

475/2014

REQUEST

I am undertaking some research on journal controls in local government and I would be very grateful if you could provide answers to the following questions;

1. Does your finance department require authorisation of accounting journals prior to entry i.e. does the journal need to be approved by another person before it can be processed ?
2. If the answer to 1. is 'No' - is there any post entry authorisation of journals ?
3. Does your finance department allow accounting journals to be entered remotely from outside the office i.e. when finance staff are working from home/outside the office.
4. If the answer to 3. is 'Yes' - have your internal or external audit functions ever raised concerns about these 'remote journals' and where they serious or moderate or low risk concerns. Where these concerns ever mentioned on your Annual audit letters
5. If the answer to 4 is 'Yes' - do you intend to do anything about it
6. If the answer to 4 is 'Yes' - what did you understand audits concerns to be about i.e. were they concerned about hacking risks or risks of journals not being authorised before being processed or something else.
7. Finally - in the opinion of your chief accountant or Financial services manager or chief internal auditor - how much ADDITIONAL risk is created to the council on a scale of 1 to 10 (where 10 is high 'added risk') of allowing journals to be entered remotely (e.g.staff working from home) when there is ALREADY NO pre-authorisation procedure in place for ALL JOURNALS (done remotely or in the office) - i.e. where all journals entered are automatically consolidated to the finance system with no pre-authorisation process. I know it is subjective but any estimation of additional risk is much appreciated.

RESPONSE

1. Does your finance department require authorisation of accounting journals prior to entry i.e. does the journal need to be approved by another person before it can be processed ? **NO**
2. If the answer to 1. is 'No' - is there any post entry authorisation of journals ? **YES – journals over £100k**
3. Does your finance department allow accounting journals to be entered remotely from outside the office i.e. when finance staff are working from home/outside the office. **NO**
4. If the answer to 3. is 'Yes' - have your internal or external audit functions ever raised concerns about these 'remote journals' and where they serious or moderate or low risk concerns. Where these concerns ever mentioned on your Annual audit letters **NA**
5. If the answer to 4 is 'Yes' - do you intend to do anything about it **NA**

6. If the answer to 4 is 'Yes' - what did you understand audits concerns to be about i.e. were they concerned about hacking risks or risks of journals not being authorised before being processed or something else. **NA**

7. Finally - in the opinion of your chief accountant or Financial services manager or chief internal auditor - how much ADDITIONAL risk is created to the council on a scale of 1 to 10 (where 10 is high 'added risk') of allowing journals to be entered remotely (e.g.staff working from home) when there is ALREADY NO pre-authorisation procedure in place for ALL JOURNALS (done remotely or in the office) - i.e. where all journals entered are automatically consolidated to the finance system with no pre-authorisation process. I know it is subjective but any estimation of additional risk is much appreciated. **NA**