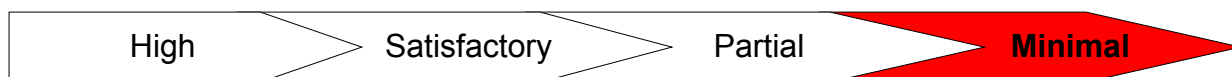


## Appendix 1d: Assurance and Themes

### Assurance



### Key Financial System

#### Objective

To assess whether the key controls in the Payroll system effectively prevent or detect material financial errors, on a timely basis, so that this information can be relied upon when producing the Council's statement of accounts.

#### Scope and Control Opinions

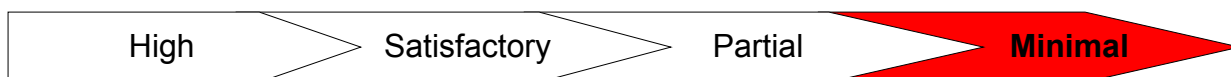
The audit evaluated the adequacy and effectiveness of the design and operation of the key controls listed in the table below, which also shows the assessed strength of each control.

#### Payroll

Key controls audited	Strength of control
<ul style="list-style-type: none"> <li>Changes to be made to payroll payments (e.g. salary, tax codes, national insurance) are accurately configured at the start of the financial year, and are done so in a timely manner.</li> </ul>	<b>Partial</b>
<ul style="list-style-type: none"> <li>Amendments to the Payroll system (including starters, leavers and amendments to staff records) are accurate, independently authorised and supported by appropriate evidence to confirm their validity.</li> </ul>	<b>Minimal</b>
<ul style="list-style-type: none"> <li>BACS payment runs are complete, accurate, and appropriately authorised.</li> </ul>	<b>Satisfactory</b>
<ul style="list-style-type: none"> <li>Overtime payments made to staff are accurate, properly authorised and supported by appropriate evidence to confirm their validity.</li> </ul>	<b>Minimal</b>
<ul style="list-style-type: none"> <li>Payments made to Her Majesty's Revenues and Customs (HMRC) (with respect to PAYE income tax and national insurance) are accurate, complete and supported by appropriate evidence to confirm their validity.</li> </ul>	<b>Partial</b>
<ul style="list-style-type: none"> <li>Reconciliations between the establishment list and payroll records are complete, accurate and timely.</li> </ul>	<b>Partial</b>
<ul style="list-style-type: none"> <li>Reconciliations between the Payroll and General Ledger systems are complete, accurate and timely.</li> </ul>	<b>Satisfactory</b>
<ul style="list-style-type: none"> <li>Staff declare relevant interests and appropriate action is taken to avoid conflicts of interest when allocating work.</li> </ul>	<b>Minimal</b>

## Appendix 1d: Assurance and Themes

### Assurance



The integrated HR and Payroll system continued to be reliant on manual checks to ensure the accuracy and completeness of its records. The planned improvement of the Agresso payroll module and supporting operational processes will significantly strengthen these arrangements, and is planned for implementation in September 2016. Therefore, the key areas where improvements are still required include:

- improving the consistency of the documentation that demonstrates the annual uplift to the Payroll system was properly tested to ensure its accuracy before the changes were made live on the system
- strengthening controls over making amendments to Payroll records
- ensuring BACs payment runs are complete, accurate and appropriately authorised prior to payments being made
- ensuring the Council's establishment list of employee posts reconciles to HR and Payroll records
- validating the accuracy and authorisation of:
  - overtime payments
  - payments made to Her Majesty's Revenues and Customs.

Number of actions agreed: 9