NORTH YORKSHIRE POLICE, FIRE AND CRIME COMMISSIONER, FIRE AND RESCUE AUTHORITY

Supplier Payments: Process and Control Assurance

Internal audit report 4.23/24

FINAL

19 March 2024

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1. EXECUTIVE SUMMARY

Why we completed this audit and background

As part of the agreed 2023/24 internal audit plan, we have carried out a review of the supplier payments process at the Service. As part of our review, we have considered whether the processes and controls over the supplier payments process are operating as intended with particular focus on whether purchase requisitions and purchase orders are raised and authorised accordingly, goods or services are receipted with evidence retained, invoices received and matched to the purchase order or purchase requisition prior to payment, whether approval to pay the invoice was documented, and whether BACS payments have been checked prior to processing. We have also considered segregation of duties throughout our testing.

The Service uses Oracle to process invoices and create the BACS runs; however, the raising of purchase orders, goods receipting and the initial ordering process is completed manually and a system is not used to do this, the processes followed by each department are not standardised. Once reviewed and confirmed goods have been received by the budget holder, invoices are then reviewed and approved by the budget holder before being sent to the Finance Team. This evidence of approval is saved on SharePoint. Once received by the Finance Team, invoices are entered into Oracle and processed by the team.

Suppliers are added to the system or amended on the system only once a supplier amendment form has been completed and sent to the Finance Team. One member of the Finance Team checks the details and inputs the information into Oracle, which is approved by another member of staff by email before the supplier is added to or amended on the system; we have also considered this process as part of our review.

We have also used data analytics to identify potential duplicate suppliers, multiple supplier accounts with the same bank details, and potential duplicate payments.

We did note the Accounts Payable Manager had only been in post for six weeks at the time of the audit. We carried out a Procurement Review (8.22/23) as part of the 2022 / 2023 internal audit plan, which was completed in May 2023 and resulted in a high priority management action being agreed in relation to the ordering process; however, this is not due to be implemented until March 2024. This review has expanded on the testing completed as part of the Procurement Review (8.22/23) and has identified further issues in the ordering process. We have therefore agreed new management actions, where applicable. We did also note that the Accounts Payable Manager had only been in post for six weeks at the time of the audit, and therefore was not involved in the Procurement Review.

Conclusion

As a result of this review, we have agreed **three high** and **six medium priority** management actions.

We have identified that the controls used to manage the supplier payments process require urgent improvement, and note significant deficiencies in relation to the purchase order and goods receipting processes. The ordering and receipting processes are managed by individual departments and not by the Finance Team, and the lack of centralised oversight has led to inconsistencies in processes and in the evidence retained on file.

We note since the previous audit undertaken on this area, no significant changes have been made and therefore the results of the audit are reflective of the previous actions agreed. As part of the review, we agreed six high and five medium management actions. Of these actions, nine of the actions were due to be implemented prior to the commencement of this audit, but have been re-iterated.

Internal audit opinion:

Taking account of the issues identified, the North Yorkshire Police, Fire and Crime Commissioner, Fire and Rescue Authority can take **minimal assurance** that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified area.
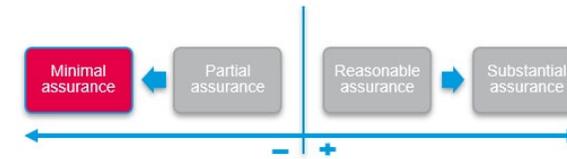
Key findings

We identified the following weaknesses resulting in three high priority actions being agreed:

Purchase Order Process

As part of our sample testing, we considered whether purchase orders had been raised and approved prior to expenditure being committed to. We identified that the Service does not follow a standardised process as each department completes their own orders and has separate processes. For a sample of 20 orders, we were provided with evidence of the purchase order process in only eight instances and confirmed that a purchase order was on file.

If there is no central process available, there is a risk that inappropriate orders may be placed which could result in financial loss, and segregation of duties may not be maintained and that the procedures in place are not sufficiently robust. **(High)**

Goods Received Notes

As there is no centralised purchase order process, there is no centralised requirement stating how evidence of goods received should be recorded and the requirement that goods and services should be ordered and received by different members of staff to maintain a segregation of duties. From our sample of 20 orders, we were provided with evidence that goods were received in only eight instances; however, we noted in one case that evidence provided to show the date the goods were received fell after the date of payment.

If evidence of goods being received is not retained on file, there is a risk that there is an incomplete audit trail, and no evidence of segregation of duties or when the items were actually received by the Service there is also a risk that goods may be paid for in advance and not received. **(High)**

New Supplier and Supplier Amendment Forms

From our sample testing of 10 new supplier forms and 10 supplier amendment forms, we noted issues across both new suppliers and amendments where forms were not saved centrally, forms had not been signed to evidence that they were checked and that a segregation of duties was maintained, and also instances where supplier amendment forms had not been completed.

Where forms are not saved centrally and signed to evidence that they have been checked and segregation of duties has been maintained, there is a risk that the audit trail is incomplete, and new suppliers and supplier amendments may be added to Oracle without being checked, creating a fraud risk. **(High)**

See section two for full findings and details of the medium priority actions agreed.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: Supplier Payments: Process and Control Assurance				
Control	The Service maintains a list of authorised signatories which is updated as required.	**Assessment:**		
		Design		✓
		Compliance		✗
Findings / Implications	The Service maintains a list of authorised signatories made available to the Finance Team via SharePoint. We were provided with a list of authorised signatories as at 20 October 2023 and obtained a print screen of the SharePoint access list to confirm all those with access were members of the Finance Team. They are the only members who have access to edit and update accordingly. The Management Accountant is responsible for managing and updating the authorised signatories list on behalf of the Service.			
	We reviewed the authorised signatories list and identified each approval area is categorised per cost centre, subjects, and type. Each categorisation is assigned with one to four approvers to ensure invoices of this nature are authorised promptly; however, no limits are documented.			
	We also noted the information in relation to the Service does not have current employees recorded within the list. For example, we noted one Head of Department who is no longer in the role and is recorded on the list as an approver, and had not been updated to reflect the new individual in post. We therefore cannot provide assurance to confirm the authorised signatories list is up to date.			
	Additionally, as part of our sample testing undertaken, we reviewed 20 purchase orders and considered if each authorised purchase order has been approved in line with the required level of authority: we identified in one case the invoice was authorised by an individual who is not on the authorised signatories list.			
	We aimed to speak with the Management Accountant, however they left the organisation during the audit therefore we could not confirm the process to ensure the list was up date with new staff and what checking mechanisms they had in place to ensure that approvers were correct for each service line. Without an up to date authorised signatories list, there is a risk that invoices may be inappropriately authorised by previous approvers or there may be a delay in approval.			
	The Accounts Payable Manager informed us that another Accountant is now responsible for monitoring the authorised signatories list and ensuring that it is up to date.			
Management Action 1	The Service will implement a process for continuous review of the authorised signatories list and confirm the approvers are current and up to date. The list will also be updated to show authority limits agreed in conjunction with the Financial Regulations and Scheme of Delegation.	**Responsible Owner:** Accountant	**Date:** 31 July 2024	**Priority:** **Medium**

Area: Supplier Payments: Process and Control Assurance		
Control	The accounts payable system is only accessible by members of the Finance Team. Manual records are stored on the SharePoint system, which only the Finance Team is able to access.	**Assessment:** **Design** ✓ **Compliance** ✗
Findings / Implications	We were provided with a report of users who have access to the accounts payable system Oracle and noted there were 87 records. There are only 23 unique users with access to the Oracle system; however, more records are included as multiple users are assigned more than one responsibility. There are seven users who are assigned only one responsibility (detailed below), two users assigned two responsibilities, four users assigned four responsibilities, four users assigned five responsibilities, two users assigned six responsibilities, and four users assigned seven responsibilities. We discussed these 'duplicates' with the Accounts Payable Manager who explained that the different responsibilities provided different levels of access to Oracle, however not all levels were required as, for example, NYFRA Payables Manager includes access to input invoices and therefore does not require the additional invoice entry access; we walked through the system with the Accounts Payable Manager to confirm this. Through review of the report provided, we confirmed that the various responsibilities were recorded are related to payables (for example Void Cheque Responsibility, NYFRA Invoice Entry – providing access to enter invoices, NYFRA Payments etc). We selected a sample of 10 users including two instances where the user had never logged onto the system, and discussed these with the Accountant to determine whether they had the appropriate level of access: • in five instances, the roles assigned were to North Yorkshire County Council, and the individuals were System Development Officers, Product Owners/Team Leaders and a Service Owner/Team Manager. It was noted that NYCC require access to Oracle to complete monthly and year end close down for the Service and to support them with any issues and queries in the system. No issues noted. • in two instances, the roles were assigned to Senior Payroll Administrators within the Service. Payroll require access to payables to cross reference third party invoices against the payments made on Oracle related to Comptureshare, Zenith, Tusker and AVCWise, the other reason is to allow a member of staff to complete certain jobs for finance and the other to support in their absence. We noted that these individuals had each been assigned four levels of responsibility: invoice entry, payables inquiry user, payables manager and payments. We however note that these individuals would only require payables inquiry user level access to carry out their roles and therefore do not require the level of access they currently have. If users are assigned incorrect access levels, there is a risk that inappropriate updates may be made in error; and • In the remaining three instances, the individuals work for the Force's Finance Team (Senior Finance Manager, Accounting Technician (Apprentice) and Senior Accounting Technician) and were granted access due to staffing issues at the Service and are set up with the levels of access required to complete this. No issues noted. We have also considered access to the finance documents on SharePoint. The Accounts Payable Manager explained that only the Finance Team has access to the SharePoint area, we were provided with support to evidence this.	

Management Action 2	Accounts in Oracle will be reviewed to ensure that each individual has the correct level of access to the system and accounts will be rationalised so that only the required responsibility is assigned.	**Responsible Owner:** Accountant	**Date:** 31 July 2024	**Priority:** Medium

Area: Supplier Payments: Process and Control Assurance		
Control	Purchase orders are required for all expenditure and are raised prior to expenditure being committed to.	**Assessment:**

	Requisitions and purchase orders are authorised in line with the Financial Regulations. Once approved, invoices are sent by email to the Finance Team.	**Design** ✓ **Compliance** ×
Findings / Implications	Through discussions with the Accounts Payable Manager, we confirmed that the Finance Team is not involved in the purchase order process, and individual departments are responsible for ordering and receipting goods and services. The Finance Team is involved with the process once an approved invoice is received and are only responsible for confirming invoices are approved and paying them. Each department follows different processes and the information held by each department does not interface with the Oracle system. Instead, when goods are received and invoices are ready to be paid, they are emailed to the Finance Team to be input onto Oracle and paid.	
	From our sample of 20 invoices, we worked backwards to identify the department who raised the order and requested supporting evidence from them. In 11 instances, we did not receive supporting information and we were therefore unable to confirm an appropriate process was followed. The findings from the remaining nine instances are discussed below:	
	Response and Resilience – two instances	
	Through discussions with the Station Manager (Response and Resilience) we confirmed that the process followed is that anything below £500 can be purchased without approval; however, anything above this requires email approval from the Station Manager (Response and Resilience) prior to committing to the expenditure. The Financial Regulations state that all orders require a purchase order; however, they do not provide guidance regarding the approval limits or indicate any exceptions to this rule. There is no system used; however, a spreadsheet is used to keep a record of when items were ordered and received. Items that are part of projected spend also do not require approval for the individual purchase, as any planned expenditure is approved at the start of the year.	
	For the sample of two Response and Resilience related purchase orders in our sample, we confirmed in one instance the purchase order had been approved, in the remaining instance the purchase order did not require approval as it formed part of the planned replacement programme. The approved order included the quote, and therefore the value of the invoice was approved.	
	Fire and Transport – three instances	
	We met with the Fire and Transport Lead Administrator to discuss the process with regards to parts and services ordered. Any workshop orders of parts or services required are ordered by the Workshop Manager and recorded manually in a book. Information is then put onto SharePoint and once an invoice is received it will also be input into SharePoint.	
	One instance in our sample was a fleet order, as with the workshop orders, we noted that these orders were not approved and no purchase order was available. For the two instances in our sample that had been ordered by the Workshop Manager, we noted in both instances there was no segregation of duties, as orders are simply placed by the Workshop Manager.	

Area: Supplier Payments: Process and Control Assurance

<u>IT – four instances</u>

Through discussions with the IT Administration Support we noted that they raise purchase orders within the Dash financial system; this allows them to keep a clear record of purchase orders and invoices received.

We noted as part of our invoice testing, IT do not require authorisation on receipt of invoices, as this has already been agreed and authorised through the Dash system with the budget holder. Evidence of this can found within the purchase order log. The Dash system allows individuals to raise a purchase order directly, once submitted an automatic email will be sent to the respective budget holder for approval in the system.

For the sample of four IT related purchase orders in the sample we confirmed:

- The date all four purchase orders were raised on the dash system;
- For all four samples we confirmed the date the purchase order was approved by the budget holder in the Dash system; and
- We confirmed for all four samples the approval was appropriate and in line with the authorised signatories list and the purchase order covered the value of the invoice.

No issues noted.

As discussed, in the remaining 11 instances, no confirmation was received from People Services, Talent and Development and Technical Services, therefore we could not confirm for any of the purchase orders in the sample whether they were raised and appropriately authorised. If purchase orders are not raised and appropraitely authorised, there is a risk that inappropriate spend may be entered into that there is not sufficient budget for.

Management Action 3	The Service will review current arrangements within each department and standardise the purchase order process and ensure there is segregation of duties within the procedure for each department. Options may include exploring the functionality of the internally built IT ordering system. Once standardised, the process will be documented and shared with budget holders.	**Responsible Owner:** ACO Enable / Head of Finance Enable	**Date:** 31 December 2024	**Priority:** **High**
Management Action 4	The Service will ensure that there is a purchase order on file for each order in line with the Financial Regulations.	**Responsible Owner:** ACO Enable / Head of Finance Enable	**Date:** 31 December 2024	**Priority:** **Medium**

Area: Supplier Payments: Process and Control Assurance		
Control	Goods and services are receipted prior to payment, with goods received notes being stored locally by the individuals purchasing the goods.	**Assessment:** **Design** ✓ **Compliance** ×
Findings / Implications	From our sample of 20 invoices, we worked backwards to identify the department who raised the order and requested supporting evidence from them. In 11 instances, we did not receive supporting information and were therefore unable to confirm the process. The findings regarding the goods received are detailed below for the nine instances where we received a response from the relevant department. To note, we received no response from People Services, Talent and Development and Technical Services, therefore we could not confirm in these 11 instances whether there was evidence that the goods or services had been received, and that there was a segregation of duties maintained. The details of the nine samples reviewed are documented below. Response and Resilience – two instances Two instances in our sample had been procured by the Response and Resilience Team and we discussed the process for receipting goods with the Station Manager, Response and Resilience. We were informed a spreadsheet is used to monitor the goods that have been ordered and when they were received. For these two instances: • in one instance, we evidenced the signed packing slip which had been signed and dated to evidence that the goods had been received by the Service. We compared the signed document provided which stated that the goods were received on 21 August 2023 against the spreadsheet record and noted this stated the goods were received on 30 May 2023. As part of testing, we confirmed that the invoice was paid on 8 June 2023, suggesting that the goods were receipted in the system; however, they were not actually received until after they were paid for; and • in the remaining instance, we noted the spreadsheet used to monitor orders did include the goods; however, it had not been updated to show whether the goods were received. We note the invoice was paid in May 2023. Fire and Transport – three instances Through discussions with the Fire and Transport Lead Administrator, we noted that instances are marked as received on SharePoint; however, there are no goods received notes retained. We confirmed in two instances the goods were marked as received on SharePoint. The remaining instance was a fleet invoice which is not recorded on SharePoint and instead should be marked as receipted in Tranman. We met with the Fire Transport Administrator who provided a screenshot showing that the vehicle was receipted in Tranman on 25 April 2023, and provided the delivery docket evidencing that this was signed for. No issues noted. IT – four instances Four instances in our sample had been raised by the IT Department, and we walked through the Dash financial system with the IT Administration Support to test whether goods and or services had been receipted with evidence retained on file.	

Area: Supplier Payments: Process and Control Assurance				
	The IT Administration Support informed us that suppliers do not provide a goods received notes to the Service therefore, the IT Department evidence goods and services being received themselves through the Dash financial system. The system requires them to record the number of items received, who received them, and the date that they were received to ensure there is a record on file.			
	For the sample of four IT related purchase orders picked in the sample we confirmed each had been recorded as received on the Dash financial system with the date and individual who signed for the goods. We did note for one of the samples; the goods received note was a partial receipt as they were still awaiting some of the equipment ordered; however, had only paid for the amount received. No issues noted.			
	If there is no centralised process available, there is a risk that different procedures may be followed, and the procedures in place may not be robust. There is a risk the audit trail may be incomplete and it is unclear when goods were actually received.			
Management Action 5	The Service will ensure the standardised process introduced allows for goods received notes to be retained on file, and a segregation of duties evidenced.	**Responsible Owner:** ACO Enable / Head of Finance Enable	**Date:** 31 December 2024	**Priority:** **High**

Area: Supplier Payments: Process and Control Assurance		
Control	A supplier list is maintained by the Service on SharePoint.	**Assessment:**
	Forms are completed when new suppliers are added or amendments required and sent to the Accounts Payable Manager to be checked and input. The inputs are validated by the Senior Accounting Technician.	**Design** ✓ **Compliance** ×
	A supplier list is maintained on SharePoint, and when any suppliers are required to be added to Oracle, a form is completed with all the required details. The information is checked against the information provided, with the vendor and also against Companies House to ensure the supplier is legitimate. The VAT number is also checked to confirm that it is accurate. Once these checks have been completed, the Senior Accounting Technician will then check that the details have been input correctly and approve the addition by email. The process followed is the same for amendments.	
Findings / Implications	We were provided with a listing of current suppliers and using the dates on the listing, identified 85 suppliers added in the previous 12 months and 125 suppliers amended in the previous 12 months. We selected a sample of 10 new suppliers and supplier amendments and requested the supplier amendment form, our findings are detailed below.	
	New suppliers in previous 12 months	
	For our sample of 10 new suppliers:	
	• in seven instances we were provided with a copy of the new supplier form, evidencing that the form had been completed by one member of staff, the information entered into Oracle by another member of staff, and that it had been reviewed and approved by a third member of staff to evidence segregation of duties. We noted the bank details used are those that are recorded on the invoice. However, through discussions with the Accounts Payable Manager, we noted that there are no formally documented checks in place to validate the bank details for new suppliers. If bank details are not validated, there is a risk that fraudulent bank details could be sent and payments made to incorrect accounts;	
	• in one instance, we evidenced the completed form; however, noted that the information showing the member of staff who had checked the form was not recorded. If this is not recorded and supplier details are not checked prior to going live on Oracle, there is a risk that incorrect details may be input on the system; and	
	• in the remaining two instances, we noted that the forms had not been saved centrally, and were therefore unable to confirm who had completed the form, input the new supplier and who had checked the details. If forms are not saved centrally, there is a risk there will be an incomplete audit trail and supplier additions have not been fully checked.	
	Amendments in previous 12 months	
	For our sample of 10 supplier amendments:	
	• in four instances, supplier amendment forms were completed, showing who had completed the form, actioned the changes on Oracle and approved the changes;	

- in one instance a supplier amendment form had been completed; however, only one member of staff had signed the form, we were therefore unable to confirm whether the amendment had been reviewed and input by separate members of the team. If this is not recorded, there is a risk that segregation of duties is not maintained creating a fraud risk;

- in two instances, no form had been saved centrally and we were unable to confirm whether the bank details were accurate and had been correctly input;

- in one instance, no form had been completed; however, we were provided with an email trail requesting another member of the team check and validate the bank details, we agreed the bank details to the report of mandatory changes to bank details;

- in one instance, no form was completed, and we were provided with an email from the Accountant requesting contact from the client to confirm bank details, and noted two weeks later that they had not been contacted. There was no further support provided in this instance to validate the changes or confirm segregation of duties;

- in one instance, no form had been completed and we were provided with a report of mandatory changes to payment details dated 8 December 2022, the changes do not appear to have been made and there is therefore a risk that the Service may make payments to incorrect bank details. We discussed this instance with the Accounts Payable Manager who provided a screenshot from Oracle showing that the previous bank details were ended on 14 December 2022 and the new bank details were input starting from 1 July 2023. It is unclear why the information in the report provided by the Service did not agree to this.

We would recommend that the Service ensures when new bank details are provided that they are input and update these in a timely manner, as although the previous details were end dated in December 2022, there is a risk there may be delays to payment if bank details are not updated in a timely manner. Additionally, we would suggest the Service review the report of supplier bank details provided to ensure that they are up to date.

Management Action 6	The Finance Team will ensure all new supplier and supplier amendment forms are completed and reviewed and signed to evidence the review and evidence that the bank details have been checked is retained on file. Once complete, all forms will be saved centrally on SharePoint.	**Responsible Owner:** Accounts Payable Manager	**Date:** 31 March 2024	**Priority:** **High**
Management Action 7	The Service will ensure that amendments to supplier details are made in a timely manner. The Service will review supplier bank details to ensure they are up to date.	**Responsible Owner:** Accounts Payable Manager	**Date:** 31 March 2024	**Priority:** **Medium**

Area: Supplier Payments: Process and Control Assurance			
Control	The control account is reconciled monthly. Once the reconciliation is complete, it is reviewed and approved by another member of the Finance Team.	**Assessment:**	
	Each month, the accounts payable control account is reconciled by the Accounting Technician Apprentice.	**Design**	✓
		Compliance	×
Findings / Implications	We discussed the process with the Accounts Payable Manager who explained the only balances included are those that have been input onto Oracle but not yet paid as part of the weekly payment runs due to timing differences. We selected a random sample of three months (March, July and September 2023) and requested evidence of the reconciliation to test whether the reconciliations had been appropriately completed.		
	For each month, we were provided with a copy of the reconciliation and confirmed that the balance had been reconciled by a member of the Finance Team, and that they had signed and dated the reconciliation to evidence this. We were however unable to evidence that the reconciliations had been reviewed, as the reconciliations had not been signed and dated to evidence review. If reconciliations are not reviewed and signed to evidence this, there is a risk that reconciliations may be incorrectly completed or that there is an insufficient audit trail to evidence this review.		

Management Action 8	The Accounts Payable Manager will review the accounts payable control account each month and sign and date the reconciliation to evidence this.	**Responsible Owner:** Accountant	**Date:** 31 March 2024	**Priority:** Medium

Area: Supplier Payments: Process and Control Assurance		
Control	All suppliers have unique account numbers and unique bank details. Payments are only made once.	**Assessment:** **Design** ✓ **Compliance** ✗
Findings / Implications	Duplicate Payments Using the IDEA data analysis software, we identified payments on the same date to the same supplier for the same amount. Excluding amounts of £0.00, we identified 890 potential duplicate line items and selected a random sample of 10 instances of duplicates to discuss with the Accounts Payable Manager and confirm that they were genuine payments. The Accounts Payable Manager explained the report provided details payments at a line level, and provided support that each instance identified in our sample was a line on the same invoice, and not a duplicate payment. Through discussions with the Accounts Payable Manager, it was noted that Oracle will not allow payment to be made against the same invoice twice. Based on this, we further considered the 890 instances and confirmed in each instance that the duplicates were assigned to the same invoice. No issues noted. Duplicate suppliers by name and bank details Using IDEA, we identified duplicate suppliers by name and bank details. We identified 172 records and selected a sample of 10. In each instance, we confirmed that the duplicates were inactive records of previous sites at different locations. If the approved supplier listing is not up to date and contains inactive suppliers, there is a risk that payments could be made to incorrect bank details, leading to delays in paying invoices. We further considered this and identified one pair of duplicates with the same bank details and supplier details and site record. We discussed this instance with the Accounts Payable Manager and through review of Oracle confirmed that there was only one record against this supplier, it was unclear why the report had identified a duplicate but we are satisfied in this instance that the supplier was not a duplicate. No issues noted. Duplicate bank details assigned to different suppliers Using our data analysis, we identified 335 records with the same bank details assigned to different suppliers comprised of 122 sets of duplicates. We selected a random sample of 10 instances of duplicates and requested confirmation from management to understand why the same bank accounts had been assigned to different suppliers. The Accounts Payable Manager explained that these were actually the same supplier. Although the bank details were the same, the Accounts Payable Manager explained the 'owner_primary_flag' field identifies which account is currently using the bank details as Oracle will only allow one site to use bank details at any one time. We further considered this and revised our testing to identify any instances from the record showing the same bank details assigned to different suppliers to identify any instances where both were live. We identified three instances where the same bank details had been set up for two separate suppliers and were both live.	

Area: Supplier Payments: Process and Control Assurance				
	We discussed this with the Accounts Payable Manager who explained that the same bank details can be used on different suppliers when a supplier legal entity has a different 'trading as' business or where an account is duplicated in error by having similar names. Oracle will not allow the user to put the same bank details onto another supplier account, and noted these may have been added in previous versions of Oracle when it was possible. We would recommend that the supplier list is reviewed to confirm that it is correct, up to date, and no duplicates are included. As part of testing other controls, we have also noted an instance where bank details are incorrect, highlighting again the importance of this review. As part of the initial scope, we included identifying purchase orders above delegated authority thresholds as one of the areas of particular focus. Due to the limited centralised data regarding purchase orders and approval and lack of formally documented authority limits, we were unable to complete this testing and cannot provide assurance regarding this area. These findings have been reflected in actions agreed as part of the review.			
Management Action 9	The Accounts Payable Manager will review the supplier list and remove any suppliers that are no longer required, and make bank details no longer needed inactive.	**Responsible Owner:** Accounts Payable Manager	**Date:** 31 March 2024	**Priority:** **Medium**

APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non Compliance with controls*	Agreed actions		
			Low	**Medium**	**High**
Supplier Payments: Process and Control Assurance	1 (15)	5** (15)	0	6	3
Total			**0**	**6**	**3**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

** More than one action raised against one control.

Debrief held	13 December 2023	**Internal audit Contacts**	Dan Harris, Head of Internal Audit
Draft report issued	12 January 2024		Phil Church, Associate Director
Revised Draft report issued	13 February 2024		Hollie Adams, Assistant Manager
Responses received	19 March 2024		
Final report issued	19 March 2024	**Client sponsor**	Chief Finance Officer PFCC
			Head of Finance
		Distribution	Chief Finance Officer PFCC
			Head of Finance

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com

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