

# City of London Corporation Committee Report

<b>Committee(s):</b> Finance Committee – For information	<b>Dated:</b> <b>17/02/2026</b>
<b>Subject:</b> Improving Compliance and the Proper Use of Corporate P-cards	<b>Public report:</b> For Information
<b>Does this proposal require extra revenue and/or capital spending?</b>	n/a
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	n/a
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	n/a
<b>Report of:</b>	Matt Lock – Group Chief Internal Auditor
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## Summary

Internal Audit and the Chamberlain's Financial Shared Services Team have worked closely together to develop a number of enhancements to the control framework to ensure consistent proper use of Corporate P-cards. This report provides the Finance Committee with information and assurance relating to this recent work.

## Recommendation(s)

Members are asked to note the report and the actions being led by the Chamberlain to enhance the control environment for the proper use of Purchase Cards.

## Main Report

### Background

1. Following discussions at a previous meeting of the Finance Committee concerning the appropriate and proper use of P-cards, Internal Audit have undertaken further review. This report provides an overview of the work undertaken in collaboration with the Chamberlain's Financial Shared Services Team and assurance that a robust management action plan is in place to enhance the control framework to ensure the proper use of corporate P-cards.

2. Members should note that Corporate P-cards are used almost exclusively for operational purchasing rather than personal or individual expenses, which are processed via the expenses module of the ERP system.

## **Current Position**

3. Compliance with expected process and proper use of corporate P-cards has been consistently below expectations. There are two broad categories of non-compliance:

- Incorrect completion of expenditure reports, which largely relates to transactional errors such as miscoding, missing receipts or descriptions.
- Failure to complete expenditure reports which results in no management visibility of the associated expenditure and so represents unidentified potential misuse.

4. The focus of recent and current work is on improving the control framework to ensure completion of expenditure reports. Correct completion of expenditure reports is addressed by existing continuous improvement activity (monitoring and education). An Internal Audit Insight Report has been provided and is included as Appendix 1. Further detail, including the agreed management actions, is contained within Appendix 2.

## **Key Data**

5. Data related to P-card usage in quarter 2 of the current year was used to inform discussion and review, some key highlights are:

- Approximately 13000 transactions in the period, of which over 1000 transactions were not submitted for review and approval
- Value of transactions not submitted: £89k
- 180 named card holders failed to submit transactions for approval (from a total of 1000 cards in use at present)
- 800 of the transactions not submitted for approval are for P-cards in use in 5 of the Institutional departments, compliance within the Corporate departments is significantly better.

## **Corporate & Strategic Implications**

6. Persistent failure to carry out basic duties, such as submitting expense reports, can create the impression of a lax attitude toward financial controls, which in turn risks weakening the organisation's wider control culture.

## Conclusion

7. There is no management oversight of expenditure where a P-card user fails to submit expenditure reports. Repeated non-compliance with simple processes, including expense reporting, can create the impression that financial controls are not taken seriously, which may negatively influence organisational culture.
8. A thorough management action plan has been developed to enhance the control framework for ensuring proper use of P-cards, as well as the introduction of more robust sanctions for persistent non-compliance.

## Appendices

- **Appendix 1** – Internal Audit Insight Report - Improving Compliance and the Proper Use of Corporate P-cards
- **Appendix 2** - Improving Compliance and the Proper Use of Corporate P-cards – Report of the Group Chief Internal Auditor

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