

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	11 September 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Internal Audit Report AC2601 – Purchase Cards
REPORT NUMBER	IA/AC2601
DIRECTOR	N/A
REPORT AUTHOR	Jamie Dale
TERMS OF REFERENCE	2.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the planned Internal Audit report on Purchase Cards.

2. RECOMMENDATION

- 2.1 It is recommended that the Committee review, discuss and comment on the issues raised within this report and the attached appendix.

3. CURRENT SITUATION

- 3.1 Internal Audit has completed the attached report which relates to an audit of Purchase Cards.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

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- 7.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations, consistent with the Council's Risk Appetite Statement, are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

8. OUTCOMES

- 8.1 There are no direct impacts, as a result of this report, in relation to the Council Delivery Plan, or the Local Outcome Improvement Plan Themes of Prosperous Economy, People or Place.
- 8.2 However, Internal Audit plays a key role in providing assurance over, and helping to improve, the Council's framework of governance, risk management and control. These arrangements, put in place by the Council, help ensure that the Council achieves its strategic objectives in a well-managed and controlled environment.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	An assessment is not required because the reason for this report is for Committee to review, discuss and comment on the outcome of an internal audit. As a result, there will be no differential impact, as a result of the proposals in this report, on people with protected characteristics.
Privacy Impact Assessment	Not required

10. BACKGROUND PAPERS

- 10.1 There are no relevant background papers related directly to this report.

11. APPENDICES

- 11.1 Internal Audit report AC2601 – Purchase Cards

12. REPORT AUTHOR CONTACT DETAILS

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Internal Audit

Assurance Review of Purchase Cards

Status: Final

Date: 12 August 2025

Risk Level: Corporate

Report No: AC2601

Assurance Year: 2025/26

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

Report Tracking	Planned Date	Actual Date
Scope issued	29-Apr-25	29-Apr-25
Scope agreed	06-May-25	29-Apr-25
Fieldwork commenced	19-May-25	19-May-25
Fieldwork completed	16-Jun-25	16-Jun-25
Draft report issued	07-Jul-25	01-Jul-25
Process owner response	28-Jul-25	30-Jul-25
Director response	05-Aug-25	12-Aug-25
Final report issued	12-Aug-25	12-Aug-25
ARS Committee	11-Sep-25	

Distribution	
Document type	Assurance Report
Directors	Andy MacDonald, Executive Director – Corporate Services
Process Owner	Bernie Bularan, Deputy Chief Finance Officer
Stakeholders	Richard Burnett, Senior Accountant
	Craig Innes, Chief Officer – Commercial and Procurement Services
	Mel Mackenzie, Strategic Commercial Manager
	David Cuthbert, Team Leader – Data Team
	Graeme Simpson, Chief Officer – Children's Social Work & Family Support
	Vikki Cuthbert, Interim Chief Officer – Governance*
	Jonathan Belford, Chief Officer – Finance*
Final Only	External Audit
Lead auditor	Agne McDonald, Auditor

1 Introduction

1.1 Area subject to review

Purchase cards are issued to named Council employees to procure goods or services up to the value of £200, for incidental/petty cash type spend, which cannot be fulfilled by one of the Council's approved supplier contracts. The cards are provided by the Royal Bank of Scotland/Natwest Banking Group, and their administration is undertaken by Finance.

Transactions must be reviewed monthly to ensure financial codes are assigned, to upload VAT receipts in support of expenditure and to allocate VAT, prior to transactions being approved (or otherwise) by the relevant budget holder.

Purchase cards may not be used for school fund or personal purchases, nor may they be used to circumvent the Council's Scheme of Governance. The Commercial and Procurement Shared Service (C&PSS) are available to provide advice where necessary on acceptable use.

During the 2024/25 financial year, a total of 556 cardholders conducted 21,021 transactions using purchase cards, amounting to approximately £780k.

1.2 Rationale for review

The objective of this review is to ensure purchase cards and associated expenditure is adequately recorded and controlled.

This has been included in the agreed 2025/26 Internal Audit Plan as it is a key Council system, which is yet to be subject to a full review by Internal Audit, albeit purchase cards have been considered previously as part of a management briefing note on Finance's Controls Improvement Plan.

1.3 How to use this report

This report has several sections and is designed for different stakeholders. The executive summary (section 2) is designed for senior staff and is cross referenced to the more detailed narrative in later sections (3 onwards) of the report should the reader require it. Section 3 contains the detailed narrative for risks and issues we identified in our work.

2 Executive Summary

2.1 Overall opinion

The full chart of net risk and assurance assessment definitions can be found in Appendix 1 – Assurance Scope and Terms. We have assessed the net risk (risk arising after controls and risk mitigation actions have been applied) as:

Net Risk Rating	Description	Assurance Assessment
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable

The organisational risk level at which this risk assessment applies is:

Risk Level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.

2.2 Assurance assessment

The level of net risk is assessed as **MODERATE**, with the control framework deemed to provide **REASONABLE** assurance over the Council's approach to purchase cards.

During the 2024/25 financial year, a total of 556 cardholders made 21,021 purchases using purchase cards, amounting to approximately £780k. The breakdown by Function/Cluster is shown below:

2024/25 Purchase Card Spend Analysis	Spend (£'000)	%
Education	309	39%
Children's Social Work and Family Support	264	34%
Operations	115	15%
Health and Social Care Partnership	40	5%
City Regeneration and Environment	30	4%
Other Expenditure	22	3%
Total 2024/25 Expenditure	780	100%

Governance arrangements are generally well controlled, with Finance centrally overseeing the allocation of new cards, setting cardholder transaction limits, designating card reviewers and approvers, and removing system access. Relevant purchase card use requirements are prescribed in Financial Regulations and these are expanded upon within user guidance, albeit this could be enhanced as described below in relation to prohibited spend. Current guidance was issued to cardholders, reviewers and approvers during this review with a requirement to acknowledge understanding of the guidance and related responsibilities via a newly introduced Accountability Form. Finance has warned failure to complete this form will result in cards being cancelled for cardholders or their use limited where reviewers/approvers fail to respond, helping to ensure purchase card requirements are understood.

Purchase card user rules, where applied, are relevant to help ensure segregation in purchasing and approval of spend. Also, guidance warns of a three-stage escalation process, which when applied, can limit cardholder purchasing for a given area to £1 per transaction per cardholder, followed by cancelling cards for persistent delays in reviewing/approving. Finance advised they have cancelled 44 cards as a result of the process predominantly used by officers based in schools, but also cards used by Housing.

However, the review identified some areas of weakness where enhancements could be made to strengthen the framework of control, specifically:

- Written Procedures and Guidance** – Whilst there is a requirement for all purchase card spend to be separately approved by an officer who is not the cardholder to determine spend legitimacy after the spend has already been incurred, purchase card administrator procedures do not cover how to ensure an officer approving the introduction of a new card or the related purchase card transactions has delegated authority, risking unauthorised spend. In addition, there is no system administrator guidance covering when it is appropriate to adjust single transaction limits up or down from the standard £200 limit and what are appropriate monthly limits e.g. for each service area. This risks excessive non-essential expenditure and Best Value. Positively the Purchase Card user guide indicates card limits are only adjusted up from £1 on submission of a Purchase Card Accountability form. However, administrator procedures do not cover the requirement to ensure an Accountability Form is completed risking card limits being increased prior to receipt of cards being acknowledged, and potentially risking related inappropriate spend, should a card be delivered to the wrong address, albeit there is a requirement for all purchase card spend to be subject to a review and approval which would detect such instances.
- New Card Applications** – Two (13%) of 15 new cardholder requests were submitted by an individual who was not an approver for an area or a team leader, breaching guidance and risking unauthorised spend. It was also noted that inefficiently, the new card order form process does not capture details of card reviewers and approvers.
- Transaction Limits** – Generally, requests to amend card limits occur on an ad hoc basis via email to Finance. A sample of ten requests to increase individual transaction limits were reviewed. However, it was noted one (10%) individual transaction limit increase to £10k with a related monthly transaction increase to £15k, was successfully requested by the cardholder inappropriately rather than it being requested by the approver with delegated authority. In addition, whilst another (10%) individual transaction limit increase was appropriately approved, the approver specifically requested to reduce the card limit to £300 after the purchase, however the single transaction limit remained at £750. Whilst all purchase card spend is subject to segregation in use of cards and the approval of related spend once incurred, where card transaction limits are amended without the necessary authority or remain at an unnecessary limit, this increases the risk of inappropriate, unnecessary expenditure, risks Best Value and potentially fraud albeit an approver has the opportunity to identify this after the spend is incurred.
- Transactions** – A review of 50 purchase card transactions made by 42 cardholders confirmed that all cardholders were existing Council employees. 13 (26%) transactions ranging in value from £19 to £1,015 were not supported with itemised receipts; 12 (24%) separate purchases (24%) had receipts on request, but these were not uploaded to the purchase card system as required with seven (17%) cardholders failing to do so regularly; and four purchases (8%) occurred where existing contracts were in place/the supplier was on the purchase ordering system (two fuel, building supplies, gift cards); and seven (14%) purchases where a VAT receipt was available, however the service did not claim VAT (cumulatively £216 unclaimed VAT for sample). Where Purchase Card guidance is not complied with as described above, this risks inappropriate and unnecessary expenditure, financial loss, Best Value, and potentially fraud. Also, a purchase card was used to make a cash withdrawal to top up a Children's Social Work and Family Support petty cash imprest. However, this did not comply with petty cash procedures in breach of Financial Regulations, with related invoices unavailable and some individual purchases exceeding the procedural £20 limit.
- Monitoring** – Finance is required to monitor timeliness of transaction reviews and approvals with a three-stage sanction process for non-compliance. Two (4%) of the 50 purchase card transactions reviewed by Internal Audit had overdue approvals however card limits were not restricted to £1 as required. Also, the system does not presently prevent an approver from being a cardholder. Instead ensuring this is a procedural requirement for Finance. A Children's Social Work and Family Support cardholder reviewed had been set up as an approver and as a result they approved 14 purchases in January 2025 and February 2025 that they purchased. Whilst a separate officer completed the administrative review duties, an approver should not approve their own purchases in line with Purchase Card guidance. Finance advised they identified this issue, and the related card was cancelled in May 2025 and the officer concerned

is now only designated as an approver. However, to avoid similar occurrences in future, it would be prudent to establish system preventative controls if feasible. C&PSS are required to monitor spend by nature on a quarterly basis. However, procedures are yet to be formalised covering how these reviews will take place and the reviews themselves are yet to commence. In the absence of regular monitoring of spend by nature, there is a greater risk contractual arrangements will not be established where necessary in the interests of Best Value and a risk any fraudulent use of cards will not be detected and prevented.

- **Children's Social Work and Family Support Payments** – Purchase cards are used to provide assistance in kind or in cash to children and young people residing in the Council's Children's Homes. Whilst the Council has a related Children's Home Allowances procedure, this was in draft, meaning it had not been approved for use, risking inconsistency in its application. Also, procedures had not been formalised on assistance in kind or in cash falling outwith the scope of Children's Home Allowances, including provision of holidays abroad and payment of child/young person debts. In addition, on reviewing a clothing allowance financial record, it was noted that payments were made for items on three occasions where there were insufficient funds, and a £50 recorded cost was not accounted for, with there being no evidence of a formal reconciliation process to the ledger or segregation of duties in the preparation and review of the financial record. These issues increase the risk of inconsistent award of assistance to children and young people and of unjustified assistance where allowance balances are incorrectly calculated.
- **Multiple Cards** – One (1%) of 90 cardholders who had been allocated more than one card during their employment had two active cards, only one of which was in use. Whilst this appears to be an exceptional occurrence, where multiple active cards are allocated to a single cardholder, this is unnecessary and increases the risk of inappropriate use, albeit again this should be identified via the review/approval process once spend is incurred. Also in total, 41 inactive cards were identified across all cardholders. Five were reviewed and all retained credit balances of £2,000, with single transaction limits of £200 for four accounts and £400 for one. According to system guidance, inactive cards can be reactivated. Finance provided assurance that officers wouldn't be able to reactivate cards if set up correctly, however agreed to close accounts to avoid any potential for inappropriate reactivation of unnecessary cards.
- **Cardholders Data** – The central records of cardholders' data maintained by Finance are not being kept fully up to date, impeding the journal preparation process and monitoring of recorded system access. Finance advised this has been addressed during this review.

This is a central process, which is controlled by Finance but operationally sits with first line card holders. We make recommendations centrally to add the most value but note the involvement of all services, with service specific recommendations also where applicable.

Recommendations have been made to enhance the system of control, specifically in relation to administrator and user guidance; transaction limits; the new card order process; inactive cards; approval delay; absent receipts; petty cash management; and VAT recording. In addition, recommendations were made to establish C&PSS monitoring arrangements; prevent cardholders approving spend; enhance control over Children's Social Work and Family Support spend; and monitor changes in cardholder data/access.

2.3 Management response

Finance – The Assurance Assessment given in this exercise is testament to the effort by the entire team (i.e., Finance and the Operational clusters) in ensuring that compliance with the existing Purchase Card Guidelines and its associated forms deliver on the required controls. We do recognise that further improvements need to be made in the context of its usage, review, continuous regular checks, and how it aligns with the overall commercial and procurement process of the Council, hence we aim to deliver on that objective.

CSW&FS – Specifically in relation to VAT and uploading all receipts for expenditure incurred staff will be reminded of requirements.

3 Issues / Risks, Recommendations, and Management Response

3.1 Issues / Risks, recommendations, and management response

Ref	Description	Risk Rating	Moderate
1.1	<p>Written Policies, Procedures, and Guidance – Comprehensive written procedures, guidance, and training resources, which are easily accessible, can reduce the risk of errors and inconsistency. They provide management with assurance correct and consistent instructions are available, especially in the event of an experienced employee being absent or leaving.</p> <p>The Council's Financial Regulations set out high level relevant requirements relating to purchase card use, including personal use being prohibited; the need to support purchases with a VAT receipt where relevant; and that purchases must be reviewed and approved by appropriate members of staff.</p> <p>In addition, the Council's staff intranet has extensive purchase card guidance, covering new card requests; processing timelines; two useful videos on the use of the purchase card system; and a separate Purchase Card user guide.</p> <p>However, guidance could be enhanced in relation to the following.</p> <p><u>Delegated Authority</u></p> <p>The Council's Powers Delegated to Officers states under the General Delegations to Chief Officers [Chief Officers have the power]:</p> <p><i>"To approve purchase orders and authorise payments; and to approve officer signatory lists and officer authorisation levels in relation to the raising and approval of purchase orders and the authorisation of payments."</i></p> <p>However, the administrator "Procedure For Adding A New Reviewer/Approver" simply indicates to create a card approver based on an email request, without indicating how to check if the officer has the delegated authority or not.</p> <p>Similarly, in relation to new cardholders, the "Ordering a New Card" administrator guidance states Finance should on receipt of a new order form:</p> <p><i>"Check to ensure that the request has come from the approver of the area or an equivalent team leader".</i></p> <p>However, the guidance again doesn't describe how to determine if a proposed approver for an area or team leader approving a new cardholder has the delegated authority to do so.</p> <p>These gaps risk approvers and cardholders being set up without the necessary delegated authority and subsequent unauthorised use of purchase cards.</p> <p><u>Transaction Limits</u></p> <p>The Purchase Card user guide states:</p> <p><i>"These cards have single and monthly transaction limits. These limits will be set by Finance at an appropriate level for the establishment. Standard limit for a single transaction is £200. Monthly limits vary across the council."</i></p> <p>However, there is no system administrator guidance covering when it is appropriate to adjust single transaction limits up or down from £200, what are appropriate monthly limits e.g. for each service area, and who has the authority to request transaction/monthly limit changes. This risks excessive non-essential expenditure and Best Value albeit an approver has the opportunity to identify this after the spend is incurred.</p>		

Ref	Description	Risk Rating	Moderate
	Positively the Purchase Card user guide indicates card limits are only adjusted up from £1 on submission of a Purchase Card Accountability form, which requires confirmation of receipt of the new card by an employee. However, "Ordering a New Card" administrator guidance does not reflect this new accountability form requirement. This creates a minor risk transaction card limits could be increased prior to cards being received by Council employees and there being subsequent inappropriate use, should the card be delivered to the wrong address, albeit purchases should be subject to review and approval.		
	IA Recommended Mitigating Actions		
	<p>a) Purchase card administrator guidance should be reviewed and updated to ensure officers approving purchase card spend and new cardholders have the necessary delegated authority.</p> <p>b) Purchase card individual and monthly transaction limits should be formalised and approved, and administrator guidance should be updated to cover card receipt checks prior to increasing transaction limits as well as detailing who has the authority to request limit changes.</p>		
	Management Actions to Address Issues/Risks		
	<p>a) <i>Finance – Agreed. This will be addressed by work in response to the Creditors Sub System Payments audit AC2506 and reference will be made to the need for delegated authority checks in administrator guidance.</i></p> <p>b) <i>Finance – Prescribing limits by service area is difficult due to exceptional purchasing needs. A MS Form will be established for changes to card limits covering the business justification, the need for approvers to have delegated authority and the duration of limit increases. This will update a related spreadsheet for Finance to monitor limits. Administrator guidance will be established for the new MS Forms process and the need to ensure new cardholders confirm receipt of cards prior to increasing limits.</i></p>		
	Risk Agreed	Person(s)	Due Date
	Yes	Senior Accountant	<p>a) 31 March 2026</p> <p>b) 30 September 2025</p>

Ref	Description	Risk Rating	Moderate
1.2	<p>Cardholders – The Council's dedicated Purchase Card intranet page captures all relevant information for requesting a new purchase card. This requires a New Card Order Form to be submitted to Finance with relevant data required by the bank, and the financial code the card will be linked to. In addition, the Purchase Card intranet page requires cardholders, reviewers and approvers to complete a Purchase Card Accountability Form, confirming they understand the Purchase Card user guidance document and their related purchase card responsibilities.</p> <p>In general, the new start process is adequate however some control gaps were identified.</p> <p><u>Purchase Card Accountability Form</u></p> <p>The Purchase Card Accountability form process is a new requirement from May 2025, helping to enhance control over purchase card use, review and approval.</p> <p>It is acknowledged that the new Purchase Card Accountability form process is bedding in. However, whilst the form should be completed by reviewers and approvers as well as</p>		

Ref	Description	Risk Rating	Moderate
	<p>cardholders, to acknowledge understanding of Purchase Card user guidance and their related responsibilities, this is not highlighted as a requirement in Purchase Card user guidance, administrator guidance or the Council's intranet, risking card reviewers or approvers being set up without being aware of their responsibilities when reviewing/approving transactions. This was not a risk for reviewers/approvers at the time of review since an email was issued by Finance on 15 May 2025, instructing all cardholders, reviewers and approvers to complete an Accountability Form by 27 June 2025, with a warning non-compliance will result in cancellation of the purchase card for cardholders and reduction of card transaction limits to £1 for any area where a reviewer or approver has not completed the form. Whilst this measure addresses current accountability gaps, the absence of guidance on reviewer/approver Accountability Form requirements, creates a minor risk of future reviewers/approvers being set up without this.</p> <p><u>New Card Order Form</u></p> <p>The New Card Order Form requires various cardholder personal details, including name, address, date of birth, and email address, as well as a security password should the bank need to be contacted regarding the card, and the financial code the card should be linked to.</p> <p>However, despite the Purchase Card intranet page indicating Finance needs to know who will review and approve new cardholder transactions, the form does not capture these details – addressing this would lead to a more efficient process. This is a minor issue since as advised by Finance reviewers and approvers are generally only required where a new service area needs a purchase card.</p> <p><u>Sample of New Cardholders</u></p> <p>A sample of fifteen cardholders was selected to observe the adequacy of new card controls.</p> <ul style="list-style-type: none"> For six cases (40%), evidence of who initiated the request was absent. Finance advised five of these requests were historic relating to the previous purchase card system, with access rights granted in line with previous system on transitioning to the current purchase card system. Two requests (13%) were submitted by an individual who was not an approver for an area or a team leader, breaching guidance. <p>Where new purchase cards are not approved by officers with the necessary delegated authority, this risks unauthorised and potentially inappropriate expenditure and Best Value. A recommendation has already been made at 1.1 to ensure officers approving new cardholders have the necessary delegated authority.</p> <p><u>Leavers Process</u></p> <p>Finance receives email notifications from AskHR when a manager reports a member of staff is due to leave and advised any such notifications are reviewed to remove financial system access where appropriate. A record of access removed in this manner has been maintained.</p> <p>However, there is not presently an equivalent system for staff moving between posts, increasing the risk purchase card access remains in the new post. Whilst inappropriate use should be detected via the review and approval process, it would be prudent to establish a similar process of financial system review for officers moving between posts.</p> <p>IA Recommended Mitigating Actions</p> <ul style="list-style-type: none"> a) The New Card Order Form or any equivalent new card workflow process should capture reviewer and approver details, with reason for card on the form / as part of any established workflow. b) Children's Social Work and Family Support should ensure new purchase cards are only requested by officers with the necessary delegated authority. 		

Ref	Description	Risk Rating	Moderate
	c) Finance should monitor changes in employee posts/roles for the purposes of removing financial system access, including purchase card access.		
	Management Actions to Address Issues/Risks		
	a) <i>Finance – Agreed. The New Card Order Form has been updated on the Council's intranet.</i> b) <i>Confirmation and agreement that CSW staff will be reissued with PCG and compliance with process of requests coming from those with delegated authority.</i> c) <i>Finance will issue a quarterly notification to users of all financial systems asking users to notify Finance if they have moved post/role for the purposes of closing accounts.</i>		
	Risk Agreed	Person(s)	Due Date
	a) Yes	a) Senior Accountant	a) Implemented
	b) CSW&FS - Yes	b) Business Planning and Development Officer	b) 30 September 2025
	c) Finance – Yes	c) Senior Accountant	c) 30 September 2025

Ref	Description	Risk Rating	Moderate
1.3	<p>Transaction Limits – It has already been highlighted in 1.1 above that there is no system administrator guidance covering when it is appropriate to adjust single transaction limits up or down from £200 nor is there guidance on appropriate monthly limits. A recommendation has already been made at 1.1 to address this.</p> <p>Generally, requests to amend card limits occur on an ad hoc basis via email to Finance.</p> <p>A sample of ten requests to increase individual transaction limits was reviewed. However, it was noted one individual transaction limit increase (10%) to £10k and monthly transaction increase to £15k, was successfully requested by the cardholder inappropriately. In addition, whilst another individual transaction limit increase (10%) was appropriately approved, the approver specifically requested to reduce the card limit to £300 after the purchase, however the single transaction limit remained at £750.</p> <p>Where card transaction limits are amended without the necessary authority or remain at an unnecessary limit, this increases the risk of inappropriate, unnecessary expenditure, risks Best Value and potentially fraud, albeit an approver has the opportunity to identify this after the spend is incurred. .</p> <p>IA Recommended Mitigating Actions</p> <p>N/A – a recommendation has already been made at 1.1 to address this.</p> <p>Management Actions to Address Issues/Risks</p> <p>N/A</p>		

Ref	Description			Risk Rating	Moderate
	Risk Agreed	Person(s)	Due Date		
	N/A	N/A	N/A		

Ref	Description			Risk Rating	Minor
1.4	<p>Multiple Cards – During the 2024/25 financial year, a total of 556 cardholders conducted 21,021 transactions using purchase cards, amounting to approximately £780k.</p> <p>Finance provided a comprehensive report detailing all cardholders from 2022 to the time of the review. According to this report, 1,100 individual cardholders were recorded, of whom 90 had been allocated multiple cards. One (1%) of the 90 cardholders had two active cards, only one of which was in use. However, where multiple active cards are allocated to a single cardholder, this is unnecessary and increases the risk of inappropriate use, albeit this appears to be an exceptional oversight.</p> <p>In total, 41 inactive cards were identified across all cardholders. Five were reviewed and all retained credit balances of £2,000, with single transaction limits of £200 for four accounts and £400 for one. In contrast, a 'Closed' account had its transaction limit reduced to £0 meaning if reactivated it cannot be used to make a purchase.</p> <p>According to system guidance, inactive cards can be reactivated, and this was something Internal Audit could do with access granted during the review. Whilst Finance provided assurance that officers wouldn't be granted such access if set up correctly, this creates a minor risk of inappropriate reactivation of unnecessary cards and related inappropriate use.</p> <p>IA Recommended Mitigating Actions</p> <p>Inactive cards should be closed.</p> <p>Management Actions to Address Issues/Risks</p> <p><i>Finance – Agreed. The active card has been closed and inactive cards will be closed in July 2025 albeit on testing a reviewer account and an approver account it was not possible to reactivate the accounts that were inactive from the reviewer/approver accounts.</i></p>				
	Risk Agreed	Person(s)	Due Date		
	Yes	Senior Accountant	Implemented		

Ref	Description			Risk Rating	Moderate
1.5	<p>Transactions – Purchase cards are issued to named Council employees to procure goods or services for incidental/petty cash type spend, which cannot be fulfilled by one of the Council's approved supplier contracts. Each service area is required to have at least one reviewer to allocate the correct financial codes, allocate VAT, and upload receipt within the purchase card system in support of transactions. A reviewer can be a cardholder but does not have to be i.e. can review on behalf of cardholders. In addition, each service area is required to also have at least one approver required to check transactions are "legitimate" prior to approving them. Approvers cannot be cardholders to ensure segregation in purchasing by cardholders and the scrutiny of those purchases.</p>				

Ref	Description	Risk Rating	Moderate
	<p>Deadlines for reviewing and approving transactions are specified on the Council's intranet, with deadline generally one month after a monthly purchasing period closes e.g. period 28 May to 27 June 2025 – deadline 25 July 2025. Multiple monthly email reminders are issued to all reviewers and approvers of these deadlines.</p> <p>A sample of 50 purchases made by 42 cardholders was reviewed. People and Citizen Services verified all cardholders in the sample were currently employed by the Council. In addition, where transactions were reviewed and approved, the review and approval processes were segregated between different officers. However, the following exceptions were noted:</p> <ul style="list-style-type: none"> • Approval – Two (4%) purchases, one for Education and Lifelong Learning, and another for City Development and Regeneration were not approved at the time of review, and the card limits were not adjusted to £1 despite approval being overdue by approximately two months. • Absent Receipts – 13 (26%) transactions ranging in value from £19 to £1,015 were not supported with itemised receipts, albeit some assurance was available over five (38%) of these based on order confirmations and in one case a dispatch notice. In relation to the 13 absent receipts, seven (54%) related to Children's Social Work and Family Support (two of these purchases were supported by an order provided on request and a despatch note without costs), two (4%) Transaction Services Team payments (booking confirmation only), one Environmental Services restaurant/bar purchase (receipt present – not itemised), an Emergency Planning purchase (2%), a school signage purchase (2%) (order confirmation only), and a City Regeneration and Environment online retail purchase (2%). • Receipts Present but Not Uploaded – Twelve purchases (24%) had receipts on request, but these were not uploaded to the purchase card system as required. Five (10%) purchases related to Children's Social Work and Family Support, four (8%) related to schools, two (4%) Civic Affairs, and one (2%) a Building Services purchase. In addition, seven cardholders (17%) have repeatedly failed to upload receipts to the purchase card system (an Emergency Planning cardholder, three schools-based cardholders, a Children's Social Work and Family Support cardholder, a Civic Affairs cardholder and a Buildings Services cardholder). Also, one of the schools-based reviewers was unaware of the requirement to upload the receipt to the purchase card system, despite completing an Accountability Form indicating that they had read and understood the Purchase Card user guidance describing the requirement to upload receipts. • Existing Contracts – Four purchases (8%) occurred where existing contracts were in place but not used. A Buildings Services (2%) purchase for cladding and paint via a local supplier instead of via approved suppliers on a related adopted Scotland Excel framework agreement – the service advised this was the only suitable supplier and intends to use this new supplier in future however there has been no competitive tender/evidence of quotes sought, approved award report and no contract is in place. In addition, a City Regeneration and Environment purchase (2%) of gift cards as incentives for joining employability focus groups was via a purchase card to avoid delivery delay despite the service advising there was an existing supplier on PECOS which Purchase Card guidance requires the use of – the Service advised this was for exceptional reasons. Two Environmental Services (4%) fuel purchases were made using a purchase card instead of via a fuel card via the Crown Commercial Services fuel cards and associated services framework. • Petty Cash Withdrawal – One purchase card transaction was a cash withdrawal for £400 to top up a Children's Social Work and Family Support petty cash imprest. The Petty Cash procedure referenced in the Council's Financial Regulations states that except for postage, individual purchases cannot exceed £20 and that receipts must 		

Ref	Description	Risk Rating	Moderate
	<p>always be requested for reimbursement of all petty cash expenditure. Whilst the service shared the breakdown of monies spent, receipts to support the records were unavailable. Additionally, six (38%) out of sixteen payments recorded in the service's petty cash records from December 2024 to May 2025 were above the threshold of £20.00.</p> <ul style="list-style-type: none"> • VAT Not Claimed – Seven cases (14%) were identified where a VAT receipt was available, however the service did not claim VAT (cumulatively £216.63 unclaimed VAT). <p>Where Purchase Card guidance is not complied with as described above, this risks inappropriate and unnecessary expenditure, financial loss, Best Value, and potentially fraud.</p>		
IA Recommended Mitigating Actions			
<p>a) Where purchases are not reviewed/approved on time, cardholder sanctions should be applied in line with procedure.</p> <p>b) A system of monitoring for absent receipts should be established with sanctions for repeat failures to upload receipts.</p> <p>c) Children's Social Work and Family Support should ensure petty cash procedures are complied with.</p> <p>d) Services should ensure VAT is claimed where possible including for the highlighted exceptions.</p> <p>e) Where exceptions are identified above, the respective Cluster should notify staff of expectations in relation to purchase cards use to help avoid a repeat.</p>			
Management Actions to Address Issues/Risks			
<p>a) Agreed - Procedures will be updated to reflect the review of the processing for accuracy.</p> <p>b) Agreed – This will be implemented with 3 stage process and procedures updated to reflect. Finance already sent out warning to recent areas that failed to upload receipts.</p> <p>c) Agreed. This had been discussed between the Chief Officer of CSW & FS and Deputy CFO. The Petty Cash Procedures will have to be updated and released for Council-wide advisory purposes by the Finance Operations Manager.</p> <p>d) and e) Finance – Chief Officers named per note (d) and (e) have been advised accordingly bar P&CS and Governance. The Chief Officers CSW&FS, E&LL and Data and Insights have agreed that their teams will be advised accordingly in regards to the usage of the cards and that further details will be provided in the system's narratives column, the need to upload receipts, and the reference to existing supplier contracts.</p> <p>d) and e) CSW&FS – Specifically in relation to VAT and uploading all receipts for expenditure incurred, staff will be reminded of requirements alongside the above refresh of awareness, in relation to ordering Purchase Cards. In addition, the Residential Children's Homes, and Youth Team staff will be reminded of the requirement to support VAT receipting.</p>			
Risk Agreed		Person(s)	Due Date
Yes		<p>Senior Accountant: for recommendation (a) and (b) above.</p> <p>Finance Operations Manager: Petty Cash Procedure update and release / publication (point c)</p>	30 September 2025

Ref	Description	Risk Rating	Moderate
	<p>Deputy CFO: For Chief Officers communique (d) and (e)</p> <p>Chief Officer – CSW&FS (d) and (e) – discussing VAT and receipt requirements on understanding purchase card access may be removed.</p>		

Ref	Description	Risk Rating	Moderate
1.6	<p>Monitoring – The Purchase Card user guidance states that periodic monthly reconciliations card usage will be carried out by Finance whilst quarterly reviews are undertaken by the Commercial and Procurement Shared Service (C&PSS) on the nature of spend.</p> <p>Monthly Finance reviews were considered at 1.5 Transactions above with a related recommendation already made to ensure cardholder sanctions are applied where transactions are not reviewed/approved as required.</p> <p>It was also noted that the system does not presently prevent an approver from being a cardholder. Instead ensuring this is a procedural requirement for Finance. A Children's Social Work and Family Support cardholder reviewed had been set up as an approver and as a result a cardholder approved 14 purchases in January 2025 and February 2025 that they purchased. Whilst a separate officer completed the administrative review duties, an approver should not approve their own purchases in line with Purchase Card guidance. Finance advised they identified this issue, and the related card was cancelled in May 2025 and the officer concerned is now only designated as an approver. However, to avoid similar occurrences in future, it would be prudent to establish system controls if feasible.</p> <p>In relation to quarterly reviews by C&PSS, procedures are yet to be formalised covering how these reviews will take place and the reviews themselves are yet to commence. This should be addressed to help mitigate risks to Best Value where contracts should either be established or existing contracts used. In addition, in the absence of regularly monitoring of spend by nature, there is a greater risk fraudulent use of cards will not be detected and prevented.</p> <p>IA Recommended Mitigating Actions</p> <p>a) C&PSS should formalise procedures covering quarterly purchase card review requirements and commence related reviews to help ensure Best Value and detect and prevent fraud.</p> <p>b) If feasible, system controls should be established that prevent a cardholder being set up as an approver. Finance should liaise with the system supplier to determine if feasible.</p> <p>Management Actions to Address Issues/Risks</p> <p>a) <i>Agreed, a draft process has been drafted which will be finalised in conjunction with Finance following the first review being conducted. Giving time to do an initial review on Q1 25-26 data and then refine the procedure the procedure will be finalised and shared with CPSS staff / Finance by 30 September 2025.</i></p>		

Ref	Description	Risk Rating	Moderate
	<i>b) Finance – This is not technically feasible, but procedures will be reviewed to determine if any enhancements are possible to quality assurance processes.</i>		
	Risk Agreed	Person(s)	Due Date
	a) Yes	a) Strategic Commercial Manager	a) 30 September 2025
	b) Yes	b) Senior Accountant	b) 30 September 2025

Ref	Description	Risk Rating	Moderate
1.7	<p>Children's Social Work and Family Support Payments – The Council has three residential Children's Homes – Kingsfield Children's Home, Marchburn Children's Home and Gilbert Road Children's Home.</p> <p><u>Children Home Allowances</u></p> <p>Children's Social Work and Family Support has a procedure describing Children's Home allowances available to looked after children and young people. This covers the various maximum allowances available for pocket money by age (up to £18.70 per week by age of 16) and maximum allowances for toiletries (£16.50 monthly), clothing (£100 monthly), birthday (£100) and Christmas (£100).</p> <p>However, the procedure shared during the review was in draft meaning it was not approved for use. Also, it did not describe how allowances should be determined based on need/alternative sources of income, increasing the risk of inconsistency in awarded allowances.</p> <p>Purchases for Council Care Home residents reviewed as part of 1.5 Transactions above varied in nature and value as follows:</p> <ul style="list-style-type: none"> • Pair of trainers – £110 • Clothing – £181 • Pair of trainers – £190 • Riding hat – £95 • Cargo trousers x 2, fleece and hoodie – £170 • Opticians purchase – £54 • Jewellery – £181 • Toiletries – £35 <p>The child/young person financial records for six of the above purchases were requested and provided, with explanations provided for three and financial records provided where payments were funded by Children Home Allowances. It was noted that income, expenditure and related balances were maintained on MS word-based Care Home Allowance records rather than spreadsheets, meaning there was no automated spreadsheet-based calculation of child/young person running balances and instead this had to be done manually.</p> <p>The young person clothing record relating to the £170 purchase of cargo trousers, a fleece and hoodie was reviewed in detail, and the purchase was recorded as required. However, it was noted, a £50 cost without a description recorded immediately prior to the £170 purchase in January 2025 was not accounted for properly, meaning it appears the young person's available clothing balance was overstated by £50.</p>		

Ref	Description	Risk Rating	Moderate
	<p>Also, three other purchases on the record, one in June 2024 and two in February 2025 were made when the young person concerned had insufficient funds, as shown by negative balances on the MS Word document shared, with the largest deficit being £129, albeit the deficit was recorded as only being £5 by the financial year end on receipt of gift funds and the March clothing allowance.</p> <p>In addition, the clothing financial record had no indication that it had been subject to review, or reconciled to the financial ledger, reducing scrutiny of expenditure and increasing the risk of financial misstatement.</p> <p>Where child/young person records are not adequately maintained, or reviewed, this risks award of funds the child/young person is not entitled to, and inappropriate/excessive expenditure.</p> <p><u>Other Children's Social Work Expenditure</u></p> <p>A Children's Home "children's expenses" purchase reviewed was for a holiday for a young person and a keyworker for £1,015. The service advised there is not a policy or procedure relating to holiday allowances/recreation and that holiday and recreational activities are modelled on the normative family experience. These activities are at the discretion of the individual team manager/budget holder and all holidays and recreational activities are planned around our existing budgets</p> <p>In addition, another purchase card transaction incurred by the Cluster related to a payment of £419.75 to the DWP for a debt owed by a young person. However, operational guidance was absent to cover payments such as these that do not relate specifically to Care Home Allowances.</p> <p>In the absence of clear formalised approved procedures, covering all assistance in kind and in cash for children and young people, there is a greater risk of inconsistent decision making and unequal awards to children/young people, which could lead to reputational damage for the Council. In addition, when coupled with the absence of review and reconciliation of financial records, this increases the risk of the award of funds the child/young person is not entitled to, and/or inappropriate/excessive expenditure, risking financial loss for the Council and Best Value.</p>		
	IA Recommended Mitigating Actions		
	<p>a) Children's Social Work and Family Support should formalise procedures covering the calculation of Children's Homes Allowances based on need and additional sources of income and procedures covering the award of assistance in kind for children/young people generally e.g. holidays, payment of debts etc. Proposals for the provision of assistance in kind and in cash to children and young people and related procedures should be suitably approved for use.</p> <p>b) Child/young person financial records should be regularly reviewed and reconciled to the financial ledger, with segregation in the preparation and review of child/young person financial records and any related reconciliation.</p>		
	Management Actions to Address Issues/Risks		
	<p><i>The role played by Children's Social Work in protecting and safeguarding children associated with the measures available by means of S22; S17 or S29 of the Children (Scotland) Act are not comparable to those which are deployed within the setting of children's residential care. Residential placements are regulated by the Looked After Children (Scotland) Regulations 2009, and the Residential Establishments – Child Care (Scotland) Regulations 1996. These regulations set out the responsibilities of the establishments.</i></p> <p><i>These include ensuring the child receives "adequate and efficient" education and their welfare is safeguarded and promoted. Similar to Foster Care, Residential Care for children is utilised, when children cannot be cared for by their birth parent(s) or by a kinship carer.</i></p>		

Ref	Description	Risk Rating	Moderate
	<p><i>Foster Care is similarly subject to aspects of regulation by the Looked After Children (Scotland) Regulations 2009.</i></p> <p><i>The ethos underpinning how we care for children connects to all aspects of their care, including how finances are spent. Children's Rights in respect of the UNCRC are fundamental in our public sector role in ensuring that the children in our care benefit from:</i></p> <ul style="list-style-type: none"> <i>• Article 3 (Best interests of the child)</i> <i>• Article 12 (Respect for the views of the child)</i> <i>• Article 15 (Freedom of Association)</i> <i>• Article 20 (Children unable to live with their family)</i> <i>• Article 23 (Children with a disability)</i> <i>• Article 24 (Health and Health services),</i> <i>• Article 27 (Adequate standard of living)</i> <i>• Article 31 (Leisure, play and culture)</i> <i>• Article 39 (Recovery from Trauma and reintegration)</i> <p><i>Consequently, children in alternative family placements i.e. foster and residential care require the same access to resources to promote their inclusion in family life, the same access to clothing, hobbies and holidays and gifts for birthdays and Christmas'.</i></p> <p><i>It is also important acknowledged that the needs of children vary and our response to their needs must take account of this. For example,</i></p> <p><i>Young people are often received into care with little or no belongings. To ensure their safety and needs are effectively met and to avoid a further stigmatising of the young person, staff apply a level of professional judgement to spend over and above the clothing allowance.</i></p> <p><i>Similarly, where a young person, as a consequence of past trauma, suffers from enuresis they will require clothing to be replaced more frequently.</i></p> <p><i>All such expenditure is made following full and careful discussion with the Team Manager and Service Manager and within the allocated budget for the Children's Home.</i></p> <p><i>Residential staff ensure best value on behalf of the children and young people in our care, in spite of diminishing budgets, to support their care and wellbeing. The Bright Spots survey supported our appreciation of the importance young people in public care have on the sense of self and self-confidence.</i></p> <p><i>The design and delivery of settings which care for children away from their birth families are finely balanced and attempt to create boundaried safe spaces, while replicating aspects of caring family relationships. How money is spent and what is bought must be understood within this context. Each children's home has an allocated budget. These are domestic settings and arrangements reflect meeting the needs of children and young people within our financial activities with and for children who cannot stay with birth families.</i></p> <p><i>It is acknowledged that the draft procedure attached to this process should have been reviewed and updated in light of many factors, including the impact of the rising cost of living versus day to day expenditure on essential items. This has been remedied and an updated procedure, incorporating The Promise made to the care community, following the Independent Care Review and the incorporation of UNCRC is being finalised. The revised procedure reflects the need for staff on occasion to exercise their professional judgement to adequately meet the needs of young people and the oversight role of the Service Manager.</i></p> <p><i>The Service is keen to find a mechanism that enables young peoples pocket money to be transferred to their bank accounts. Thus providing greater transparency and assurance but</i></p>		

Ref	Description	Risk Rating	Moderate						
	<p><i>also normalising life for young people. Unfortunately a solution to overcoming the barriers that prevent this has yet to be found.</i></p> <p>Agreed Improvements</p> <ol style="list-style-type: none"><i>1. The procedure setting out how staff manage allowances for children and young people in our residential home settings has been updated to appropriately incorporate the audits findings. This however is subject to consultation with potential for further revision. It will be finalised by the end of August 2025 at which point it will be shared with Finance and operational staff within local children's residential homes. This procedure will be comprehensive and cover all areas of spend with and for children in residential children's homes e.g. covering holidays etc.</i><i>2. Children's Social Work staff will upload all VAT receipts.</i><i>3. Spreadsheets have been created, replacing the Word documents in the young person's record on D365.</i><i>4. CSW & Finance will explore options to enable the payment of pocket money into young peoples bank accounts.</i><i>5. Child/young person financial records will be reconciled to the ledger to avoid incorrect balances. Spreadsheets have now been created and will replace the Word documents in the young person's record on D365. This will be effective within residential children's homes from September 2025.</i>								
	<table><tr><th>Risk Agreed</th><th>Person(s)</th><th>Due Date</th></tr><tr><td>Yes</td><td>Team Manager – Children's Residential Homes expenditure procedures Senior Support Assistant – child/young person financial record reconciliations</td><td>30 September 2025</td></tr></table>	Risk Agreed	Person(s)	Due Date	Yes	Team Manager – Children's Residential Homes expenditure procedures Senior Support Assistant – child/young person financial record reconciliations	30 September 2025		
Risk Agreed	Person(s)	Due Date							
Yes	Team Manager – Children's Residential Homes expenditure procedures Senior Support Assistant – child/young person financial record reconciliations	30 September 2025							

Ref	Description	Risk Rating	Minor
1.8	<p>Cardholders Data – Finance maintains a RBS – Total Account Group Users spreadsheet of all cardholders with associated card transaction limits, reviewers/approvers and default financial codes. According to the Purchase Card Administration Procedures, the spreadsheet should be updated whenever a new card is issued, or relevant card changes take place e.g. card cancelled.</p> <p>This spreadsheet is used as part of the monthly journal preparation procedure to verify the accuracy of financial codes. However, during transaction testing it was noted transactions were approved by officers absent from those listed as approvers in the spreadsheet.</p> <p>Finance advised that the spreadsheet is most likely not being updated with every change. This should be addressed in the interests of ensuring an efficient journal preparation process and to facilitate oversight of system access.</p> <p>IA Recommended Mitigating Actions</p> <p>Finance should reconcile the Total Account Group Users spreadsheet to the purchase card system. As part of this process appropriateness of system access should be monitored/sense checked.</p> <p>Management Actions to Address Issues/Risks</p>		

Ref	Description	Risk Rating	Minor
	<i>Agreed</i>		
	Risk Agreed	Person(s)	Due Date
	Yes	Senior Accountant	Implemented

4 Appendix 1 – Assurance Terms and Rating Scales

4.1 Overall report level and net risk rating definitions

The following levels and ratings will be used to assess the risk in this report:

Risk level	Definition
Corporate	This issue / risk level impacts the Council as a whole. Mitigating actions should be taken at the Senior Leadership level.
Function	This issue / risk level has implications at the functional level and the potential to impact across a range of services. They could be mitigated through the redeployment of resources or a change of Policy within a given function.
Cluster	This issue / risk level impacts a particular Service or Cluster. Mitigating actions should be implemented by the responsible Chief Officer.
Programme and Project	This issue / risk level impacts the programme or project that has been reviewed. Mitigating actions should be taken at the level of the programme or project concerned.

Net Risk Rating	Description	Assurance Assessment
Minor	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Substantial
Moderate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified, which may put at risk the achievement of objectives in the area audited.	Reasonable
Major	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Limited
Severe	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Minimal

Individual Issue / Risk Rating	Definitions
Minor	Although the element of internal control is satisfactory there is scope for improvement. Addressing this issue is considered desirable and should result in enhanced control or better value for money. Action should be taken within a 12 month period.
Moderate	An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on the audited area's adequacy and effectiveness. Action should be taken within a six month period.
Major	The absence of, or failure to comply with, an appropriate internal control, which could result in, for example, a material financial loss. Action should be taken within three months.
Severe	This is an issue / risk that could significantly affect the achievement of one or many of the Council's objectives or could impact the effectiveness or efficiency of the Council's activities or processes. Action is considered imperative to ensure that the Council is not exposed to severe risks and should be taken immediately.

5 Appendix 2 – Assurance review scoping document

5.1 Area subject to review

Purchase cards are issued to named Council employees to procure goods or services up to the value of £200, for incidental/petty cash type spend, which cannot be fulfilled by one of the Council's approved supplier contracts. The cards are provided by the Royal Bank of Scotland/Natwest Banking Group, and their administration is undertaken by Finance.

Transactions must be reviewed monthly to ensure financial codes are assigned, to upload VAT receipts in support of expenditure and to allocate VAT, prior to transactions being approved (or otherwise) by the relevant budget holder.

Purchase cards may not be used for school fund or personal purchases, nor may they be used to circumvent the Council's Scheme of Governance. The Commercial and Procurement Shared Service (C&PSS) are available to provide advice where necessary on acceptable use.

During the 2024/25 financial year, a total of 556 cardholders conducted 21,021 transactions using purchase cards, amounting to approximately £780k.

5.2 Rationale for review

The objective of this review is to ensure purchase cards and associated expenditure is adequately recorded and controlled.

This has been included in the agreed 2025/26 Internal Audit Plan as it is a key Council system, which is yet to be subject to a full review by Internal Audit, albeit purchase cards have been considered previously as part of a management briefing note on Finance's Controls Improvement Plan.

5.3 Scope and risk level of review

This review will offer the following judgements:

- An overall **net risk** rating at the **Corporate** level.
- Individual **net risk** ratings for findings.

5.3.1 Detailed scope areas

As a risk-based review this scope is not limited by the specific areas of activity listed below. Where related and other issues / risks are identified in the undertaking of this review these will be reported, as considered appropriate by IA, within the resulting report.

The specific areas to be covered by this review are:

- Policies and Procedures
- Access Control
- Purchasing
- Monitoring and Central Assurance

Where individual cardholders are responsible for their spend, and will be reviewed, this audit is primarily focused on the central control framework and the second line operations as managed by Finance. Where we recognise many different stakeholders in the process, any recommendations made will be targeted at those centrally to hopefully enhance the process and provide more value overall, whilst also reflecting on any failings across individual services.

5.4 Methodology

This review will be undertaken through interviews with key staff involved in the process(es) under review and analysis and review of supporting data, documentation, and paperwork. To support our work, we will review relevant legislation, codes of practice, policies, procedures, and guidance.

This review will also encompass an evaluation of the governance, risk management and controls in place to achieve Best Value and to detect, prevent, and mitigate instances of fraud.

Due to hybrid working practices, this review will primarily be undertaken remotely via electronic meetings and direct access to systems and data, with face to face contact and site visits to premises to obtain and review further records as appropriate.

5.5 IA outputs

The IA outputs from this review will be:

- A risk-based report with the results of the review, to be shared with the following:
 - Council Key Contacts (see 1.7 below)
 - Audit, Risk and Scrutiny Committee (final only)
 - External Audit (final only)

5.6 IA staff

The IA staff assigned to this review are:

- Agne McDonald, Auditor (**audit lead**)
- Andy Johnston, Audit Team Manager
- Jamie Dale, Chief Internal Auditor (**oversight only**)

5.7 Council key contacts

The key contacts for this review across the Council are:

- Andy MacDonald, Executive Director – Corporate Services
- Bernie Bularan, Deputy Chief Finance Officer
- Craig Innes, Chief Officer, Commercial and Procurement Services
- Mel MacKenzie, Strategic Commercial Manager
- David Cuthbert, Team Leader, Data Team
- Richard Burnett, Senior Accountant

5.8 Delivery plan and milestones

The key delivery plan and milestones are:

Milestone	Planned date
Scope issued	29-Apr-25
Scope agreed	06-May-25
Fieldwork commences	19-May-25
Fieldwork completed	16-Jun-25
Draft report issued	07-Jul-25
Process owner response	28-Jul-25
Director response	05-Aug-25
Final report issued	12-Aug-25

