

Joint Audit Committee

27 October 2025

Responsible Officer:	Impact on Business:		Risk Register Reference & RAG
Jon Lee, CFO and Director of Resources	High		
	Medium	X	
	Low		
Lead Manager:	Report Type:		
Please see audit recommendations in the report	Governance	X	
	Strategic		
	Operational		
Previous papers to Committee:			

Report summary	<p>To update members on progress in addressing audit recommendations (high or medium) in the financial business areas.</p> <p>The recommendations may arise from external audit, internal audit, or Her Majesty Inspectorate of Constabularies (HMIC)</p>			
Related Police and Crime Plan objective	Governance			
Action (tick one box only)	Information <input checked="" type="checkbox"/>	Assurance <input type="checkbox"/>	Approval <input type="checkbox"/>	Decision <input type="checkbox"/>
Recommendation	The Committee is asked to comment on and note the report			

FINANCE AUDIT RECOMMENDATIONS – PROGRESS REPORT

1. Purpose

- 1.1 This report provides details of progress in addressing audit recommendations (high or medium) in the financial business areas.

The recommendations may arise from external audit, internal audit, or His Majesty's Inspectorate of Constabularies (HMIC)

2. Background

- 2.1 Monitoring of the recommendations from financial audit reports is undertaken by the Chief Finance Officer. Management responses are agreed with the Auditor and then monitored to ensure that they are dealt with within the timescales.

- 2.2 Financial activities are subject to a great deal of audit scrutiny during the year. The progressing of financial recommendations is critical to ensuring that the finance function operates effectively and because the external auditor relies on the internal audit work in the context of the final accounts audit.

- 2.3 Recommendations are prioritised into high, medium, or low importance by the auditor. To indicate the extent that actions are on target for completion, each recommendation is colour coded (Red/Amber/Green) according to the following definitions:

- Red – recommendation posing significant risk to the Constabulary
- Amber – progress with implementation slipped/over budget/over timescale. After 6 months at Amber with no discernible progress the recommendation is declared Red,
- Green – on going – action in progress in line with anticipated timescale.
- Green – complete – actions fully completed and implemented
- Blue – not agree and / or unable to pursue with reasons given i.e. unrealistic, impractical, too costly or out of date.

3. Current Status

- 3.1 The Payments and Creditors audit report was received 8th October and confirms **reasonable assurance** with one medium and two low level actions to be addressed.

- *The Force will explore system changes that will reduce the reliance on approval activities taking place outside of the finance system. In the interim, the Force will ensure that current arrangements, allowing authorisation outside of the system, are documented within the Force Financial Instructions. (medium)*
- *The Constabulary will ensure that evidence is in place to demonstrate that supplier amendments have been independently verified. (low)*

- *We will ensure that the Force Financial Instructions are updated to include all of the authorised individuals who can process the BACS payment runs. (low)*

3.2 The General ledger audit report was received 15th October and confirms **substantial assurance** with one low level action to be addressed.

- *Management will reinforce the requirement for line managers to promptly notify BCH Finance Systems Administrators of leavers via email ahead of an employee's departure, with clear confirmation of the leaving date. (low)*

3.3 There are two outstanding actions;

- *Fraud (the Forces Finance Department will obtain a list of officers and staff business interests from PSD and review these against accounts payable data. Where business interests that the Force trade with are highlighted, controls will be put in place to mitigate any potential risks.) Processes have been developed and are now part of BAU, this is therefore considered complete but is subject to RSM review to sign off.*
- *Payroll (BCH will implement system controls to prevent submission or approval of claims without receipts, unless a valid exception process is followed). It is noted that due to system constraints it is unlikely that this action will be completed. However, the payroll team are exploring alternative solutions outside of the existing system.*

3.4 There are a further 10 actions which are recorded as "complete" for information.

4. Recommendation

4.1 The Committee is recommended to note the report.