

01 May 2020

Elaine McLaughlin
Interim Head of Finance & HR
Food Standards Scotland
Pilgrim House
Old Ford Road
Aberdeen
AB11 5RL

Dear Elaine

Food Standards Scotland - Review of internal controls in financial systems 2019/20

Introduction

1. Audit Scotland's Code of Audit Practice requires us to assess the systems of internal control put in place by management. In carrying out this work, we seek to gain assurance that Food Standards Scotland (FSS):

- has systems for recording and processing transactions which provide a sound basis for the preparation of financial statements and the effective management of its assets and interests
- has systems of internal control which provide an adequate means of preventing or detecting material misstatement, error, fraud or corruption
- complies with established policies, procedures, laws and regulation.

Overall conclusion

2. Our work to date has been a combination of walkthroughs of controls within key financial systems and substantive testing of transactions. Based on the work carried out, we concluded the internal controls are appropriately designed and no significant weaknesses were identified. Also, substantive testing has not identified any significant issues.

System coverage

3. The table below summarises the systems reviewed by us in financial year 2019/20.

Key System	Audit coverage
Payroll	√
General Ledger	√
Trade Payables	√
Trade Receivables	√
Cash and Banking	√

4. Our walkthrough testing, particularly, of the key controls within the financial systems did not identify any significant weaknesses. We did identify some less significant issues which were discussed and resolved with you and finance officers.

Early Substantive Testing

5. We carried out early substantive testing of income, expenditure and staff costs, covering financial periods one to ten. We agreed all sample items to supporting documentation and found no significant errors that would result in a material misstatement in the financial statements. We will complete our testing for periods eleven and twelve in early course and report any significant findings in our 2019/20 Annual Audit Report.

Risk identification

6. The issues identified in preparing this management letter are only those which have come to our attention during the course of our normal work and are not necessarily, therefore, all the risk areas that may exist. It remains the responsibility of management to determine the extent of the internal control system appropriate to FSS. We would stress, however, that an effective system of internal control is an essential part of the efficient management of any organisation.

Acknowledgement

7. The co-operation and assistance we received during the course of our audit from FSS staff is gratefully acknowledged.

Yours sincerely



James Rundell
Senior Audit Manager

Cc (email): Geoff Ogle, Chief Executive,

Garry Mournian, Interim Director Policy, Science, Finance and HR

Osa Udoh, Financial Accountant

David Stark, Senior Internal Audit Manager, Audit Directorate