

APPENDIX C (Audit Performance Status Report)

From: Corporate Communications

Sent: 13 December 2013 10:52

To: AllUsers

Subject: Financial rules reminder: Message from Chris Ward - Head of Finance and s151 Officer

Corporate communications



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13 December 2013

Financial rules reminder

Message from Chris Ward - Head of Finance and s151 Officer

I would like to take this opportunity to remind you of the importance of the council's Financial Rules. Our Financial Rules exist to protect our staff as well as the council's financial interests and its reputation. The rules apply to every councillor and every member of staff, including temporary staff, contractors and consultants; they exist for a number of reasons, including to:

- ensure that we account properly and transparently for public monies
- ensure that accurate financial information is available, allowing proper scrutiny of performance, and comparison with performance indicators
- minimise the risk of fraud or misuse
- demonstrate that we achieve value for money
- demonstrate the proper use of resources
- demonstrate that our assets are properly safeguarded
- help plan and manage budgets

Recently we have had a marked increase in the number of breaches of Financial Rules. I include a list of the most common breaches below as I ask you to ensure you do not make these common mistakes and instead that you are aware of the rules which apply to any of your activities; non-compliance can (and has) led to disciplinary action being taken. The most common breaches are:

- Purchasing card spending on EBay - spend on EBay or EBay type sites is not allowed for a number of reasons; mainly because the origin and authenticity of products cannot be assured, which could lead to health and safety risks and unenforceable guarantees
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- Failure to obtain VAT receipts for purchasing card spend - if VAT is not reclaimed because a VAT receipt has not been obtained then the council will have wasted money. Equally, if VAT is reclaimed incorrectly the Authority could face penalties from HMRC.
- Poor inventory keeping - portable and desirable items which have not been recorded and their existence goes regularly unchecked, including items such as cameras and mobile phones
- Inadequate security arrangements for petty cash containers - cash containers which have not been held in secure locations and have not been reconciled regularly.
- Inappropriate use of Petty cash - Petty cash is being used to purchase items that should be purchased using corporate contracts, or where a purchase card could be used.
- Purchase orders not raised for expenditure - a purchase order must be raised when you commit to any expenditure, not when the invoice is received. Staff are also frequently not obtaining quotes or using corporate contracts.
- Poor handling of income - some staff are not banking regularly enough and are therefore exceeding insurance limits.

If you are unsure on how to follow any of the Rules please contact either your Finance Manager or Internal Audit.

Thank you

CHRIS WARD
Head of Finance and s151 Officer
