

2. Creditors - Supplier Bank Details

Audit Report Executive Summary

Audit Objective

The overall objective of this audit was to review the adequacy and effectiveness of the internal controls designed to manage and mitigate financial and non-financial risks relating to the amendment of supplier bank details.

Assurance Opinion

Administration – satisfactory

Satisfactory definition:

Whilst there is a basically sound system of internal control there are weaknesses which put some of the objectives at risk or there is evidence that the level of non-compliance with some of the controls may put some of the objectives at risk

Number of actions

Priority	Number
High	0
Medium	1
Low/Advisory	2

Audit Approach and Scope

The National Anti-Fraud Network (NAFN), a public sector organisation, has highlighted that bank mandate fraud is a high-risk area for public sector organisations due to the number of transactions it processes. Bank Mandate fraud occurs when someone requests a change to the bank transfer mandate, by purporting to represent the organisation you are paying. This could include, for example, changes to the supplier bank details or setting up a fraudulent direct debit.

The scope of this audit included a check on a sample of changes to supplier bank details during the previous 12 months to check that the correct procedures had been followed.

Key controls tested

Process to amend supplier bank details

Assessment

Actions Raised

Summary and next steps

The procedures for amending supplier bank details appear to be working and no instances of fraud have been identified. There were a small number of errors identified and the Exchequer team should be reminded of the importance of accuracy and following the correct procedure. The Exchequer Manager was very proactive in her response when the issues were highlighted.

This is a final report of the audit findings and incorporates the remedial action agreed with the Service Lead Environmental Health & Community Safety and the Service Accountant.

Remedial action has been agreed with management for the findings identified.