



Internal Audit Consultancy Report
Assignment Number – 09/040 (b)
iHRP System Controls
May 2010

Final Report

Background and Scope

This review was carried out as part of the revised audit plan for 2009/2010.

The scope for the review to be undertaken by Internal Audit is to provide assurance to the Project Manager, Senior Responsible Officer and the Project Board that robust internal controls are either planned for or are in place within the project.

This report details the outcomes of the second stage of Internal Audit's review and covers system controls. It is supported by prior briefings to the Project Manager.

Testing

In order to carry out this phase of the brief, Payroll officers at 2 High Street were interviewed to establish the system framework of physical, system and manual controls, compliance with Council Standards and procedures. Changes to the control environment planned during the implementation of Resourcelink were also considered.

As set out in the brief, identified gaps in the control environment should be notified to management.

1. Procedures Manual

Procedures Manuals are in the process of development for both payroll and human resources functions. To reduce the risk of staff being unclear of their roles, responsibilities, tasks and how to perform them, procedures manuals should be developed for use for the input of all payroll and human resources information as determined by user access levels. It is noted that feeder and output processes are evolving and as new functionality becomes available this will render obsolete former working procedures and practices. It was therefore agreed that the Project Manager identified key milestones and drafted written procedures covering key controls which would be under review as the system is bedding in and continues to be rolled out.

2. Access Controls

Password Access to Resourcelink was reviewed to confirm compliance with the Council's Standard for networked systems. The current system parameters did not comply with the Council Standard which is described in the Council's Information Security Management System (ISMS). This was brought to the attention of the Assistant Manager (Payroll) and the Project Manager. The differences surround the automatic enforcement of password complexity which is not integral to iHRP. The Council Standard requires both alpha and numeric characters but, whilst iHRP allows this, these are not enforced. The forcing of password change within a certain period is however, compliant with the Standard and other aspects of the Council guidance for good practice are built in to the structure of the system security. It is the opinion of the Auditor that sufficient supplementary controls exist as to maintain adequate security over the system.

It was also noted that the Council's Standards are not explicitly set out in the ISMS and that this issue will be addressed directly with the Information Security Manager.

3. Outstanding Action Points

Five action points from Audit 07/004 Payroll, whose resolution was dependent on the implementation of iHRP, remain outstanding. Although it is noted that further project work is required to ensure the full implementation of the link between the ERG process and the National Recruitment Portal interface with iHRP, work is ongoing to implement the changes required to conclude these Action Points. The outstanding Action Points will remain part of Internal Audit's follow-up process and review of the situation will be carried out at regular intervals.

Opinion

It is the opinion of the Auditor that further work is required to provide a robust system of internal controls however, the issues identified do not sufficiently affect the soundness of the overall control environment as to impact on the progress of the project and do not jeopardise its integrity. Therefore the Auditor is prepared to provide the required degree of assurance to the Project Manager, Senior Responsible Officer and Project Board that adequate system controls are in place over Resourcelink.

Acknowledgements

Internal Audit acknowledges with thanks the co-operation of the officers working in Corporate Services' iHRP during this review.

Feedback

Internal Audit welcomes feedback from management, in connection with this review or with the Internal Audit service in general.

Distribution

This report has been distributed to:

J Symon, Senior Responsible Officer

E Sturgeon, Project Manager

L Speedie, Assistant Project Manager

Authorisation

The Auditor for this assignment was A McFarlane. The supervising Auditor was J Clark.

Jackie Clark
Acting Chief Internal Auditor
Date: 31 May 2010