

Dear XXXXXXXX

I am writing in respect of your information access enquiry dated the 31/12/2025. This request has been handled under the Freedom of Information Act 2000. Please accept our apologies for the delay in providing this information to you.

Please see breakdown of responses below in relation to the individual points raised in your request:

1. Policies, rules and governance

a) The current and previous versions (within the period requested) of any Corporate Credit Card / Purchase Card policy, procedure, guidance notes, financial procedure rules, and cardholder guidance (including any document that cardholders are required to sign).

Please see attached pdf (Financial procedure rules) and link below (for ease).

[Part 10 - Financial Procedure Rules Contract Standing Orders and Auditing the Council.pdf](#)

b) The approval/authorisation framework for purchase cards (delegations/approval matrix), including card limits and the rules governing when a purchase card may be used instead of purchase order/creditor processes.

Individual limits vary depending on business need and are agreed by S151 Officer or deputy S151.

See card usage document attached (Guidance for corporate credit card holders) and financial procedure rules as per point 1a.

c) The “request” process and the “periodic review” process for cards (application templates/forms; review checklists; review schedule/frequency; and who is responsible for conducting and signing off reviews).

Any request for an additional card holder must be approved by the officer’s line manager/ Chief Officer and/or S151 Officer/ Deputy S151.

Reviews are completed upon request in line with new starts / movers/ leavers procedures.

2. Controls, record management and reconciliations

a) Any document retention schedule / record-keeping rules applied specifically to purchase cards (applications, approvals, reconciliations, receipts, statements, logs).

Records are kept in accordance with the retention policy.

b) The reconciliation process: templates/checklists used; what constitutes acceptable evidence (receipts/invoices); and the required sign-off/authorisation by budget holders.

See card usage document attached (Guidance for corporate credit card holders).

c) Any exception reporting, management information, compliance checks, spot checks, or internal monitoring used to oversee purchase card usage (including any reports identifying missing receipts, late reconciliations, or policy breaches).

Monthly reconciliation undertaken and any issues escalated to card holders Line Manager/ Chief Officer if required.

3. Resourcing and resilience

a) Any business continuity arrangements, cross-training plans, written procedures, or handover documents intended to ensure resilience/cover for the team managing corporate credit cards and monthly statement reconciliations.

Please see attached pdf (Financial procedure rules) and link below (for ease).

[Part 10 - Financial Procedure Rules Contract Standing Orders and Auditing the Council.pdf](#)

b) Any internal risk assessments, management notes, or meeting minutes (within the period requested) identifying risks about insufficient resilience in the purchase card process and actions agreed to mitigate that risk.

Under section 1(1)(a) of the Freedom of Information Act, I can confirm that, following a search of our paper and electronic records, we have established that this information is not held. Folkestone and Hythe District Council finance officers have confirmed there are no management notes, meeting minutes or internal risk assessment documents re insufficient resilience in the purchase card process.

4. Cash withdrawals

a) The Council's rules/procedure governing cash withdrawals using corporate credit cards (including approvals required, permitted reasons, and the evidence that must be retained).

Please see attached pdf (Financial procedure rules) and link below (for ease).

[Part 10 - Financial Procedure Rules Contract Standing Orders and Auditing the Council.pdf](#) and card usage document attached (Guidance for corporate credit card holders).

b) A schedule of all cash withdrawals made via corporate credit cards within the period requested, showing for each: date, amount, service area/cost centre (or other non-personal identifier), and what supporting evidence was recorded (e.g., receipts/log entry/written justification/authorisation).

Date	Amount	Service Area	Supporting Evidence
06/08/2024	£100.00	Housing advice and Prevention	Receipt
08/10/2025	£250.00	Housing advice and Prevention	Receipt
14/01/2026	£250.00	Housing advice and Prevention	Receipt

5. VAT and irrecoverable VAT

a) Any guidance/procedures on VAT treatment for purchase card transactions and the documentation required to reclaim VAT.

See card usage document attached (Guidance for corporate credit card holders).

b) The total amount of irrecoverable VAT arising from purchase card transactions within the period requested, broken down by month (or accounting period), and any monitoring logs/reports/reviews used to track irrecoverable VAT on purchase cards.

Folkestone and Hythe District Council do not have enough spend on the procurement cards to exceed the partial exemption thresholds. For more information please see below extract and direct link:

PE62250 - Other Partial Exemption issues: local authorities

The statutory activities of local authorities are outside the scope of VAT. This means that they cannot recover VAT incurred in delivering those activities. To address this, section 33 of the VAT Act 1994 allows local authorities to recover:

- all the input VAT incurred on goods and services purchased in relation to their non-business activities; and
- an "insignificant amount" of input VAT incurred in relation to their exempt business supplies. This addresses the situation where a local authority is engaged in a mix of non-business activities and exempt business activities, and the two cannot be conveniently distinguished. Examples include the provision of education or certain care services.

Insignificant means that the exempt input tax should be no more than £625 per month on average (the de-minimis limits), or should not exceed 5% of the total input VAT incurred by a local authority, whichever is the greater. In practice most local authorities use the 5% rule. If the partial exemption limit is exceeded, the local authority must repay all the VAT it has recovered in relation to its exempt supplies during the financial year. Further guidance can be found in VATGPB.

<https://www.gov.uk/hmrc-internal-manuals/vat-partial-exemption-guidance/pe62250>

6. Internal audit outputs and management actions

a) The full internal audit report for "Purchase Cards" (not just the committee summary), including recommendations, management responses, the agreed action plan, responsible officers by job title (not name), and implementation dates.

I can confirm that the Council holds all of the information you requested. The Council has determined to withhold that information in full since we consider that Section 30(1) applies to it. The exemption is set out below:

s30(1) – Investigations conducted by public authorities

[Section 30\(1\)](#) provides an exemption for information which has been held at any time for the purpose of conducting an investigation the Council has a legal duty to undertake. Exempted information relates to: the full internal audit report and management action.

Public interest test:

The exemption is subject to the public interest test; the Council has considered the public interest in disclosing the information and the public interest in maintaining the exemption.

Factors considered include but are not limited to:

- Disclosure of the full reports would prejudice the effectiveness of future audits, as it could inhibit the candour of responses and weaken assurance processes.
- Disclosure of the full reports would potentially compromise the position of the council in relation to confidential employment and contractual information.
- There is a public interest in the council being open and transparent.
- To demonstrate that the Council takes seriously its responsibility to obtain best value and responsible use of public funds and will investigate any potential irregularities identified.
- The primary purpose of an audit is to enhance confidence in an organization's financial statements by providing an independent, objective examination that verifies accuracy, ensures regulatory compliance, and assesses risk management. Audits protect stakeholders—including investors and creditors—by reducing risks, improving transparency, and validating that financial reports offer a "true and fair" view of the entity's position

We have concluded that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

While transparency of audit findings is in the public interest, disclosure of the full reports would prejudice the effectiveness of future audits, as it could inhibit the candour of responses and weaken assurance processes. On balance, the public interest favours maintaining the exemption.

In all the circumstances of the case, we consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the full information. (Section 2(2)(b)).

b) Any follow-up audit reports, progress updates, or closure evidence relating to the Purchase Cards recommendations (including the four "scope for improvement" areas described in Report AuG/25/12).

Under section 1(1)(a) of the Freedom of Information Act, I can confirm that, following a search of our paper and electronic records, we have established that this information is not held. Folkestone and Hythe District Council finance officers have confirmed that no follow up audit reports have been completed to date. We can advise that since the audit officers have been adhering to recommendations in the audit action plan since mid 2025. Review following trial of actions is anticipated for Summer 2026.

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Should you require any further information, or if you are not satisfied with our response, please do not hesitate to contact me. You may also request an internal review by writing to the following address: Information.officer@folkestone-hythe.gov.uk

Following this, if you are not satisfied with the internal review response you may apply to the [Information Commissioner](#) for an independent review at the following address: casework@ico.org.uk

Kind regards,

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