

AUDIT COMMITTEE

Date of Meeting	Wednesday, 27 January 2016
Report Subject	Payroll Follow Up
Cabinet Member	N/A
Report Author	Internal Audit Manager
Type of Report	Follow up

EXECUTIVE SUMMARY

In their Audit of Financial Statements Report presented to the committee in September 2015, Wales Audit Office commented on weaknesses in internal controls relating to the processing of payroll. They pointed out that their findings were consistent with a recent Internal Audit report.

A follow up review of the Internal Audit report has now been completed, showing significant progress has been made in implementing the recommendations.

RECOMMENDATIONS

1	Members note the progress made in implementing the actions from the original report.
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REPORT DETAILS

1.00	EXPLAINING THE PAYROLL FOLLOW UP AUDIT REPORT
1.01	When discussing the WAO report in the September Audit Committee meeting, it was noted that there was already an action plan in place to address the issues in the Internal Audit report. Given the level of concern within the committee it was decided to complete a follow up review of this report earlier than normal and report back the findings to the committee along with the progress report on all other actions arising from the WAO review.
1.02	<p>The Internal Audit Payroll follow up review has been completed. The final report is attached as Appendix 1. It shows substantial progress has been made in implementing the original recommendations, in some cases ahead of the original implementation dates. 10 of the 14 recommendations have been fully implemented, a further 2 are in progress, and the final 2 are not yet due for implementation but even so progress has been made. Where possible, as well as ensuring the new control was in place we also confirmed its effectiveness.</p> <p>As a result of the follow up work we have made a few additional recommendations.</p>
2.00	RESOURCE IMPLICATIONS
2.01	None other than officer time and associated costs to implement the recommendations.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.
4.00	RISK MANAGEMENT
4.01	The main risks were in not implementing the recommendations, leading to continuing weaknesses in control. These risks have been mitigated by the actions taken.
5.00	APPENDICES
5.01	Appendix 1 – Payroll Follow Up Review.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: David Webster – Internal Audit Manager Telephone: 01352 702248 E-mail: david.webster@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>IDEA: Audit sampling software that enables us to compare large amounts of data to identify matches or duplicates.</p> <p>Electronic Data Management: A system whereby electronic copies of documents are held instead of hard copies.</p>