

# FAREHAM

## BOROUGH COUNCIL

### **Report to Portchester Crematorium Joint Committee**

*Date:* **9 December 2013**

*Report of:* **Treasurer to the Joint Committee**

*Subject:* **EXTERNAL AUDIT  
ISSUES ARISING REPORT FOR THE YEAR ENDED 31 MARCH 2013**

#### **SUMMARY**

At its meeting on 23 September 2013, the Joint Committee approved and accepted the audited Annual Return for the financial year ended 31 March 2013.

BDO LLP, the External Auditors for Portchester Crematorium Joint Committee, also provided an Issues Arising Report for the year ended 31 March 2013.

This report sets out the matters raised within the Issues Arising Report and details the action taken with regard to them, and any future action required.

#### **RECOMMENDATIONS**

- (a) That the BDP LLP External Audit Issues Arising Report for the year ended 31 March 2013, attached as Appendix A to this report, be noted;
- (b) That the actions taken and required with regard to the Issues Arising Report be noted.

## **PORTCHESTER CREMATORIUM JOINT COMMITTEE**

### **BDO LLP ISSUES ARISING REPORT FOR PORTCHESTER CREMATORIUM JOINT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2013**

#### **INTRODUCTION**

1. BDO LLP, the External Auditors for Portchester Crematorium Joint Committee, completed their work and provided an unqualified Certificate and Opinion on the Annual Return for the year ended 31 March 2013.
2. The Audited Annual Return was approved and accepted by the Joint Committee at its meeting held on 23 September 2013.
3. BDO LLP have also provided an Issues Arising Report, attached as Appendix A to this report, raised to draw matters to the attention of Portchester Crematorium Joint Committee.
4. The matters raised within the report are set out below, along with an update of action already taken or required in the future, either as a matter of course or in direct response to the report.

#### **MATTERS ARISING**

##### **FIDELITY GUARANTEE**

5. BDO LLP have recommended that the Fidelity Guarantee Cover held as part of the insurance policy with Zurich Municipal for Portchester Crematorium is insufficient in light of the bank balances held at 31 March 2013.

##### ACTION TO BE TAKEN

6. As part of the Insurance Renewal process which will commence in January / February 2014 the level of cover will be increased to cover the estimated maximum amount of money held during the year.

##### **INTERNAL AUDIT CHECKS**

7. BDO LLP have noted that, where items have been recorded as 'Not Covered' on the Annual Return, the Internal Auditor has not stated, or noted as required on Section 4 of the Annual Return, when the most recent internal audit work was undertaken and when it is next planned in respect of these test(s), or if coverage is not required, explained why not.

##### ACTIONS COMPLETED

8. Section 4 of the Annual Return does in fact include detail of when the most recent internal audit work was undertaken where items have been recorded as 'Not Covered'.

9. The Internal Audit Plan for 2013/14 to 2017/18 provides detail of when areas were last covered and the frequency of testing that will be applied going forward based on the risk category assigned. This approach was discussed and agreed with the Treasurer to the Joint Committee prior to reporting and approval by the Joint Committee in June 2013, and informed the testing carried out for 2012/13.

### **INTERNAL AUDITORS RECOMMENDATIONS**

10. BDO LLP have recommended that the recommendations made by internal audit be implemented.

### **ACTIONS COMPLETED**

11. The following action has already been taken in respect of this finding and recommendation, the Internal Audit Report for 2013/14 being presented and noted by the Joint Committee at its meeting held on 23 September 2013. The following paragraphs set out the steps taken to implement the recommendations raised within that report.
- (i) Control / Actions Plans included in Risk Registers – completed; with control / action plans incorporated into the Risk Register and circulated to the Joint Committee in September 2013.
  - (ii) Alarm System and CCTV will be fixed – an update will be provided by the Engineer to the Joint Committee.
  - (iii) Annual Review of Risk Management Policy Statement – completed in June 2013
  - (iv) Staffing Structure – completed; with up to date staffing structure now held at the Crematorium.
  - (v) Expenses Claims – implemented; expense claims for postage stamps will only be processed if receipts are present.
  - (vi) Software Licence documentation – implemented; documentation now retained where required.

### **RISK ASSESSMENT APPROVAL**

12. BDO LLP have recommended that, in future, the review of the Risk Assessment is completed at a full Joint Committee meeting.

### **ACTION COMPLETED**

13. The Risk Register is the subject of a report to the Joint Committee by the Treasurer each year where the Risk Register is approved. At the request of the Joint Committee at the meeting held on 17 June 2013 additional information is to be provided to enable an informed evaluation and approval of the controls and actions plans in support of each risk detailed on the Risk Register. This information has already been provided for the current Risk Register having been circulated to the Joint Committee in September 2013.

Andy Wannell CPFA  
Treasurer to the Joint Committee  
Civic Offices  
Fareham

For further information on this report please contact Kate Busby on 01329 824685.

BDO LLP

ISSUES ARISING REPORT FOR  
PORTCHESTER CREMATORIUM JOINT COMMITTEE  
AUDIT FOR THE YEAR ENDED 31 MARCH 2013