



Internal Audit Report

CHIEF EXECUTIVE'S DEPARTMENT

Review of Roads Costing System

January 2013

1 INTRODUCTION

This report has been prepared as a result of the Internal Audit review of Roads Costing System as part of the 2012/13 Internal Audit programme.

Management must ensure that software applications perform properly the business activity for which they were designed. The purpose of application controls is to ensure the completeness, accuracy, security and effectiveness of input, processing and output. These controls may be provided either by programming within the application system or by manual controls exercised by users or the IT Service.

2 AUDIT SCOPE AND OBJECTIVES

The scope of this review is limited to the Internal Control Questionnaire (ICQ) issued to the Roads Costing Systems Administrator for completion.

The overall objective is to ascertain whether the system application incorporates adequate internal controls, ensure that they are effective and are not invalidated when changes are made.

A systems-based auditing approach has been employed to assess the Roads Costing system's internal controls to ensure that they are sound and the transactions are properly recorded and processed.

The following areas were reviewed using Systems Based Auditing, ICQ approach for Application Controls. These areas must have procedures and processes in place and Internal Audit, through management completing the CIPFA SBA ICQ Questionnaires is able to gain assurance regarding the control environment.

- **Compliance**
- **Logical Security Controls**
- **User Security Controls**
- **Parameter Data**
- **Transaction Input**
- **Data Processing**
- **Output**
- **System Availability**
- **Audit Trail**

A request for system documentation has also been requested to be lodged with internal audit.

3 RISK ASSESSMENT

As part of the audit process and in conjunction with our CIPFA SBA Systems Based Auditing, ICQ approach, the Strategic Risk Register was reviewed to identify any areas that needed to be included within the audit.

SR 16 - Failure to have a robust internal control system.

4 CORPORATE GOVERNANCE

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

5 MAIN FINDINGS

There were no significant findings resulting from the tests that were completed during the course of the audit. The Roads Costing System team continue to provide a well-controlled service.

6 RECOMMENDATIONS

The audit generated no recommendations to be discussed and agreed with management.

7 AUDIT OPINION

Internal Audit is satisfied that the Roads Costing Systems Administrator has provided answers indicating adherence to current control requirements. The review of the CIPFA Systems Based Audit, ICQ answers identified one minor matter and this has been discussed with management.

Recommendations arising from the audit work should be implemented by the nominated responsible officer within the agreed timescale. Recommendations not implemented will require explanation to the Audit Committee. This could lead to findings being reported in the Internal Control Statement produced by the Council in support of the Annual Accounts.

8 ACKNOWLEDGEMENTS

Thanks are due to the Roads Costing Systems Administrator and their team for their co-operation and assistance during the audit and the preparation of the report and action plan.

Argyll and Bute Council's Internal Audit section has prepared this report. Our work was limited to the objectives in Section 2. We cannot be held

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