

Royal Botanic Garden Edinburgh

Interim Audit Report 2016/17



 AUDIT SCOTLAND

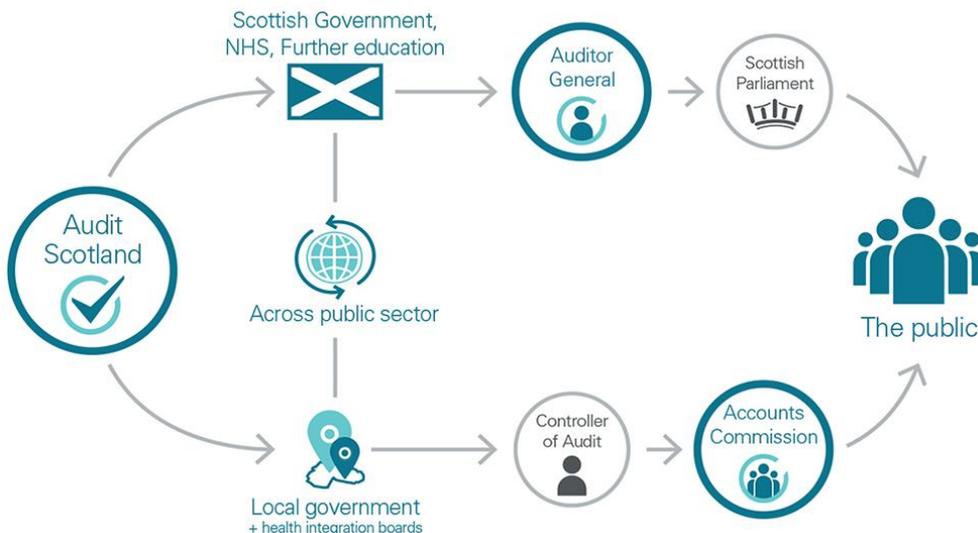
Prepared for Royal Botanic Garden Edinburgh

June 2017

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- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
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Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Audit findings

Introduction

1. This report contains a summary of the key findings identified during the interim audit work carried out at Royal Botanic Garden Edinburgh (RBGE).
2. Our responsibilities under the Code of Audit Practice require us to assess the system of internal control put in place by management. We seek to gain assurance that the audited body:
 - has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements
 - has systems of internal control which provide an adequate means of preventing and detecting error, fraud or corruption
 - complies with established policies, procedures, laws and regulations.
3. Our interim audit work included obtaining an understanding of the key controls operating within the payroll and receivables systems and completing substantive testing of key income and expenditure items. We will use the results of this testing to inform our audit approach for the 2016/17 financial statements.



**Receivables and payroll
controls**



**Income and expenditure
transactions**

4. We also completed a high level review of governance arrangements in accordance with our responsibilities under the Code of Audit Practice.
5. The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

Conclusion

6. No significant issues were identified from our interim audit work and this enables us to proceed with our planned audit approach for the 2016/17 financial statements. We did note that the control environment for the authorisation of invoices and credit notes could be improved by incorporating a check to ensure they have been requested by authorised staff. No issues were identified from our substantive testing of income and expenditure transactions.
7. In terms our wider dimension audit work we concluded that appropriate governance arrangements are in place, however there is scope to strengthen the declaration and register of interests process.
8. All our outputs and any matters of public interest will be published on our website: www.audit-scotland.gov.uk.

Risks identified

9. The key control and wider dimension risks identified during the interim audit are detailed in [Exhibit 1](#). These findings will inform our approach to the financial statements audit where relevant.

Exhibit 1

Key findings and action plan 2016/17

Issue identified	Management response	Responsible officer and target date
Audit findings - financial statements		
<p>Trade receivables - authorisation of invoices and credit notes</p> <p>There is no check carried out by finance staff before raising invoices or credit notes that the request has been submitted by an authorised member of staff.</p> <p>There is a risk that invoices are incorrectly raised resulting in a misstatement in the financial statements.</p>	<p>A list will be drawn up and finance staff asked to seek approval from the Finance Manager or Head of Finance before raising an invoice or credit note from a member of staff not listed.</p>	<p>Head of Finance</p> <p>31 May 2017</p>
Audit findings - wider dimension		
<p>Governance - Registers of interest</p> <p>There is no formal evidence of trustees being asked to declare interests at the beginning of board meetings. In addition the registers of interest have not been updated since December 2015.</p> <p>There is a risk that members are not aware of the need to declare interests and that the openness and transparency is reduced by the registers of interest not being kept up to date.</p>	<p>We will amend our practice to ensure that declarations of interest are made formally at the beginning of Board meetings rather than as and when an issue arises.</p> <p>The register of interest will be updated.</p>	<p>Director of Corporate Services</p> <p>30 June 2017</p>

10. Any weaknesses identified represent those that have come to our attention during the course of normal audit work and therefore are not necessarily all the weaknesses that may exist. It is the responsibility of management to decide on the extent of the internal control system appropriate to RBGE.

Governance ('Role of Boards' follow-up)

11. As part of our wider review of governance arrangements across the public sector we completed a follow up of the key points identified in the 'Role of Boards' national report, published in September 2010. This involved a review of documentation, discussions with key officers, review of minutes and attendance at audit committee meetings. Other than the finding included in [Exhibit 1](#) we identified no governance issues and concluded that:

- the Board of Trustees is well established and there is clear evidence that trustees effectively scrutinise policy decisions and performance
- minutes of meetings are available on RBGE's website
- there is a comprehensive induction programme in place for newly appointed trustees and ongoing training is accessible.

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