

FINANCE EXTERNAL AUDIT / INTERNAL AUDIT ACTION PLAN

Area: Budgetary Control

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to Date	Status		
					Red	Amber	Green
	<p>We obtained a report from the finance system detailing all budget virements.</p> <p>We selected a sample of 20 virements and confirmed that all 20 virements had been transacted for the correct amounts and the correct cost codes applied on the system.</p> <p>We noted however that supporting documentation, with evidence of approval for each virement had been reviewed, was available in nine cases.</p> <p>Of these nine cases, only one virement had evidence of approval retained within the e-Financials system as supporting documentation.</p> <p>The remaining eight virements did not have supporting documentation uploaded to e-Financials.</p> <p>For the remaining 11 virements where approval could not be observed, we were advised that three of these were opening budgets, which are authorised as soon as the MTFP is approved. The remaining eight virements were approved via discussion and evidence of such approval had not been</p>	Head of Finance	November 2018	<p>The Head of Finance will ensure that virements are only actioned by finance staff that have been designated such authority by the Chief Constables CFO i.e. the Head of Finance; Principal Management Accountant; or Principal Financial Accountant.</p> <p>They will also ensure that the evidence to confirm approval for each virement has been uploaded to e-Financials as supporting documentation.</p> <p>Furthermore, the BCH Finance Systems team will ensure that the requested restrictions on access are applied.</p>	<p>Green Completed</p>		

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to Date	Status		
					Red	Amber	Green
	<p>documented or retained.</p> <p>We also noted through discussions with the Principal Management Accountant that although only the three allocated individuals had actioned all virements in our sample, the e-financials system currently allows any Financial Accountant or Management Accountant to action and approve virements.</p> <p>We were advised that this issue has been escalated to the BCH Finance Systems team however this issue has not been resolved to date.</p> <p>There is a risk of budgets being subject to unexplained overspends and corresponding underspends should unauthorised budget adjustments occur and could lead to skewed performance results for budget holders.</p>						

Area: General Ledger

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to Date	Status		
					Red	Amber	Green
	Only 1 low recommendation proposed						

Area: Payroll and Expenses

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to Date	Status		
					Red	Amber	Green
	Only 1 low recommendation proposed						

Area: Asset Management

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to date	Status		
					Red	Amber	Green

Area: Payment & Creditors

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to date	Status		
					Red	Amber	Green
PC 2018/1	<p>Through discussions with the Finance Supervisor we were advised that new supplier details are not subject to an evidenced secondary check within Finance and they were not aware of any secondary checks being undertaken in Procurement post input onto e-Financials.</p> <p>Should insufficient checks be undertaken when inputting supplier details there is a risk of incorrect or fraudulent details being set up which could lead to significant financial losses to the Force.</p>	Contacts Manager	Immediate	The Head of Finance will ensure that new supplier details are subject to an evidenced secondary check by a member of the finance team post input by Procurement. This will be evidenced by recording the Finance Supervisors initials on the notes tab on eFinancials.	Green		
					Green		

Area: Cash, banking and Treasury Management

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to date	Status		
					Red	Amber	Green

Area: Financial Reporting / MTFP

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to Date	Status		
					Red	Amber	Green

Area: Income and Debtors

Action No.	Recommendation Description and Source Document	Responsible Officer	Milestones	Progress to Date	Status		
					Red	Amber	Green

Summary

Recommendations		Milestones					
Area	No.	No.	Not Agreed	Red	Amber	Green	Green Complete
Budgetary Control	1	1					1
General Ledger							
Payroll & Expenses							
Financial Planning							
Asset Management							
Payment & Creditors	1	1				1	
Cash, Bank Treasury							
Financial Reporting							
Income and Debtors							
Total	2	2				1	1
Percentage complete						50%	50%

2 New Actions

2 New Recommendations

1 Completed