

AUDIT BOARD
27 MARCH 2019

SELECTIVE INVOICE CHECKS

1. Summary

1.1 During the January 2019 meeting of the Board, Members selected five creditor payments for checking. This report summarises the findings of this exercise and provides the opportunity for Members to select a further five payments for checking.

2. RECOMMENDATIONS

2.1 That Members note the content of this report and request any further explanations as required.

2.2 That Members select five further payments for checking by Internal Audit.

3. Background and Discussion

3.1. It is a regular feature of the Audit Board's work for Members to select a sample of payments made by the Council for review. Following review of these payments, Members receive a report on the findings, and consider them as part of each meeting. This is intended to provide Members with reasonable assurance that goods and services commissioned or procured, for which payments have been made, are in compliance with Council procedures. In particular, that they have been properly authorised, requisitioned, ordered and received, prior to making the appropriate payments.

3.2. During the meeting of the Board on 23 January 2019, Members selected the following five payments for checking:

• Unison	£619.52 (Gross)
• VICTO007	£2000.00 (Gross)
• Viking	£32.26 (Gross)
• Vipa UK Ltd	£2718.00 (Gross)
• VODOR001	£1800.00 (Gross)

4. Summary of Findings

4.1 The results of testing confirm that all the spend decisions were made appropriately and in compliance with Council procedures. Detailed summaries of the outcome of each payment are set out below.

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5. Detailed Findings

- 5.1 **Unison** (£619.52) – This payment was for the December 2018 subscriptions to Unison, for staff who are current members of the union. The Council deducts a 2.5% handling charge from the payment for processing the subscriptions through the payroll system. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures.
- 5.2 **VICTO007** (£2000.00) – This payment was a homelessness prevention payment to clear part of the rental arrears for a property in Swanscombe. The payment was made directly to the private landlord and prevented a family from entering into temporary accommodation, which if they had, would have been at a greater cost to the Council. The payment was funded from the Homelessness Prevention Grant and had been coded accordingly on the Council's financial system. The Landlord Payments Application form was received on 18/10/18 and payment was made to the landlord on 22/10/18. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures
- 5.3 **Viking** (£32.26) – This payment was for the supply of a particular type of printable card for the Policy and Corporate Support department. Checks confirmed this type of card was not available through Banner, the Council's preferred stationery supplier. A purchase order was raised using the Council's e-Procurement system and payment was made promptly following receipt of the invoice. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures.
- 5.4 **Vipa UK Ltd** (£2718.00) – This payment was for the supply of component parts for an Enviroguard Kit, originally purchased in March 2017. The Kit is comprised of specialist equipment used to tackle Fly-Tipping in the borough. A quotation had been obtained in advance, but a purchase order had not been raised using the Council's e-Procurement system. Internal Audit have provided appropriate advice to the relevant Manager in respect of Financial Regulations and Contract Standing Order requirements. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures.
- 5.5 **VODOR001** (£1800.00) – This payment was for the loan of two month's rent in advance to secure a private rented property in Rochester, Kent. The payment, which was paid directly to the landlord, was funded from the Homelessness Prevention Grant. The application was made on 31/8/18 and payment was made by BACS on 6/9/18. The applicant completed a loan agreement, agreeing to repay the loan at £15.00 per month. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures.

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6. Relationship to the Corporate Plan

Not applicable

7. Financial, legal, staffing and other administrative implications and risk assessments

Financial Implications	None
Legal Implications	None
Staffing Implications	None
Administrative Implications	None
Risk Assessment	Obtaining goods and services on behalf of the Council carries potential inherent risks of fraud, or misappropriation. The Selective Invoice Checks' process is one of many steps employed by the Council to manage fraud risks and to ensure value for money.

8. Details of Exempt Information Category

Not applicable

9. Appendices

None

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date</u>	<u>Report Author</u>	<u>Section & Directorate</u>	<u>Exempt Information Category</u>
None	21/2/19	Audit Manager 01322 343004	Internal Audit Partnership & Strategic Director (Internal Services)	N/A