



Internal Audit Report  
Chief Executive's Service  
iHRP (Phase 2) 09/040 (c)  
May 2010

## Final Report

Chief Executive's Service  
Perth & Kinross Council  
2 High Street  
Perth PH1 5PH

## Internal Audit Report

## Background and Introduction

This audit was carried out as part of the revised approved audit plan for 2008/2009.

This report covers the second phase of the implementation of the integrated Human Resources and Payroll (iHRP) system (Resourcelink). This phase involved the migration of data for all non-teaching employees of the Council, together with user acceptance testing undertaken to confirm that the system was sufficiently accurate to be implemented without further reliance on the previous system, Delphi. The differences in the staffing structures and reporting responsibilities across the Council, rendered this part of the exercise far more complex, than the experience of Phase 1, as all relationships were to be mapped on to the new system for the purposes of reporting and authorisation which will be required for MyView.

This report details the outcomes of this stage of Internal Audit's review and concentrates on providing assurance that user acceptance testing for the General payroll was sufficient to successfully go live in accordance with the project timetable.

In order to carry out the brief, iHRP officers at 2 High Street were interviewed and plans of the migration checking process were reviewed together with reports generated to provide evidence that checks had been carried out.

## Testing

This report marks the end of User Acceptance Testing for Phase 2, which refers to the migration of payroll data for General Staff.

User acceptance testing was carried out by members of the project delivery team for records of non teachers employed by the Council. Data was migrated from a number of systems including Delphi (the existing Payroll system), EMS (Education Management System for staff employed by Education and Children's Services) and EMIS (an employee management system used by other services).

Data fields from both systems were compared to confirm that data had been successfully migrated, using "if" test functions, errors were then identified and subsequently corrected, where necessary, in Resourcelink.

The final stage was to run payroll for Monthly General (MG) and Monthly Education (ME) employees (now integrated in Resourcelink) in both Delphi and Resourcelink to ensure that financial values could either be agreed or differences explained – both for individuals and in total, thereby ensuring that totals for Net Pay, National Insurance Contributions and Tax were made in accordance with contracts, legislation and guidance, prior to going live. It is noted that whilst the Delphi system calculated National Insurance on the basis of tables, Resourcelink calculates National Insurance by percentages. Whilst either method may be used by an employer, this did give rise to minor differences being observed. This stage of output comparison was run for the September 2009 and October 2009 totals and was run in the early part of November 2009.

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A 100% check of the records of 4963 members of staff was made by iHRP staff to ensure that staff would be paid accurately and that deductions would be properly made. Manual records were retained as verification of the tests having been successfully carried out and these were subject to inspection by Internal Audit. For differences of more than £10.00 (disregarding NI calculation differences) records showed that staff had investigated these (159 cases) and corrected them. In 18 instances however, corrections had been made but there was no documentation to identify the reason behind the differences. In financial terms, these differences correspond to (based on Delphi figures) 2 members of staff being underpaid (totalling £802.13), and a further 16 being overpaid (totalling £10,058.43). After all work was completed in eliminating and resolving the differences an overall difference of £5.29 was identified which was due to National Insurance calculation differences.

It is however noted that due regard was taken of the sensitivity of the nature of the information and a high degree of verification testing was undertaken by iHRP staff.

iHRP management decided at a meeting on 16 November to implement Resourcelink for General Staff, without back-up from Delphi, for the November payroll run in the week commencing 23 November. The Assistant Payroll Manager stated that, due to payroll being run early prior to Christmas, to accommodate the Christmas Closedown postponement at that time would have resulted in the delay in the implementation of Resourcelink until January pay run and that such a delay to live implementation was considered an unnecessary imposition on the project plan. Test papers were not made available to Internal Audit until January 2010.

### Opinion

Due to delays between the testing of outputs and the files detailing testing carried out being handed to Internal Audit, Internal Audit was not able to provide assurance that sufficient testing had been carried out prior to Resourcelink being used to process payroll without backup from Delphi.

Retrospectively however, it is the opinion of the Auditor that non-teaching staff user acceptance testing was sufficient to provide assurance to the Project Manager, Senior Responsible Officer and Project Board that a successful transition has been achieved.

### 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.

## Internal Audit Report

### 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.

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Jackie Clark  
Acting Chief Internal Auditor  
Date: 31 May 2010

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