Final Distribution

Head of Environmental Services
Chief Environmental Health Officer
Principal Environmental Health Officer
Crematorium & Cemetery Registrar

Lynda Baker – Audit Services Manager
Leigh Whitten - Auditor

August 2009
EXECUTIVE SUMMARY

1 INTRODUCTION

1.1 Background

The Milton Keynes Crematorium is situated in Crownhill. The Crematorium works alongside several funeral directors and medical referees to undertake cremations and burials.

There are currently 15 cemeteries, including the crematorium site, situated around Milton Keynes. Currently some are adopted by external groups, but once full, responsibility to maintain these will revert to MKC, which along with our cemeteries need to be kept to a sufficient standard in perpetuity.

The crematorium has been active for 27 years and is looking to develop and expand on the western flank of Milton Keynes allowing more space for burial as the current sites are becoming full.

On the crematorium site plans are currently underway to expand and improve the facilities. This will enable more cremations to take place and the new cremator machines will aide the Authority in its efforts to reduce mercury pollution.

1.2 Objectives and Scope

The objectives of the audit were to ensure that:

<table>
<thead>
<tr>
<th></th>
<th>Remains are disposed of legally and safely. (Legal)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>[3]</td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td>All income is received and recorded. (Income)</td>
<td>[2]</td>
</tr>
<tr>
<td>c)</td>
<td>Expenditure is adequately controlled. (Expenditure)</td>
<td>[2]</td>
</tr>
<tr>
<td>d)</td>
<td>Service Demand is monitored and modelling techniques are used to anticipate future capacity requirements. (Capacity Planning)</td>
<td>[3]</td>
</tr>
</tbody>
</table>

Key: 1 = Poor, 3 = Good

2 AUDIT OPINION

Satisfactory - Controls are considered adequate with some areas of weakness that are not major risk areas.
3 CONCLUSIONS

Overall the audit found the Crematorium’s operational controls to be in place and effective, which demonstrates compliance with The Cremation (England & Wales) Regulations (2008). There are a few minor financial issues which could be improved to either further strengthen control or the efficiency/effectiveness of the service.

It is pleasing to note that management have been proactive throughout the audit and have worked hard to actively correct issues as they have arisen. These include now receiving gas and electricity bills which will enable the Crematorium to have a clearer indication of the cost per cremation.

The Crematorium is aware of the risks surrounding the disposal of metals including precious metals and is currently considering joining a charitable metal recycling group who collect waste metals from crematoriums and recycle them, the proceeds of which will be donated to charity.

The Crematorium believes that the current landscaping arrangements with Synergy do not meet their needs. This has resulted in additional payments above the fixed fee being internally recharged to Synergy to ensure the Cemeteries in MK are adequately maintained.

4 WAY FORWARD

4.1 All recommendations are in the Management Action Plan (Page 5). Positive findings are shown in section 3, overleaf.

4.2 The Crematorium batches its invoices due to raising them manually within SAP, this results in large outstanding debts being present with one or two customers. It is believed that a more streamlined process involving an interface between the crematoriums booking system (Clearskies) and SAP would greatly reduce the amount of debt owed by its customers.

4.3 The Crematorium’s Purchase Card is not being used in accordance with the Council’s Purchase Card Terms & Conditions of Use. The Crematorium should look into obtaining a second Purchase Card for use in emergency situations.

4.4 The Crematorium should review the possibilities of re-negotiating the contract with Synergy to include more specific details on the type of landscape management they require.

4.5 Internal Audit to review internal recharges and trading operations as part of a corporate review of this area, which will be conducted later this year.
FINDINGS SUMMARY

5  POSITIVE FINDINGS

5.1 Disposal
A sample of both cremations and burials were checked for matching documentation relating to the individual.

All cremations that were sampled had the correct legal documentation which included form 1(A) application for cremation, doctor's forms (forms 4 and 5) or in a situation where a coroner was involved then a coroners opinion form was included (Form 6). All cremations tested had the relevant and correct medical reference form to follow the documents listed above.

All burials that were sampled had the correct legal documents which matched the relevant individual.

5.2 Petty Cash
Receipts and vouchers are kept accordingly.

5.3 Income
Sample testing showed that families/funeral directors were charged appropriately and costs were correctly calculated.

Income (Gilbert) sheets correctly matched the paying in book, payments on the Gilbert sheets were cross referenced to the paying in book using the bank ID number and the secure cash bag receipts.

5.4 Closed Cemeteries
The crematorium shows awareness and understanding that space is a growing issue within MK and plans for a new crematorium are currently being implemented to allow more cremations to take place at a given time.

A "dig and deepen" plan is being considered where by existing graves are opened and re-dug to allow several burials on a single plot therefore greatly increasing burial potential in the current space available. This is a national proposal and is not law at the present time.

5.5 Demographics
The Western expansion area of Milton Keynes has been viewed as a potential expansion site to allow more space for burials in the near future. Population and development factors of Milton Keynes have been considered and estimations have been made to allow for plans for future expansion.

5.6 Financial procedures
A review of income banked by the crematorium shows that it adheres to appropriate banking procedures.
5.7 Archiving
The Crematorium is reviewing its archiving process which is done using microfiche, consideration has been made to begin to archive documents electronically therefore reducing on site paper work and also ensuring that the archived documents are secure.

5.8 Health and Safety
Cremator operators have been trained to undertake cremations and their certificates are on display.

A “MakeSafe” scheme has been implemented whereby headstones which are seen as a potential hazard are reinforced and provided with additional support. This has taken the place of the more controversial topple testing method whereby a weight is used against the stone which the crematorium believes would only cause more damage.
# MANAGEMENT ACTION PLAN

The recommendations are categorised on the following basis:

- **Essential** - Implementation is required with immediate effect to address a weakness that fundamentally undermines the control/objective of that system.
- **Important** - Implementation is required within a short period of time to address weaknesses that seriously undermine the control/objective of that system.
- **Standard** - Management need to take recommended action within a reasonable period to address weaknesses that may undermine controls/objectives.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Findings</th>
<th>Risk/ Implication</th>
<th>Recommendation</th>
<th>Management Comments</th>
<th>Manager Responsible &amp; Target Date</th>
</tr>
</thead>
</table>
| 1   | Expenditure  
The purchasing card appears to be a great asset to the crematorium however there are no controls over the usage of the card other than the set spending limits that are implemented on the card and that the card is kept in a locked draw in the manager’s office.  
All staff working at the crematorium are aware of the purchase card pin number. | Bypasses procurement controls.  
Best value procedures may not be followed.  
Inefficient audit trail of use.  
Inappropriate and unauthorised spend could occur. | **Standard**  
The purchase card should only be used by the named person shown on the card.  
If the crematorium requires cover for the primary card user it should obtain a second purchase card.  
This may be used in an emergency if the Crematorium Manager is unavailable. The Crematorium Manager should be set up as the authoriser so that she can review the expenditure upon her return. | Agreed | Crematorium Manager  
27th November 2009 |
<table>
<thead>
<tr>
<th>Ref</th>
<th>Findings</th>
<th>Risk/ Implication</th>
<th>Recommendation</th>
<th>Management Comments</th>
<th>Manager Responsible &amp; Target Date</th>
</tr>
</thead>
</table>
| 2   | **Debts** The current method of invoicing causes delays in the Crematorium issuing invoices to the customer. These delays are caused by a mixture of factors such as:  
- Invoices must be manually input into SAP and therefore are batched together.  
- Invoices cannot be sent directly to the funeral director once created, they must be collected from the Print Room in the Civic Offices taken back to the Crematorium paired with an itemised list produced by the Crematorium’s booking system (Clearsky) and then sent out.  
- As invoices are not itemised funeral directors are unwilling to hold payment on one particular item and instead will refuse to pay the entire invoice, until the matter is resolved. The above findings lead to an excess of debt being owed by some funeral directors to the crematorium. This has reached in excess of £100,000 on several occasions in 2008/09. | Loss of Cash flow.  
Loss of interest on income which has not been received.  
A company with a large debt owed could fall into administration resulting in a loss of income. | **Standard** Undertake a cost-benefit review of interfacing the Crematorium booking system (Clearskies) with the council’s finance system (SAP) in order to promptly raise and issue itemised invoices to customers. | Agreed               | Crematorium Manager | 26th February 2010 |
| 3   | **Expenditure** The current arrangement between the Crematorium and the Landscaping team (Synergy) is not meeting the standards expected from the crematorium for maintenance of the grounds. | Poor value for money.  
Crematorium grounds are not maintained to an appropriate standard this could cause the grounds to deteriorate resulting in health and safety issues | **Standard** Review the possibilities of renegotiating the contract to include more specific details on landscape management. | Agreed               | Crematorium Manager/Contracts- Category Specialist. | 26th February 2010 |
<table>
<thead>
<tr>
<th>Ref</th>
<th>Findings</th>
<th>Risk/ Implication</th>
<th>Recommendation</th>
<th>Management Comments</th>
<th>Manager Responsible &amp; Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td><strong>Income</strong>&lt;br&gt;Currently the crematorium does not have an effective method of collecting income when customers want to pay by credit /debit card, therefore cash payments are required.</td>
<td>During busy periods the insured value of the safe could be breeched and the contents no longer covered by the insurance in the event of a disaster or theft.</td>
<td><strong>Standard</strong>&lt;br&gt;The Crematorium should review the possibility of setting up a method to take payments by credit/debit card.</td>
<td>Agreed</td>
<td>Crematorium Manager 27th November 2009</td>
</tr>
<tr>
<td>5</td>
<td><strong>Income</strong>&lt;br&gt;Current cremation fees are based on an indexed view of average prices taken from other Crematoriums in the surrounding areas when the crematorium first opened.</td>
<td>Crematorium not aware of whether they meet the costs incurred when undertaking a cremation.</td>
<td><strong>Standard</strong>&lt;br&gt;Crematorium should conduct a cost analysis to review it’s current fee structure and ensure it maintains an appropriate charging policy.</td>
<td>Agreed</td>
<td>Crematorium Manager 26th February 2010</td>
</tr>
<tr>
<td>6</td>
<td><strong>Risk Management</strong>&lt;br&gt;Although it’s clear that Crematorium staff are conscious of business continuity issues there has not been a risk workshop undertaken with the corporate risk management team in order to identify and manage the risks to this service.</td>
<td>Crematorium may not be aware of the risks that could directly impact their service.</td>
<td><strong>Standard</strong>&lt;br&gt;The Crematorium should undertake a risk workshop and can liaise with the corporate risk management team should they require any assistance.</td>
<td>Agreed</td>
<td>Crematorium Manager 27th November 2009</td>
</tr>
</tbody>
</table>

**NB** Any cost implications arising from implementation of the recommendations by Mouchel must be agreed in advance with the appropriate Client Officer and the Partnership Delivery Manager