

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of the relevant Information Technology (IT) systems and controls operating over them which was performed as part of obtaining an understanding of the information systems relevant to financial reporting. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Additional procedures carried out to address risks arising from our findings
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Asset 4000	ITGC assessment (design effectiveness only)					
ContrOCC	ITGC assessment (design effectiveness only)					
SAP	Detailed ITGC assessment (design effectiveness only)					Review of PY deficiency for this system was completed in year. See conclusions below.

SAP findings

The significant deficiencies identified in the Technology acquisition, development and maintenance control area related to segregation of duties. Some members of the SAP technical support team have access permissions which would allow them to both develop changes and then import those changes in the production environment , as there are only limited segregation of duties in the team structure. This deficiency was first identified and reported to the council in our 2022/23 financial year audit. We have revisited the conclusions of that IT Audit review for our 2023/24 audit and our report is currently in draft for response with management – however in our draft report the overall ITGC rating and control area ratings remain at the same level, and we have concluded that the significant deficiency first identified in the 2022/23 review remains in place and has not been remediated. We continue to view this as a significant deficiency.

We do not regard this as representing a significant risk/deficiency directly for the accounts production/financial accounting control environment, as the officers do not manage accounting/finance data or the accounts production process. This is a significant deficiency however in overall IT governance. The final SAP IT General Controls report is currently in draft and will be discussed with your team responsible for management of SAP.

Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing