

INTERNAL AUDIT REPORT

CREDITOR PAYMENTS

Executive Summary

The annual audit plan for 2020/21 provides for a review to be undertaken of payments made by the Authority to suppliers of goods, services and works. The purpose of the audit was to confirm ongoing compliance with procurement and payment processing regulations during the pandemic period.

Approximately £66 million was paid by the Council in the six months from April to September 2020 to suppliers of goods and services. Through the use of computer audit software a sample of 30 invoices was chosen from the period, across Council services, with a value of £3.02 million. The process reviewed a selection of randomly selected invoices and also sampled high value invoices which by definition are potentially higher risk. The audit work also involved a separate exercise of extracting multiple invoices with the same value as a check for duplicate payments.

The audit had regard to the Audit Scotland publication 'Public Sector Counter-Fraud' issued in July 2020. The publication detailed a number of good practice recommendations including Internal Audit undertaking a review to ensure proper controls are operating regarding segregation of duties, tendering arrangements, authorisation of expenditure etc. The audit has included these elements within this review.

Findings from the testing undertaken found no issues of concern in terms of contracted suppliers used, sums paid, authorisations and accounting treatment. It is also considered from the checks undertaken, that appropriate controls are operating effectively and the integrity of systems has been maintained. This is a positive outcome given the introduction of remote working and changes to processing practices required as a result of response to the Covid19 pandemic.

The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).