

AUDIT BOARD
22 July 2020

SELECTIVE INVOICE CHECKS

1. Summary

1.1 Because the April meeting of the Board was cancelled, due to the situation with COVID-19, the Audit Board Chair was asked to choose creditor payments for checking. This report summarises the findings of the three payments chosen and provides the opportunity for Members to select further 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 payment.

3.2. At the October 2019 meeting the Audit Board agreed a proposal to update the method by which payments are selected each month. The previous reports were arranged by alphabet, whereas the revised report would look back at the last quarter, to ensure that transactions tested were current.

3.3. The following approach was agreed:

Meeting	SIC Selection	Transaction Report Parameters
July (Q1)	A B C D E F	January - March
October (Q2)	G H I J K L M	April - June
January (Q3)	N O P Q R S	July - September
April (Q4)	T U V W X Y Z	October - December

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3.4. The following three payments were selected at random:

• Bells Power Services Ltd	£474.00 (Gross)
• B R Stacey Fencing Ltd	£234.00 (Gross)
• Celebtime	£300.00 (Gross)

4. Summary of Findings

4.1 The results of testing confirm that in all cases, the spend was appropriate and in two cases, the spend was also made in compliance with Council procedures. In one case however Council procedures had not been followed fully. Detailed summaries of the outcome of each payment are set out below.

5. Detailed Findings

5.1 **Bells Power Services Ltd** (£474.00. gross) – This payment was for the second maintenance visit for the emergency generator at the Civic Centre. A purchase order (P021633) was raised, using the Council's e-Procurement system, for the annual service of the generator which comprised of two visits during 2019/20. The first visit took place in July 2019 and the second in January 2020. A quotation was obtained in advance in accordance with the Council's Contract Standing Orders. Testing confirmed that the payment was justified, and made promptly.

5.2 **B R Stacey Fencing Ltd** (£234.00 gross) – This payment was for the supply of a square steel box to replace a broken bench, in the Swan Lane playing field, on Dartford Heath. The bench had been vandalised by joyriders and needed to be replaced. A purchase order using the Council's e-Procurement system was raised (P022170), after a quotation in advance had been obtained. Testing confirmed that the payment was justified, and made promptly.

5.3 **Celebtime** (£300.00 gross) – This payment was for the supply of a celebrity for the Dartford Christmas Market, which took place on 19 December 2019. A purchase order had not been raised using the Council's e-Procurement system and instead had been arranged via email. Email commentary provided confirmed discussions regarding acts for other events, but did not confirm the agreed fee for this particular transaction. It was also noted that the payment had been charged to the incorrect sub-code on the system, which subsequently required adjustment. Internal Audit are aware that the Communications, Marketing and Commercial Manager's priorities have redirected to support the Council's response to the COVID-19 crisis, and are therefore grateful for the information provided. However, appropriate advice has been provided with regard to the Council's procurement process. Despite the lack of a purchase order, testing confirmed that the payment was justified, and made promptly.

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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	While there are no financial implications associated with the outcomes detailed in the report, compliance with agreed financial procedures helps to ensure that the Council maintains a sound system of financial control and governance.
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	29/06/20	Audit Manager 01322 343116	Internal Audit Partnership & Strategic Director (Internal Services)	N/A