



Agenda Item 10.4:
Report of the internal financial audit team



Introduction

At the CIML meeting in 2020 the Resolution 2020/5 concerning the establishment of an internal financial audit of salaries and other operational expenses was adopted. The new internal financial audit is intended to annually review the implementation of and compliance with the financial regulations (OIML B 8) and the staff regulations (OIML B 7).

The CIML President appointed Mairead Buckley, Member of the Presidential Council, and Dr. Bobjoseph Mathew, Second Vice-President CIML, as members of the Internal Financial Audit Team and requested them to conduct an internal financial audit and to provide report to the CIML President and the Presidential Council.

Acknowledgements

The Team would like to thank the BIML Director and both the Assistant Directors for their cooperation and support during this audit, particularly as their activities were impacted during the COVID-19 pandemic.

The Team understands that the BIML Director, when he took office in 2019, had to build upon existing procedures and controls to establish and document a full suite of internal financial control processes. The Team appreciates the efforts made to date by the BIML Director and both the Assistant Directors in these circumstances and has taken due account of the amount of work undertaken in its audit.

Audit Approach

The Team requested the BIML Director to provide the following documents:

- Document/s describing the roles and responsibilities for the various financial management processes and the internal control procedures. This should include a complete list of controls (sign-off/authorisation) for each process.
- Process documents for:
 - Planning and budgeting and accounting
 - Accounts receivable
 - Accounts payable
 - Salaries and allowances (payroll)
 - Cashflow management
 - Expenses management
 - Cost control
- Draft audit report 2020
- Accounts 2020

Document review

The Team was initially provided with a large number of documents relating to the financial controls. Following discussion between the Team it was agreed to review the following in particular on this occasion¹:

1. BIML-PRF001 OIML Financial Framework
2. BIML-PRF002 BIML Financial Manual
3. BIML-PRF003 BIML Procurement Procedure
4. BIML-PRF004 BIML Staff Salaries and Pensions
5. BIML-PRF005 OIML Budget
6. BIML-PRF006 Processing Payments and Generating Invoices
7. BIML-Form001a Travel expenses claim for one mission
8. BIML-Form001a Travel expenses claim for two missions
9. BIML-Form002 Finance Form
10. BIML-Temp 001 Call for budget proposals
11. BIML-Temp 002 Budget template
12. BIML-Temp 003a OIML Member States contributions invoice template
13. BIML-Temp 003b OIML Corresponding Members contributions invoice template
14. BIML-Temp 004 Business Case template

Conclusions

A Suite of Processes and Procedures has been established. They define the roles and responsibilities for various finance processes, some of which document existing practices and others updating or introducing procedures for a number of important financial controls. We can confirm that the documentation is adequate for an organization of the size of the BIML subject to the final Findings.

We recommend in the Findings a number of improvements for immediate action and have made several other observations in order to further enhance the robustness of the procedures. As of June 2022, all Findings have been addressed. Immediate actions have been taken to implement the majority of the suggested recommendations and observations and the Director has committed to closing out the remainder as soon as practicable.

During the next review, it should be confirmed whether the controls defined in the Suite of Processes and Procedures are applied systematically and operating effectively, in particular those relating to salaries and other operational expenses.

¹ Note – some of the reviewed documents were initially in draft form and worked up to a final version during the audit period.