss of key personnel and not having comprehensive documented procedures. Similarly, these risks have not been captured in a risk register.

A risk register would capture identified risks for consideration and action to ensure effective delivery of the bereavement services function.

We were advised that some thought has been given to future provision of bereavement services. However, with limited evidence we are unable to provide assurance that a comprehensive review process has been undertaken.

Recommendation 5:

There should be a mechanism in place to ensure that risks associated with the Service are identified, assessed and managed.

Recommendation 6:

Management should ensure that adequate arrangements are in place to review and assess the Services future planning arrangements. This could include ensuring provision can be maintained, identifying ways of improving the service and possible cost reductions for the Council.

Risk exposure if not addressed:

- Poor quality service because risks are not identified, reported and managed.
- Lack of future direction for the service.
- Reputational damage or legal challenge should undocumented risks materialise.

2016

Recommendation 6

Risks identified with future provision including business continuity will be managed utilising the corporate risk management approach. . Target Sept 2016 for risks to be identified and assessed.

Responsible manager for implementing Recommendations 5 & 6:
Principal Community Spaces Officer
Date to be implemented:
September 2016

● **Medium priority**

Audit finding	Management response
<p>5.1.3. Management Information and Reporting</p> <p>Various records are maintained by the Bereavement Services Officer to record information such as the number of burials, availability of burial spaces, public health funeral details and fees and charges benchmarking information. However, there is no formal reporting undertaken by the service.</p> <p>In the absence of service objectives and performance targets there is no clarity around what the service should monitor and report upon to Senior management so they can be assured that the service is operating effectively in support of Council priorities and in accordance with its statutory responsibilities.</p>	<p>Agreed management action:</p> <p>In light of the comments made for recommendation 1 above Management will define a reporting framework based on exceptions.</p>
<p>Recommendation 7:</p> <p>Once objectives and performance targets have been established for the service (see recommendation 1), Senior management should define the frequency and type of reporting they require to effectively monitor the service.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Ineffective decision making and failure to deliver Council priorities and statutory responsibilities. • Management are unable to demonstrate that performance is being effectively monitored and remedial actions identified. • Senior management are unaware of any performance issues arising. 	<p>Responsible manager for implementing: Principal Community Spaces Officer</p> <p>Date to be implemented: December 2016</p>

5.2. Regulatory - compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
<p>5.2.1 Fees and Charges Charges for the provision of bereavement services are based on the agreed fees and charges schedule, which is updated on an annual basis.</p> <p>Invoices are raised by the Council's debtors section, based on the written request of the Bereavement Services Officer. The invoices, once raised are returned to the Bereavement Services Officer to dispatch.</p> <p>There is no independent verification carried out to confirm that the charges raised are accurate and that the fees and charges policy is consistently applied.</p>	<p>Agreed management action: The fees and charges levied for this service are included in the Corporate Fees and charges report approved by Full Council .A mechanism will be developed to provide a cross check of charges and invoices raised.</p>
<p>Recommendation 8: Management should ensure that there is a mechanism in place to confirm the accuracy of charges made to customers.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Fees and charges policy not applied correctly resulting in loss of income or reputational damage. • The Council is unable to defend officer(s) making pricing decisions. 	<p>Responsible manager for implementing: Community & Leisure Manager / Principal Community Spaces Officer</p> <p>Date to be implemented: October 2016</p>

- Advisory (Rec 9) • Medium priority (Rec 10)

Audit finding	Management response
<p>5.2.2 Job Description</p> <p>The job description for the post of Bereavement Services Officer, Community Spaces is out of date. The job description provided by HR is that of ' Cemeteries Officer' in the Technical Department and the reporting Manager is listed as the Public Services Manager.</p> <p>We were informed that reliance is placed on the Bereavement Services Officer to keep up to date with legislation. However, this is not included in his current job description.</p> <p>The Principal Community Spaces Officer's job description does include <i>compliance with relevant legislation</i> as one of her responsibilities.</p> <p>There was no evidence provided that this responsibility had been formally delegated to the Bereavement Services Officer or of how the Principal Community Spaces Officer receives assurance that the Bereavement Services Officer is keeping abreast of developments or changes in legislation and incorporating these into the service's procedures as appropriate.</p>	<p>Agreed management action:</p> <p>Recommendation 9</p> <p>A review of the Bereavement Services Officer job description will be undertaken.</p> <p>Recommendation 10</p> <ul style="list-style-type: none"> • The Bereavement Services Officer is very well trained and vastly experienced in delivering services in this area of work and is often called upon by other authorities seeking guidance and support. • When the Job description is updated it will include a requirement for the Bereavement Services Officer to Assume and maintain an up-to-date working knowledge of policy, legislation, regulation and best practice requirements sufficient to maintain effective delivery in all these relevant areas.
<p>Recommendation 9:</p> <p>Arrangements should be in place to ensure that job descriptions are up to date.</p>	
<p>Recommendation 10</p> <p>Arrangements should be in place to give management assurance that the service keeps abreast of changes to legislation relating to bereavement services.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Council priorities are not achieved because officers are not fully aware of their responsibilities or how their role fits in the Council. 	<p>Responsible manager for implementing:</p> <p>Recommendation 9 & 10</p> <p>Community & Leisure Manager / Principal</p>

- Officers are carrying out duties for which they have no delegated responsibility.
 - Management cannot hold officers to account.
- Sanctions for non-compliance with legislation.

Community Spaces Officer

Date to be implemented:

September 2016

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control