



ROYAL BERKSHIRE FIRE & RESCUE SERVICE

Key Financial Controls – Finance System and Accounts Receivable

Draft Internal Audit Report: 6.25/26

13 February 2026

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

CONTENTS

Audit outcome overview.....	3
Summary of management actions.....	7
Detailed findings and actions.....	9

Appendices

Appendix A: Categorisation of findings.....	11
Appendix B: Scope	12

AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix B, the overview of our findings is detailed below.

Background: A review of the Service's key financial controls (finance system and accounts payable) was undertaken as part of the approved internal audit plan for 2025/26. The objective was to assess whether system based financial controls are effective, the finance system contains accurate and timely information and adequate processes are in place to ensure adequate segregation of duties and approvals where required. This included the controls surrounding the finance system set-up, policies and procedures, journal entries, control account reconciliations, suspense accounts, bank mandates, invoices and credit notes.

The Finance team are responsible for the day-to-day management of the finance system and activities. The Service currently use Sage as its finance system and is in the process of transferring to the Technology One system. Processes are supported by documented policies covering journals, bank and control account reconciliations, accounts receivable and sales ledger activities. These outline the key steps for preparing, reviewing and authorising financial transactions.

Conclusion: Overall, we found that key financial controls were well designed and consistently applied across the areas reviewed. Evidence demonstrated a strong segregation of duties, clear procedural documentation and appropriate review and approval mechanisms. Controls, based on our sample testing, operated reliably across journals, reconciliations, supplier set-up and invoicing, with processes followed as documented and supported by appropriate authorisation.

We noted only a small number of isolated issues, including occasional delays in posting journals and instances where customer order numbers were not included on invoices or credit notes. Management provided reasonable explanations for these cases, and further sample testing confirmed that the controls themselves were operating as intended. Overall, the control environment was robust, with weaknesses limited to minor documentation and timeliness matters.

Internal audit opinion:

			
Minimal Assurance	Partial Assurance	Reasonable Assurance	Substantial Assurance

Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

Audit themes: **We found the following controls to be adequately designed and operating effectively:**

Policies and Procedures - Clear and comprehensive procedural guidance is in place across journals, reconciliations, banking, and sales ledger processes, supported by practical walkthroughs that enable consistent application. All documents reviewed were current, approved, and accessible to staff.

User Set Up - At the time of the review, the finance system had not been implemented meaning we were unable to confirm compliance with expected user set up process. As a result, we conducted a walkthrough of the new user set up process in Sage and confirmed that access is restricted to appropriate staff and user rights are limited to ensure segregation of duties.

We were advised by the Exchequer and Systems Manager that forms for a Level 1 or Level 2 user must be completed by line managers and submitted prior to set up in the finance system. We confirmed that to be approved for Level 2 access on the system and approve payments, a staff member must be of Grade 5 or higher.

Supplier Setup - Through review of a sample of 10 new suppliers set up on Sage since April 2025, we confirmed that appropriate preparer, reviewer, and approver checks were applied and supported by evidence.

System Access and User Controls - Finance system access was well-structured through defined user levels, approval routes, and restrictions that maintained segregation of duties.

Journal Processing – Through review of a sample of 20 journal entries, we noted that clear segregation between preparer and approver was applied, complete supporting documentation was retained, and adherence to authority limits as appropriate.

Through data analytics testing, we confirmed consistent posting behaviour and good-quality descriptions across the population. We confirmed that no journals were posted on weekends and no journals contained blank or generic descriptions such as 'miscellaneous'. We sought to review a sample of 10 journals with round number values, however three had already been captured in our original sample of 20 thereby reducing the testing to seven journals. We confirmed in all seven instances that the appropriate processes had been followed in terms of timeliness of posting and authorisation requirements were followed.

Control Account Reconciliations - For four control accounts across three months, we confirmed all were accurate, well-supported, and subject to appropriate review, with segregation of duties applied as appropriate. In all instances bar one month for one account, reconciliations were completed within expected timeframes, and alternative arrangements for long-term liabilities were appropriately incorporated into quarterly reporting. In the remaining instance, this related to capacity constraints resulting in the Fire Brigade Union Current Liabilities account reconciliation being completed later than expected at the start of the month following the reconciliation period.

Suspense Accounts - During the period of review, we noted that no entries were made into suspense accounts, indicating strong processes for timely allocation and accurate coding of transactions.

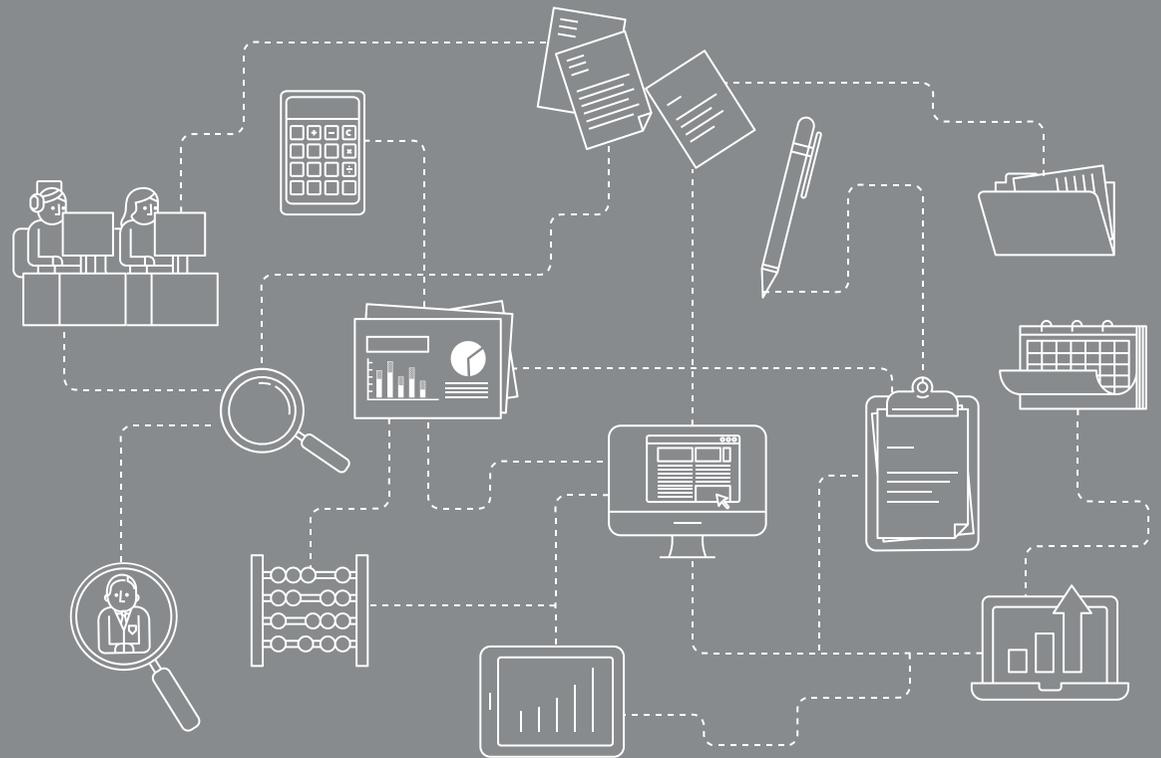
Bank Mandate Controls - We confirmed that bank mandates were accurately maintained with clear approval structures and restricted payment authority. Dual sign-off requirements above the threshold were consistently embedded within the organisation's banking arrangements.

Accounts Receivable Processing - Through review of a sample of 20 invoices and all 16 credit notes processed since April 2025, we noted that processing reflected strong segregation of duties, accurate matching to request forms, and alignment with system records. All credit notes and invoices reviewed complied with delegated authority requirements and demonstrated consistent documentation standards.

Debt Management - We confirmed aged debt reporting as at January 2026 demonstrated that all outstanding balances were less than 30 days overdue at the time of review. No bad debt write-offs had been required during the period, indicating effective debt collection and monitoring controls.

Summary of Actions for Management

01



SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High

Immediate management attention is necessary.

Medium

Timely management attention is necessary.

Low

There is scope for enhancing control or improving efficiency.

We have not agreed any management actions as part of our review.

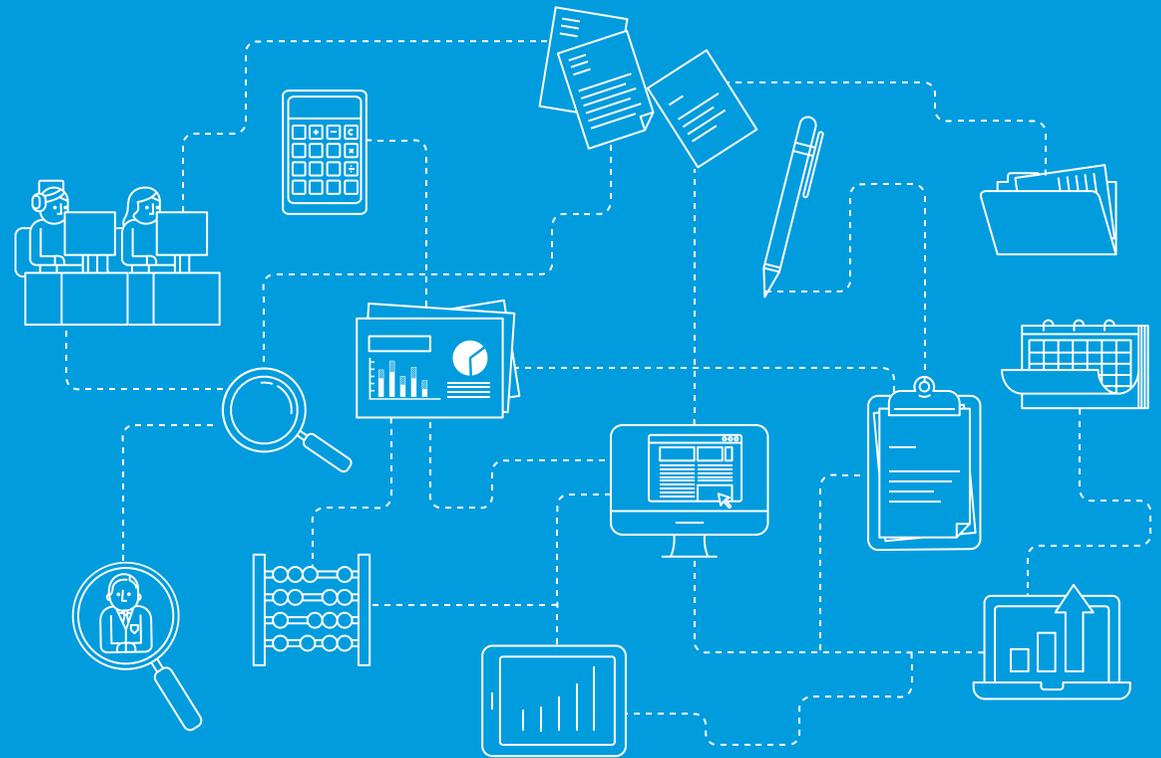
* Refer to Appendix B for more detail

DETAILED FINDINGS AND ACTIONS

No management actions have been agreed as part of this review.

Appendices

03



APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low

There is scope for enhancing control or improving efficiency.

Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
Key Financial Controls	0 (10)	0 (10)	0	0	0
		Total	0	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following objective:

Objective of the review

System based financial controls are effective. The finance system contains accurate and timely information and adequate processes are in place to ensure adequate segregation of duties and approvals where required.

The following areas will be considered as part of the review:

- Access to the relevant modules within the new system have been restricted to appropriate staff including those outside of finance and user rights are subject to appropriate and regular review. This will include a review of the current system setup to ensure that when user access rights are transferred, they are current and appropriate.
- Appropriate current policies and procedure notes are up to date and available to staff.
- Journals - review of the system setup/controls for journals including segregation of duties and approval limits. We will review journal data for completeness of narrative, authorisation, timeliness and correct posting to the ledger. Ensuring journals were raised and posted by appropriate nominated personnel only.
- Control Account reconciliations - timely, reviewed, complete, verified to source documentation, arithmetically correct, outstanding items investigated and cleared (including bank reconciliations, debtors, creditors, asset register).
- Where applicable how suspense accounts are managed and cleared routinely including whether suspense accounts have been set up in the new system.
- Undertake testing to confirm bank mandates have been accurately maintained and updated and reflect authorisation limits set up within the system.
- Suppliers - review of the system setup/controls for ensuring separation of duties and verification between supplier changes and system updates.

Accounts Receivable

- Invoicing - invoices and credit notes are raised at the request of an appropriate individual with relevant information included. For a sample of invoices raised, testing will be undertaken to confirm that relevant information has been recorded in the finance system with the requested amount and information matching the information posted to the ledger accounts.
- Aged Debt and recovery action - Aged Debt reports are reviewed, and action taken on outstanding debts, appropriate recovery action is taken.
- Write offs - write offs are authorised at the appropriate level in line with Scheme of Delegation.

The following limitations apply to the scope of our work:

- We will not substantively re-perform reconciliations.
- We will not consider the purchase order process during this review
- Our review will not confirm the accuracy of the figures included in the financial accounts.
- We will not provide assurance that the cash flow forecast is accurate.
- We will not review the aged debt process as part of this review, testing will be based on system based financial controls only.
- The results of our work is reliant on the quality and completeness of data provided to us.
- We will not comment on whether the organisation achieves value for money for its purchases.
- We will not consider the adequacy of goods or services received and appropriateness of these.
- Testing will be completed on a sample basis from systems based transactions within the current financial year.

Debrief held 3 February 2026
Final evidence received 5 February 2026
Draft report issued 13 February 2026
Responses received
Final report issued

Internal audit Contacts Daniel.Harris@rsmuk.com / Partner
Zoe.Walker@rsmuk.com / Managing Consultant

Client sponsor Conor Byrne, Director of Finance

Distribution Conor Byrne, Director of Finance
Irene Kema Onyeri, Deputy Head of Finance and Procurement

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

FOR FURTHER INFORMATION CONTACT



Dan Harris, Partner and Head of Internal Audit

Email: Daniel.Harris@rsmuk.com

Telephone: +44 1908 687915



Zoe Walker, Managing Consultant

Email: Zoe.Walker@rsmuk.com

Telephone: +44 1245 454106

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Royal Berkshire Fire & Rescue Service, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.