



**Comhairle nan Eilean Siar
Internal Audit Follow Up Review
HR Core Activities
Final Report – FU10-23/24**

16 December 2024

**COMHAIRLE NAN EILEAN SIAR
INTERNAL AUDIT FOLLOW UP REPORT
HR CORE ACTIVITIES**

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SECTION 1: EXECUTIVE SUMMARY

Introduction

- 1.1 The Report has been prepared for the Comhairle's Audit and Scrutiny Committee. The original report advised of 4 recommendations made in the HR Core Activities report which was issued on 11 January 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2023/24.

Internal Audit Objective




- 1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.
- 1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2023/24, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.
- 1.4 The main recommendations in the original report were:
- The legal requirement that a contract of employment must be issued to new employees within 2 months of start date and where this is not possible a statement of particulars on the first day of employment; and
 - Heads of service to be reminded that FIN2 forms must be forwarded to both HR and Payroll once it is known an employee is leaving the Comhairle. This may reduce the errors that are occurring in HR and the departments if both sections are notified simultaneously.





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Detailed Findings

1.5 The current status of progress against the original recommendations can be summarised as follows:

Key to Status

-  Fully implemented;
-  Partly implemented, although further work is required to meet the objective of the recommendation; or
-  Insufficient progress to date

Recommendations	Action to Date	Status
It is recommended that contracts of employment be issued to staff on their first day of employment where possible. Where this is not possible a Statement of Particulars should be issued and the contract be issued as soon as possible and within an 8-week period.	Partly implemented	
Heads of Service on realising that an employee is leaving must complete a FIN2 immediately and forward to HR and to Payroll section. Should the HR department not complete the processes in time then at least the payroll section will have been notified that the specific employee is leaving and prepare the steps for the final processes.	Fully implemented	
To maintain good communications in the workplace CMT considers the use of the Communication Team in keeping staff up to date with the movement of new staff/leavers.	Fully implemented	
The Leavers Checklist must be completed alongside the FIN2 form to reasonably ensure all access to systems are disabled when an employee leaves.	Partly implemented	

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Concluding Remarks

- 1.6 From our follow up testing, we note that out of the 4 follow up recommendations made in the original 2 appear to have been fully implemented, and management have confirmed that the remaining recommendations will be implemented by as soon as is possible.
- 1.7 For Comhairle Nan Eilean Siar Internal Audit Section

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SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS

Action Recommended	Action By	Progress to Date	Action Outstanding
2.1			
It is recommended that contracts of employment be issued to staff on their first day of employment where possible. Where this is not possible a Statement of Particulars should be issued and the contract be issued as soon as possible and within an 8-week period.	HR Manager	On-going Progress has been made in this area, contracts are drafted as part of the recruitment process and finalised on receipt of the FIN. Given the volume of work it is recognised that this process can be developed further.	Large volume of work requires more time to complete backlog.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.2			
Heads of Service on realising that an employee is leaving must complete a FIN2 immediately and forward to HR and to Payroll section. Should the HR department not complete the processes in time then at least the payroll section will have been notified that the specific employee is leaving and prepare the steps for the final processes.	HR Manager	CMT have been notified of the required process. All FIN2 are processed on receipt.	Complete

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Action Recommended	Action By	Progress to Date	Action Outstanding
2.3			
To maintain good communications in the workplace CMT considers the use of the Communication Team in keeping staff up to date with the movement of new staff/leavers.	CMT/ Communications Team	The employee intranet ensure open and real time communication with all staff. This area is being developed with the Communication Team and IT.	Ongoing but completed in the main.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.4			
The Leavers Checklist must be completed alongside the FIN2 form to reasonably ensure all access to systems are disabled when an employee leaves.	CMT/HR Manager	The return rate for Leavers Checklist remains low. HR are looking to update the FIN2 to incorporate the required checks. This removes the need for 2 forms to be completed and ensures the information is returned, and logged, within the HR Team.	New processes to be created and implemented.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.