

AUDIT BOARD
17 JULY 2019

SELECTIVE INVOICE CHECKS

1. Summary

1.1 During the March 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 27 March 2019, Members selected the following five payments for checking:

• BBC Fire Protection Ltd	£7486.32 (Gross)
• Brenchley House	£4034.47 (Gross)
• The Breyer Group	£8061.04 (Gross)
• The Breyer Group	£126186.17 (Gross)
• The Breyer Group	£13040.51 (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.

5. Detailed Findings

5.1 **BBC Fire Protection Ltd** (£7486.32 gross) – This payment was for the monthly testing of emergency lighting to the general need properties and the bi-annual maintenance checks of the fire alarms and extinguishers in sheltered housing schemes. A three-year contract is in place with BBC Fire Protection Ltd for these services, which runs until 2021.

AUDIT BOARD

17 JULY 2019

Purchase orders had also been raised on the Council's e-Procurement system (P020341 and P020241), but the invoice incorrectly referred to a different purchase order. BBC Fire Protection Ltd raised a credit for this invoice and issued two new invoices, which were subsequently authorised and paid. However, the description of the services on both new invoices were incorrect. Internal Audit has advised the relevant manager that, going forward, clarity needs to be sought from the contractor, to distinguish between the different services provided and avoid the possibility of error. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures.

5.2 **Brenchley House** (£4034.47 gross) – This payment was for a deposit and rent payable in advance to secure private rented sector accommodation for six months for a single person with various medical issues, who was facing homelessness. The application was authorised on 21/12/18 and payment to the Landlord was made on 17/1/19. The payment was funded from the Homelessness Prevention Grant and had been coded accordingly on the Council's financial system. Testing confirmed that the payment was justified, made promptly and in accordance with payment procedures.

5.3 **The Breyer Group** – There is a 70 million pound, 10-year contact in place with the Breyer Group for the Comprehensive Repairs Service, which comprises of day-to-day reactive repairs, void property repairs and capital programme improvement and adaptation works. The contract runs from 1/4/10 until 31/3/20. There is also the option, in the contract, to extend this period by a further 36 months. A process is in place for checking the completed work and ensuring that invoices match the repair costs before signing off the jobs and passing the invoices for payment. Testing confirmed that the payments were justified, made promptly, in accordance with payment procedures and had been coded correctly on the Council's financial system. The three Breyer Group payments chosen by Members are detailed below:

5.3.1 **(£8061.04 gross)** – This payment was for various works completed between 14/11/18 and 17/12/18 and comprised of minor disabled adaptations at various properties in the borough (totalling £6440.36 net). This invoice was received on 10/1/19 and paid promptly on 17/1/19.

5.3.2 **(£126186.17 gross)** – This payment was for various works completed between 24/1/19 and 29/1/19 and comprised of communal area renewals at various properties (totalling £63293.04 net), kitchen and bathroom works to a number of properties (totalling £25902.38 net) and fascia, soffits and guttering work to various properties (totalling £15959.72 net). This invoice was received on 6/2/19 and paid promptly on 21/2/19.

AUDIT BOARD
17 JULY 2019

5.3.3 (**£13040.51 gross**) – This payment was for various works completed on 5/2/19 and comprised of kitchen and bathroom works to a number of properties (totalling £6643.41 net) and redecoration works at a number of properties (totalling £4223.68 net). This invoice was received on 20/2/19 and paid promptly on 25/2/19.

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	14/5/19	Audit Manager 01322 343004	Internal Audit Partnership & Strategic Director (Internal Services)	N/A