

Issue and risk	Recommendation	Management response	Progress update	Status	Owner
Journals authorisation – During the course of our testing we noted that none of the journals posted to the financial system were subject to an authorization process. The risk is that this could result in a material misstatement in the financial statements. From discussions with management we note that the financial system has restrictions in place so that only appropriate staff can post journals. We understand that management are looking to introduce an authorisation process in the future.	We therefore recommend that management look to increase the priority of the authorisation process or put in place mitigating controls until this process can be implemented.	The Council will consider adopting this going forward.	Business World (BW) restricts who can post journals and an automated alert has been set up on BW for all journals over £250k to be reviewed and authorised on a monthly basis. Additional checks are completed as part of the monthly forecasting between management accounts and budget managers, journals posted are included in the actual spend in the month and will therefore be reflected in the overall position of a particular cost centre.	Complete	Chief Finance Officer and s.151 Officer
The Council now prepares group financial statements however the Annual Governance Statement appears to be focussed on the Council with limited reference to the subsidiary company, Hoople. The code confirms that where there is a group relationship, the review of the internal control systems shall include group activities.	We therefore recommend that management look to expand the Annual Governance Statement in future years to cover the group activities.	The Council will consider adopting this going forward.	The Council already has a process for providing assurance that partnerships governance arrangements are sufficiently robust – through annual assessment against the framework for partnerships governance. This process is already used to inform the Annual Governance Statement regarding Hoople governance as reflected by specific recommendations in the statement regarding Hoople governance. However, discussions are underway between the s151 officer, monitoring officer and Hoople Chief Officer to ensure that this process is as comprehensive as necessary and	Incomplete	Chief Finance Officer and s.151 Officer

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			appropriately reflected in future statements.		