

# AUDIT & RISK COMMITTEE

21 January 2014

## PAYROLL AUDIT

Report of the Head of Welland Internal Audit Consortium

STRATEGIC AIM	All
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### 1. PURPOSE OF THE REPORT

- 1.1 To inform Members of the results of the audit of the Payroll System.

### 2. RECOMMENDATIONS

- 2.1 That Members note the report and the Substantial Assurance Rating.

### 3. KEY ISSUES

- 3.1 The Assistant Director-Finance carried out a review of the Payroll System and the findings of that review were reported to the Committee in June 2013. The review prompted the development of a new framework of controls designed to ensure the accuracy and legitimacy of all payments to employees.
- 3.2 As part of the 2013/14 Internal Audit Plan, an assignment was commissioned to provide assurance that control weaknesses identified by the Assistant Director's review have been addressed fully and effectively and that the enhanced framework of internal controls is operating as specified.
- 3.3 In light of the importance of the assignment, it was carried out by the Head of Consortium supported by the two Audit Managers
- 3.4 The Executive Report, setting out the findings of that audit assignment is appended (Appendix A) together with a schedule summarising the work undertaken to analyse the control

framework and the testing carried out to confirm that the proper checks are being carried out. The Report provides Substantial Assurance (The highest available rating) that the controls in place are operating to mitigate the risks that employees' pay is incorrectly calculated; that employees receive payments that they are not entitled to; or payments are made to individuals not employed by the Council. This is the highest level of assurance that can be offered.

#### 4. RISK MANAGEMENT

<b>RISK</b>	<b>IMPACT</b>	<b>COMMENTS</b>
<b>Time</b>	<b>Low</b>	The report does not require any specific time-bounded response.
<b>Viability</b>	<b>Low</b>	The report does not call for the application or reallocation of significant additional resources.
<b>Finance</b>	<b>Low</b>	There is no direct financial impact.
<b>Profile</b>	<b>High</b>	Previous failings of the Payroll System were reported in the local press.
<b>Equality and Diversity</b>	<b>Low</b>	EIA screening indicates no issues arising therefore full Impact Assessment has not been carried out.

**Background Papers**  
None

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A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.