

INTERNAL AUDIT SUMMARY REPORT

SYSTEMS AUDIT – CREDITORS RECONCILIATION

1. INTRODUCTION

- 1.1. This audit was carried out in line with the Internal Audit Plan 2018/19, and in full consultation with operational staff and management.
- 2.1. The scope of the audit was to determine the effectiveness of the internal control procedures within the Creditors Reconciliation process, with particular attention to compliance with departmental policies and procedures.
- 1.3. The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with the operational manager.

2. SUMMARY OF FINDINGS

- 2.1. One weakness was identified during the audit. This weakness was classified as High Risk and was in relation to:
 - The reconciliations were not fully completed and verified on a quarterly basis throughout the financial year. The first quarter's reconciliation was commenced in a timely manner but was not fully completed until the completion of the second quarter's reconciliation.

Agreed Action – Quarterly reconciliations and verifications will be completed.

3. CONCLUSION

- 3.1. The audit report is produced on an exception basis. Consequently the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore reliance is placed in part on the information and explanations provided by the appropriate officers.
- 3.2. The Chief Officer Resources has agreed to implement an action for the weakness identified.

4. INTERNAL CONTROL STANDARD GRADING

- 4.1. In accordance with the standard Internal Audit gradings, the systems examined indicate that the internal controls within the Creditors Reconciliation process are working adequately, however a weakness has been identified that requires appropriate action. The grading is therefore assessed as '**Limited Assurance**'.