



Audit Report

Invoice Processing

Date Issued: 18th November 2022



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1. Executive Summary

Invoices in An Garda Síochána are primarily processed for payment through the Accounts Payable office in the Finance unit of the Finance and Services Directorate. Invoice processing and payment is the final stage of the purchase to pay process.

Garda Internal Audit Service (GIAS) examined a sample of invoices with their supporting documentation from various expenditure categories. GIAS also reviewed the controls and procedures in respect of authorising, recording and processing invoices for payment. All invoices reviewed by GIAS had supporting documentation available, evidence of approval and evidenced segregation of duties.

1.1 Summary of Findings

The audit finding is detailed in the main body of this report and summarised below.

Purchase to pay guidance exists internally in the Finance section and in the Garda Finance Code. In addition, in line with the rollout of the new Operating Model, Finance have developed process guides and descriptions to be utilised at a local level.

While purchase to pay guidance exists within AGS, it is considered that an all-inclusive suite of documented processes and procedures specific to purchase to pay activity across the various functions of the organisation would be more beneficial.

	Potentially Systemic	Applicable to Location Audited	Total
High	1	-	1
Medium	-	-	-
Low	-	-	-
Total	1	-	1

1.2 Audit Assurance Level

The overall assessment of the control environment is considered by the auditors to be limited.

1.3 Acknowledgements and Limitations

Garda Internal Audit Service (GIAS) would like to thank staff in the Finance and Services Directorate for their co-operation and assistance throughout the course of this audit.

The contents of this report should be considered in the context of the following:

- Findings are based on information provided by the Finance Directorate.
- The findings and associated risks identified are not exhaustive and no assurance is provided that additional risks do not exist.
- Findings are based on point in time review for the period January 2021 to December 2021.

2. Terms of Reference

2.1 Audit Objective

To assess the strength of internal controls and procedures in place for the authorising, recording and processing of invoices for payment.

2.2 Audit Scope and Methodology

The audit focused primarily on financial management, governance and the controls in place for the authorising, recording and processing of invoices for payment. GIAS undertook the following steps:

- Analysed policy, procedures and processes in place
- Interviewed key personnel from Finance
- Completed several on-site visits to Finance to examine a sample of invoices and their supporting documentation
- Examined all relevant documentation provided by Finance

2.3 Reporting Arrangements

The audit report will issue to:

- Commissioner
- Deputy Commissioner Strategy, Governance & Performance
- Chief Administrative Officer
- Audit & Risk Committee

3. Findings and Agreed Actions

Listed hereunder are the key audit findings, potential implications and agreed action.

Findings	Risk / Potential Implication	Agreed Actions
3.1 Purchase to pay system guidelines		High (S)
<p>The purchase to pay system is composed of the processes that an organisation utilise to request, purchase, receive and pay for goods and services.</p> <p>In an organisation as large and complex as AGS documented guidance explaining this system and related processes would bring benefits including ensuring that procurement requirements are being complied, enabling proper procurement planning, an increase in value for money opportunities, an increase in budgeting capability, and applying high standards to the recording of accurate procurement data.</p> <p>In line with the rollout of the new Operating Model, Finance have developed process guides and descriptions to be utilised at a local level. In addition, purchase to pay guidance exists internally in Finance and in the Garda Finance Code. However, no all-inclusive purchase to pay guidance exists within AGS.</p>	<p>A lack of all-inclusive documented guidance in relation to the purchase to pay system may result in non-effective requesting, purchasing, receiving and payment practices resulting in a lack of adherence to public financial procedure requirements, poor budgeting and a lack of value for money.</p>	<p>Garda Finance and Services Directorate is currently in the process of sourcing resources to support a comprehensive review of the purchase to pay process and associated documentation within AGS. The review will include the updating of the current guidance into a centralised all-inclusive procedural manual for all stages of the purchase to pay process.</p> <p>Responsible Person: Head of Finance</p> <p>Implementation Date: Q3 2023</p>

Appendices

Appendix I- Ranking of Findings

The main findings are ranked as high, medium or low and are dealt with in Section 3 - Findings and Agreed Actions.

The rankings used are described below:

High	Major issues that we consider need to be brought to the attention of senior management.
Medium	Important issues which should be addressed by management in their areas of responsibility.
Low	Detailed issues of a minor nature that can be resolved with limited time and effort.

Where findings may have systemic (national) implications, the rankings are shown as High (S), Medium (S) or Low (S).

Systemic audit findings arise from control weaknesses of a material/significant nature which may, in the opinion of the auditors, be replicated elsewhere or which although small in value at the location audited may be replicated elsewhere in An Garda Síochána and may cumulatively be material to the An Garda Síochána.

Agreed actions are actions agreed by GIAS and relevant management to mitigate the identified risks.

Appendix II- Audit Assurance Levels

- Adequate:** Overall there is an adequate system of governance, risk management or control.
- Limited:** There are weaknesses within the governance, risk management or control framework which need to be addressed.
- Unsatisfactory:** The system of governance, risk management or control has substantial weaknesses that need to be addressed urgently.