

AC7. MANAGEMENT LETTER: REVIEW OF SYSTEMS OF INTERNAL CONTROL

The committee considered the findings of Audit Scotland's review of the Council's systems of internal control.

In accordance with Audit Scotland's Code of Audit Practice, the Council was required to demonstrate that the following measures were in place:-

- systems for recording and processing transactions on a sound basis for the preparation of financial statements and the effective management of assets and interests;
- systems of internal control for the purposes of providing the adequate means of preventing or detecting material misstatement, error, fraud or corruption; and
- systems of compliance with established policies, procedures, laws and regulations.

The Audit concluded that the key controls within the Council's main financial systems were operating broadly satisfactorily. The action plan detailed at agenda item AC6 above would assist in monitoring the implementation of recommendations. A number of other minor issues were also identified and notified to management.

The review also involved a follow up of the issues reported within the 2012/13 review. From the 12 issues and risks identified, 5 remained outstanding. These were, therefore, included in the 2013/14 action plan for monitoring purposes.

Decision

The committee noted Audit Scotland's findings in respect of the review of systems of internal control.