



CENTRAL SOUTH CONSORTIUM

REPORT FOR JOINT COMMITTEE

15TH MARCH 2018

JOINT EDUCATION SERVICE

REPORT OF THE MANAGING DIRECTOR - INTERNAL AUDIT REPORTS 2017/18

Author: Louise Blatchford, Senior Lead Business and Operations

1. PURPOSE OF THE REPORT

To consider the Internal Audit reports issued by Rhondda Cynon Taf County Borough Council's Internal Audit Service to the Central South Consortium during 2017/18.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Review the Internal Audit reports issued during 2017/18 and determine whether there are any matters of governance or an internal control nature that require further action or attention.

3. BACKGROUND INFORMATION

- 3.1 The Central South Consortium is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of those functions.
- 3.2 One aspect of 'governance' is the system of internal control and Rhondda Cynon Taf County Borough Council's Internal Audit Service undertake a series of audit reviews each year to independently assess the adequacy of this area from a financial administrative perspective. This work is undertaken in line with the Legal Agreement for the Central South Consortium.

3.3 Members will be aware the Central South Consortium is also responsible for undertaking an assessment of its governance arrangements each year, including the system of internal control, the findings from which are set out in an Annual Governance Statement. The conclusions from the Internal Audit reports issued in 2017/18 will form part of the Annual Governance Statement for this period and will be reported to the Joint Committee for consideration later in the year.

4. INTERNAL AUDIT REPORTS ISSUED IN 2017/18

4.1 For the 2017/18 financial year, Rhondda Cynon Taf County Borough Council’s Internal Audit Service reviewed four core financial systems in line with its approved Annual Audit Plan. The reviews undertaken, ‘conclusions’ drawn on the overall control environments and recommendations reported are set out in Table 1. For ease of reference, Table 1 also notes the appendix references to the full Internal Audit Reports (that are appended to this report).

Table 1 – 2017/18 Internal Audit Reports Issued, Conclusions And Recommendations

Internal Audit Report Issued	Conclusions	Number of Recommendations Reported	Number of Recommendations Implemented	Appendix Reference
Creditors	Effective with opportunity for improvement	3	3	1
Debtors	Effective	1	1	2
General Ledger	Effective	0	N/A	3
Payroll	Effective	0	N/A	4

5. CONCLUSIONS

5.1 Internal Audit reports play an important role in providing independent assurance on the systems of internal control operating within the Central South Consortium.

5.2 Rhondda Cynon Taf County Borough Council’s Internal Audit Service undertook four audit reviews of core financial systems during 2017/18 and the Joint Committee is requested to determine whether there are any matters of governance or an internal control nature that require further action or attention.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

15th MARCH 2018

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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Rhondda Cynon Taf
County Borough Council

Internal Audit Final Report

CSC - CREDITORS

MANAGEMENT IN CONFIDENCE

Date of Audit:	October 2017
Auditor(s):	Huw Griffiths - Lead Auditor Lisa Cumpston - Review Manager
Report Distribution:	Louise Blatchford – Senior Lead Business & Operations Manager Craig Flynn – Senior Accountant (See full distribution List in Section 3)
Date of Issue:	13th December 2017

INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

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INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

1. INTRODUCTION

- 1.1 The Central South Consortium Joint Education Service (CSC) has been set up by the 5 Local Authorities of Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf, and Vale of Glamorgan, working in partnership to deliver ambitious new arrangements for school improvement.
- 1.2 The Consortium went into operation with effect September 2012, and covers the needs of some 392 schools and approximately 147,000 pupils in the region. The purpose of the Consortium has been defined as to raise standards and build upon success through purposeful collaboration between Local Authorities, effective partnership with schools and a rigorous pursuit of excellence.
- 1.3 This Internal Audit review focused on the Creditors service.

2. SCOPE & OBJECTIVES

- 2.1 In accordance with the agreed Internal Audit Plan for financial year 2017/18, a review of the key controls with regards to the CSC's Creditor function was undertaken.
- 2.2 The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the CSC 'Core Financial' system of Creditors, with the key objectives being to confirm that:
 - Orders are placed with preferred / approved service providers.
 - Procedures for processing invoices are documented and followed.
 - Creditor payments can be tracked to the event / intervention, and subsequently to the Client.

INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

3. AUDIT APPROACH

- 3.1 Fieldwork took place specifically targeted at meeting the agreed objectives.
- 3.2 Any significant issues identified were discussed with Management before being reported.
- 3.3 A draft report was prepared and provided to the Business Manager for review and comment with an opportunity given for discussion or clarification if required.
- 3.4 The final report incorporates management comments together with the timetable for the implementation of agreed recommendations.
- 3.5 It has been issued electronically to the following Officers:
 - Managing Director
 - Senior Lead Business & Operations Manager (for appropriate distribution)
 - Group Director Corporate & Frontline Services; Rhondda Cynon Taf County Borough Council
- 3.6 The final Internal Audit report should be presented to the Central South Consortium Joint Education Service Committee.
- 3.7 Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has expired.

INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

4. AUDIT OPINION

- 4.1 The overall control environment in respect of the Creditors function is considered to be effective with opportunity for improvement
- 4.2 Good practice was noted in that a high number of invoice/order matched payments have been processed.
On review of a sample of completed orders there were no instances where orders have been retrospectively raised after the receipt of goods/services or invoices, and good practice was again noted in relation to the recording of reasons for cancelling purchase orders on the E-proc system.
- 4.3 At the time of the audit there were 90 orders on the E-proc system with a combined value of approximately £683,400 dating back to April 2017. Many of these orders relate to consultant costs and the orders are updated at intervals when invoices from consultants are received, but these orders remain active in the interim.

From a sample of these orders instances were identified where good have been ordered, but no goods have been receipted to confirm delivery or the order cancelled if no longer required. One sampled order related to the provision of a training course / session, however it is unclear whether the course was completed (simply awaiting the invoice) or whether the course actually took place. It is also possible that invoices for these orders have been processed a “batched” payment rather than being invoiced matched as required.

This report recommends that all outstanding orders are reviewed on a regular basis and the status updated where appropriate.

- 4.4 From the sample of orders examined there were inconsistencies in the process of evidencing the checking of goods received to the delivery/dispatch notes to ensure that the physical items received match those on the delivery note and then subsequently to the E-procurement system. This was particularly evident with provisions orders for the canteen – this should be done by physically ticking off items on the delivery note – this will identify any undelivered items, and the delivery note signed and dated as evidence of when and by whom this was undertaken.
- 4.5 Implementation of the recommendations contained in this report will improve the overall control environment.

ACKNOWLEDGEMENTS

A number of staff gave their time and cooperation during the course of this review. Internal Audit would like to record its thanks to all individuals concerned.

INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

5. DETAILED FINDINGS

The findings of the review are reported on an exception basis to focus on issues where action is recommended. Each of the issues / recommendations detailed has been given a priority rating to assist management in directing and prioritising resources in accordance with areas of risk, these ratings being high, medium or low.

INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

5.1 Orders / Creditor Payments

AUDIT OBJECTIVE: To ensure that orders/purchases of goods and services are placed with approved/appropriate suppliers/providers.

REF & PRIORITY	FINDING	IMPLICATION	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBILITY & TARGET DATE
<p>5.1.1 Medium</p>	<p>Good practice is noted in that a high number of invoice / order matched payments have been processed. However, one example was noted of an official order being raised on the E-Proc system but the corresponding invoice has been processed via a "batched" payment, although the order was cancelled on the E-proc system;</p> <p>CR2395992 – Carpets N Carpets (Order No: RCT0239806)</p> <p>Review of batched invoice payments made identified 8 payments that should have been processed through the formal ordering process and official orders raised those being;</p> <p>CR2436985 – EC CR2384622 – V21 CR2407882 – DS CR2407883 – DS CR2391473 – EH CR2400061 – EH CR2400543 – PE</p> <p>There is no apparent reason why an official order should not have been raised in these instances – again the services budget does not reflect this as committed expenditure.</p>	<p>The Service budget does not reflect the commitment to expenditure in the absence of an official order.</p> <p>There is no official record of the goods being ordered or the commitment to that expenditure in the absence of an official order.</p> <p>Orders are cancelled unnecessarily or remain "outstanding" where invoices have not been goods matched to the E-Proc system.</p>	<p>Invoices relating to official purchase orders must be matched to the order on the E-Proc System rather than processing the invoice as a "batched" payment.</p> <p>Where goods (items that are physically going to be received) and services are being requested/purchased an official order should be raised. Only certain items such as utilities, contractual agreements (e.g. annual photocopier maintenance, cleaning contracts etc) should be processed as a 'non order' or "batched" payment.</p>	<p>Orders are received and matched as a matter of course.</p> <p>However there are instances whereby invoices may be received without an order being raised on the E-Proc system.</p> <p>Where no official order has been raised, these should have been accompanied by a Non Order form completed by relevant budget holder.</p> <p>If an order has been raised but the invoice processed via a batch payment explanations are always noted on the invoices.</p>	<p>Assistant Business Manager & Senior Accountant.</p> <p>Implemented</p>

INTERNAL AUDIT FINAL REPORT: CSC - CREDITORS

REF & PRIORITY	FINDING	IMPLICATION	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBILITY & TARGET DATE
5.1.2 Low	<p>There were 90 official orders still at "ordered" stage on the E-Proc system with a combined total value of £683,390.00, some dating back to April 2017 and it is questionable as to whether some of these goods/services outstanding are still required and or were provided.</p> <p>The following orders sampled also appear not to have been received/provided or not updated on the E-proc system;</p> <p>RCT0244138 – WT RCT0248972 – H RCT0249042 – CH RCT0249387 – AF RCT0249660 – S&G RCT0249650 – BC</p> <p>It is also possible that invoices received have been processed using the 'batched' method therefore bypassing the order matching process as highlighted in Finding 5.1.1.</p>	<p>Committed funds are unable to be utilised for other purchases.</p> <p>Order statuses may not be accurate.</p> <p>Invoices relating to these orders may have been processed as "batched" payments therefore bypassing the good receipting / invoice matching process on E-Proc system.</p>	<p>Management should regularly review 'outstanding / pending' orders to confirm whether they are still outstanding and or still required. Where it is found that outstanding items are no longer available from the original supplier or are no longer required then those items/lines should be deleted from the orders so that status of the order can be updated or cancelled.</p> <p>Where orders have been raised to suppliers for the provision of training courses / sessions providers need to give assurance that the courses have been completed allowing the order to be updated to reflect this whilst awaiting invoice for payment.</p>	<p>For those orders dating back to April 2017 the teams monthly reports provide an update on the status of the order.</p> <p>Only then will the team chase up those outstanding orders and make comments alongside.</p> <p>No invoices have unknowingly been received and processed using the 'batched' method and have bypassed the order matching process.</p>	<p>Assistant Business Manager & Senior Accountant.</p> <p>Implemented</p>
5.1.3 Low	<p>From the sample of completed orders examined it was identified that delivery notes are not being consistently signed and dated and items not checked to the original orders to ensure all items have been received. This was particularly prevalent with orders for canteen supplies.</p>	<p>No evidence present of whom and when delivery was actually received.</p> <p>No evidence that items received match those on delivery note and or the original order.</p>	<p>All delivery notes should be signed and dated by the member of staff who has taken receipt of the delivery. The goods received should then be checked to the delivery note to identify any undelivered items etc. The delivered goods can then be goods receipted to the order on E-Proc system.</p>	<p>This is normally done as a matter of course.</p> <p>Restaurant staff will be reminded of the procedures to be followed when receipting delivery of goods.</p>	<p>Assistant Business Manager & Senior Accountant.</p> <p>Implemented</p>

Rhondda Cynon Taf
County Borough Council

Internal Audit Final Report

CSC – DEBTORS 2017-18

MANAGEMENT IN CONFIDENCE

Date of Audit:	October - November 2017
Auditor(s):	Huw Griffiths - Lead Auditor Lisa Cumpston - Review Manager
Report Distribution:	Louise Blatchford – Senior Operations & Business Manager Craig Flynn - Senior Accountant (See full distribution list in Section 3)
Date of Issue:	22nd December 2017

INTERNAL AUDIT FINAL REPORT: CSC - DEBTORS

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INTERNAL AUDIT FINAL REPORT: CSC - DEBTORS

1. INTRODUCTION

- 1.1 The Central South Consortium Joint Education Service (CSC) has been set up by the 5 Local Authorities of Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf, and Vale of Glamorgan.
- 1.2 The purpose of the Consortium has been defined as 'to raise standards and build upon success through purposeful collaboration between Local Authorities, effective partnership with schools and a rigorous pursuit of excellence'.
- 1.3 This Internal Audit review focused on the Debtor's function.

2. SCOPE & OBJECTIVES

- 2.1 In accordance with the Internal Audit Plan for financial year 2017-18, a review of key controls with regards to the CSC's Debtor function was undertaken.
- 2.2 The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the CSC 'Core Financial' system of Debtors, with the key objectives being to confirm that:
 - All bookings and courses are promptly invoiced.
 - Outstanding invoices are identified, and monitored for payment, cancellation, recovery etc.

INTERNAL AUDIT FINAL REPORT: CSC - DEBTORS

3. AUDIT APPROACH

- 3.1 Fieldwork took place specifically targeted at meeting the agreed objectives.
- 3.2 A draft report was prepared and provided to the Managing Director for review and comment with an opportunity given for discussion or clarification if required.
- 3.3 This final report incorporates management comments together with the timetable for the implementation of agreed recommendations.
- 3.4 It has been issued electronically to the following Officers:
 - Managing Director
 - Senior Operations & Business Manager (for appropriate distribution)
 - Group Director Corporate & Frontline Services, Rhondda Cynon Taf County Borough Council
- 3.6 The final Internal Audit report should be presented to the Central South Consortium Joint Education Service Committee.
- 3.7 Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has expired.

INTERNAL AUDIT FINAL REPORT: CSC - DEBTORS**4. AUDIT OPINION**

- 4.1 The overall control environment of the debtor's process in operation at the Consortium is considered to be effective.
- 4.2 Given the nature of the debtors, namely schools, neighbouring local authorities and other government agencies the risk of non payment is considered low. However, hiring out training suites/conference facilities to external 3rd parties provides a greater inherent risk of non/late payment.

In 2015 the Consortium was granted dispensation from the Council's Financial Procedures governance specifically relating to the "payment in advance" for room hire and catering services provided on the basis that it was not practical. However, it must be reiterated that this dispensation still only refers specifically to the conference centre activities and does not included any other income streams for the Consortium.

- 4.3 In this review, from a sample of debtor invoices relating to hire of facilities it was identified that of invoices, 11 were raised in excess of the 5-10 day timeframe (set in house) with the longest delay being 2 months after the date of the event.

It was confirmed that VAT has been correctly accounted for on all invoices sampled.

In previous years it has been recommended that prices for room hire and catering costs should be reviewed and where deemed necessary increased each financial year. Discussions revealed that the prices are due to be reviewed prior to the next financial year.

- 4.4 The number of cancelled invoices has significantly reduced this year with only 2 noted so far this financial year compared to 39 for roughly the same period last year. However, it must be reiterated that there is a cost to cancelling debtor invoices in the form of costs to generate credit notes and / or to generate replacement invoices for those cancelled (where needed). Staff should continue to be vigilant to ensure that the information that is provided to staff that generate the invoices is accurate and input correctly to further reduce the number of cancelled sundry debtor invoices.

ACKNOWLEDGEMENTS

A number of staff gave their time and co-operation during the course of this review. Internal Audit would like to record its thanks to all individuals concerned.

5. DETAILED FINDINGS

The findings of the review are reported on an exception basis to focus on issues where action is recommended. Each of the issues / recommendations detailed has been given a priority rating to assist management in directing and prioritising resources in accordance with areas of risk, these ratings being high, medium or low.

INTERNAL AUDIT FINAL REPORT: CSC - DEBTORS

5.1 CSC - Debtor Invoices

AUDIT OBJECTIVE: To ensure that sundry debtor invoices are raised promptly to all debtors on a timely basis.

REF & PRIORITY	FINDING	IMPLICATION	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBILITY & TARGET DATE																																				
5.1.1 Medium	<p>On review of a sample of sundry debtor invoices raised since April 2017 it was identified that 11 invoices were issued in excess of the 5-10 day timeframe for issuing invoices details below;</p> <table border="1"> <thead> <tr> <th><u>Date of booking</u></th> <th><u>Inv No</u></th> <th><u>Date Issued</u></th> </tr> </thead> <tbody> <tr><td>6.4.2017</td><td>366081953</td><td>18.4.2017</td></tr> <tr><td>7.4.2017</td><td>366094584</td><td>24.4.2017</td></tr> <tr><td>28.4.2017</td><td>366115273</td><td>15.5.2017</td></tr> <tr><td>3.5.2017</td><td>366115869</td><td>16.5.2017</td></tr> <tr><td>9.5.2017</td><td>366130962</td><td>24.5.2017</td></tr> <tr><td>15.5.2017</td><td>366147109</td><td>30.5.2017</td></tr> <tr><td>4.7.2017</td><td>366215748</td><td>24.7.2017</td></tr> <tr><td>24.7.2017</td><td>366299354</td><td>26.9.2017</td></tr> <tr><td>2.8.2017</td><td>366249311</td><td>21.8.2017</td></tr> <tr><td>12.9.2017</td><td>366301690</td><td>29.9.2017</td></tr> <tr><td>28.9.2017</td><td>366301901</td><td>29.9.2017</td></tr> </tbody> </table> <p>The most significant delay was Invoice No: 366299354 which was issued 2 months after the event.</p>	<u>Date of booking</u>	<u>Inv No</u>	<u>Date Issued</u>	6.4.2017	366081953	18.4.2017	7.4.2017	366094584	24.4.2017	28.4.2017	366115273	15.5.2017	3.5.2017	366115869	16.5.2017	9.5.2017	366130962	24.5.2017	15.5.2017	366147109	30.5.2017	4.7.2017	366215748	24.7.2017	24.7.2017	366299354	26.9.2017	2.8.2017	366249311	21.8.2017	12.9.2017	366301690	29.9.2017	28.9.2017	366301901	29.9.2017	Unnecessary delays in issuing invoices only delay the receipt of payment more.	Management need to ensure that invoices are issued with the agreed set timeframe.	<p>This is normally done as a matter of course.</p> <p>Conference Centre booking staff will be reminded of the procedures to be followed when accepting booking for room hire.</p>	<p>Assistant Business Manager & Senior Accountant.</p> <p>Implemented.</p>
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Rhondda Cynon Taf CBC
Internal Audit Final Report

CSC - GENERAL LEDGER

MANAGEMENT IN CONFIDENCE

Date of Audit:-	October 2017
Auditor(s):-	Andrew Hopkins - Lead Auditor Marc Crumbie - Review Manager
Report Distribution:-	Louise Blatchford - Senior Lead - Business & Operations Alyson Price - Assistant Business Manager (See full distribution list in Section 3)
Date of Issue:-	1st November 2017

INTERNAL AUDIT FINAL REPORT: CSC - GENERAL LEDGER

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INTERNAL AUDIT FINAL REPORT: CSC - GENERAL LEDGER**1. INTRODUCTION**

- 1.1 The Central South Consortium Joint Education Service (CSC) has been set up by the 5 Local Authorities of Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf, and Vale of Glamorgan, working in partnership to deliver ambitious new arrangements for school improvement.
- 1.2 The Consortium went into operation with effect September 2012, and covers the needs of all Schools and pupils in the region. The purpose of the Consortium has been defined as to raise standards and build upon success through purposeful collaboration between Local Authorities, effective partnership with Schools and a rigorous pursuit of excellence.
- 1.3 This Internal Audit review focused on the general ledger.
- 1.4 The purpose of the general ledger is to record all financial transactions and provide information for the preparation of Management Accounts, Final Accounts and Financial Returns. In order to maintain proper financial control and protect the integrity of the Ledger, it is essential that adequate accounting routines are in operation.

2. SCOPE & OBJECTIVES

- 2.1 The checklist for the general ledger comprises of 30 standards. Audit testing was carried out on these standards for transactions undertaken in 2017/18.
- 2.2 The primary purpose of the audit review was to provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the general ledger. The objective of the review was to:
 - Assess the standards set out in the checklist and conclude on the adequacy and effectiveness of the controls in operation.

3. AUDIT APPROACH

- 3.1 Having agreed the objectives, fieldwork took place.
- 3.2 A draft report was prepared and provided to management for review and comment with an opportunity given for discussion or clarification if required.

This final report has been issued electronically to the following Officers:

- Managing Director for Central South Consortium Joint Education Service
 - Group Director Corporate & Frontline Services (Rhondda Cynon Taf County Borough Council).
- 3.3 The Internal Audit report should be presented to the Central South Consortium Joint Education Service Committee.

INTERNAL AUDIT FINAL REPORT: CSC - GENERAL LEDGER

4. AUDIT OPINION

- 4.1 Overall the control environment for the General Ledger and Accounting framework is considered effective with Civica Financials being used which meets statutory, management accounting and reporting requirements.
- 4.2 Civica Financials is able to provide revenue, capital and joint committee accounts as required by statute.
- 4.3 The budget for 2017/18 was agreed by the Joint Committee on the 8th December 2016. Civica Financials was updated with the agreed budgets to enable accurate budget monitoring to take place.
- 4.4 Ledger input / output is controlled, secure, timely and appropriate to the needs of all users. In particular, Feeders and Journal Transfers are promptly and accurately actioned by officers with delegated responsibility and evidence to support these transactions was always retained.
- 4.5 All transactions in Civica Financials have a clear audit trail, which highlights each transactions unique reference number, date / time, and the identity of the individual who carried out the transaction.
- 4.6 Civica Financials is able to apply its own validity tests on data received from feeder systems to ensure codings are correct. Any invalid codes entered into Civica Financials are promptly investigated and rectified from suspense codes by authorised officers to ensure that the budgetary information in the system is accurate and up to date.
- 4.7 There are no findings or recommendations contained in this report.

ACKNOWLEDGEMENTS

A number of staff gave their time and cooperation during the course of this review. Internal Audit would like to record its thanks to all individuals concerned.

Rhondda Cynon Taf
County Borough Council

Internal Audit Final Report

CSC – PAYROLL 2017-18

MANAGEMENT IN CONFIDENCE

Date of Audit:	November 2017
Auditor(s):	Huw Griffiths - Lead Auditor Lisa Cumpston - Review Manager
Report Distribution:	Louise Blatchford – Senior Business & Operations Manager (for appropriate distribution) Craig Flynn – Senior Accountant (See full distribution list in Section 3)
Date of Issue:	30th November 2017

INTERNAL AUDIT FINAL REPORT: CSC - PAYROLL

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INTERNAL AUDIT FINAL REPORT: CSC - PAYROLL

1. INTRODUCTION

- 1.1 The Central South Consortium Joint Education Service (CSC) has been set up by the 5 Local Authorities of Bridgend, Cardiff, Merthyr Tydfil, Rhondda Cynon Taf, and Vale of Glamorgan, working in partnership to deliver ambitious new arrangements for school improvement.
- 1.2 The Consortium went into operation with effect September 2012, and covers the needs of approximately 392 schools and 147,000 pupils in the region. The purpose of the Consortium has been defined as to raise standards and build upon success through purposeful collaboration between Local Authorities, effective partnership with schools and a rigorous pursuit of excellence.
- 1.3 This Internal Audit review focused on the Payroll function, which is administered via Rhondda Cynon Taf's Human Resources and Payroll services on behalf of the Consortium. At the time of this review there were 109 members of staff on the payroll.

2. SCOPE & OBJECTIVES

- 2.1 In accordance with the Internal Audit Plan for financial year 2017/18, agreed by Audit Committee, a review of key controls with regards to CSC's Payroll function took place.
- 2.2 The primary purpose of the audit review was provide management with an opinion on the adequacy and effectiveness of the internal control systems operating within the CSC 'Core Financial' system of Payroll, with the key objectives being:
 - Confirm that Contracts of Employment / Prime Documents are in place to support remuneration via Payroll.

INTERNAL AUDIT FINAL REPORT: CSC - PAYROLL

3. AUDIT APPROACH

- 3.1 Fieldwork took place specifically targeted at meeting the agreed objectives.
- 3.2 A draft report was prepared and provided to Management for review and comment with an opportunity given for discussion or clarification if required.
- 3.3 This final report has been issued electronically to the following Officers:
- Managing Director
 - Senior Business & Operations Manager (for appropriate distribution)
 - Group Director Corporate & Frontline Services; Rhondda Cynon Taf County Borough Council
- 3.4 The final Internal Audit report should be presented to the Central South Consortium Joint Education Service Committee.

4. AUDIT OPINION

- 4.1 Overall, the control environment in the relation to the CSC Payroll processes is considered to be effective.
- 4.2 A review of a sample of 10 staff salaries and their respective contracts identified no discrepancies.
- Contracts of employment were in place and documentation available to support the accurate remuneration via Payroll Service.
- 4.3 There are no findings contained in this report.

ACKNOWLEDGEMENTS

A number of staff gave their time and cooperation during the course of this review. Internal Audit would like to record its thanks to all individuals concerned.