

Moray Council

Internal Audit Section

Appendix 1

INTERNAL AUDIT REPORT

SOCIAL CARE - PAYROLL

Executive Summary

As part of the annual coverage of core systems, a review was undertaken of the payroll system, controls and processes in operation in making salary payments to employees within Social Care. A payroll audit was performed earlier in the 20/21 financial year covering all employees processed through the Council's payroll system and therefore included Social Care employees. However, this exercise currently being reported was undertaken to extend the verification of Social Care Adult Services payroll costs and assess the robustness of any changes in practices during the pandemic period.

In terms of scale an average monthly cost of £1.7 million is processed through the payroll system for Social Care employees. The review has covered the systems in place within the 20/21 financial year with testing focused on payroll transactions incurred in the period from July 2020 to January 2021 inclusive. The audit was carried out in accordance with Public Sector Internal Audit Standards (PSIAS).

The significant audit testing work undertaken has involved examination of the processes followed for new starts; terminations of employment; completion, authorisation and submission of timesheets; and claims for overtime, unsocial hours and mileage in order to confirm accurate, supported and timely payments are being made to employees. A sample of persons paid have also been verified as bona fide employees as part of the audit work. This has involved not only the Payroll team but also the managers and administrators of a range of social care services and also the examination of information provided by the HR team.

Audit testing identified no concerns in terms of the validity, accuracy and accounting arrangements for payroll costs. It is considered from the checks undertaken, that appropriate controls are operating effectively and the integrity of systems has been maintained. This is a positive outcome given the introduction of remote working and changes to processing practices required as a result of response to the Covid19 pandemic.

For example/...

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For example, instead of a volume of timesheets being submitted to the payroll section for processing, many services such as Care At Home, Community Support Workers, Barlink, Waulkmill and Woodview etc., are now submitting electronic summaries of hours to generate payments. As this carries the risk of less central and independent scrutiny being involved, audit focus was given to sample testing this new process and found accurate employee timesheets being retained within the individual services as supporting source documents for the summary detail submitted to payroll, giving confidence in the continuing integrity of payments despite changing processes.