

**Item 9
Appendix B**

ACTION PLAN

Rec No.	ISSUE	RECOMMENDATION	Management Comments	Priority	Officer Responsible	Due date
1	<p>The Sundry Debt Policy and Guidelines 2014/15 and Corporate Debt and Income Maximisation Policy 2013/14 have not been recently reviewed or formally approved by the Policy, Finance and Administration Committee.</p> <p>As a result, there is a risk that staff involved in the debtor process are not provided with up to date guidance on how to perform their day to day activities leading to errors, mistakes and inconsistent approaches to income collection and debt recovery.</p>	<p>The Sundry Debt Policy and Guidelines and the Corporate Debt and Income Maximisation Policy should be reviewed and updated to reflect current practice.</p> <p>Once reviewed both policies should be reviewed and approved by the Policy, Finance and Administration Committee.</p>	<p>A review of the sundry debt policy and guidelines has been undertaken to ensure staff have the appropriate guidance regarding debts. The report will be taken to PFA for approval.</p>	Low	Head of Communities and Neighbourhoods	31 st April 2016
2	<p>Exception reports showing changes to debtor standing data are not produced from Oracle or independently reviewed.</p> <p>Without such reports and given the current user access rights set up in Oracle, the Council would be unable to detect any unauthorised changes to the debtor master file</p>	<p>A report showing changes to debtor standing data (e.g. new debtors, changes to bank details, addresses etc.) should be developed within Oracle.</p> <p>The report should be independently reviewed and checked back to supporting documentation on a regular basis.</p>	<p>Officers are working with a software supplier to develop a system report as there aren't any standard reports which provide this information.</p>	Low	Head of Central Services	30 th June 2016

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3	<p>The Building Control Lead creates all building control debtor invoices directly in Oracle. By having this access to the system, the Building Control Lead also has the ability to allocate cash, create and amend the debtor master file, exposing the Council to the potential risk of fraud.</p> <p>From a sample of 25 invoices, two invoices in the sample related to building control. An Authority to Raise Account Form could not be found for either invoice, however both did agree to the building control system.</p>	<p>The Building Control lead should have their access restricted in Oracle to allow them to only raise debtor invoices and not have the ability to perform other tasks within the Account Receivables module. The service also needs to ensure invoices are only raised where an authority to raise account form has been completed.</p> <p>If access cannot be restricted in this way, building control debtor invoices should only be raised in Oracle by Central services upon receipt of an 'Authority to Raise Account form'.</p>	<p>Implemented - A review of user roles has been undertaken and building control lead officer role has been updated accordingly to ensure the correct access levels are appropriate.</p>	Medium	Head of Central Services / Head of Regulatory Services	31 st April 2016
4	<p>Oracle does not have the ability to flag debtor invoices in dispute and therefore is unable to produce reports listing all invoices in dispute. Should an invoice be in dispute, the Sundry Debt Assistant should currently make a note on Oracle and work with the budget holder to resolve the issue. However internal audit testing of 25 aged debts highlighted that invoices in dispute did not have notes on the system to confirm this.</p> <p>As a result there is a risk that disputed invoices are not resolved in a timely manner and the council continually pursues debts that are currently in dispute, leading to unnecessary use of resources.</p>	<p>The Council should investigate the possibility of being able to highlight an invoice in Oracle that is in dispute and being able to generate reports on this.</p> <p>In the meantime, where an invoice is in dispute, notes should be consistently made on Oracle to confirm this.</p>	<p>We have worked with the software company Paytech to implement a reporting system regarding any invoices in dispute. This is now in place</p>	Medium	Head of Communities and Neighbourhoods	31 st April 2016

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5	<p>At the time of the audit the Council was not routinely reviewing the suspense account (i.e. unidentified cash payments).</p> <p>Whilst the current value of unidentified cash payments is low, payments date back to March 2015 and no action has been taken to try and identify the customers these originate from.</p> <p>As such, there is a risk that the Council could pursue debts where payments have been received.</p>	<p>The Council should produce and review the Unidentified Cash Report from Oracle at least monthly to ensure that action is being taken to allocate cash to the correct debtor account.</p>	<p>A solution has been implemented to allow the revenues team to run monthly suspense reports and identify any payments where the customer may have provided incorrect account details</p>	Medium	Head of Communities and Neighbourhoods	31 st March 2016
6	<p>The Council's finance system (Oracle) has not been able to produce reminder letters since implementation in November 2014.</p> <p>There is a potential failure to carry out effective recovery of overdue debt leading to an inappropriate level of aged debt.</p>	<p>The ability to produce automatic reminder letters in Oracle should be addressed and resolved as soon as possible.</p> <p>Until this issue has been resolved, the Council should consider delegating the recovery of all or some of the sundry debt to service areas to try and improve the Council's aged debt position.</p>	<p>Whilst we have had the issue of the system not being able to produce the automated letter we have manually produced the relevant arrears letters. Since April we have been using the automated letters for arrears.</p>	High	Head of Communities and Neighbourhoods	31 st March 2016
7	<p>Debtor control account reconciliations are performed on a periodic basis, however documentary evidence that they have been independently reviewed and signed off could not be seen during the audit.</p>	<p>Even though there are ongoing system issues with Oracle, Debtor Control Account Reconciliations should still be independently reviewed and signed off on a periodic basis.</p>	<p>Implemented - reconciliations are signed off and up to date.</p>	Low	Head of Central Services	31 st March 2016

