

**Internal Audit Report**  
**Leicestershire Fire & Rescue Service**  
**Duplicate Payments**  
**September 2014**



<b>KEY PERSONNEL</b>	
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**INTERNAL AUDIT REPORT**  
**LEICESTERSHIRE FIRE & RESCUE SERVICE**  
**DUPLICATE PAYMENTS**  
**SEPTEMBER 2014**

**1 INTRODUCTION**

1.1 As part of the 2014/15 audit plan we have undertaken a data-matching exercise to identify duplicate payments.

1.2 The value of invoices processed via Agresso for 2013/14 totalled £18.1m.

There are two invoice processes;

- Purchase Order Invoice where the invoice is matched to the order
- Supplier Order Invoice where there is no order therefore no matching takes place

1.3 Furthermore, there are two other electronic ways currently in use to make a payment:

- A bankline transfer from the general business account (*number ending 9318*)
- A direct debit payment from the above account

1.4 Excluded from our work was:

- Any other payments by any other means e.g. Imprest account payments or similar
- Payments that were not readily identifiable via the bank statement e.g. no payee name/unclear payee name

**2 AUDIT OBJECTIVES**

2.1 The objective of our review is to provide assurance to management that for the period examined there are procedures in place both to prevent duplicate payments where at all possible, but also to detect and take corrective action if any have been made.

### 3 KEY FINDINGS AND RECOMMENDATIONS

#### Preventative Controls:

There are controls in the Payables module of the Agresso Business Management System to prevent duplicate payments. These are defined as follows:

- The Payables module of Agresso does not allow the same invoice number to be paid against the same supplier ID – this applied both to Purchase Order invoices & Supplier Order invoices.

However, duplicate payments could be made:

- If payments are made by via both Agresso payables module and an alternative method e.g. direct debit through the General business account.
- If a valid invoice is paid to both the valid supplier and accidentally to another

#### Work undertaken

- 3.1 We obtained a report of payments processed via Agresso for the financial year 2013/14 which identified 8,137 lines. We used a data matching tool, IDEA to:-

#### Match on supplier, invoice number & amount

Match on vendor name, invoice number & amount for which there were no matches.

#### Match on supplier, amount and date

Match on supplier, amount and date for which there were 867 lines. The vast majority of matches (854) could be excluded from further investigation as the accompanying descriptions related to different stations/ people. However, we selected a sample of 15 matches for further scrutiny where it was not clear from the invoice description that it was an unrelated payment. There were investigated by Assistant - Finance Office Manager and it was subsequently established that none were found to be duplicates.

Match on invoice number and amount but not the supplier

Match on invoice number and amount but not the supplier for which there were 4 matches but each had been cancelled by a credit note (i.e. paid to the wrong supplier but corrected prior to the audit).

Direct Debit Payments:

We obtained details of Direct Debit payments via Bankline and verified that no duplicate payments had been made to these suppliers via Agresso.

Electronic Payments via Bankline

A similar exercise was undertaken with the electronic payments made via bankline for the period April 2013 to March 2014. Where the payee was evident on the bank statements, these were compared to the suppliers payment file on Agresso, there were no matches. This process was manually undertaken because it was stated that an extract of payments could not be obtained from bankline at this time.

- 3.2 Although recommendations relating to electronic payments previously agreed in our report dated March 2014 remain, these could not be applied to testing undertaken in this audit. Recommendation implementation dates were for June 2014 whilst the data for this audit related to April 2013 to March 2014.

#### 4 CONCLUSION

Although no duplicate payments have been identified, recommendations previously agreed in our report dated March 2014 still apply in order to ensure there are robust procedures in place to prevent and identify any incorrect payments. These recommendations had not been implemented at the date of this audit purely because the implementation date had not yet been reached

#### 5 OPINION

Based on the answers provided during the audit and the testing undertaken, **substantial assurance** can be given that the internal controls in place to reduce exposure to those agreed risks currently material to the system's objectives are adequate and being managed effectively.