

Joint Audit Committee

25 February 2026

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 There have been no finance related audits conducted since the last Joint Audit Committee where we reported that we had received **reasonable assurance** for Payments and Creditors and **substantial assurance** for the General Ledger audit

3.3 There remain four actions requiring final resolution;

- **Fraud** (Audit Ref 4.22.23 – Action 2 *“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 embedded as business-as-usual and the action is complete, pending formal RSM sign-off as part of the follow up audit scheduled for March 2026.

- **Payroll** (Audit Ref 3.24.25 – Action 5 “*BCH will implement system controls to prevent submission or approval of claims without receipts, unless a valid exception process is followed*”). A technical solution for receipt-validation controls is not currently feasible in iTrent; alternative options continue to be scoped with a target of March 2026.
- **Payments and Creditors** (Audit Ref 1.25.26 – Action 1 “*The Force will explore system changes that will reduce the reliance on approval activities taking place outside of the finance system.*”). This remains in progress, linked to system changes that are scheduled to be revisited during the 2027 contract review.
- **Payments and Creditors** (Audit Ref 1.25.26 – Action 3 “*We will ensure that the Force Financial Instructions (FFI) are updated to include all of the authorised individuals who can process the BACS payment runs.*”) The FFIs will be updated in the new financial year to include this action.

3.4 A summary of progress against remaining actions is shown in Appendix A with detailed comments in Appendix B

4. Recommendation

4.1 The Committee is recommended to note the report.

APPENDIX A

Area	Audit Ref	Total Actions	Completed	Outstanding	RAG Status	Notes
Fraud	4.22.23	2	2	1 pending RSM sign-off	Green / Blue	Action 2 complete but awaiting external sign-off.
Fixed Assets	7.23.24 / 5.24/25	1	1	0	Blue	Procedures updated and review cycle implemented.
MTFP	2.24.25	1	1	0	Blue	Lessons-learned process complete.
Budgetary Control	3.24.25	4	4	0	Blue	All four actions implemented.
Payroll & Expenses	3.24.25	6	5	1	Green / Blue	Action 5 blocked by system constraints; exploring alternatives.
Payments & Creditors	1.25.26	3	1	2	Green	System change deferred until 2027 contract review. FFIs to be revised in new financial year
General Ledger	2.25.26	1	1	0	Blue	Leaver notification process strengthened.

Red = Overdue, Amber = due within 1 month, Green = due more than one month in future, Blue = completed

APPENDIX B									
Audit Ref	Audit title	Start date	Action	Action severity	Person responsible	Latest update	Progress/comments Most recent entries at top	Action RAGC	Action deadline
4.22.23	Fraud	11/01/2023	<p>1. The Force will implement targeted anti-fraud training as part of the induction process for all staff within Business Services to complete, as well as providing re-fresher training as part of the mandatory training cycle.</p> <p>Furthermore, anti-fraud E-training will be provided too other staff groups, across the Force as part of induction, as well as providing re-fresher training as part of the mandatory training cycle</p>	Low	CFO	14/04/2025	<p>14/4/25 The training package has now been added to iLearn and allocated to relevant colleagues (Business services and Budget Holders). Programme/certification status report can be reviewed periodically to monitor completion</p> <p>Testing has been completed, with a small adjustment to the package required. Expectation this will be live on iLearn by the end of the financial year (31st March 2025)</p> <p>Learning Pool have confirmed that they can offer a package for 500-600 users for the Fraud Awareness and Fraud Prevention modules. PO to be raised and decision made regarding which individuals will be required to complete the training</p> <p>Staff in key departments have undertaken an online anti-fraud training module provided by CIPFA. Work is progressing to identify a suitable e-training module to include as part of the mandatory induction training. Following investigation there is no such course that the College of Policing currently has available. Therefore, other options for a bespoke training package are being considered by the CFO and a commissioning request from LD has been submitted and an assessment of the costs to develop and maintain such a module is awaited.</p>	Completed	31/07/2025
4.22.23	Fraud	11/01/2023	<p>2. 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.</p>	Low	Kirsty Toone (Head of Finance)	16/10/2025	<p>Processes have been developed and are now part of BAU, this is therefore considered complete but is subject to RSM review to sign off. Deadline extended to end of September 2025 to evidence BAU process</p> <p>12/09/2024 - The finance team have carried out a sample review of accounts payable data against declared business interests and found no breaches. The checks will be undertaken bi-annually. The Anti-Corruption Unit (ACU) have also been in contact to revise the report provided to include a field for the supplier/organisation which will enable the ongoing sample checks to be less of a manual process. Deadline date extended to end of March 2025 to permit evidencing of further check and embedding in the BAU processes.</p> <p>PSD have provided a list the number of Business Interests held by type of business. This totals 595 separate interests of which 568 are low risk with the rest being medium (no high risk). All are now flagged on i-manger against the employee and visible to line managers. The business name is not held in a specific field so has taken longer to extract the data than expected – report now received. Analysis carried out within finance by end July 24. ACU creating a SharePoint form to capture business name to improve/ease</p>	Completed	30/09/2025 31/03/2025
7.23.24 and 5.24/25	Capital Accounting & Fixed Assets		<p>1. The Constabulary will regularly review procedural guidance and documents will be updated to reflect the date of next review to ensure this is not missed.</p>	Low	Elaine Fox, Principal Financial Accountant		<p>As part of the follow up on the 23/24 audit recommendations this action remained with the narrative that this action has been partly though not fully implemented Written procedures already in place. To add review dates to all and keep versions separate.</p>	Completed	30/06/2025 31/05/2024
2.24.25	Medium Term Financial Plans (MTFP)	28/08/2024	<p>1. We will consider introducing a lessons learnt assessment following the completion of the financial plan to inform future amendments. These will be documented.</p>	Low	Kirsty Toone (Head of Finance)	19/03/2025	<p>19/03/2025 - Update from Kirsty Toone: A review meeting was held on 28th Feb when an action plan of improvements was agreed regarding the process across a range of themes covering revenue, capital, benchmarking, collaboration, communications and procurement. The action is completed. 04/02/2025 - Update from Kirsty Toone to JAC: Review meeting planned for 27/2 to review what worked well; what could improve; feedback from key stakeholders etc <i>Being reported via Finance report</i></p>	Completed	31/03/2025
3.24.25	Budgetary Control	14/01/2025	<p>1. 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</p>	Medium	Head of Finance / Principal Management Accountant	21/03/2025	<p>Reconciliation sign off section to be added into the month end TB file which identifies who has completed the reconciliation of the spreadsheet back to the general ledger.</p>	Completed	31/03/2025
3.24.25	Budgetary Control	14/01/2025	<p>2. 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</p>	Low	Head of Finance / Principal Management Accountant	21/03/2025	<p>Finance Business Partners have been advised to update narratives on their budget monitoring templates in line with the agreed thresholds for variances</p>	Completed	31/03/2025
3.24.25	Budgetary Control	14/01/2025	<p>3. We will ensure that all virements are approved prior to the changes being actioned, with this confirmed in writing</p>	Medium	Principal Management Accountant	21/03/2025	<p>Prior to the audit taking place we had already identified a handful of virements being processed following verbal approval from the budget holder. Correct process now embedded across all Finance Business Partners.</p>	Completed	31/03/2025

3.24.25	Budgetary Control	14/01/2025	4. We will approve and action virements by the closure of the next month end process, where reasonable	Low	Principal Management Accountant	21/03/2025	Principal Management Accountant and Finance Business Partners have been advised to process budget virements in a timely manner following BH approval.	Completed	31/03/2025
3.24.25 (BCH)	Collaboration: Payroll and Expenses	23/04/2025	1. Hertfordshire will ensure that payroll control account reconciliations are completed on a monthly basis.	Medium	Head of Finance (Hertfordshire)	13/10/2025	Control account reconciliations are completed monthly	Completed	31/08/2025
3.24.25 (BCH)	Collaboration: Payroll and Expenses	23/04/2025	2. The payroll team will ensure that the formal approval of the monthly payroll by the Head of Payroll and Pensions or equivalent is documented.	Medium	Head of Payroll and Pensions	29/05/2025	Head of Payroll signs off the Beds and Cambs payroll by email, and the Herts payroll is signed off by the Herts finance team.	Completed	31/07/2025
3.24.25 (BCH)	Collaboration: Payroll and Expenses	23/04/2025	3. BCH will create formal payroll guidance that details roles and responsibilities and authorised approvers for key payroll activities.	Medium	Heads of Finance across BCH	15/12/2025	05/01/26 - Beds - Financial instruction updated 13/10/25 - Beds - guidance is in progress with completion anticipated by the end of December 22/05/25 - Cambs - FFIs updated to include payroll guidance to meet this recommendation 15/12/25 - Herts - guidance already in place within their SOP	Completed	30/12/2025 30/11/2025 30/09/2025
3.24.25 (BCH)	Collaboration: Payroll and Expenses	23/04/2025	4. 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.	Low	Head of Payroll and Pensions	07/11/2025	07/11/25 - Comms have been sent out via General orders to reiterate the expenses policy. 26/08/25 - The payroll team are reviewing the best approach to this recommendation as the current system is not very user friendly. They are investigating whether there are better solutions available, both for ease of use and to give better control over spend.	Completed	28/02/2026
3.24.25 (BCH)	Collaboration: Payroll and Expenses	23/04/2025	5. BCH will implement system controls to prevent submission or approval of claims without receipts, unless a valid exception process is followed.	Medium	Head of Payroll and Pensions	22/10/2025	22/10/2025 - The update of 13th indicates that this action is not achievable other than by removing expenses from iTrent and employing an App, which is yet to be identified and for which funding is yet to be agreed. The options are to close this action as unachievable or extend the action deadline until an App is identified, funding secured, and a process is implemented and embedded, or a decision is made that this is also not achievable. Action deadline extended to March 2026 pending outcome. 13/10/2025 - Due to system constraints, it is unlikely that we will be able to action this, we are looking at alternative solutions using an app and taking expenses out of iTrent. We are part of the Beds Dragons Den initiative investigating this, but ultimately in may come down to whether we can get the budget to implement. Jon is aware that we have decided not to implement the above in iTrent and is in agreement.	Green	31/03/2026 30/09/2025
3.24.25 (BCH)	Collaboration: Payroll and Expenses	23/04/2025	6. BCH will follow up with the officer who claimed £1.5k under office stationery to verify if the expenses were legitimate and correctly categorised.	Medium	Head of Payroll and Pensions	17/06/2025	17/06/25 - Following a review by payroll it has been found that the claim related to Goods (£283.96) and Food for Officers on operations (£1,248.45) NOT office stationery. Whilst the claim was authorised by the manager (Chief Inspector) they have been contacted and advised that out of policy expenses should not be claimed/authorised. Out of policy expenses form has now been completed and authorised retrospectively	Completed	31/05/2025
1.25.26	Payments and Creditors	08/10/2025	1. 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	Finance Supervisor	15/12/2025	15/12/2025 - the current finance system contract is due to expire in February 2027 so we do not intend to make any major process changes until the decision to extend this contract or retender for another system is undertaken. The FFI already document the process in section 2.3. <i>Cambridgeshire Constabulary use electronic order processing via the finance system e-financials or the eProcurement module. There is a central team of people in finance and business support who raise purchase orders on your behalf, but some organisational support departments have retained purchase ordering rights due to the nature of their business.</i>	Green	31/05/2026
1.25.26	Payments and Creditors	08/10/2025	2. The Constabulary will ensure that evidence is in place to demonstrate that supplier amendments have been independently verified.	Low	Finance Supervisor and Finance Systems Administrator	15/12/2025	15/12/2025 - the PL team independently source an email address or use the one already held for the supplier to verify new/changed details. The email is always attached to the FPM request prior to it going through to systems to approve (and if it wasn't systems would request it). Systems check ALL supplier amendments to bank details via NatWest BankLine, if the details cannot be verified the request is sent back to originator/PL team to gain additional verification	Completed	31/12/2025
1.25.26	Payments and Creditors	08/10/2025	3. 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	Head of Finance	15/12/2025	15/12/2025 - the FFIs will be updated in the new financial year and this recommendation will be actioned then	Green	31/05/2026
2.25.26	General Ledger	15/10/2025	1. 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	Head of Finance	15/12/2025	15/12/2025 - Immediately after the audit recommendation was received a reminder was circulated to our Finance Business Partners to ensure that when leavers are discussed in the montly meetings, that those with eFin access should be removed immediately with notification to the finance system admin team. In addition, we will include this requirement on budget holder letters. It has also been discussed with the HR transactional team who have updated the BCH End of Service checklist (Deborah Turrell-Oldacre)	Completed	31/12/2025