

**CITY AND COUNTY OF SWANSEA  
FINAL INTERNAL AUDIT REPORT  
FINANCIAL SERVICES & SERVICE CENTRE  
ACCOUNTS RECEIVABLE 2018/19**

## **1. Introduction**

- 1.1 An audit has recently been completed of the Accounts Receivable system which is used by all invoice generating Services in the Council. This system is managed and controlled by the Accounts Receivable (AR) Team within Financial Services & Service Centre.
- 1.2 The objectives of the review were to ensure that adequate financial controls are in place for minimising business risk, and that the controls are operating in practice.
- 1.3 The scope of our work is based on the CIPFA audit programme and the audit included the evaluation and testing of a range of controls regarding the following:
- Financial regulations and procedure notes.
  - User access.
  - Creation of invoices.
  - Collection of income.
  - Recovery of arrears.
  - System reconciliations.
  - Invoice cancellations.
  - Write-offs.
  - Refunds.
  - Disaster Recovery and Business Continuity.
  - System back-ups.
  - Performance monitoring.
- 1.4 It was noted between January 2017 and December 2017 (the most recent statistics available) that 25,996 invoices had been raised. Of these, 85% was collected within 12 months. This is a reduction from the previous audit when the collection rate was 95.4%.
- 1.5 We are aware that the performance of the Accounts Receivable team has been adversely affected by a reduction in dedicated staff resources. This has been due to a reduction in the number of officers in the team and to organisational restructures that have occurred.
- 1.6 The Accounts Receivable team was last audited in 2017/18 when there were 13 recommendations and the opinion rating was “Substantial”.
- 1.7 The findings and conclusions of the audit are recorded in this report, and the Recommendations arising are shown in the attached Management Action Plan.
- 1.8 The report has been divided into two sections to ensure that findings and recommendations can be directed at the appropriate staff within the Council. The first section relates to findings relating to Services within the Council, and the second section contains findings relating to the AR Team.

## 2 Other Council Services

### 2.1. Raising of Invoices

- 2.1.1 The raising of invoices is decentralised to officers in all Services of the Council. A customer should only be allowed credit after a check is carried out on the AR system for unpaid invoices and a check of their credit history. All Services that create invoices have been issued with guidance on how to carry out credit checks.
- 2.1.2 A sample of invoices was chosen where a new invoice had been created for debtors who already had overdue invoices on the system. These were reviewed to confirm that further credit was only allowed if the service was required to be provided by statute. 19 out of 20 invoices tested satisfactorily, however in one case (invoice 60251862 for £1,089.00 created by Trading Standards) had been raised when there was already an existing overdue debt in being.
- 2.1.3 A sample of invoices was checked to ensure that they were raised promptly, the value was correct and that the invoice had a valid budget code. 19 out of 20 invoices tested satisfactorily, but in the case of invoice number 60292375, for £1,950 created by Highways & Transportation there was a delay in the invoice being created. This will be highlighted to the Service at their next audit.
- 2.1.4 Three systems interface into the Accounts Receivables system - Highways, Trade Waste, and Lifeline. A sample of 10 interface records were reviewed. Seven were found to be satisfactory but three did not have adequate evidence of being reconciled.

### 2.2 Disputes

- 2.2.1 Reports of invoices classed as being in "Dispute" are forwarded to the relevant Head of Service each month to be reviewed at PFM. It was confirmed that reports had been distributed on a monthly basis.
- 2.2.2 As at November 2018, there were 166 invoices with a value of £581,045 subject to a Dispute. A comparison with the number at the time of the last audit is shown below:

<b>DISPUTES</b>	<b>November 2017</b>	<b>November 2018</b>
Value	£459,721	£581,045
Number	235	166

- 2.2.3 It was found from a sample check that a number of Disputes had not been resolved by the Service that created the invoice within the 14 day target period. Examples are stated in the table that follows:

<b>Invoice No</b>	<b>Amount due £</b>	<b>Debtor</b>	<b>No of days classed as "Dispute"</b>	<b>Service</b>
60169066	4,659.46	A	2059	AS-Income & Finance
60166216	2,857.17	A	2121	AS-Income & Finance
60236814	568.98	B	1083	HREV - Leasehold Service Charges
60217357	320.95	C	1359	EP-Swansea Marina

Invoice No	Amount due £	Debtor	No of days classed as "Dispute"	Service
60259625	33.85	D	657	CBS-Schools Work
60278288	10,066.56	E	392	EH-Trading Standards
60279032	30,000.00	F	385	FS-Financial Strategy and Reports
60288077	380.88	G	251	FS-Financial Strategy and Reports
60286255	1,997.55	H	278	TE-Highways Engineering Services
60288097	950.00	H	251	TE-Highways Engineering Services

2.2.4 It was recommended (and agreed) in the 2015/16 and 2016/17 audit reports that income should be clawed back from Services if disputes relating to invoices have not been resolved within 90 days. It was noted however, that the Cash Management and Accounts Receivable Manager had carried out a cleanse of invoices on Dispute, and that Services were notified that if disputes were not resolved after six months the invoices would be cancelled and income clawed back from Service's budget.

### **3 AR Team**

#### **3.1 Financial Regulations & Procedure Rules**

3.1.1 The Council's Financial Procedure Rules and Accounting Instructions provide a framework for the creation of invoices, amending invoices, receipt of income, and recovery of outstanding debt. Accounting Instructions No. 7 relates to the collection of credit income and was found to be up to date.

#### **3.2 User Access**

3.2.1 It was noted that the AR Oracle User Access report had not been reviewed for user responsibilities since September 2017.

3.2.2 A review of staff in Services with access to the Oracle system was carried out to ensure that access rights were appropriate. This proved satisfactory.

3.2.3 A discussion with the Cash Management & Accounts Receivable Manager regarding the access of officers in AR revealed that there was an officer with access (SuperUser/Administrator) that was no longer appropriate to their current post.

#### **3.3 Raising Invoices**

3.3.1 A review was carried out to ensure that invoices were consecutively numbered, without any gaps in the sequence allocated by the system. A report generated showed that there had been three occasions since January 2018 where gaps had occurred but officers in AR were aware of these, and had recorded the details appropriately.

#### **3.4 Invoice Cancellations**

3.4.1 A sample of 20 cancellations was checked to confirm they had been processed in accordance with the agreed procedures. This test proved satisfactory.

3.4.2 It was confirmed that a routine sample check of 10% of cancellations had been carried out by senior officers within the AR team. This check is to ensure that cancellations are valid, properly authorised, and have been actioned correctly.

### 3.5 Receipt of Income

3.5.1 The system access levels allocated to staff for recording income were reviewed and found to be satisfactory.

3.5.2 A review of the official invoice used by AR confirmed that all available payment methods are stated on the reverse of the invoice.

3.5.3 Income received from the cash system should be reconciled to the Accounts Receivable system on a daily basis. A sample check of ten days spread throughout 2018 was reviewed and found to be satisfactory.

3.5.4 Unidentified (debtor unidentified) and Unapplied (debtor known, but invoice unidentified) cash receipts are reviewed by AR on a regular basis. A comparison of the both types as at December 2017 and December 2018. There had been significant progress in the unidentified values, however unapplied figures have increased. It was also noted that some of the unidentified payments were dated as far back as 2004, although the majority were for a low value.

Date	Unidentified £	Unapplied £
December 2017	£69,669	£43,366
December 2018	£4,406	£128,942

### 3.6 Debt Recovery

3.6.1 The system escalates each unpaid invoice through stages in the system although manual interventions can be made. A check that the appropriate reminders and Final reminders were being issued promptly proved satisfactory.

3.6.2 At the time of the audit, it was found that reminders sent to debtors advised of a 2% credit card charge. It was confirmed that Design Print had been informed that this had been removed, but had reverted back to using an old stock of reminders.

3.6.3 A check on a sample of 20 unpaid invoices to confirm that the debt escalation process was working satisfactorily was carried out. It was found that for all of the 20 invoices in the sample, the debts were not being progressed as would be expected:

Invoice No	Invoice Date	Amount Due £	Date of last action on Oracle	Comment.
60242690	March 2016	£6,939.19	February 2018	AR team should be escalating debt.
60275310	Aug 2017	£4,578.84	February 2018	AR team should be escalating debt.
60243222	March 2016	£3,179.55	October 2017	AR team should be escalating debt.

Invoice No	Invoice Date	Amount Due £	Date of last action on Oracle	Comment.
60275863	August 2017	£2,880.00	No recovery action taken.	AR team should be escalating debt.
60255582	October 2016	£2,701.12	July 2018	AR instructed by Service Department to pursue recovery, however this was not being progressed.
60248048	May 2016	£2,479.00	September 2017	AR team should be escalating debt.
60257386	November 2016	£2,281.20	September 2017	AR team should be escalating debt.
60218569	March 2015	£1,967.21	February 2018	AR team should be escalating debt.
60246542	April 2016	£2,186.85	August 2018	AR team should be escalating debt and should have been placed back on agreement
60239946	January 2016	£1,550.01	No recovery action taken.	AR team should be escalating debt.
60240295	January 2016	£1,346.70	No recovery action taken.	AR team should be escalating debt.
60236227	November 2015	£1,346.59	No recovery action taken.	AR team should be escalating debt.
60239499	January 2016	£1,112.87	No recovery action taken.	AR team should be escalating debt.
60239194	January 2016	£1,108.27	No recovery action taken.	AR team should be escalating debt.
60211703	October 2014	£990.00	November 2014	AR team should be escalating debt.
60177047	June 2013	£800.00	July 2018	AR team should be escalating debt
60188067	November 2013	£300.00	No recovery action taken.	AR team should be escalating debt.
60275655	August 2017	£30,897.60	February 2018	Officers in the AR team were advised by officers in the Service that created the invoice that it had been referred to Legal. However, this had not been confirmed, and a referral had not been made. This was an isolated occurrence as AR team should refer all cases to Legal.
60275072	August 2017	£23,676.26	May 2018	AR should be escalating debt.
40002726	November 2009	£705.26	November 2016	AR should be escalating debt.

- 3.6.4 While carrying out this test it was noted that some invoices were approaching the six year limitation period when the debt could no longer be enforced, and that diary entries were not being used to follow-up contacts with the debtor.
- 3.6.5 A review of a sample of invoices where “Agreements” had been put in place with the debtor confirmed that instalments were being monitored satisfactorily on a monthly basis.
- 3.6.6 It was found that agreements put in place with debtors who are subject to an Independent Voluntary Arrangement (IVA) were not being reviewed regularly.
- 3.6.7 A sample of ten invoices that were recorded on AR as being “Referred to Legal” was checked to ensure that recovery action was ongoing in Legal by referring to their Timebase case management system. The following was found:

Invoice number	Invoice Date	Original amount due	Status with Legal	Test Satisfactory
60294830	June 2018	£16,286	Company in liquidation, Legal dealing with this process ongoing.	Yes.
60190349	January 2014	£15,961	Responsible Officer in Legal left in July 2018 and not assigned to another member of staff member.	No. Legal not pursuing as expected.
60229791	August 2015	£4,950	Legal progressing case - possible Write Off.	Yes.
60217489	February 2015	£4,500	Case closed by Legal April 2016 but no trace of email sent to AR inbox.	No. AR team not aware that case has been closed.
60094246	February 2010	£4,958	Case closed by Legal December 2016 but no trace of email to AR inbox.	No. AR team not aware that case had been closed.
60194236	March 2014	£2,132	Responsible officer in Legal left the Council in July 2018 and not yet assigned to another member of staff.	No. Legal not pursuing as expected.
60268008	April 2017	£2,300	Case sent to Legal's Inbox but marked as complete in error. Will have to be re-opened as soon as staff capacity allows.	No. Legal not pursuing as expected.
60141840	December 2011	£2,190	Case closed by Legal in March 2016.	No. AR team not aware that case had been closed.

Invoice number	Invoice Date	Original amount due	Status with Legal	Test Satisfactory
60121430	March 2011	£398	Referred to Legal in October 2013 but no further action taken.	No. Legal not pursuing as expected.
04826449	May 2006	£1,269	Referred to Legal on in February 2014 but no action taken by Legal.	No. Legal not referring as expected.

3.6.8 We attempted to reconcile the number of invoices recorded as “Referred to Legal” on the AR system to the number being progressed by Legal. As at November 2018, 501 invoices were recorded as being “Referred to Legal” on AR, but officers in Legal advised that they only held 124.

3.6.9 Although invoices with large values are prioritised, there was a backlog of approximately 4,100 overdue invoices that are likely to be eligible to be sent to officers in Legal. Before these invoices can be forwarded to Legal, officers in AR must obtain evidence from the relevant Service that the debt can be substantiated. This is a time consuming process and we were advised that this was unable to be addressed due to a lack of staff resources in the AR team.

### 3.7 Write-offs

3.7.1 Invoices which are eligible to be written-off are submitted to the Head of Financial Services & Service centre on a periodic basis. A sample of ten Write-Off Pro-Forms was selected to ensure that they had been properly authorised and that all recovery avenues had been exhausted. It was found that the Pro-Forma had not been saved to the server for invoice number 60104954.

3.7.2 A sample of ten requests for write-off received from officers in the Service that created the invoice was reviewed. These were checked to ensure that they were being processed promptly and that the write-off was appropriate. Nine out of ten in our sample proved satisfactory, however in the case of invoice 60287346 for £847.22 it was found that all recovery avenues had not been exhausted.

3.7.3 A sample of ten write-offs that had been approved by Head of Financial Services and Service Centre were selected to ensure that they had been written-off on the AR Oracle system. This tested was satisfactory.

3.7.4 While reviewing write-offs processed it was noted that invoice 60162410 had been written-off but a second invoice for the same debtor (60165017) had not been written-off as required.

### 3.8 Refunds

3.8.1 Written procedures for processing refunds have been compiled and it was confirmed that there is an adequate division of duty for the creation of refunds. A sample of ten refunds was selected to ensure that they had been processed in accordance with these procedures.

3.8.2 All ten cases tested satisfactorily with it being confirmed that a credit balance existed on the account in question, and the debtor did not have any other accounts which were overdue.

### 3.9 Monitoring and Reporting

3.9.1 It was confirmed that monthly reports of disputed debts/total debt over 60 days were being reported to all Heads of Services and the relevant managers to review at PFM.

3.9.2 The overall total debt outstanding on the system as at January 2018 and 2019 was as follows:

Debt level	2017/18 (Jan 2018)	2018/19 (Jan 2019)
Total debt.	£7.6m	£8.2m
Average monthly overdue debt.	£8.8m	£10.1m
Overdue more than 4 months.	£0.9m	£1.2m
Overdue more than 12 months.	£1.8m	£1.9m

3.9.3 It was noted that there are no performance targets for the AR section and that reports on debt recovery performance are not routinely produced and presented to senior management within Financial Services and Service Centre.

### 3.10 Legacy Invoices

3.10.1 Legacy invoices are invoices created prior to the introduction of the Oracle AR system in April 2006. A review of outstanding Legacy invoices was carried out to ensure that recovery action was ongoing. Our testing revealed the following:

- a) There were 27 legacy invoices held on the system.
- b) 11 invoices are at 'Write-Off' status.
- c) 9 invoices were subject to an agreement/legal arrangement.
- d) 5 invoices did not have any evidence of ongoing debt recovery.
- e) The remaining 2 invoices were school invoices. Whilst carrying out this test, it was noted that unpaid invoice reports for schools were not being routinely issued.

### 3.11 Security of Data

3.11.1 All officers in AR are aware of the principles of General Data Protection Regulation 2016 (GDPR) requirements and the Council is registered on the Information Commissioner's website. The GDPR Managers Checklist was also provided to demonstrate compliance with the regulation.

3.11.2 There is a Business Continuity Plan in place, although it was noted that this was compiled in December 2014. It was stated at the time of the audit that a new BCP is being developed by the Head of Service to take account of staff restructures and agile and working arrangements.



### 3.12 Social Care Debt

3.12.1 Social Care debts used to be invoiced using the AR system but invoices are now created on the Abacus system. It was noted that there were only five unpaid Social Care invoices held on the AR system. These were reviewed and the following was identified:

- a) Three invoices were being pursued by the Social Care Income & Finance Team but the AR team had not been provided with updates since January 2018.
- b) One invoice was subject to satisfactory ongoing recovery.
- c) The remaining invoice was held on 'Write-Off' status.

## 4 Conclusion

- 4.1. The Internal Audit Section operates a system of Assurance levels which gives a formal opinion of the achievement of the service's/system's control objectives. The Assurance levels vary over four categories: 'High', 'Substantial', 'Moderate' and 'Limited'.
- 4.2 Recommendations arising from this review are detailed in the attached Management Action Plan. Each recommendation has been prioritised according to perceived risk – High, Medium, Low and Good Practice. The overall Assurance level is based on the recommendations made in the report.
- 4.3 The description of each type of recommendation and also the basis for each of the assurance levels is noted in **Appendix 1**.
- 4.4 It was found during the course of our review that although some procedures were working satisfactorily there were key areas that require attention. These relate to the monitoring of invoices categorised as being “on dispute”, the escalation of unpaid invoices, and the communication with staff in Legal regarding invoices referred for court action.
- 4.5 As a result, an Assurance Level of “**Moderate**” has been awarded. This indicates that the ineffective controls represent a significant risk to the achievement of system objectives.
- 4.6 We will contact you in due course to confirm that you have implemented the agreed recommendations.
- 4.7 This audit was conducted in conformance with the Public Sector Internal Audit Standards.

## Appendix 1

### Classification of Audit Recommendations

<b>Recommendation</b>	<b>Description</b>
High Risk (HR)	Action by the client that we consider <b>essential</b> to ensure that the service / system is not exposed to <b>major risks</b> .
Medium Risk (MR)	Action by the client that we consider <b>necessary</b> to ensure that the service / system is not exposed to <b>significant risks</b> .
Low Risk (LR)	Action by the client that we consider <b>advisable</b> to ensure that the service / system is not exposed to <b>minor risks</b> .
Good Practice (GP)	Action by the client where we consider <b>no risks</b> exist but would result in better quality, value for money etc.

### Audit Assurance Levels

<b>Assurance Level</b>	<b>Basis</b>	<b>Description</b>
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice.	There is a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk.
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk.	The ineffective controls represent a significant risk to the achievement of system objectives.
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk.	The ineffective controls represent unacceptable risk to the achievement of the system objectives.

**MANAGEMENT ACTION PLAN  
FINANCIAL SERVICES & SERVICE CENTRE  
ACCOUNTS RECEIVABLE 2018/19**

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
2.1.2	Services should be reminded that they should carry out credit checks to ensure further credit is not allowed where there is an existing unpaid debt unless the service being provided is required by statute.	LR	Agreed. E mail to be sent to all HOS to be cascaded to all staff responsible for income collection.	Michelle Davies	Already implemented.	NA
2.1.4	Evidence should be maintained of all interfaces being reconciled to AR.	LR	Agreed. All AR staff to be reminded of importance of this process and ensure that correct process is followed consistently. The interface reconciliation process to be reviewed.	Michelle Davies	Already implemented.	NA

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
2.2.4	Income should be clawed back from a Service if a "Dispute" is not resolved within six months.  <b>(Previous Audit Recommendation)</b>	MR	Agreed. Old dispute review to be carried out every 6 months to review and cancel disputed invoices where no action is being taken to resolve and no communication received from service dept.	Michelle Davies	Already implemented and scheduled for May & Nov 2019 to start process again.	Scheduled and ongoing process of review and action
3.2.3	System users with Super User/ Administrator access to be checked on an annual basis by the AR Transaction Manager.	LR	Agreed	Michelle Davies	October 2019 (Next Annual Review)	Scheduled

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
3.5.4	Measures should be taken to reduce the number and value of unapplied credits.	GP	Agreed. The existing process is long-winded and is a work-around process as the system has no specific set procedure. A change request was raised for a new correct process to be developed however it is not possible to progress this until we move to Oracle Cloud solution. In the meantime AR staff will prioritise this list as and when they can with the resource available. Oracle Cloud implementation is estimated to be mid to late 2020. Either there will be a standard process available or it will be developed at or after implementation.	Michelle Davies / Alison Evans / Laura Bombroffe / Oracle Sysadmin	Acknowledged March 2019. This is an ongoing process of AR 's routine workload.	<p>The list is continuously reviewed as part of 'business as usual'. The AR team have scheduled an additional 2 days per month to work on the older credits.</p> <p>Prior to the move to Oracle Cloud, a full leaner systems review of the current process will be undertaken and streamlined/automated where possible</p>
3.6.2	Design Print should be notified immediately to remove the mention of a 2% credit card charge on reminders issued.	GP	Agreed. DP had failed to remove old paper stocks as instructed.	Laura Bombroffe	Already implemented	NA

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
3.6.3 & 3.6.9	<p>All debts should be escalated on a timely basis. Where payment is not received within the timescales allowed a decision should be made on whether to refer to Legal or write-off the debt.</p> <p><b>(Previous Audit Recommendation)</b></p>	HR	<p>Agreed in principle but there is a finite amount of resource on the team which will limit the capacity to review the backlog of invoices. There is a strategy in place to review the debt backlog and staff are given work targets to complete. Debt recovery activities have to be constantly reviewed and adjusted so that all high, middle and low value debts are covered. The team works on different invoices as prioritised but it's not possible to provide assurance that every invoice will be progressed within the timescales. Communications have been sent out to HOS in Jan 2019 for cascading to staff responsible for collecting income to remind them of their responsibilities and to request that they implement a monthly debt recovery routine in each section to support the central service.</p>	Michelle Davies	July 2019 to complete Apex Ageing Debt report development and issue communications .	<p>The Debt Recovery strategy is continuously reviewed with key areas monitored. Invoice priorities are flexed to ensure that all areas are covered.</p> <p>Review will be undertaken to see if the move to Oracle Cloud can provide any automation/workflows to assist in this process</p>

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
			<p>In addition, there is development work in progress to create Ageing Debt reports in the Apex application which will allow Service Depts to extract real-time reports themselves. Once these self-serve reports go live the reminder to implement a debt recovery routine in each Service Dept will be included in all of the communications that will be issued.</p>			<p>Work is currently underway to continue to develop new Ageing reports and Dashboards within the Apex reporting app.</p>
3.6.4	<p>Very old unpaid invoices should be prioritised to ensure limitation period does not expire.</p> <p>Diary entry dates should be used in all instances to ensure debt recovery is pursued.</p>	<p>MR</p> <p>LR</p>	<p>Agreed. Old invoices will be reviewed as part of the AR debt recovery activities prioritisation. These were reviewed at the last debt recovery extract and will be regularly reviewed.</p> <p>AR staff to be reminded that all follow up actions should be diarised.</p>	Michelle Davies	March 2019	<p>This has been completed and remains a criteria for prioritisation</p> <p>Completed</p>

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
3.6.6	Invoices subject to IVA's should be checked on a six monthly basis to ensure payments are being received.	LR	Agreed. These were last reviewed in Nov 2018 and debt recovery activity procedures will incorporate a regular review of all invoices on hold.	Michelle Davies	March 2019	This has been completed and remains a criteria for prioritisation
3.6.7	Officers in Legal should pursue unpaid debts. <b>(Previous audit recommendation)</b>	MR	Agreed. AR team will review the identified cases and re-refer to legal where appropriate	Michelle Davies	April 2019	Completed



REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
3.6.8	An up-to-date reconciliation should be carried out to confirm the status of all debts categorised as "Referred to Legal" and this reconciliation should be carried out periodically in the future. <b>(Previous audit recommendation)</b>	LR	Agreed in principle but there is a finite amount of resource on the team which will limit the capacity to carry out a complete review of the invoices in this area. Work has been periodically carried out over the previous 8 years and progress has been made each time but the problem has persisted as there has been insufficient resource to complete the task as it is very time consuming. The work area will continue to be periodically worked on throughout the year, however the extent to which it can be completed will depend on the amount of resource available to dedicate to it.	Michelle Davies / Debbie Smith	September 2019.	2 work days per month have been allocated to re-commence progress on this review.  Review will be undertaken to see if the move to Oracle Cloud can provide any automation/workflows to assist in this process
3.7.1	All Write-off Pro-formas should be saved to the server.	GP	Agreed. AR staff to be reminded. A new automated process is being developed which will ensure that all requests are automatically validated and saved so will remove the reliance on staff having to remember.	Michelle Davies	March 2019	The new process is under current development with IT and is progressing well.

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
3.7.2	Checks should be taken to ensure all appropriate steps are followed prior to an invoice being written off.	GP	Agreed. AR staff to be reminded.	Michelle Davies	March 2019	Completed
3.7.4	Invoice number 60165017 should be submitted for write-off.	GP	Agreed.	Michelle Davies	Already implemented	NA
3.9.3	Reports on the performance of debt collection should be presented to the Section 151 Officer on a quarterly basis.	LR	Agreed subject to confirmation of what information is required by S151.	Michelle Davies / Sian Williams	Implemented	Performance of Debt is included in the Monthly Resources P&FM Report and is authority wide
3.10 1(d)	All "Legacy" invoices that are not subject to an "Agreement" should be routinely reviewed.	LR	Agreed. These were last reviewed in Nov 2018 and debt recovery activity procedures will incorporate a regular review of all invoices on hold.	Michelle Davies	March 2019	Completed
3.10 1(e)	Unpaid invoice reports for schools should be sent to Primary Support Officers (PSO's) on a quarterly basis.	GP	Agreed.	Laura Bombroffe	Already implemented	NA

REPORT REF	RECOMMENDATION	CLASS (HR; MR; LR; GP)	AGREED ACTION/ COMMENTS	RESPONSIBILITY FOR IMPLEMENTATION	IMPLEMENTATION DATE	Update May 2019
3.11.2	The Section's Business Continuity Plan should be updated. <b>(Previous Audit Recommendation)</b>	LR	Agreed.	Sian Williams	Already implemented	NA
3.12.1 (a)	All remaining Social Care debts should be reviewed by officers in AR on a six-monthly basis.	LR	Agreed. These were last reviewed in Nov 2018 and debt recovery activity procedures will incorporate a regular review of all invoices on hold.	Michelle Davies	March 2019	Completed
<b>Service Departments</b>						
3.12.1 (a)	Social Care Income & Finance Team should update the "Notes" tab within AR to evidence recovery action taken.  <b>(Previous audit recommendation)</b>	GP	Agreed.	Laura Bombroffe / Revs & Bens Overpayment Recovery team	Already implemented	NA