

Report	Summary of key findings and recommendations	Recommendations			Status																				
		H	M	L																					
<p>Subject: Purchasing Cards</p> <p>Category: Assurance – Cyclical</p> <p>Date issued: 31 May 2023 Draft 18 August 2023 Final</p> <p>Level of Assurance: Satisfactory (Henderson Loggie completed report equivalent to Midlothian Audit Substantial)</p>	<p>Midlothian Council's purchasing cards are Mastercard charge cards supplied by the Royal Bank of Scotland. They are used typically for the purchase of high volume, low value goods and services facilitating less reliance on petty cash. Purchasing cards have the benefit of providing a stronger audit trail and authorisation record through integration with the Council's finance system, Integra.</p> <p>As at 17 May 2023, 368 purchasing cards were in use and for financial year 2022/23, a total of 19,405 transactions were made using purchasing cards, with a value of £1.410 million in total expenditure.</p> <p>The table below shows the split of Expenditure on the traditional plastic cards by directorate during the 2022/23 financial year.</p> <table><tr><th>Directorate</th><th>No. of Cards</th><th>No. of Transactions</th><th>Total Value</th></tr><tr><td>Chief Executive</td><td>1</td><td>1</td><td>£480</td></tr><tr><td>People and Partnerships</td><td>229</td><td>17,144</td><td>£1,157,504</td></tr><tr><td>Place</td><td>85</td><td>2,260</td><td>£252,405</td></tr><tr><td>Total</td><td>315</td><td>19,405</td><td>£1,410,389</td></tr></table> <p>The Henderson Loggie Internal Audit report provided Good assurance that:</p> <ul style="list-style-type: none">• Adequate policies, procedures, and training are in place and have been provided to all purchase card users;• Purchasing cards are appropriately issued, controlled, and returned in line with Council procedures; and• There is timely payment of the Council's monthly purchasing card bills.	Directorate	No. of Cards	No. of Transactions	Total Value	Chief Executive	1	1	£480	People and Partnerships	229	17,144	£1,157,504	Place	85	2,260	£252,405	Total	315	19,405	£1,410,389	0	0	4	Management have accepted the factual accuracy of the report and its findings, and agreed to implement the recommendations.
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	<p>The Henderson Loggie Internal Audit report provided Satisfactory assurance that:</p> <ul style="list-style-type: none"> • Transactions are promptly verified on the system by the user with associated proof of purchase documentation correctly attached • Transactions are appropriately authorised in line with Council procedures • There is ongoing monitoring of purchasing card spend throughout the year to ensure that inappropriate expenditure is not incurred and that expenditure is compliant with the Council's policies and procedures <p>The Internal Audit report on Purchase Cards made the following recommendations:</p> <ul style="list-style-type: none"> • A reminder should be issued to current purchase cardholders and authorisers to advise that purchases should be verified promptly, with adequate proof of purchase attached and accurate VAT details recorded in Integra, to allow authorisation within seven days in line with Council procedures. (Low) • Business Applications staff should review the wording on the system generated reminders to cardholders and authorisers when transactions remain unauthorised to establish greater compliance with the authorisation processes. (Low) • A regular quarterly report to the CMT should be established including information under each service management area the number of transactions and value of expenditure through purchase cards that has no supporting evidence or authorisation for review on an aged basis. (Low) • The Procurement team should periodically carry out an analysis of the Council's purchase card spend to identify opportunities for cost savings and to confirm ongoing compliance with Procurement Procedures. (Low) 				