


Internal Audit – Final Management Report			
2022-23: Barbican Centre: Purchase Cards Compliance Check			
Prepared by: Cirila Peall	Issue Date: 19/12/2022	Assurance Rating: AMBER	

This assurance work was undertaken as part of a rolling programme of Purchase Card (p-card) compliance checks across City Corporation departments and institutional departments.

Audit Scope

- Evaluation of reported compliance with the P-Card Policy.
- Determination of the reasons for non-compliance.
- Review of local action taken to address non-compliance.
- Sample testing to evaluate controls over P-Card requirements that are not subject to quarterly performance reporting e.g. use of corporate contracts, business travel.

Audit Approach


- Review of the departmental response to the Q1 Action Report (transactions totalling approx. £261k) – in terms of investigation undertaken in respect of non-compliant transactions highlighted and action taken locally to prevent a recurrence.
- Comparison of performance from Q4 2021-22 (18/12/21 to 17/03/22) to Q1 2022-23 (18/03 to 17/06/2022), with transactions for both quarters totalling approx. £411k.
- Detailed examination of a sample of 20 non-compliant transactions totalling approx. £10k from the 2022-23 Q1 Chief Officer P-Card Report.
- Discussion with departmental reviewers to identify factors contributing to non-compliance.

Key Findings

More effective action is required to improve compliance with the Purchase Card Scheme, in particular to ensure that:

- **Approval of submitted transactions incorporates robust check and challenge, for example confirming that sufficient information has been supplied in support of purchases made and demonstrating a clear business need.**
- **Cardholder transactions are submitted in good time to facilitate effective review and approval.**
- **Cardholders are consistently held to account in respect of any non-compliance with the Scheme, making use of the ‘three strikes’ rule.**
- **VAT loss is minimised, with any missing receipts chased and used to make retrospective claims if appropriate.**

One amber priority recommendation has been made to address these findings.

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Ref	Issue	Risk	Recommendation	Priority
1.	<p>Controls in operation by the Barbican Centre to promote compliance with the corporate Purchase Card Scheme are not working effectively to ensure that transactions are:</p> <ul style="list-style-type: none"> • Adequately explained and supported. • Submitted on a timely basis. • In accordance with all Policy requirements. • Subject to robust review and approval. 	<p>Where P-card transactions are not adequately explained / supported or not submitted for review on a timely basis:</p> <ul style="list-style-type: none"> • Assurance cannot be provided that spend is appropriate and linked to business need; and • VAT losses may be incurred. 	<p>Barbican Centre Management should promote compliant P-Card practice by ensuring that:</p> <ul style="list-style-type: none"> • Approval of submitted transactions incorporates robust check and challenge. • Cardholder transactions are submitted in good time to facilitate effective review and approval. • Cardholders are consistently held to account in respect of any non-compliance with the Scheme. 	Amber
<p>Management Response: We agree with the recommendations. VAT correction journals will be posted each quarter after review and we will be issuing strike warnings for continuing non-compliance that could end with the removal of the card. We are working with some card holders and City Proc to ensure P cards are the best route for payment for some recurring goods/services.</p> <p>Responsible Officer: Head of Finance & Business Administration Implementation Date: 31/03/2023</p>				