

INTERNAL AUDIT REPORT - FINANCIAL SYSTEMS
WDA/04/14

Recommendation

That:

1. Members note the contents of the report from the Internal Auditor

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INTERNAL AUDIT REPORT – FINANCIAL SYSTEMS**WDA/04/14****Report of the Treasurer****1. Purpose of the Report**

- 1.1 The Authority is required to maintain an effective Internal Audit as a part of its statutory governance arrangements. The Authority's Internal Audit is provided by St Helens Council. The Auditor reviews the arrangements at the Authority and reports to Members on any weaknesses and recommends improvements. This report brings to Members attentions the outcome of the latest review.

2. Background

- 2.1 The Internal Auditor has reported on the Financial systems used by the Authority under the service level agreement (SLA) with St Helens Council, including:

- Accounts payable
- Income Management and debt recovery
- Treasury Management
- Payroll and pensions

- 2.2 The detailed report is attached at Appendix 1 to this report.

3. Review of financial systems

- 3.1 The review considered the arrangements for the provision of a number of services under the SLA, some of which relate to key financial systems. This includes Exchequer Services, Financial Information System, Treasury Management Services, VAT Services and Payroll and Pensions. The SLA outlines the responsibilities for the operation of these services for both the Council, as supplier, and MRWA, as the client. The administration of the financial systems within MRWA is undertaken by Corporate Services.

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- 3.2 The Auditor concluded that in their overall opinion substantial assurance could be taken from the system and the way it was operated. This means that:

“The majority of expected controls are in place but there is some inconsistency in their application. Whilst there is basically a sound system of controls, there may be weaknesses in the design and/or operation of these and recommendations have been made to enhance the control environment further.”

- 3.3 The auditor has confirmed there are no Key Issues arising from this review to bring to the attention of Members.
- 3.4 The auditor has made a number of recommendations for improvements as a consequence of the review. These recommendations and the proposed actions to ensure they are implemented are included in the appendix to the Audit report which is the Action Plan. The recommendations and actions to implement them have been agreed with management.

4. Risk Implications

- 4.1 There are no new risks arising from the auditor’s review

5. HR Implications

- 5.1 There are no new HR implications

6. Environmental Implications

- 6.1 There are no new environmental implications

7. Financial Implications

- 7.1 There are no financial implications associated with this report

8. Conclusion

- 8.1 Internal Audit reviews the Authority’s governance arrangements. The recent review confirmed that arrangements were largely appropriate, but some recommendations for improvements have been made. There are no Key Issues for Members. Members are asked to note the report.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.