

## Appendix 4

### Schedule of “live” audit recommendations as at June 2019

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
CoLP Budget Monitoring 2016-17	<p>MK02337 The Director of Finance should set a financial limit above which a budget estimate should be set, for example, £5,000.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response:</b> The funded units allocate their expenditure accordingly to agreed subjectives with the funder. The majority is allocated to pay, so where there are costs incurred on no pay budgets that have no budget the FBP are unable to transfer sufficient funding between pay and non-pay.</p> <p><b>CoLP Update:</b> Finance Business Partners to monitor and take action.</p>		<p><b>Original</b> 31<sup>st</sup> March 2018</p> <p><b>Revised</b> 30<sup>th</sup> September 2018</p>	<p>This recommendation is currently under review by the new Director of Finance. At this time a revised date is not known as this is part of a wider budget management review.</p> <p>Revised Implementation Date Required</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Demand and Event Policing 2017-18	<p>MK02941 The Director of Finance should introduce a record of event income and expenditure compiled from income receipts and actual income related to this police function. Where the CoLP is subsidising the provision of event policing from core funding; this should be reported to the Senior Management Team.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response:</b> Accepted and will be compiled by the Director of Finance</p>	CoLP to provide an update on the progress.	Original 30 <sup>th</sup> September 2018	<p>This is work in progress. "Events" is a specific agenda item for FBPs every month for meetings with services. Records will be maintained for all events, chargeable and non-chargeable. Chargeable work will be tracked separately by one dedicated FBP and invoices will be raised in a timely manner. Evidence provided – FBP monthly meeting agenda</p> <p>Revised Implementation Date Required</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19	<p>Mk02998 The budget-setting process should incorporate:</p> <ul style="list-style-type: none"> <li>Stakeholder input to ensure alignment with operational requirements;</li> <li>Clear linkage with the Medium-Term Financial Plan and Workforce Plan;</li> <li>Local arrangements for scrutiny;</li> <li>Retention of documentation to reflect key elements of the process e.g. meetings between Finance Business Partners and budget holders and working papers to support budget calculations.</li> </ul> <p><b>Assurance Rating: Red</b></p>	<p><b>Initial Response</b></p> <p>The Medium-Term Financial Plan is currently being developed with regular involvement of and weekly challenge from the Corporation. This detailed work will form the basis of the annual budget for 2019/20. Between September and March there will be regular meetings between Finance Business Partners and Budget Holders with an agenda agreed by the Finance Director. All actions will be recorded centrally by the Finance Directors PA.</p>		Original 31 <sup>st</sup> March 2019	<p>This recommendation is currently under review by the new Director of Finance. At this time a revised date is not known as this is part of a wider budget management review.</p> <p>Revised Implementation Date Required</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19	<p>Mk02999 CoLP should produce documented procedures to support key financial administration processes such as AP and AR processing, ensuring that these are made available to all relevant staff.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>Admin Finance team will draw together internal processes notes which will be checked with the Corporation Procurement team to ensure they meet with system and process guidelines. Force wide communications will also be issued to ensure all members of the Force are clear on the purchase to pay process. Court Funds process notes are being prepared by the Supervisor in that team which will allow clarity for people involved in that process.</p>		<p><b>Original</b> 31<sup>st</sup> March 2019</p>	<p>Partially Implemented – revised timescale required for full implementation</p> <p>Work in progress. New systems are being implemented and will be documented as and when this work is completed.</p> <p>Revised Implementation Date Required</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19	<p>MK03002 All goods/services to be procured by CoLP staff should be requested by the individual requiring the goods/services</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b> This will be communicated to the Force to ensure clarity of the process.</p>		<p><b>Original</b> 31<sup>st</sup> December 2018</p>	<p>A very successful pilot has been implemented in ECD, which has to some extent alleviated bottlenecks in Finance. The pilot will be rolled out further, initially to those services that are suitably staff, e.g. FM and Change Management Office.</p> <p>Evidence – CBIS</p> <p>Revised Implementation Date 30<sup>th</sup> June 2019</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19	<p>MK03004 All CoLP procurement should be in line with the corporate Procurement Code, including adequate operational planning to eradicate procurement breaches</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b> Finance Business Partners will work with business areas and Corporation Procurement to develop sourcing plans for financial year 2019/20 which will allow for appropriate planning which will reduce procurement breaches.</p>		Original 31 <sup>st</sup> March 2019	Revised Implementation Date Required
Key Financial Controls 2018-19	<p>MK03005 The potential for introduction of a finance dashboard, providing a high-level overview of the monthly management accounts, should be investigated by CoLP in conjunction with the Chamberlain's Financial Services Decision.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b> Work has already started on improving management information provided to budget holders. This work will be developed further with the corporation to see if a dashboard can be developed through the Corporations Oracle platform.</p>		Original 31 <sup>st</sup> March 2019	Work in progress  Revised Implementation Date Required
Key Financial Controls 2018-19	<p>MK03006 Key actions arising from monthly budget monitoring meetings should be recorded to facilitate follow-up.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b> Finance Business Partners and Budget Holders meet regularly with an agenda agreed by the Finance Director. All actions will be recorded centrally by the Finance Directors PA.</p>		Original 31 <sup>st</sup> December 2018	<p>Completed, and minutes from meetings are kept centrally and reviewed by the Senior FBP.</p> <p>Evidence – minutes from meetings Evidence Required</p>

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Key Financial Controls 2018-19	<p>MK03007 Budget monitoring processes should identify necessary actions to reduce the risk of funded units being subsidised by core operations; key points to be reflected in the monthly monitoring records.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>It is important to note that a lot of funded units are carrying out core policing functions and the funding reduces the burden on core funding.</p>		<p><b>Original</b> 31<sup>st</sup> March 2019</p>	<p>Work in progress. A review of funded units and an appropriate standard charging mechanism is being developed. There is not always a clear distinction between core and funded work, and there will always be a cross-over. However, this will be identified in a transparent model and monitored accordingly.</p> <p>Revised Implementation Date Required</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19	<p>MK03008 As part of the budget monitoring process monthly variance analysis and narrative will be undertaken and reviewed. This will then be centrally, electronically recorded</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>As part of the budget monitoring process monthly variance analysis and narrative will be undertaken and reviewed. This will then be centrally, electronically recorded.</p>		<p><b>Original</b></p> <p>31st March 2019</p>	<p>Not implemented to date – a status update is required</p> <p>Completed Evidence – budget monitoring repots</p> <p>Revised Implementation Date Required</p>
Key Financial Controls 2018-19	<p>MK03009 All financial reporting deadlines, for example in respect of budget-setting, in-year monitoring, and outturn reports, should be met to facilitate appropriate oversight.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>An annual timetable will be prepared, and dates clearly outlined. The performance against these dates will be monitored and recorded.</p>		<p><b>Original</b></p> <p>31st March 2019</p>	<p>Completed</p> <p>Evidence – budget monitoring reports</p> <p>Evidence Required</p>
Key Financial Controls 2018-19 Additional Testing	<p>MK03190 Reconciliations should be undertaken on a monthly basis of income due to the amounts invoiced and received to help ensure that all income due is recovered.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>Aged Debt analysis is produced monthly, proactive debt management is in place and aged debt has reduced significantly during 2019/20 so far.</p>		<p><b>Original</b></p> <p>1<sup>st</sup> April 2019</p>	<p>Evidence Required</p>



Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19 Additional Testing	<p>MK03191 Officers should be reminded of the need to ensure that:</p> <ul style="list-style-type: none"> <li>• Invoices are raised on a timely basis.</li> <li>• Supporting documentation is retained in a shared folder.</li> <li>• Each receipt of payment is applied accurately to the corresponding debtor account.</li> </ul> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>There is a co-ordinated approach to identifying income due, discussing this with directorates via monthly meetings and reporting performance to budget managers and to members. One FBP is consolidating debt management centrally within the finance team.</p>		<p><b>Original</b> 1<sup>st</sup> April 2019</p>	<p>Evidence Required</p>
Key Financial Controls 2018-19 Additional Testing	<p>MK03192 Irrecoverable debt should be submitted for write-off on a timely basis.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>Aged debt is now proactively managed by one FBP. Old and irrecoverable debt was written off in 2018/19 and a proactive approach to debt management is now in place.</p>		<p><b>Original</b> 1<sup>st</sup> April 2019</p>	<p>Evidence Required</p>
Key Financial Controls 2018-19 Additional Testing	<p>MK03193 Evidence of action taken to recover outstanding debt should be retained on a shared email folder to enable all relevant officers to be aware of the current status of action taken and to facilitate monitoring.</p> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>A shared email account (Accounts Receivable) is already in existence, and this will be used going forward. Membership of the mailing list needs to be updated to include all Business Partners. Evidence of chasing is currently held centrally within the FBP AR co-ordinators inbox, and this evidence will be transferred over to the shared inbox when access rights have been amended.</p>		<p><b>Original</b> 1<sup>st</sup> April 2019</p>	<p>Evidence Required</p>

Audit	Recommendation	Management Responses	Action Required	Target Dates	Status
Key Financial Controls 2018-19 Additional Testing	<p>MK03194 Officers should be reminded of the need to ensure that:</p> <ul style="list-style-type: none"> <li>• Purchase order is raised in advance.</li> <li>• Invoices are paid in a timely manner within the defined timescales. Where there are delays in making the payment, the reasons should be recorded.</li> </ul> <p><b>Assurance Rating:</b> Amber</p>	<p><b>Initial Response</b></p> <p>Significant improvements have been made to address problems within the AP process. One FBP is responsible for AP and he supervises the team and manages / monitors progress. Backlogs were ringfenced in 2018/19 and cleared. Management reports are reviewed on a weekly and daily basis. PO compliance was 97% in April 2019, however, CBIS was down for 8 working days in May and it is expected that this downtime will affect performance in May. To maintain a good level of service, it is essential that we have the necessary tools available and systems are working.</p>		<p><b>Original</b> 1<sup>st</sup> April 2019</p>	<p>Evidence Required</p>