



Report of the Head of Democratic Services

Audit Committee – 10 November 2020

Audit Committee Action Tracker Report

Purpose:	This report details the actions recorded by the Audit Committee and response to the actions.
Report Author:	Jeremy Parkhouse
Finance Officer:	N/A
Legal Officer:	N/A
Access to Services Officer:	N/A
For Information	

1. Introduction

- 1.1 During the course of Audit Committee meetings various actions may be decided which are recorded on the minutes of the meetings.
- 1.2 As agreed in 2016/17 an Action Tracker process was put in place to ensure transparency over the outcomes of actions agreed by Committee.
- 1.3 The Action Tracker records the actions agreed by the Audit Committee and provides an outcome for each action.
- 1.4 The Action Tracker for the 2018/19 and 2019/20 Municipal years are attached in Appendix 1 and 2. Responses provided in respect of issues raised at previous meetings are attached at Appendix 3.
- 1.5 The Action Tracker is regularly updated and any completed actions will be marked 'Complete' and coloured in grey.
- 1.6 The Action Tracker is reported to each Audit Committee meeting for information.

2. Equality and Engagement Implications

2.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

2.2 There are no equality and engagement implications associated with this report.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 There are no legal implications associated with this report

Background Papers: None

Appendix 1 – Audit Committee Action Tracker 2019/20 (Closed actions removed)

Appendix 2 – Audit Committee Action Tracker 2018/19 (Closed actions removed)

Appendix 3 – Responses in relation to Minute No. 131 - Service Centre: Accounts Receivable - Update

Appendix 1

AUDIT COMMITTEE ACTION TRACKER 2019/20				
Date of Meeting	Minute Ref	Action	Nominated Officer(s)	Status
20/10/20	11	Audit Committee Action Tracker Report		
		In the absence of the Chair, the Section 151 Officer commented that a report on risk would be provided at the next scheduled meeting in November 2020 which would provide the Committee with a substantial update.	Richard Rowlands / Jeremy Parkhouse	Completed Report included on the agenda for 10 November 2020.
08/09/20	131	Service Centre: Accounts Receivable - Update		
		Service Departments be reminded of their responsibilities and role in the invoice process, which should be reinforced through the Directors and Heads of Service to ensure consistency and robustness of process.	CMT / Heads of Service	Completed Service Departments reminded of their responsibilities via Directors / Heads of Service – Copy emails provided at Appendix 3.
		A progress report be provided to the Committee in February 2021.	Michelle Davies / Sian Williams	Ongoing Update report to be provided to Audit Committee in February 2021.
30/06/20	116	Employment of Agency Staff		
		The Committee is kept updated regarding the review of the current Agency Worker policy.	Adrian Chard	Ongoing Update to be provided in January 2021.
30/06/20	111	Review of Partnerships in the City and County of Swansea		
		An update report in respect of progress made on the Welsh Government recommendations be added to the Audit Committee Tracker and provided in November / December 2020.	Adam Hill	Ongoing Update report to be provided in December 2020.
		An update be provided regarding the future Scrutiny of the body that replaces ERW in 2021.		Ongoing Update report to be provided.
		An update report regarding the development of a new Local Transport Plan be added to the Audit Committee Work Plan.	Martin Nicholls / Stuart Davies	Ongoing Update report to be provided.
26/05/20		Meeting Adjourned to 01/06/20		
1404/20		Meeting cancelled due to the Coronavirus Pandemic		

10/03/20	87	Building Services Plant - Findings Update - Internal Audit Report 2019/20		
		The service area further investigates the introduction of a bar reader in respect of stock management.	Nigel Williams / Rob Myerscough	Ongoing Response received 27/04/20 – The Service have been waiting a few years for a bar coding system, it is with IT at present but other large projects such as Oracle / Fusion have been given priority.
11/02/20	78	Overview of the Overall Status of Risk - Quarter 3 2019/20.		
		1) the Strategic Delivery & Performance Manager considers the exception reporting format for future meetings;	Richard Rowlands	Completed Risk included on agenda for 10 November following suspension as a result of COVID-19..
		2) the reasons for the closure of a risk be reported to the next ordinary Audit Committee meeting.	Richard Rowlands	Completed Risk included on agenda for 10 November following suspension as a result of COVID-19.
11/02/20	77	Governance Group Update Report		
		The Governance Group will ensure that a six-month update report is provided to the Audit Committee next year.	Adam Hill	Ongoing Update to be provided in December 2020.
11/02/20	73	Scrutiny Work Programme 2019-20		
		The Chair seeks assurance regarding future management of staff and staff resource being an issue throughout the Council;	Chair	Ongoing The Covid Pandemic has affected the normal operation of the Council with a number of employees being repurposed into support roles. These roles have enabled the council to offer a greater level of help and support to our communities and also to implement the trace element of the Test, trace and protect programme. A large number of these staff have now returned to their substantive posts. A first phase response to aid recovery has been implemented to enable the council to continue to support the communities as well as

				<p>ensure we can return as many of the services back to as close to normal business as we can at this point. A more detailed recovery plan will be presented at Cabinet on 15th October which will set a framework for further recovery.</p> <p>In addition a number of restructures have taken place including areas of Finance. This first phase of the restructure was presented and approved at Council at the end of September and sees a strengthening of management arrangements in finance.</p>
		Future monitoring of external audit recommendations be discussed further.	CMT	Ongoing Email sent to CMT 02/03/20.
	68	<p>Internal Audit Recommendation Follow-Up Report - Quarter 2 2019/20</p> <p>The need for more robust tracking of External Audit recommendations be referred to the Corporate Management Team for discussion. Combined with action highlighted at Minute No.32 from 16/09/19.</p>	CMT	Ongoing Email sent to CMT 02/03/20.

Appendix 2

AUDIT COMMITTEE ACTION TRACKER 2018/19				
Date of Meeting	Minute Ref	Action	Nominated Officer	Status
11/12/18	59	<p>Overview of the Overall Status of Risk – Quarter 2 2018/19</p> <p>The contents of the Risk Register requires enhancement.</p>	Richard Rowlands	<p>Completed</p> <p>Risk included on agenda for 10 November following suspension as a result of COVID-19.</p>

Appendix 3

Hello

Please see the attached email that has been issued to all Directors and Heads of Service. The email has been issued as it is a required action on the Audit Committee Action Report.

All Directors and HOS are reminded of the service area responsibilities for customer credit and debt recovery and are requested to ensure that this is cascaded to all relevant staff in their area.

Please can this also be added to the P&FM agenda for each area for visibility and awareness.

Thank you

Cofion Cynnes | Kind regards
Michelle

Hello

[For information and cascading]

Accounts Receivable invoices – giving customer credit and recovering debt

Directors and Heads of Service are reminded of the importance of adhering to the responsibilities and requirements set out in [Accounting Instruction 7](#) for giving customer credit, raising invoices and recovering outstanding debt. This reminder is being issued as a result of an instruction in action point 131 of the Audit Committee Action report. I have also requested that this item be picked up in the P&FM agenda for each area.

The Authority is facing unprecedented financial challenges and must ensure that income recovery remains high on everyone's agendas. Successful debt recovery is the consistent performance of accurate and timely recovery activities that take account of the individual debtor circumstances. All departments have a role to play in this process and a responsibility to ensure that we protect the public purse. The Service Departments role and responsibility runs continuously and simultaneously alongside the Accounts Receivable Team throughout the life of the invoice.

All staff in your department that are responsible for raising Accounts Receivable invoices should be made aware of the following:

- Invoices should be raised promptly and, if possible payment in advance sought wherever possible instead.
- Invoice detail should be concise and contain sufficient information to clearly explain what the charges relate to. Customer contact information supplied to AR should be accurate and up to date.
- Staff must obtain purchase orders for goods or services provided to large businesses and organisations prior to supply.

- Staff must obtain and retain all relevant evidence relating to the debt at the point that the goods or services are ordered and ensure that this evidence is supplied to the Accounts Receivable Team when requested. This will ensure that there are no unnecessary delays in the recovery process as the debt cannot be referred to the Legal Department Debt Recovery team until this information is received. Failure to provide the evidence after 2 requests will mean the invoice will be written off and revenue codes debited.
- All invoice disputes should be resolved within 14 days or as soon as possible.
- All outstanding debt should be regularly monitored and reviewed and staff should make contact with the customer where appropriate to chase up overdue payments. A monthly monitoring routine using Oracle Receivables reports is recommended. This would supplement the quarterly 60 day debt reports that are currently issued.

Summary of departmental responsibilities:

Department	Responsibilities
Service Department	<ul style="list-style-type: none"> • Provides the goods or services • Retains overall responsibility (or ownership) for the debt as the income ultimately is paid into their budget code • Instigates the relationship with the customer • Resolves all disputes • Instructs AR of any invoice reductions or cancellations • Plays a part in monitoring all outstanding debt for their area and maintains ongoing customer relationship to ensure that debts are paid and that no further credit is given unless payments are up to date • Responsible for obtaining, retaining and supplying evidence of the debt • Recommends write off as appropriate and in accordance with protocol
Accounts Receivable	<ul style="list-style-type: none"> • Intermediary central control point • Issues and manages all aspects of the invoicing process • Liaises with Service Dept, Customer and Legal Dept to ensure end to end invoice process is progressed efficiently • Invoice debt is carried on the AR central code until the invoice is either paid, cancelled or written off. Note that the Service Dept receives a credit for an invoice when it's raised on the system. The code is only debited for unpaid invoices when the invoice is closed on the system i.e. it's cancelled or final approval to write off is provided • Responsible for issuing all debt recovery letters, chasing up outstanding debts, negotiating and managing all instalment repayment plans • Recommends write off as appropriate and in accordance with protocol • Reviews all outstanding debt and refers cases to Legal in accordance with agreed protocol.

	<ul style="list-style-type: none"> • Prepares write off reports for final approval
Legal Department	<ul style="list-style-type: none"> • Accepts referrals and issues Court Warning Notices • Enters debts into court appropriately and in line with corporate protocols • Obtains Charging Order and Third Party Debt Orders as appropriate • Negotiates instalment repayment plans • Recommends write off as appropriate and in accordance with protocol

Please note for further queries:

Queries regarding any of the processes outlined above should be directed to Michelle Davies

Queries regarding any specific invoice issues should be directed to accounts.receivable@swansea.gov.uk

Queries regarding information on how to run Oracle reports should be directed to the AR Team or can also be accessed on the Receivables Invoices User Group on the MS Teams app. General queries can also be posted here, but staff are reminded that they should not post any personal details of debtors.

Thank you

Cofion Cynnes | Kind regards

Michelle

Michelle Davies

Rheolwr Cyfrifon Derbyniadwy a Rheoli Arian

Cash Management & Accounts Receivable Manager

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Croesewir gohebiaeth yn y Gymraeg a byddwn yn ymdrin â gohebiaeth Gymraeg a Saesneg i'r un safonau ac amserlenni.

We welcome correspondence in Welsh and will deal with Welsh and English correspondence to the same standards and timescales



Cyngor **Abertawe**
Swansea Council