

**AUDIT REPORT 23'007**

**CREDITOR PAYMENTS**

**Executive Summary**

The annual audit plan for 2022/23 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 that effective controls are operating to ensure all payments are; authorised by a Budget Manager, accurate and paid in accordance with regulations, and agreed terms and conditions.

Approximately £49.6 million was paid by the Council in the six months from October 2021 to April 2022, 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 £2.9 million. The process reviewed a selection of randomly selected invoices, and a sample of high value invoices. The audit work also involved a separate exercise of extracting multiple invoices with the same payee and value as a check for duplicate payments.

The audit had regard to the Audit Scotland publication ' Fraud and irregularity 2021/22' issued in July 2022. 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 continuation of remote/hybrid working and changes to processing practices required as a result of the Covid 19 pandemic.

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