

2. Corporate Credit Card Audit Report Executive Summary

Audit Objective The overall objective of this audit was to review the adequacy and effectiveness of internal controls designed to manage and mitigate financial and non-financial risks relating to the creditor - corporate credit card system.

| Assurance Opinion | | Number of actions | |
|-------------------|---|-------------------|--------|
| Limited Assurance | Weaknesses in the system of internal controls are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk. | Priority | Number |
| | | High | 0 |
| | | Medium | 5 |
| | | Low/Advisory | 0 |
| | | Total | 5 |

Audit Approach and Scope
 The scope of the audit included a review of the following:
 - testing of key controls as shown below

Statements for the months of December 2022 to April 2023 were used when selecting transactions to sample test. A sample of 19 transactions across 16 credit card holders was selected and a more in depth review (2 months of statements) of one card holder was carried out

| Key controls tested | Assessment | Actions Raised |
|---|------------|---|
| Adequate supporting documentation held in applicable corporate credit folder | | <ul style="list-style-type: none"> Supporting paperwork (updated credit card uploader, relevant VAT invoices etc. not saved promptly onto the relevant cardholder's corporate credit card folder (15/19 cases) |
| Valid use of the credit card | | <ul style="list-style-type: none"> Card used to pay for housing voids utility bills, insufficient checks carried out as invalid payment made on non-Council property Card used to pay for items not in accordance with Council policy |
| Evidence of authorisation of order prior to it being placed & adequate separation of duties | | <ul style="list-style-type: none"> Adequate evidence of authorisation not obtained (7/19 cases) |
| Correct coding of payment for VAT purposes and where applicable a valid VAT receipt/invoice is held | | <ul style="list-style-type: none"> Transactions coded as vatable with no valid VAT receipt/invoice (4/19 cases) Transactions initially coded as outside the scope of VAT for which VAT could be claimed (4/19 cases) |

Summary and next steps
 This a final report of the audit findings and incorporates the remedial action agreed with the Corporate Finance Officer. Remedial action has been agreed with management for all the findings identified.

A significant number of issues were identified during this audit, many of which were also raised in the last audit report issued on 20 May 2022. Cardholders need to be reminded as a matter of urgency of the correct procedures to follow and the associated risks of not doing so.