

PEX Random Sampling Exercise 2014/15 Final Results Report

*PLEASE NOTE THIS REPORT HAS BEEN TRANSFERRED FROM ITS ORIGINAL EXCEL FORMAT INTO PDF FORMAT FOR THE FOI

Core department

Foreign & Commonwealth Office

If applicable, ALB name

Measurement Exercise 1

FCO Employee Corporate Credit Card

Person responsible for approval or sign off of this form

Name

Email address

Telephone number

[Redacted]

Person responsible for completing form to whom questions can be addressed

Name

Email address

Telephone number

[Redacted]

[Redacted]

Core department name
If applicable, ALB name

Foreign & Commonwealth Office

Measurement Exercise 1

Corporate Credit Cards

Description

Size

Justification

(1) **Population**

All FCO corporate credit card transactions for the month of June 2014.

16280 transactions / £1,817,694.74

Potential high risk of fraud as there are 6149 corporate credit cards in issue within the FCO across the global network with transactional spend in excess of £1.5M each month around the globe.

(1.1) **Highest Risk? Y/N**

Yes

(2) **Sampling Unit**

The sampling unit will be individual corporate credit card transactions.

200 / £19,119.86

single payment sampling chosen.

(3) **Methodology Determination**

Discretionary

FCO Anti Fraud & Corruption Unit carry out an annual compliance review of corporate credit card payments against guidance to identify irregularity and non-compliance with guidance on use. Our limited resources (team of 3) and the need to deliver our normal anti-fraud & corruption service to the FCO, coupled with the fact that we already have resource allocated for this review are the major determining factors in us choosing this option.

(4) **Confidence Level**

Silver

95%

95% confidence level chosen as directed by Cabinet Office.

(5) **Degree of Uncertainty (precision)**

6%

200 transactions to be sampled and reviewed, which equates to approximately 6% degree of uncertainty according to the table in the methodology guidance.

(6) **Sample Size**

200

Selected from framework table. A sample of 200 transactions will give us a Silver standard sample size.

(7) **Sample Selection Method**

Other

Simple random sampling method chosen as this will ensure there are a good mix of expenses claims sampled from around our global network as well as in the

(8) **Resourcing**

Describe how the exercise was resourced.

15 audit days

The exercise uses the resources already allocated to the AFCU review of corporate credit cards on our Internal Audit Plan

Foreign & Commonwealth Office						
FCO Employee Corporate Credit Card						
Description	Irregularity		Indicators of Irregularity		Unresolved	
	Quantity	Value £	Quantity	Value £	Quantity	Value £
Inappropriate use of FCO Corporate Credit Cards	3	1003.26	2	£40.77	20	x
FCO Corporate Credit Cards are used for personal expenditure	0	0	2	£40.77	20	x
FCO Corporate Credit Cards are used for fraudulent expenditure	0	0	2	£40.77	20	x
FCO Corporate Credit Cards are used to pay for goods/services in breach of FCO policy	0	0	2	£40.77	20	x
Corporate Credit Card expenditure is not assigned to correct the accounting period.	5	76.42	2	£40.77	20	x
The FCO incurs reputational damage as a result of Employee Corporate Credit Card misuse.	0	0	2	£40.77	20	x
Totals	8	1079.68	2	£40.77⁽¹⁾	20	£3,668.40⁽²⁾

Notes:

(1) Please Note these findings are from the 2/200 NO Responses we had from FCO officers. The Quantity is 2 and the Value is £40.77

(2) Please Note: The way FCO Expenses are managed is each individual is responsible for the administration (and storage) of their own CCC payments/receipts. All evidence suggests 20 individuals sampled have left the office and therefore we are unable to examine their receipts. Total Quantity is 20, Total Value is £3668.40

DEFINITIONS

Irregularity:

Eligibility: “The recipient is not entitled to the funding or service received and this is supported by the available evidence”

Payments issued: “Amount paid out has been incorrectly calculated and stated within the organisation’s financial records, based upon the available evidence. Part or all of the payment should not have been made, based on the available evidence.”

Indicators of irregularity: there is evidence that payment is not correct but not sufficient to conclude there is irregularity on the balance of probabilities.

Unresolved: decision cannot be made as to whether payment correct or incorrect because there is insufficient evidence.