

INTERNAL AUDIT REPORT

PURCHASE CARD SCHEME 2022/23

1 INTRODUCTION

- 1.1 This audit was carried out in line with the Internal Audit Plan 2022/23, and in full consultation with operational staff and management.
- 1.2 The scope of the audit was to determine the effectiveness of the internal control procedures within the Purchase Card Scheme process, to ensure compliance with statutory requirements and departmental (internal) policies and procedures.
- 1.3 The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

2 AUDIT FINDINGS

- 2.1 Thirteen weaknesses were identified, of these twelve were classified as High Risk and the remaining one was classified as a Low Risk.
- 2.2 The areas involving the High Risk weakness were:
 - One Purchase Card User Instruction form had not been signed
Agreed Action – Card User Instruction Forms to be signed before the card is issued.
 - Access Request Forms not signed by the appropriate line manager
Agreed Action – Access Request forms will be signed by an approved Senior Officer and not the intended Card Holder.
 - Card Holders/Authorisers not on the Authorised Signatory list
Agreed Action – To ensure Card Holders/Authorisers are cross referenced to the Authorised Signatory list.
 - Card Holder spend limits not reconciled with the Authorised Signatory list.
Agreed Action – To ensure Card Holders/Authorisers spend limits are cross referenced to the Authorised Signatory list.
 - Purchases not authorised prior to the termination of employment, reoccurring expenditure after employment has terminated due to payment methods such as direct debit. No formal procedure for card holders leaving the Authority. A card holder who had left the Authority not featuring on current or cancelled card reports.
Agreed Action – Update guidance on policy and procedure. Verify periodical reports for leavers from Organisational Development. Corporate response to reiterate the importance of cancelling cards when employment has ceased.
 - Card Holder with administration access
Agreed Action – Periodical Exception Reports will be run by Senior Management, to ensure security of employees with dual responsibility.
 - Purchase Cards not signed for on receipt.
Agreed Action – System to revert to pre Covid card collection and signature.
 - Physical security of the Pin Numbers and Purchase Card not maintained.
Agreed Action – Corporate response to ensure Purchase Card security is maintained.
 - Requisitions not raised by departments, purchase details not input to the Civica Purchasing system, unable to verify delivery address.

Agreed Action – Corporate response to ensure the Purchase Card process is adhered to, user guidance to be updated to reflect the new ways of working and delivery options.

- Unreconciled purchases to the Barclaycard bank transactions.

Agreed Action – Corporate response to ensure the Purchase Card process is followed and transactions are reconciled promptly.

- Purchases taking over thirty days to authorise

Agreed Action – Corporate response to ensure the Purchase Card process is followed

- The yearend reconciliation does not recognise transactions that remain unauthorised.

Agreed Action – To ensure that yearend adjustments have been actioned in respect of historical purchases.

2.3 The areas involving the Low Risk weakness were:

- All agreement forms to be retained.

Agreed Action – All applications are held centrally. A copy of the missing application will be requested from the bank.

3 CONCLUSION

3.1 The Audit Report is produced on an exception basis; consequently, the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore, reliance is placed in part on the information and explanations provided by the appropriate officers.

4 INTERNAL CONTROL STANDARD GRADING

4.1 In accordance with the standard gradings, the systems examined indicate that the internal controls within the Purchase Card Scheme process have identified a number of control weaknesses that require actions to be implemented. The grading is therefore assessed as '**Limited Assurance**'.