Committee report

SPT

Regularity audit of the HR system administration

Committee   Audit and Standards

Date of meeting   30 November 2018   **Date of report**   7 November 2018

Report by Assistant Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of the HR system administration. This engagement is included in the annual Internal Audit plan for 2018/19.

2. Background

Human Resource (HR) services are the provision of human resources to carry out the functions of the organisation and in doing so to meet the organisation's aims and objectives. This includes responsibility for overseeing HR administration arrangements.

Finance & HR officers use a digital system (Chris[21]) with integrated HR and payroll management modules to maintain employee records. This digital system is administered by HR management for the application of security and user roles.

The objective of this engagement was to review the administration and application of the Chris[21] digital HR software system.

This engagement tested elements of the internal controls and mitigation against SPT 22: Governance arrangements, as identified in the Corporate Risk register.

3. Outline of findings

Engagement testing (as at September 2018) found that HR policy and practice is applied consistently across the range of HR services provided. Service provision is supported by internal procedures and the use of the digital HR (Chris[21]) system.

The engagement identified a requirement to review the current provision of procedures and practices to enhance quality assurance arrangements.

There are areas for improvement, and these areas have been addressed by four audit recommendations. HR management have agreed to implement these recommendations, which are currently being actioned.

4. Conclusions

The Audit and Assurance team has undertaken a regularity audit of the HR system administration. Four recommendations have been agreed from this engagement.

Key controls exist and are applied consistently and effectively in the majority of areas tested in this engagement.

Reasonable assurance can be taken from the areas covered in this engagement.

5. Committee action

The committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendations to a meeting in approximately six months.

6. Consequences

Policy consequences	*None.*
Legal consequences	*None.*
Financial consequences	*None.*
Personnel consequences	*None.*
Social Inclusion consequences	*None.*
Risk consequences	*As detailed in the report.*

Name	Valerie Davidson	**Name**	Gordon Maclennan
Title	**Assistant Chief Executive**	**Title**	**Chief Executive**

For further information, please contact Iain McNicol, Audit and Assurance Manager on 0141 333 3195.

Agreed action plan: HR system administration

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	<u>Documented procedures</u> HR user documented procedures should be reviewed and updated to include the following: • HR system (Chris[21]) systems administration process; • process for agreeing starting salary with recruiting manager; • addition of new posts to establishment in Chris[21] and closing of old post(s); • leavers' process including responsibilities for return of equipment, keys, passes and any exit interviews; • record management arrangements including archiving of records on Chris[21] system.	Low	HR user procedural guidance will be reviewed and updated, where required.	HR Manager	February 2019
2	<u>General Data Protection Regulations (GDPR) considerations</u> Arrangements for records management should be reviewed for compliance with retention schedules and GDPR requirements: • forms uploaded on to Chris[21]; and • review of historic data held within the Chris[21] system for archiving.	Low	Records management arrangements have already been assessed for compliance with GDPR. These arrangements will be reviewed and updated, where required. In relation to historic data, the digital software provider will be consulted in respect of the archiving functionality.	HR Manager	February 2019
3	<u>Access and permission levels</u> The HR system administrator should contact the digital software provider to obtain a full understanding of how user roles are compiled and review thereafter the existing user roles for adequacy.	Low	The software provider has already been contacted to obtain a fuller understanding of the user roles. Work in this regard is on-going.	HR Manager / system administrator	February 2019

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
4	New starts and leavers Records management arrangements should be reviewed; updated and communicated to HR staff to ensure adherence. HR staff should be reminded of: • relevant attachments with the offer of appointment letter; • retention of documentation such as: signed copy of acceptance letter, copy of passport, induction process, and disclosure requirements; • requirement to fully update Chris[21] with relevant details include equalities information and return of ID cards and smartcards; • removal of information which is not relevant to HR (such as bank detail information) and payroll (such as reason for ending employment); and • the monthly reports from the HR system which detail all new starts and leavers should be used for quality checking of input.	Medium	The HR Manager will (email) communicate the updated records management requirements to staff. Current reporting and quality assurance arrangements will be reviewed.	HR Manager	December 2018

High:	A fundamental control that should be addressed as soon as possible;
Medium: An important control that should be addressed within three months;
Low:	An issue which is not fundamental but should be addressed within six months to improve the overall control environment.