

Joint Audit Committee

31 July 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 Collaboration: Payroll and Expenses audit report was received 23rd April and confirms reasonable assurance with 5 medium and one low level actions to be addressed. To date 4 actions have been completed.

- *Hertfordshire will ensure that payroll control account reconciliations are completed on a monthly basis.*
- *The payroll team will ensure that the formal approval of the monthly payroll by the Head of Payroll and Pensions or equivalent is documented.*
- *BCH will create formal payroll guidance that details roles and responsibilities and authorised approvers for key payroll activities.*

- *BCH will reiterate the requirement for receipts to be attached to all expense claims, particularly for parking, professional subscriptions, and seminar fees, and remind both claimants and approvers to ensure expenses are correctly categorised and supported by appropriate evidence.*
- *BCH will implement system controls to prevent submission or approval of claims without receipts, unless a valid exception process is followed.*
- *BCH will follow up with the officer who claimed £1.5k under office stationery to verify if the expenses were legitimate and correctly categorised.*

3.2 The only outstanding action relates to; 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.) Whilst this is being carried out action deadline was extended to end of September 2025 to evidence BAU process.

3.3 There are a further 7 actions which are recorded as “complete” for information.

3.4 Internal audits of General Ledger, and Payments are Creditors (scope received) are scheduled for Q2 2025/26

4. Recommendation

4.1 The Committee is recommended to note the report.