

INTERNAL AUDIT - FINANCIAL SYSTEMS
WDA/05/16

Recommendation

That:

1. Members note the contents of the Internal Auditor's report

THIS PAGE INTENTIONALLY BLANK

INTERNAL AUDIT - FINANCIAL SYSTEMS**WDA/05/16****Report of the Treasurer****1. Purpose of the Report**

- 1.1 The report shows Members the outcome of the recent Internal Audit review of the financial systems used and operated by the Authority and whether the controls at the Authority on those systems are adequate and effective.

2. Background

- 2.1 The Authority is required to maintain an adequate and effective internal audit. This service is provided for the Authority by St Helens Council's Internal Auditors, under the terms of an annual service level agreement. Each year Internal Audit prepares an audit plan, carries out audit reviews and where appropriate makes recommendations for improvements.
- 2.2 As a part of their work programme Internal Audit planned to review the Authority's arrangements for accessing and operating financial systems provided under the Service Level Agreement (SLA) with St Helens Council to assess whether there is adequate and effective control. Internal Audit's findings are set out in their report which is attached at Appendix 1.

3. Review of financial systems

- 3.1 Internal Audit have reviewed the following financial systems at the Authority:
- Expenditure procedures and value for money
 - Income management and debt recovery procedures
 - Treasury management
 - Payroll and pension services
- 3.2 The review combined considering the way operations are controlled at the Authority and the way services provided by St Helens Council under the SLA are accessed to ensure they are used appropriately by the Authority.

4. Audit outcome

4.1 The internal audit review has found no Key Issues to raise with Members. The level of assurance provided by Internal Audit at the conclusion of their review is 'high', suggesting that:

“All expected controls are in place and being applied consistently and effectively and there is a sound system of control designed to ensure the achievement of the service or the system’s business objectives”

4.2 This is the highest level of assurance internal audit are able to provide.

4.3 There were two recommendations arising from the review regarding improvements to records for charge card transactions and considering amending the SLA slightly in respect of aspects of the Treasury management function.

5. Risk Implications

5.1 The level of opinion provided as a result of this review by Internal Audit gives assurance that the controls on the way that financial systems are operated by the Authority are adequate and effective.

6. HR Implications

6.1 There are no HR implications associated with this report

7. Environmental Implications

7.1 There are no environmental implications associated with this report.

8. Financial Implications

8.1 There are no new financial implications arising from this report

9. Legal Implications

9.1 There are no legal implications associated with this report

10. Conclusion

10.1 Internal Audit complete their agreed programme of work to ensure the Authority is managing the risks it faces. In this case the risks attached to financial systems have been reviewed and the conclusion is that the Authority can take a high level of assurance about the way those systems are being managed and controlled.

The contact officer for this report is: Peter Williams
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: peter.williams@merseysidewda.gov.uk

Tel: 0151 255 2542

Fax: 0151 227 1848

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