

Regularity audit of corporate credit and procurement cards and petty cash

Committee Audit and Standards

Date of meeting 11 November 2016

Date of report 31 October 2016

Report by Assistant Chief Executive (Business Support)

1. Object of report

To advise the committee on the findings of a regularity audit of corporate credit and procurement cards and petty cash. This engagement is included in the annual Internal Audit plan for 2016/17.

2. Background

Corporate credit cards

The Financial Regulations provide guidance and define responsibilities that apply to all employees who use corporate credit cards.

Petty cash

The Financial Regulations provide clear guidance on the administration of petty cash accounts.

Procurement cards

A procurement card manual and guidelines define responsibilities that apply to all procurement card holders.

The objective of this engagement was to assess, evaluate and test controls in place for the use of corporate credit and procurement cards and petty cash.

This engagement tested elements of the internal controls and mitigation against SPT22: governance arrangements, as identified in the corporate risk register.

3. Outline of findings

Corporate credit cards

Corporate credit cardholding is limited to senior management. Corporate credit card spend is reported to the Audit and Standards committee. Engagement testing found that corporate credit card usage was in line with the Financial Regulations.

Petty cash

Engagement testing found that petty cash usage has decreased over recent years. However, testing identified a requirement to review the current guidance issued to staff for the administration of petty cash accounts.

Procurement cards

Engagement testing identified a requirement to refresh the current procedural guidance for use of procurement cards.

There are areas for improvement, and these areas have been addressed by five audit recommendations. Finance management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of corporate credit and procurement cards and petty cash. Areas for improvement have been identified and five recommendations have been agreed.

Key controls exist but are not applied consistently and effectively.

Reasonable assurance can be taken from the areas covered in this engagement with the exception of procurement card administration.

5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a future meeting.

6. Consequences

Policy consequences	<i>None</i>
Legal consequences	<i>None</i>
Financial consequences	<i>None</i>
Personnel consequences	<i>None</i>
Social Inclusion consequences	<i>None</i>
Risk consequences	<i>As detailed in the report.</i>

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