



Joint Audit Committee

4 February 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 Budgetary Control final audit report was received 14th January 2025 and confirms reasonable assurance with two medium and two low level actions to be addressed.

- *We will create a standardised template for trial balance spreadsheets that includes a dedicated section for reconciliation documentation. Additionally, all future TB spreadsheets will comply with segregation of duties.*
- *We will ensure that all virements are approved prior to the changes being actioned, with this confirmed in writing.*

- *We will establish a threshold for variances below £50k to be noted and addressed. This threshold will be variances that are larger than the lower of £10k or 3% of the overall budget.*
- *We will approve and action virements by the closure of the next month end process, where reasonable.*

The Income and Debtors final audit report was received 16th January 2025 and confirms substantial assurance with no management actions.

The outstanding actions relate to Budgetary Control as described above; MTFS (lessons learnt assessment), and implementation of targeted anti-fraud training (Fraud awareness and Fraud prevention modules have now been tested, and once updated following testing, will be rolled out to staff within business services).

There are a further 14 actions which are recorded as green/green complete for information. The follow up on the 2023/24 audits is scheduled to commence 10th March 2025 and it is anticipated that the management actions for Cash, Bank and Treasury; and Capital Accounting will be reviewed and signed off as complete.

4. Recommendation

- 4.1 The Committee is recommended to note the report.