

Follow Up Audit Objective

To provide assurance that management has implemented agreed actions to mitigate the risk exposures found in the 2024/25 audit.

Follow Up Progress Summary					
Priority	Complete	In Progress	Not Started	Not Agreed	Summary
Priority 1	0	0	0	0	0
Priority 2	2	1	0	0	3
Priority 3	6	1	0	0	7
Total	8	2	0	0	10

Follow Up Assessment

We conducted a Procurement Card audit in 2024/25 to identify any cardholders that were non-compliant with policy and to consider risks of fraudulent use. We found 10 weaknesses and provided Limited assurance.

In this follow up review, we have found that 8 of the 10 agreed actions have been completed. Our key findings are summarised below.

Key Findings

	<p>Since the original audit, the council has:</p> <ul style="list-style-type: none"> Revised and updated the cardholder procedures/instructions, which: <ul style="list-style-type: none"> includes a reminder that cards must not be shared states that monthly summary sheets must be signed to confirm authorisation includes guidance on what is and what is not permitted use of the card; and states that changes in cardholder employment status must be reported to the Income and Payments Team. Updated the guidance available on the Council's intranet. Asked cardholders to sign a new procurement card undertaking document. Reviewed cardholder limits. Enforced the Council's procedures, which requires monthly summary sheets of procurement card expenditure to be signed and properly authorised. Provided procurement training in respect of procurement card purchases over £10k.
	<p>Further action is needed to:</p> <ul style="list-style-type: none"> Provide further fraud training for cardholders and track completion of this training. Implement data analysis of procurement card transactions once the online system is live.

Further Information

We have performed testing and reviewed supporting evidence to confirm the council's progress in implementing all priority 1 and 2 actions. Our assessment of the priority 3 actions is based on self-assessment by the responsible officer.

Please refer to Appendix 1 for our detailed findings.

Appendix 1

Agreed Actions & Follow Up Assessment

Issue and Agreed Action		Follow Up Assessment	In Progress
<p>Issue: Lack of specific fraud and card training.</p> <p>Agreed Action: A fraud and card training programme will be implemented for all staff in liaison with SWAP, including guidelines on identifying and addressing potentially fraudulent activities, and compliance with relevant regulations and internal policies. Staff completion of the training programme will be monitored and tracked.</p> <p>Although this will take place in Q1 of 2025-26 we will issue an immediate reminder to staff regarding risk and responsibility.</p>		<p>While cardholders have been provided with a link to Lloyds Bank fraud training resources, officers told us there are plans to provide further training which will be monitored and tracked.</p>	
Priority	2	<i>SWAP Ref: AP#5026</i>	
		Responsible Officer	Director of Finance
		Timescale	31.05.2026
Issue and Agreed Action		Follow Up Assessment	Complete
<p>Issue: Unsigned monthly summary sheets.</p> <p>Agreed Action: The Council will ensure that all monthly summary sheets are signed by the respective cardholder, further authorised by their designated manager, and checked by the finance function to ensure accuracy and completeness of expenditure. This process should be clearly communicated to all cardholders and managers, emphasising the importance of accountability and compliance with established procedures. Non compliances should be monitored, and consideration given to removal of the card in the event of repeat occurrences.</p> <p>The Council will ensure that those identified by SWAP are retrospectively checked for legitimacy of transactions.</p>		<p>We confirmed that the revised procedures state that the summary sheet must be signed by the cardholder and forwarded to the approving manager, copying in purchasecards@eastdevon.gov.uk. The Approver must authorise the summary sheet and return the completed sheet to the same email address. It also states that failure to comply with these reconciliation procedures will result in the withdrawal of purchase card facilities. As noted above all cardholders have been issued with the updated procedures.</p> <p>We tested a sample of monthly summary sheets for the months of July, August and September 2025 and all had been authorised. While they were approved, we noted that there were instances where there was a significant gap between the date submitted and the date authorised. We also observed that the procedures do not include a timescale for authorisation. Having such a timescale could help ensure sheets are authorised in a timely manner.</p>	
Priority	2	<i>SWAP Ref: AP#5137</i>	

Issue and Agreed Action	Follow Up Assessment	Complete
<p>Issue: Sharing of cards.</p> <p>Agreed Action: Notification has been completed several times to cardholders that sharing of cards is prohibited in line with the purchase card instructions. This will now be escalated to the Council’s Senior Leadership Team in January 2025 for Directors to enforce within their service areas.</p> <p>Expectations will be outlined in both the procurement card policy and the training provided to officers. This ensures a thorough understanding of the responsibilities and restrictions associated with card usage.</p>	<p>We reviewed the updated purchase card procedures/instructions sent to all card holders and confirmed that this includes a reminder that sharing cards is prohibited. In addition, evidence was provided that a reminding email was also sent to cardholders.</p> <p>This action is now complete.</p>	
<p>Priority</p>	<p>2</p>	<p>SWAP Ref: AP#5029</p>

Issue and Agreed Action	Follow Up Assessment	Complete
<p>Issue: The cardholder procedures do not specifically identify what transactions are permitted and restricted and key document review dates are not recorded.</p> <p>Agreed Action: Cardholder procedures will be revised to include a comprehensive list of permitted and not allowed transactions, providing clear guidelines for authorised and prohibited usage of funds. It is acknowledged that there is also a list of blocked categories on cards.</p> <p>In addition, regular training and communication on the updated procedures will be completed in line with finding 2 above to ensure consistent interpretation and enforcement of compliance, particularly regarding transaction permissions.</p> <p>A standardised review and update process for key documentation, including clearly visible review dates will be implemented.</p>	<p>The cardholder procedures have been updated and are now much clearer. They have been reissued to cardholders. Evidence of a follow-up email sent to cardholders was provided.</p> <p>This action is now complete.</p>	
<p>Priority</p>	<p>3</p>	<p>SWAP Ref: AP#4882</p>

Issue and Agreed Action		Follow Up Assessment	Complete
<p>Issue: Missing cardholder forms.</p> <p>Agreed Action: Cardholder documentation (instructions to cardholders) will be located or re-requested for the missing two individuals. A full audit of all cardholders will follow to ensure the correct documentation is held. Where there are absent documents, Card holders will be asked to complete these.</p>		<p>We confirmed that in addition to the updated cardholder instructions, all card holders have been asked to sign a new card undertaking document. Non-compliance results in the card being placed on hold by the bank until the signed cardholder undertaking document is received.</p> <p>This action is now complete.</p>	
Priority	3	SWAP Ref: AP#5028	
Issue and Agreed Action		Follow Up Assessment	Complete
<p>Issue: Unclear on where to report lost/ stolen cards.</p> <p>Agreed Action: Cardholders will be reminded of procedures for reporting lost or stolen cards which are listed in the Instructions to Cardholder document. The Council will use Stay Connected (staff bulletin) to complete this.</p>		<p>We confirmed that cardholder instructions have been updated, and new guidance and information has been added to the Council's intranet.</p> <p>This action is now complete.</p>	
Priority	3	SWAP Ref: AP#5027	
Issue and Agreed Action		Follow Up Assessment	Complete
<p>Issue: Cards held by staff on Maternity leave are still showing as active.</p> <p>Agreed Action: The Exchequer and Systems Manager has emailed Lloyds to suspend access for the two highlighted individuals. A regular review and update of staff status in the procurement card system will be implemented to ensure that inactive staff members, such as those on maternity leave, have their cards locked.</p>		<p>The revised procedures/instructions were reviewed and evidence provided that the procedures were sent to all relevant parties, clarifying that the Income & Payments team must be notified of any changes e.g. resignation/change of role/sickness/maternity leave.</p> <p>This action is now complete.</p>	
Priority	3	SWAP Ref: AP#4976	

Issue and Agreed Action		Follow Up Assessment		Complete	
<p>Issue: Cardholder limit increases.</p> <p>Agreed Action: The Council will conduct a retrospective review of all recent limit increases (including those identified by SWAP) to verify compliance with policy and to ensure that corresponding and appropriate authorisation is held.</p>		<p>We confirmed with the Exchequer and Systems Manager that the review of card limits has been completed and any changes are being applied as part of the implementation of the new system.</p> <p>This action is now complete.</p>			
Priority	3	SWAP Ref: AP#5583			
Issue and Agreed Action		Follow Up Assessment		Complete	
<p>Issue: Consideration to corporate contracts.</p> <p>Agreed Action: Consideration will be given to corporate contracts for highlighted areas of expenditure such as temporary accommodation and estates management to secure value for money and a reduction in overall cost.</p>		<p>All officers through procurement training have been reminded of the requirement to consult Procurement on spend over £10k which will then pick up corporately through DCC the need for wider contracts.</p> <p>The use of procurement cards for the purchase of temporary accommodation has been covered within the Temporary Accommodation audit (2024/25), therefore, no further action is required within this follow-up.</p> <p>This action is complete.</p>			
Priority	3	SWAP Ref: AP#5445			
Issue and Agreed Action		Follow Up Assessment		In Progress	
<p>Issue: Access to transactional data.</p> <p>Agreed Action: The move to a new Lloyds feature will allow for data to be downloaded in Excel format. Following this, we will complete regular data analytics to identify spend trends and user habits.</p>		<p>At the outset of the review, we were advised that the council is waiting for the bank to confirm a go-live date for the new online system. Officers later told us there had been some delays due to staff resource and roll out of the Pay360 system, but they expect this to be in place by April 2026.</p>			
Priority	3	SWAP Ref: AP#4944	Responsible Officer	Director of Finance	Timescale 31.03.2026