

## TRAFFORD COUNCIL

**Report to:** Accounts and Audit Committee  
**Date:** 20 November 2013  
**Report for:** Information  
**Report of:** Director of Human Resources

### Report Title

**Response to 2012/13 External Audit Findings Report (Recommendation in relation to payroll documentation)**

### Summary

The 2012/13 Audit Findings Report, produced by Grant Thornton was presented to the Committee at its 26 September 2013 meeting. It included a recommendation as follows:

*“The Council needs to take urgent steps to ensure it has readily retrievable supporting documentation to confirm the existence, grade and terms and conditions of all employees on its payroll. It also needs to ensure this information is appropriately updated for any changes.”*

The purpose of this report is to provide an update to the Committee on the Council's response to this recommendation.

### Recommendation

The Accounts and Audit Committee is asked to note the report.

### Contact person for access to background papers and further information:

Name: Joanne Hyde  
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### **Background Papers:**

## **Response to 2012/13 External Audit Findings Report (Recommendation in relation to payroll documentation)**

Following a detailed review of the concerns raised by the auditors the HR Service have determined that there are a number of existing processes that can be enhanced to meet the recommendations made and ensure more robust controls are in place as follows:-

### **1. Validation of employee contractual information via managers.**

There are a number of existing controls in place to regularly validate the contractual information for employees on its payroll including the production of a regular monthly staffing report to all managers. These reports set out names, post title, grades and contractual hours for all employees on the payroll.

Following the audit recommendations we will now include individual salary points for all employees and the distribution of the next monthly reports will ask managers to validate the information held and this will then be locked into the payroll system as the baseline position.

This process will also capture any future changes from the baseline position.

### **2. Validation of contractual information via employees**

Trafford Council are currently in formal consultation with all employees on revised terms and conditions of employment and final approvals are expected at the end of November 2013. This programme of work provides the opportunity to issue all staff with revised contractual documentation including detailed statements of particulars throughout December 2013 which will confirm the baseline position previously validated by managers.

### **3. Document Management**

As detailed in the audit findings report there were a number of sample files where contractual information was not readily available for inspection. The actions captured in paragraphs 1 & 2 above will ensure that up to date contractual information is available for all employees and these documents will be saved in existing electronic filing systems which will be available for any future inspections.

It should also be noted that the Council is currently out to tender for an Electronic Document Management System. The specification for this contract includes the need to interface with the existing HR/Payroll system which will support more efficient retrieval of documentation in the future.

## **Summary**

The detailed review undertaken by the HR Service has identified that all authorisation documentation is in place and the relevant controls are robust, however there were some concerns regarding confirmation of the payroll changes through updated contractual document which pre-dated the centralisation of these processes into the HR Shared Service Centre in April 2011.

A review of the changes proposed in this report will be undertaken in April 2014 to ensure that the changes have met the recommendations made by the auditors.