

ANNEX A

EXTERNAL AUDITOR'S RECOMMENDATIONS FROM **AUDIT FINDINGS REPORT 2021/22** – 21st March 2023

RESULTING FROM FINANCIAL AUDIT FOR 2021/22

Assessment	Issue and Risk	Recommendation	Management Response	Timeline
HIGH	The s151 office recognises that capacity within the finance team remains a significant issue. We are of the view that there is not sufficient skilled finance expertise below the s151 Officer and Chief Accountant to support the multiple responsibilities of the LG finance team. Specifically, the reliance on the Chief Accountant, who has for a number of years taken on almost sole responsibility for supporting the external audit process, means that timely audit completion is compromised.	We recommend that the Council strengthen its finance capacity to enable it to commit sufficient time to all aspects of internal and external financial reporting.	A recruitment process has been started.	The closing date for applications is 13 th November 2023.
LOW	The journal authorisation process in place involves the Chief Accountant reviewing all journals, with any journals posted by the latter subject to a separate review by the Business Manager for Finance. The second review did not consistently include a date.	We recommend that all levels of review be properly documented with the date the review took place.	The Business Manager for Finance left in July 2023. Moving forwards, the Director of Finance will review (and date) the journals by the Chief Accountant as part of the budget monitoring process.	Starting with Quarter 3 report.

LOW	As part of our review of the ledger we noted one journal has a blank description. Journal line descriptions are not mandated in the Agresso system. It is best practice within the Council that this be filled in.	We recommend that journal line description be a mandatory field in Agresso system.	Such a systems change, to make the field mandatory, would be a costly process. It should be noted that this was <i>one</i> journal and due purely to human error.	N/A
LOW	We have noted that an officer included in the Council's journal user list was no longer employed at the Council.	We would recommend that management regularly update the user list for any leavers.	The auditors were provided with a manual list and a system list which clearly shows leavers with a .OLD suffix. Manual list will be reviewed and updated for leavers.	Ongoing.