



Internal Audit Report

Chief Executive

General Ledger

March 2012

1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of General Ledger – within Strategic Finance, Chief Executives Unit. This audit is part of the 2011/2012 Internal Audit Plan programme of audits.

As part of our ongoing dialogue and work co-operation with Audit Scotland the audit of the General Ledger was discussed with them and it was agreed that our audit focus should be a walk through test of the system.

2 AUDIT SCOPE AND OBJECTIVES

Internal Audit will undertake a high level review of the General Ledger to ensure the integrity and security of information held on the General Ledger is robust and controlled. The areas reviewed included:

- Access to the General Ledger;
- Documented procedures relevant to the General Ledger;
- Chart of Accounts;
- The Feeder Systems;
- Journals; and other; and
- Data output from the General Ledger.

3 RISK ASSESSMENT

As part of the audit process and in conjunction with our CIPFA Systems Based Audit (SBA), ICQ approach, the risk register was reviewed to identify any areas that needed to be included within the audit. The area identified was:

- SR16 Failure to have a robust internal control process and system

4 CORPORATE GOVERNANCE

There were no Corporate Governance issues to be reported as a result of this audit.

5 MAIN FINDINGS

- 5.1 Access to the General Ledger is controlled by means of a password; this requires to be changed every 40 days.
- 5.2 General Ledger procedures are documented and Oracle General Ledger User Manuals were available.

- 5.3 There is a comprehensive, up to date listing of financial codes in place, consisting of Cost Centre and Account Codes.
- 5.4 Debtors, Payroll, Internal Recharges, Cash Receipting, Road Costing, Tranman, ADI and Payables are feeder systems within the General Ledger.
- 5.5 Interface reports/logs are run on a daily basis to ensure that no errors have occurred.

6 RECOMMENDATIONS

No recommendations were identified as a result of the audit.

7 AUDIT OPINION

Based on the findings we can conclude that there are appropriate controls and procedures in place to ensure the integrity and security of information held on the General Ledger.

8 ACKNOWLEDGEMENTS

Thanks are due to the Corporate Accounting Staff and the System Administrator for their co-operation and assistance during the audit and the preparation of the report and action plan.

Argyll & Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in section 2. We cannot be held responsible or liable if information material to our task was withheld or concealed from us, or misrepresented to us.

This report is private and confidential for the Council's information only and is solely for use in the provision of an internal audit service to the Council. In any circumstances where anyone other than the Council accesses this report it is on the strict understanding that the Council will accept no liability for any act or omission by any party in consequence of their consideration of this report or any part thereof. The report is not to be copied, quoted or referred to, in whole or in part, without prior written consent.