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Grant Thornton IT Audit Report 2022/23

Date: 27th November 2023

Report of: the Chief Finance Officer

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? ☐ Yes ☒ No

Does the report contain confidential or exempt information? ☐ Yes ☒ No

Brief summary

This covering report presents Grant Thornton's IT Audit Report for the 2022/23 financial year, which is attached as Appendix 1.

The IT Audit Report is undertaken in support of the audit of the financial statements, and covers the control environment for the Council's main financial systems.

Recommendations

a) Members are asked to receive the IT Audit Report presented by Grant Thornton and to note the recommendations which have been made.

What is this report about?

1   This report presents Grant Thornton's IT Audit Report 2022/23.

2   The IT Audit Report covers the control environment for the Council's main financial systems. It is undertaken to support the audit of the financial statements, to determine the level of reliance which the accounts audit can place on controls within the financial systems. The report makes a number of recommendations and provides an update on previous recommendations.

What impact will this proposal have?

3   The report outlines the conclusions from Grant Thornton's IT audit work for 2022/23, and identifies some recommendations for improvement in the Council's arrangements.

How does this proposal impact the three pillars of the Best City Ambition?

☒ Health and Wellbeing   ☒ Inclusive Growth   ☒ Zero Carbon

4   The report relates to the council's underlying financial governance arrangements rather than to the delivery of any specific services.

What consultation and engagement has taken place?

Wards affected:		
Have ward members been consulted?	☐ Yes	☒ No

5   The audit report does not raise any issues requiring consultation or engagement with the public or individual ward members.

What are the resource implications?

6   There are no direct resource implications arising from this report.

What are the key risks and how are they being managed?

7   The IT Audit Report covers Grant Thornton's findings in relation to the control environment which is in place for the Council's main financial systems.

8   The report makes one high priority recommendation and three medium priority recommendations. The high priority recommendation follows on from the previous IT audit report which was presented in March 2023 and relates to the fact that for the FMS system, user access rights are administered by corporate finance staff in conjunction with their other responsibilities. This is an arrangement which Grant Thornton feel is in principle not advisable, but the scope of their audit does not include a detailed review of FMS functionality to determine to what extent the potential risks would apply in practice to this system. Officers have re-considered the audit recommendation and remain satisfied that given the specific functionality of FMS, the existing arrangements do not give rise to significant extra risk.

What are the legal implications?

9   The IT Audit Report contributes to Grant Thornton's overall work to discharge their responsibilities as defined by in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Options, timescales and measuring success

What other options were considered?

10 The report is a retrospective one, which presents findings from Grant Thornton's 2022/23 audit work.

How will success be measured?

11 Grant Thornton will provide an update on the recommendations made in the report during their 2023/24 audit.

What is the timetable and who will be responsible for implementation?

12 Those recommendations which have not yet been implemented will be addressed by officers over the coming months.

Appendices

- Appendix 1 is Grant Thornton's IT Audit Report for 2022/23.

Background papers

- None