



Business Assurance and Risk Management

BMKFA Core Financial Controls Audit Report - FINAL (Ref-24/22)

Auditors

Maggie Gibb, Head of Business Assurance (and Chief Internal Auditor)

Selina Harlock, Audit, Assurance and Fraud Manager

Alex Prestridge, Audit Lead

Charlotte Winning, Auditor

Tom Crowson, Auditor

CONTENTS

Management Summary.....	3
Table 1: Overall Conclusion.....	4
Table 2: Detailed Audit Findings and Management Action Plan.....	11
Table 3: Detailed Follow-Up of 2022/23 Findings and Management Action Plan	14
Appendix 1: Definition of Conclusions	17
Appendix 2: Officers Interviewed	19
Appendix 3: Distribution List.....	20

Management Summary

Introduction

The internal audit of Core Financial Controls was undertaken as part of the 2023/24 Internal Audit plan, agreed by the Overview and Audit Committee. The audit was undertaken during quarter three of 2023/24.

The Core Financial Controls Audit reviewed the Fire Authority's key financial processes including; Financial Control Framework, Creditors, Debtors, Payroll, General Ledger, Grant Income, Banking and Reconciliation, VAT and Treasury Management processes.

Audit ObjectiveSu

Internal Audit's objectives for this audit were to provide an evaluation of, and an opinion on, the adequacy and effectiveness of the system of internal controls in place to manage and mitigate financial and non-financial risks to the system.

This serves as a contribution towards the overall opinion on the system of internal control that the Chief Internal Auditor is required to provide annually. It also provides assurance to the Section 112 Officer that financial affairs are being properly administered.

Scope of work

The audit activity focussed on the following key risk areas identified in the processes relating to Core Financial Controls:

- Financial Control Framework
- Creditors
- Debtors
- Payroll
- General Ledger
- Grant Income
- Capital
- Banking and Reconciliations
- VAT
- Treasury Management

The audit considered the controls in place at the time of the audit only. Where appropriate, testing was undertaken using samples of transactions since the beginning of the current financial year.

Table 1: Overall Conclusion

Overall conclusion on the system of internal control being maintained		Substantial		
RISK AREAS	AREA CONCLUSION	No. of High Priority Management Actions	No. of Medium Priority Management Actions	No. of Low Priority Management Actions
Financial Control Framework	Substantial	0	0	0
Creditors	Reasonable	0	0	1
Debtors	Reasonable	0	1	0
Payroll	Reasonable	0	1	0
General Ledger	Reasonable	0	0	1
Grant Income	Substantial	0	0	0
Capital	Substantial	0	0	0
Banking and Reconciliations	Substantial	0	0	0
VAT	Substantial	0	0	0
Treasury Management	Substantial	0	0	0
		0	2	2

Appendix 1 provides a definition of the grading for each of the conclusions given.

Financial Control Framework

The Financial Instructions were updated and approved in November 2023 and were available to staff on the BMKFA Intranet and the Authority's external website. They included instructions for the effective operation of all financial systems within the Authority and had been reviewed and updated to reflect changes to the Finance system.

We confirmed that process notes were in place and up to date for all key financial processes. A review of system users found that access to Integra (the Finance system) and iTrent (the payroll system) was appropriately controlled. The system workflow ensures a separation of duties for transactions made within both systems.

Creditors

The Financial Instructions contain guidance on ordering, authorising, and receiving goods and services. The Financial Instructions reference the Financial Regulations and include regulations on the separation of duties, procurement, and expenditure.

Review of access levels to Integra confirmed that they are updated and amended for starters, leavers, and movers. Access to Integra is restricted to only those with a business need and for those for whom requests have been received from their line managers.

We reviewed a sample of five BACS runs taken between October 2022 and November 2023 and found that all cases were appropriately approved by a Principal Accountant. All payment runs sampled matched projections for value and number of payments. Detailed review of the sample found the following:

- In one case a one-time vendor process was used, and this was adequately checked prior to payment.
- In all cases, a duplicates test was undertaken, and no exceptions were found.
- All entries over £10,000 were subject to a rigorous review prior to payment and all were found to be appropriate.

The Financial Instructions include guidelines for the appropriate use of purchasing cards. A Purchasing Card User Guide is also in place, outlining the Purchasing Card Holder's responsibilities regarding how to use the purchasing card, reconciling the monthly statements and general usage guidelines.

We found that monthly spend limits were occasionally increased temporarily. We observed this for 14 individual card holders with a total of 23 instances whereby the spend limits were increased between the period October 2022 to November 2023. Each increase had a completed business case for it with adequate approvals.

Examination of a sample of 20 purchasing card payments made between November 2022 and September 2023, we found one case where the agreed expense limit was exceeded but the payment was still approved. This was for an evening meal where the cost was £16.90 while the limit is £15.51.

(Finding 3)

We also found one claim for rail travel which was booked through Trainline (which has additional booking fees) and there was no evidence of cost savings demonstrated for the travel expense, which is required by the expense policy for instances where a provider other than National Rail is used. Furthermore this same train ticket claim was found to be for a First-Class ticket booking, which is unlikely to have been the most cost-efficient travel option.

We reviewed a sample of 25 invoices received over the period between November 2022 and October 2023. We confirmed in all cases that:

- Invoices were input onto Integra by Finance.
 - Goods receipt was recorded before the invoice was paid.
 - Invoice details matched with values on Integra.
- In all cases a separation of duties was observed between the requester, the officer entering the invoice on the system and the individual completing the Goods Received Note (GRN).

Debtors

We examined a sample of 25 debtor invoices raised between November 2022 and October 2023. Of this sample we found:

- In all cases, supporting information was included on Integra. The invoice was raised either by Finance or the originating Department.
- In 13 cases, debtors did not pay within the 14-day term provided by the Fire Authority. Five of these debtors eventually paid over 30 days; date late ranged from 32 to 101 days with amounts outstanding ranging from £300 to £1,836. **(Finding 1)**
- In one case, a £223.27 debt was overdue by four years and while attempts are being made to chase this debt, no action is being taken through any other means to recover the funds. **(Finding 1)**

We reviewed a sample of five invoices that are at debt recovery stage. From the sample reviewed we found that only one remained unpaid. We observed that while the process is to send chaser emails on the first Monday after the invoice due date has passed, in four cases this did not happen, and instead it was sent a week later than expected. The second and third chaser letters were then sent at appropriate intervals based on the timing of the first letter.

We confirmed that aged debt reports are prepared monthly for review by the Principal Accountant. The oldest debt observed was £1,629.85, for pension contributions owed by a former employee, dating back to May 2018. We confirmed that this debt does not directly impact the Authority, as it relates to the former employee's pension contribution this owed amount will affect their pension on retirement.

The Financial Instructions outline that debts older than 90 days that have not been recovered through normal channels, or following recommendation for write-off from Legal Services, will be considered for write-off. However, no debts have been written off for the last two years.

There are Key Performance Indicators (KPIs) in place which are monitored for Debtor Management. These include:

- Debts over 60 days overdue.
- Total Debt outstanding.

- Debts over 60 days overdue as a % of total debt outstanding.
- Average time from raising invoices to receipt of income.

The Fire Authority has one large debtor, which has been escalated to the Director of Finance & Assets for chasing. This is South Central Ambulance Service (SCAS), and as of the audit the accumulated debt stood at £334,659 which represents around 91% of the total debt profile, all of which was over 90 days old . Following the audit, we received evidence from the Fire Authority's bank account that the £334,659 debt was paid by SCAS on 22 January 2024.

Payroll

Payroll information is processed through the iTrent system. The Fire Service Rota (FSR) planning and scheduling system was fully implemented in April 2020 and is used to record all Watch-based inputs formerly recorded on FB22 forms.

Through discussion and demonstration with the Payroll and Benefits Manager, it was established that for starters, leavers and permanent changes, a checklist is completed, and this is updated by the inputting officer and then a second officer to demonstrate adequate segregation of duties. Once the file has been approved and checked, the signatures are reflected on the title of the file. Changes are also only made following notification from HR and approval from the members of staff's line manager.

We reviewed a sample of 10 starters from July 2022 until July 2023. Of this sample we found:

- All cases had a completed starters checklist included in the personnel file.
- In all cases, the payslip matched the information on iTrent, the starter notification and the contract.
- In all cases, a signed contract was recorded on file.
- In all cases, the file demonstrated adequate segregation of duties, and this was recorded on the file name.

We reviewed a sample of 10 permanent changes from January 2022 until January 2023. Of this sample we found:

- In all cases, adequate authorisation of the change was demonstrated.
- In all cases, the payslip accurately reflected the change made.

We reviewed a sample of 25 expense and mileage claims from October 2022 until October 2023. Of this sample we found:

- In all cases, the claim had been approved by the appropriate manager.
- In all cases, the claims that required a receipt did have adequate documentation recorded and the figures on these matched the payslip.
- In all cases Payroll had validated the claim.
- In 24 of the cases the claim was made for the correct amount listed on the receipt, however in one case the claim had been put through twice for the same expense with both entries approved by the line manager. Payroll only spot check claims and therefore had not picked up this error. The duplicate went unnoticed and was added to the employee's salary. Communications have now been made to the employee to recover the overpayment. **(Finding 2)**

We reviewed a sample of 10 leavers from October 2022 until October 2023. Of this sample we found:

- In all cases, the notification of the leavers details from HR was recorded on file.
- In all cases, the recurring payments had been deleted from iTrent and this was demonstrated on the payslips.
- In all cases, a leavers checklist had been completed.
- In all cases, the file demonstrated adequate segregation of duties, and this was recorded on the file name.

We reviewed a sample of 20 overtime claims from October 2022 until October 2023. Of this sample we found:

- In all cases, the payslip amount matched the number of hours claim and the amounts on iTrent.
- In all cases, the overtime claim was approved by the appropriate manager and validated by payroll.
- In all cases, the overtime was paid in the month of the claim.

Through discussion and demonstration with the Payroll and Benefits Manager, it was established that a report is run called ‘caution and errors,’ which flags discrepancies for Payroll to review and correct. These reconciliations are carried out every time payroll is opened and before the payroll cut-off date. It is also carried out pre- Fire Service Rota, post- Fire Service Rota and pre- close. If discrepancies are identified, a final reconciliation is carried out upon payroll closing.

General Ledger

We reviewed the access of users to Integra, and transactions within Integra and found it was restricted appropriately. We compared this to leavers for the period between November 2023 and October 2022 and found no matches.

We reviewed a sample of 20 Journals raised between November 2022 and October 2023. In all cases they were authorised by either a Principal Accountant or the Deputy Director of Finance & Assets. There was backing documentation in all cases, and a narrative included.

We reviewed a report of transactions in suspense at the time of the audit. We found three cases, with the oldest being from January 2023. The others were March and August 2023. All three cases were posted to the ledger during 2023/24 and had a combined total value of £144.76. **(Finding 4)**

Through discussion with the Principal Accountant, it was established that the suspense account is reconciled monthly, with the majority of the transactions being cleared in a timely manner. Any transactions not cleared are picked up as part of the year-end closing of accounts, in preparation for producing the financial statements.

Grant Income

We reviewed a sample of five expected grant payments for the 2023/24 financial year. Of this sample we found that:

- In all five cases, the schedule grant amount matched the amount received on the bank statements.
- In all five cases, the payments were received on the expected date.
- In all five cases, the grant had been spent in line with the grant conditions.

The grants are forecasted in the budget and reviewed as part of the budget monitoring process.

Capital

The Financial Instructions include guidance on the approval of Capital schemes.

Monthly budget monitoring reports are produced by the Principal Accountant who has quarterly meetings with budget holders (except for Property for which there are monthly meetings) to discuss overspend/any issues. Through a walkthrough, and review of their notes, we confirmed that budgets are appropriately scrutinised.

The Principal Accountant confirmed that updating the Asset Register is a yearly exercise completed following receipt of the valuation report from the Authority's valuers. The valuer was in the process of producing the 2022/23 report at the time of the audit. Following the audit we were provided with the completed valuation report and updated Asset Register as at 31 March 2023, for which we found no exceptions.

Banking and Reconciliations

The reconciliation of bank accounts is carried out monthly. Review of the reconciliations for August and September 2023 confirmed that these were carried out by the Finance Assistant and approved by the Principal Accountant.

Monthly tasks are listed on the Transactions Reconciliation spreadsheet. Within this is the bank reconciliation report which is downloaded from Integra and signed off by the Principal Accountant along with all the other tasks listed on the Transaction Reconciliation spreadsheet. The bank reconciliation report is not signed off until the Principal Accountant has checked all the tasks have been completed. We reviewed the reconciliations for August and September 2023 and can confirm that the process was followed.

VAT

We reviewed two VAT returns, May, and August 2023. In both cases, the Purchase Ledger and the Sales ledger matched the Control - and both were reviewed and submitted by the Principal Accountant. The reconciliation was prepared by a Finance Assistant with the review and submission performed by the Principal Accountant.

Treasury Management

Through review of the Treasury Management Strategy, we confirmed that the document refers to relevant legislation with the CIPFA best practices referenced. The strategy is reviewed annually and was last updated and approved by the Fire Authority on 15 February 2023.

The Treasury Management Strategy is available to both staff and the public via the Authority's website.

Discussion with the Principal Accountant and review of the contract with Link Treasury Services Limited, it was established that there is a current contract in place for consultancy services and leasing advisory services. This contract was signed in April 2019 with an initial end date of March 2022, however, there is an agreed extension held on file for further 24 months until March 2024. The consultancy service provides a monthly report of all current

investments and deals which aids the Principal Accountant in creating the quarterly report for members. These quarterly reports contain key information as to the status of the current investments and borrowing, when they are due to end and the expected return.

Examination of a sample of five investments placed between November 2022 and October 2023 found:

- All five had been invested with agreed counterparties.
- All five investments were within the agreed limits as stated in the Treasury Management Strategy.
- All five investments had been approved by an appropriate member of staff.

Table 2: Detailed Audit Findings and Management Action Plan

Finding 1: Debtors – Aged Debt and Late Payments	Risk Rating	Agreed Management Actions
<p>Debtors should be paying within the terms outlined by the Authority and late payments should be chased and the funds recovered in a timely manner.</p> <p>We sampled 25 debtors raised between November 2022 and October 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • In one case a debt with value of £223.27 was overdue by four years and while attempts are being made to chase this debt, these have been unsuccessful and due to time passed it is unlikely that the funds will be recovered. • In 13 cases the debtors did not pay within the 14-day term provided by the Fire Authority. Five of these debtors eventually paid over 30 days late, one of which was 101 days late. • Approximately 91% of the Authority’s debt is held by one entity, SCAS representing an accumulated value of £334,659. This debt has been escalated to the Director of Finance & Assets and attempts at arranging recovery are underway. <p>If debtors do not pay on time, there is a risk that money owed to the Authority will not be recovered, resulting in financial loss for the Authority.</p>	M	<p>Action:</p> <p>Review existing chasing debt procedures and reminders letters to ensure they are still fit for purpose. Reinforce the process and inform all debtors of this process to make them aware there maybe interest and legal involvement if not paid.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 31 July 2024</p>
Finding 2: Payroll – Expense Claims	Risk Rating	Agreed Management Actions
<p>Expenses and mileage claims should be made accurately and for the amount detailed on the receipts. Claims should be checked by the appropriate line manager thoroughly prior to being processed for payment.</p> <p>We reviewed a sample of 25 expense and mileage claims from October 2022 until October 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • In 24 of the cases, the claim was made for the correct amount listed on the receipt. However, in one case the claim had been submitted twice for the same expense, with both claims subsequently approved by the line manager for payment. This duplicate expense 	M	<p>Action:</p> <p>Send a notification to all expense approvers to remind them of their responsibilities when approving expense claims. In addition, Payroll Team to continue to sample review expense claims before payment is made on the Payroll BACS run, Payroll spot check will now</p>

<p>claim was not part of the payroll spot check therefore the error was not corrected resulting in the claim being paid twice via the employee’s salary. This overpayment has now been communicated to the employee and recovery action is being taken.</p> <p>If incorrect claims are approved and paid there is a risk of misallocation of funds and the inability to recover the money from the employee resulting in financial loss to the authority.</p>		<p>include a check for duplicates .</p> <p>Officer responsible: Payroll and Benefits Manager</p> <p>Date to be implemented by: 31 March 2024</p>
<p>Finding 3: Creditors – Purchase Card Transactions</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>Purchase card transactions should be made in accordance with the Authority’s policies and procedures.</p> <p>We reviewed a sample of 20 purchase card transactions between November 2022 and September 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • One case where the evening meal charge limit was exceeded. The limit of £15.51 per person is set out in the Authority’s policy however this approved payment was for £16.90. • One instance of a first class rail travel being booked through trainline (which has additional booking fees) and no evidence was retained to evidence cost savings as required by the expense policy if a provider other than National Rail is used. <p>If the Authority approves expense claims that are beyond the agreed limit, there is a risk of inappropriate use of the purchase card resulting in financial loss to the Authority.</p>	<p>L</p>	<p>Action:</p> <p>Remind all purchasing card holders of their role and responsibilities when using their purchasing card for business activity as per the Purchasing Card User Guide. When approving purchasing card expenditure within the finance system extra scrutiny will be placed on what the card has been used for, why and confirm it’s within the limits set in the Purchasing Card User Guide and other accompanying procedures.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 31 July 2024</p>
<p>Finding 4: General Ledger – Transactions in Suspense</p>	<p>Risk Rating</p>	<p>Agreed Management Actions</p>
<p>Suspense accounts should be reviewed and cleared on a regular basis.</p>	<p>L</p>	<p>Action:</p> <p>All transactions on the suspense account are cleared in a timely manner and</p>

We reviewed a report of transactions in suspense at the time of the audit. We found three uncleared transactions, with the oldest being from January 2023. The others were March and August 2023. The combined total value of these transactions was £144.76.

Through discussion with the Principal Accountant we found that while the suspense accounts had been checked as part of the monthly reconciliation process, the three (low value) transactions identified during the audit were not cleared. It was confirmed that the suspense account will be reviewed cleared and as part of the closing of the account procedure.

If suspense accounts are not cleared, there is a risk that these funds have not been allocated to the correct cost centre or General Ledger (GL) Code impacting the accuracy of reporting on the budget position. Additionally, if the task of clearing suspense accounts is left to year-end there is will compound the already heavy workload for year-end accounts.

ensure these are dealt with by yearend.

Officer responsible:

Principal Accountant

Date to be implemented by:

30 April 2024

Table 3: Detailed Follow-Up of 2022/23 Findings and Management Action Plan

Report Ref No. 1	Title: Creditors – Purchase Card Spending Limits	Priority of finding: L	Status: Implemented
Original Audit Finding		Management Comments & Action Plan	
<p>Purchasing card holders are assigned a monthly spending limit in line with the requirements of their role. These should be periodically reviewed to ensure that they continue to be in line with the requirements of officers' roles.</p> <p>Examination of a sample of 20 purchasing card transactions found:</p> <p>In six cases, total spend for the month of the transactions was not within the cardholder's monthly spending limit. In one of these cases, a single purchase of £2,248 exceeded the cardholder's spending limit of £1,000. Whilst a temporary increase to the cardholders' spend limit was approved by the budget holder and actioned by Finance in all six cases, and all spend was within the temporary increase to the limit, analysis of all Purchasing Card transactions found 16 instances (spread across ten cardholders) where monthly spend was higher than the designated spend limit in the period between 1 December 2021 and 30 November 2022, indicating that the officers were exceeding their limits with relative frequency.</p> <p>Discussion with the Principal Accountant agreed that Purchasing Card limits are in need of review and that the purchasing card limits by organisational role set out in the Purchasing Card User Guide should also be reviewed to take into account positions and limits not previously listed.</p> <p>If purchasing card spend limits do not reflect actual purchasing card spend, there is a risk that temporary increases to spend limits become increasingly frequent, leading to inconsistent purchasing card usage across the Fire Authority.</p>		<p>Action: A Review of the Purchasing Card User Guide to ensure the guide is still fit for purposes and purchasing card limits are sufficient and appropriate for all purchasing card holders.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 30 June 2023</p>	
Follow Up Evaluation		Management Comments & Action Plan	

Sample review confirmed that spend limit increases are approved and processed appropriately in line with the Purchasing Card User Guide, with robust controls in place.		N/A	
Report Ref No. 2	Title: Financial Control Framework – Financial Instructions	Priority of finding: L	Status: Implemented
Original Audit Finding		Management Comments & Action Plan	
<p>Financial Instructions should cover all financial processes, be up to date, approved and made available to staff.</p> <p>We noted that the Financial Instructions document was last updated and approved in January 2018 and has therefore not been reviewed for five years, whereas best practice suggests that financial policies and procedures are reviewed regularly as well as when known changes are implemented.</p> <p>If Financial Instructions are not kept under regular review there is a risk that they are not up to date and do not reflect the current operations and strategic objectives of the Fire Authority, as well as any changes to legislation</p>		<p>Action: A review and update of the Financial Instructions to take place to incorporate actions from the Procurement Audit.</p> <p>Officers responsible: Director of Finance and Assets</p> <p>Date to be implemented by: 31 March 2023</p>	
Follow Up Evaluation		Management Comments & Action Plan	
The Financial Instructions were updated and approved in November 2023 and are available to staff on the BMKFA Intranet. They contain instructions for the effective operation of all financial systems within the Authority and have been reviewed and updated to reflect changes to the Finance system.		N/A	

Report Ref No. 3	Title: Payroll – Second Officer Check	Priority of finding: L	Status: Implemented
Original Audit Finding		Management Comments & Action Plan	
<p>Information relating to permanent changes and leavers should be input by an HR or Payroll Officer and checked by a second Payroll Officer.</p> <p>Examination of a sample of ten permanent changes made to payroll between December 2021 and November 2022 found that in four cases, there was no evidence that inputs relating to the change were checked by a second officer.</p> <p>Examination of a sample of ten employees who left the Fire Authority’s employment between December 2021 and November 2022 found that in four cases there was no evidence on the checklist that a second check was carried out.</p> <p>If inputs into Integra are not checked by a second officer, there is a risk that permanent changes and leavers are processed incorrectly and the pay information is not accurate, leading to an overpayment or underpayment.</p>		<p>Action: As the team is now at full establishment and trained, these checks are taking place.</p> <p>Officers responsible: Payroll and Benefits Manager</p> <p>Date to be implemented by: Immediately</p>	
Follow Up Evaluation		Management Comments & Action Plan	
<p>We reviewed a sample of starters and leavers and permanent changes from November 2022 until November 2023. Of this sample we found:</p> <p>For all cases reviewed we confirmed adequate segregation of duties.</p>		N/A	

Appendix 1: Definition of Conclusions

Key for the Overall Conclusion:

Below are the definitions for the overall conclusion on the system of internal control being maintained.

	Definition	Rating Reason
Substantial	There is a sound system of internal control designed to achieve objectives and minimise risk.	<p>The controls tested are being consistently applied and risks are being effectively managed.</p> <p>Actions are of an advisory nature in context of the systems, operating controls and management of risks. Some medium priority matters may also be present.</p>
Reasonable	There is a good system of internal control in place which should ensure objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Majority of actions are of medium priority, but some high priority actions may be present.</p>
Partial	The system of internal control designed to achieve objectives is inadequate. There are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an inadequate level of internal control in place and/or controls are not being operated effectively and consistently.</p> <p>Actions may include high and medium priority matters to be addressed.</p>
Limited	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>The internal control is generally weak/does not exist. Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Actions will include high priority matters to be actions. Some medium priority matters may also be present.</p>

Management actions have been agreed to address control weakness identified during the exit meeting and agreement of the draft Internal Audit report. All management actions will be entered onto the Pentana Performance Management System and progress in implementing these actions will be tracked and reported to the Strategic Management Board and the Overview & Audit Committee.

We categorise our management actions according to their level of priority:

Action Priority	Definition
High (H)	Action is considered essential to ensure that the organisation is not exposed to an unacceptable level of risk.
Medium (M)	Action is considered necessary to avoid exposing the organisation to significant risk.
Low (L)	Action is advised to enhance the system of control and avoid any minor risk exposure to the organisation.

Appendix 2: Officers Interviewed

The following staff contributed to the outcome of the audit:

Name:

Asif Hussain
Marcus Hussey
Laura Taylor
Jackie Vere-White

Title:

Deputy Director of Finance and Assets
Principal Accountant (Technical Accounting)
Principal Accountant (Management Accounting)
Payroll and Benefits Manager

The Exit Meeting was attended by:

Name:

Asif Hussain
Marcus Hussey
Jackie Vere-White

Title:

Deputy Director of Finance and Assets
Principal Accountant (Technical Accounting)
Payroll and Benefits Manager

The auditors are grateful for the cooperation and assistance provided from all the management and staff who were involved in the audit. We would like to take this opportunity to thank them for their participation.

Appendix 3: Distribution List

Draft Report:

Mark Hemming
Asif Hussain
Marcus Hussey
Laura Taylor
Jackie Vere-White

Director of Finance and Assets
Deputy Director of Finance and Assets
Principal Accountant (Technical Accounting)
Principal Accountant (Management Accounting)
Payroll and Benefits Manager

Final Report as above plus:

Louise Harrison
Ernst and Young

Chief Fire Officer
External Audit

Audit Control:

Exit Meeting
Draft Report
Management Responses
Final Report
Audit File Ref

24 November 2023
8 January 2024
12 January 2024
29 January 2024
24-22

Disclaimer

Any matters arising as a result of the audit are only those, which have been identified during the course of the work undertaken and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that could be made.

It is emphasised that the responsibility for the maintenance of a sound system of management control rests with management and that the work performed by Internal Audit Services on the internal control system should not be relied upon to identify all system weaknesses that may exist. However, audit procedures are designed so that any material weaknesses in management control have a reasonable chance of discovery. Effective implementation of management actions is important for the maintenance of a reliable management control system.

Contact Persons

Maggie Gibb, Head of Business Assurance

Phone: 01296 387327

Email: maggie.gibb@buckinghamshire.gov.uk

Selina Harlock, Audit Manager

Phone: 01296 383717

Email: selina.harlock@buckinghamshire.gov.uk