

DEPARTMENT RESOURCES	AUDIT REVIEW Treasury Management	AUDIT REF 4115004
PLANNED DAYS 7	ACTUAL DAYS 7	Frequency of Audit ANNUAL

BACKGROUND

The Treasury & Pension Investments section monitors the daily cash-flow and banking transactions of the Authority to identify funds that are surplus to immediate requirements. The surpluses are lent to various organisations known as Counter Parties. The Treasury Management section within the Resources Department carries out the functions of managing the investments and borrowing of the Authority on a daily basis. Treasury Management is a fundamental system of the Authority and is therefore, subject to annual review, as part of the ongoing Internal Audit Strategic Plan.

SCOPE

The review covered the controls and procedures in place for the management and administration of Treasury Management to assess the extent to which the Authority’s Financial Procedure Rules are being fully complied with and adequate controls exist over investments and loans raised. In particular the following areas were reviewed:

- Adequate procedures exist for the Administration of Treasury Management;
- Loans and borrowing comply with the Treasury Management Policy;
- Adequate authorisation controls and contingency arrangements exist;
- Interest calculations are accurate and appropriately recorded;
- Adequate fidelity cover is provided for officers involved in loans management and accounting;
- Appropriate treasury management information is made available to relevant officers / management

SUMMARY OF RESULTS

The results from testing illustrate that the procedures for the management and administration of the Treasury Management function continue to operate to a high standard.

As a result the risk to the Authority remains as low.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Investments – Dyfed Pension Fund	AUDIT REF 4115005
PLANNED DAYS 7	ACTUAL DAYS 7	Frequency of Audit ANNUAL

BACKGROUND

The Treasury & Pension Investments Section within the Corporate Services Department carries out the function of managing investment issues in relation to the Dyfed Pension Fund and the Dyfed Welsh Church Fund. As at 30th September 2015, the market value of the Dyfed Pension Fund was £1,765 million whilst the value of the Dyfed Welsh Church Fund was £3.12 million.

SCOPE

The review covered the controls and procedures in operation to ensure that:

- Investment transactions are properly authorised and recorded;
- Independent reconciliations between the investment register, the Financial Management System and bank statements are carried out;
- Investments are made and performance is reported in accordance with the Statement of Investment Principles (SIP);
- Performance of investments are monitored on a regular basis;
- Payments of balances held on the Dividend Income Statements are promptly transferred

GENERAL OPINION

The results from testing illustrate that the procedures for the management and administration of the Investments function continue to operate to a high standard.

As a result the risk to the Authority remains as low.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Pensions Payroll	AUDIT REF 4115006
PLANNED DAYS 7	ACTUAL DAYS 7	Frequency of Audit ANNUAL

BACKGROUND

The Pension's Section within the Resources Department is responsible for the payment of pensions to members of the Dyfed Pension Fund. Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. It administers the benefits and invests the assets of the Fund. Carmarthenshire County Council also acts as the administrator for the unfunded Police and Fire pension schemes for Dyfed Powys Police Authority, Mid & West Wales Fire and Rescue Service and North Wales Fire and Rescue Service respectively. The Fund's LGPS membership base consists of approximately 39,000 members (as at 31st March 2015) from 50 plus employing authorities. Given the number of pensioners paid through the system and the values involved, the system is considered fundamental to the Authority.

SCOPE

The review was to ascertain that procedures and internal controls for the administration of the Pensions System and associated payments comply with approved Policies and that the Pension Fund is effectively managed and that payments are made to eligible pensioners. The audit sought to ensure that procedures have been established and effective controls are in place to ensure:

- there are adequate, documented, procedures in place which are complied with;
- effective controls exist over payments made to Pensioners;
- Exception reports are generated and reviewed with queries dealt with appropriately;
- Access to standing data processing and programmes is restricted to appropriate personnel and amendments are properly authorised;
- The payroll system is regularly reconciled to the main accounting system

GENERAL OPINION

Current procedures are considered to be robust with expected key controls established and operating to a good standard. In addition, procedures were well documented and available to all support staff, and there was adequate evidence of monthly monitoring being undertaken to ensure compliance with Authority Policy. As a result it can be reported that the Pension's Section demonstrates good control over the function. As a result the risk to the Authority remains as low.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	High
Priority 2 – Strengthen Existing Controls	None	
Priority 3 – Minor Issues	None	

DEPARTMENT RESOURCES	AUDIT REVIEW Payroll	AUDIT REF 4115010
PLANNED DAYS 15	ACTUAL DAYS 15	Frequency of Audit ANNUAL

BACKGROUND

The Authority pays over 9,000 employees amounting to approximately £196m. Payroll is a centralised function and the Authority has an integrated Payroll and HR system operated through “Resource Link”.

The system is classified as high risk given the value and volume of transactions.

SCOPE

The review covered the internal controls within the Payroll System for the payment of salaries and wages to ensure that:

- Recommendations from the previous audit report have been implemented;
- There are adequate documented procedures in place which are adhered to;
- Exception reports are generated and reviewed with queries dealt with appropriately;
- Access to standing data processing and programmes is restricted to appropriate personnel and amendments are properly authorised;
- Time-sheets, overtime claims, advance payments, SSP, etc. have been properly authorised and data entered correctly;
- Appropriate BACS controls exist;
- The payroll system is regularly reconciled to the main accounting system;
- Individual departments verify the accuracy of employee standing data.

GENERAL OPINION

From the testing undertaken it is apparent that many expected key controls have been established and are operating to a good standard. It is very pleasing to report that the last certification exercise carried out is complete with a 100% response rate. The sample of employee deduction, sickness and maternity forms reviewed had all been appropriately authorised and calculated correctly. Payroll control reconciliations were up to date and well maintained. There was however issues identified in relation to processing timesheets which need addressing prior to an overall positive evaluation being attained.

NUMBER OF RECOMMENDATIONS		OVERALL ASSURANCE
Priority 1- Fundamental Weaknesses	None	Adequate
Priority 2 – Strengthen Existing Controls	1	
Priority 3 – Minor Issues	None	