



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 22 NOVEMBER 2023

**SUBJECT: INTERNAL AUDIT SECTION – COMPLETED PROJECTS
REPORT**

BY: AUDIT AND RISK MANAGER

1. REASON FOR REPORT

- 1.1 The report advises Committee on the work of the Internal Audit Section for the period from 13 September 2023 to 22 November 2023.
- 1.2 This report is submitted to Committee in terms of Section III (2) and (8) of the Council's Scheme of Administration relating to consideration of reports from the Council's Internal Auditor and monitoring delivery of the audit service carried out by Internal Audit.

2. RECOMMENDATION

- 2.1 **That Committee consider the contents of this report, seeks clarification on any points noted and otherwise notes the report.**

3. BACKGROUND

- 3.1 This report provides details of the following internal audit work concluded during the period 13 September 2023 to 22 November 2023:

Moray Growth Deal

- 3.2 The Moray Growth Deal is a transformational investment of over £100 million for eight strategic projects intended to maximise regional economic competitiveness and boost economic growth across the Moray area. The annual audit plan provided for a follow up review of an audit undertaken in 2022/23 regarding the governance and administrative arrangements established by the Council to support the delivery of the Moray Growth Deal. Due to the importance of the Moray Growth Deal, this follow up review has been separately identified within the annual audit plan. I am pleased to report that all recommendations have been implemented from the review undertaken. It is intended that further auditing of the Moray Growth Deal activities will be included within future audit plans for reporting to this Committee. The follow up report to review the implementation of the agreed recommendations is given in **Appendix 1**.

Debtors

- 3.3 The annual audit plan for 2023/24 provided for an audit review to be undertaken of the Debtors System. Invoices are raised for various types of services, e.g., financial contribution for care, trade waste, special uplifts, hire of facilities and rechargeable repairs. For the financial year 2022/23, approximately 70,000 invoices were raised to a value of £15.4 million. Testing involved a check to ensure invoices can be evidenced with enough backing documentation to be able to support debt recovery should the need arise; confirm payments had been auto matched to debtor accounts; receipts without a valid reference have been posted to and cleared from a suspense account on a regular basis; effective monitoring of unpaid invoices are monitored and chased in accordance with debt recovery procedures; collection performance is monitored and reported. The audit review did not include the arrangements for recovering debts concerning council tax, non-domestic rates and housing rents. The review forms part of the yearly audit coverage of the Council's core financial systems. The executive summary and recommendations for this project are given in **Appendix 2**.

4. SUMMARY OF IMPLICATIONS

- (a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))**
Internal audit work supports good governance and the delivery of efficient services.
- (b) Policy and Legal**
No implications.
- (c) Financial Implications**
No implications directly arising from this report.
- (d) Risk Implications**
The independent review of selected systems and procedures mitigates the risks associated with inadequate or ineffective control procedures.
- (e) Staffing Implications**
No implications.
- (f) Property**
No implications.
- (g) Equalities/ Socio Economic Impacts**
No implications.
- (h) Climate Change and Biodiversity Impacts**
No implications.
- (i) Consultations**
There have been no direct consultations during the preparation of this report.

5. CONCLUSION

5.1 This report provides Committee with a summary of findings arising from an audit project completed during the review period.

Author of Report: Dafydd Lewis, Audit and Risk Manager
Background Papers: Internal audit files
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