

AC21. REVIEW OF SYSTEMS OF INTERNAL CONTROL

The Committee considered a report by the Chief Finance Officer presenting 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 is required to demonstrate that the following measures are 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 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.

In regard to the 2014/15 Action Plan, members sought clarification on the process for dealing with outstanding debts and, in particular, the debt of £240k which had accumulated in relation to invoices outstanding for more than 6 years. Members also sought information on the management response relating to the procedures for dealing with invoices of less than £20. And, in regard to £32k overpayments to staff, the Chief Executive confirmed that arrangements were in place to ensure that these would be repaid.

Decision

The Committee noted the report and the proposed management actions.