



Core financial system review of Debtors administration

Date of meeting 29 November 2024

Date of report 4 November 2024

Report by Chief Executive

1. Object of report

To advise the Committee on the findings of a core financial system review of Debtors administration. This engagement is included in the annual Internal Audit plan for 2024/2025.

2. Background to report

SPT receives income from grants, requisitions, fare box, and from billing/recharging the use of services. Billing income is received by way of raising debtor accounts.

The Financial Regulations provide a control and compliance framework for Debtors administration. These regulations are supplemented by procedural guidance for staff.

The objective of this engagement was to assess and evaluate the debtors system and standing data administration by testing internal controls and undertaking an end-to-end review which will be informed by data analytics.

This engagement tested elements of the internal controls and mitigation against SPT 22: Governance arrangements, as identified in the corporate risk register.

3. Outline of proposals

Debtor account income is mostly received from other public sector organisations and transport operators, with a small percentage received from businesses and individuals.

Approximately 2,500 debtor accounts were raised in the 2023/2024 financial year with a debt recovery percentage in excess of 99.99%.

Engagement sample testing of the core financial system for Debtors administration found no errors and processes were in accordance with the Financial Regulations.

Engagement testing identified a requirement to review and enhance procedural guidance following recent changes to the digital financial system. Management action has been taken and the procedural guidance has been updated to reflect recent changes.

Key controls exist and are applied consistently and effectively in most areas tested.

Sound assurance in most areas can be taken from this engagement.

4. Committee action

The committee is asked to note the contents of this report.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

Name	Lesley Aird	Name	Valerie Davidson
Title	Director of Finance & Corporate Support	Title	Chief Executive

For further information, please contact *Iain McNicol, Audit and Assurance Manager on 0141 333 3195.*