



### Regularity audit of corporate banking charges

**Committee**            Audit and Standards

**Date of meeting**    11 November 2016

**Date of report**    31 October 2016

#### Report by Assistant Chief Executive (Business Support)

#### 1. Object of report

To advise the committee on the findings of a regularity audit of corporate banking charges. This engagement is included in the annual Internal Audit plan for 2016/17.

#### 2. Background

SPT has a corporate banking contract with the Bank of Scotland.

The contract commenced on 1 April 2014 for duration of 3 years (with an option to extend for a further 2 years on a year by year basis). The contract provides for SPT corporate and the Strathclyde Concessionary Travel Scheme (SCTS) transactions.

The corporate banking schedule outlines itemised tariffs incurred for processing cash, numerous credit/debit card receipting, e-banking and related service charges.

The objective of this engagement was to review corporate banking charges incurred in accordance with core contractual arrangements.

This engagement tested elements of the internal controls and mitigation against SPT 11: cash reserves and SPT22: governance arrangements, as identified in the corporate risk register.

#### 3. Outline of findings

Engagement testing found that corporate bank charges are applied and monitored satisfactorily.

The engagement identified a requirement to review procedural guidance for the administration of corporate bank charges including coding of expenditure.

There are some areas for improvement, and these areas have been addressed by two audit recommendations. Finance management have agreed to implement these recommendations, which are currently being actioned.

#### 4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of corporate banking charges. Some areas for improvement have been identified and two recommendations have been agreed.

Key controls exist and are applied consistently and effectively in the majority of areas covered in this engagement.

Reasonable assurance can be taken from the areas covered in this engagement.

#### 5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a future meeting.

#### 6. Consequences

Policy consequences	<i>None</i>
Legal consequences	<i>None</i>
Financial consequences	<i>None</i>
Personnel consequences	<i>None</i>
Social Inclusion consequences	<i>None</i>
Risk consequences	<i>As detailed in the report.</i>

**Name** Valerie Davidson

**Name** Gordon MacLennan

**Title** **Assistant Chief Executive  
(Business Support)**

**Title** **Chief Executive**

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