



South Kesteven District Council

Internal Audit Progress Report

24 January 2024

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1. Key messages

The Internal Audit Plan for 2023/24 is being presented to the Governance and Audit Committee at the 29 November 2023 meeting. We will work closely with management to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in the current circumstances.

This report provides an update on progress against that plan and summarises the results of our work to date.



Audit dates for the 2023/24 Internal Audit Plan have been agreed with management and scopes have all been issued with the exception of the Follow Up 2 scope. All audits have been sufficiently resourced and are booked into our internal audit scheduling software. We are on track to deliver all audits during the current financial year to be able to provide our Head of Internal Audit Opinion.



Two reports have been issued as final since the last committee meeting which is in line with our planned timings outlined in Appendix A. These are Follow Up (1.23/24) and Debtors and Debt Recovery (2.23/24), details can be found in section two below.



Following the November 2023 Audit and Governance meeting, Responsive Repairs was confirmed as the final audit to be included in the 2023/24 internal audit plan. This is due to be conducted week commencing 29 January 2024 and the scope for this review has now been agreed with management.

2. Reports

2.1 Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		H	M	L
Follow Up 1 (1.23/24) <u>Objective of review:</u> This review as conducted to meet internal auditing standards and to provide management with ongoing assurance regarding implementation of management actions. <u>Overall assurance rating and management actions:</u> In our opinion the Council demonstrated reasonable progress in implementing agreed management actions. We were provided with satisfactory evidence in respect of five medium priority actions and one high priority action and therefore we confirmed that these actions had been fully implemented. One further medium priority action had been superseded. For two medium priority actions, we categorised them as partly though not yet fully implemented. For the remaining three medium priority actions, we have categorised them as not implemented.	Reasonable Progress	0	4	1



Assignment	Opinion issued	Actions agreed		
		H	M	L

Debtors and Debt Recovery (2.23/24)

Objective of review:

Following the debtors audit in 2022/23, this review was conducted to assess the progress made to address the identified weaknesses.

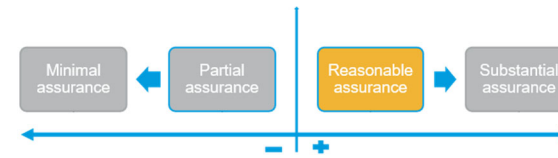
Overall assurance rating and management actions:

Overall our review confirmed that there was an appropriate control framework in place (noting the current system limitations) and the Council have been making good progress towards implementing the previously agreed management actions. However, our review identified areas where enhancements were required or controls were not being consistently adhered to.

As part of our testing we reviewed the Council's follow up actions from their previous audit and where actions had been reported as completed we reviewed evidence to confirm that management action had been applied. Of the actions listed there were 38 actions listed as completed; upon review of the actions we found that 28 had been completed or superseded. We found 10 instances where actions had been listed as complete but did not have evidence to confirm this.

As a result of our review, we have agreed five low priority actions with management.

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Appendix A – Progress against the internal audit plan 2023/24

Assignment	Status / Opinion issued	Actions agreed			Target Audit and Governance Committee	Actual Audit and Governance Committee
		L	M	H		
Debtors and Debt Recovery	Final Report Issued – Reasonable Assurance	5	0	0	January 2024	January 2024
Follow Up 1	Final Report Issued – Reasonable Progress	1	4	0	January 2024	January 2024
Food Standards Agency	Draft Report Issued 11 January 2024				March 2024	-
Recruitment and Retention	Fieldwork commenced 8 January 2024				March 2024	-
Governance	Fieldwork commenced 8 January 2024				March 2024	-
Responsive Repairs	Fieldwork commencing 29 January 2024 – Scope Agreed				March 2024	-
Cyber Treatment Plan	Fieldwork commencing 5 February 2024 – Scope Agreed				March 2024	-
Payroll	Fieldwork commencing 19 February 2024 – Scope Agreed				May 2024	-
Risk Management	Fieldwork commencing 19 February 2024 – Draft Scope Issued				May 2024	-
Section 106 Agreements	Fieldwork commencing 19 February 2024 – Scope Agreed				May 2024	-



Assignment	Status / Opinion issued	Actions agreed			Target Audit and Governance Committee	Actual Audit and Governance Committee
		L	M	H		
Purchasing and Creditors	Fieldwork commencing 26 February 2024 – Scope Agreed				May 2024	-
Follow Up 2	Fieldwork commencing 26 February 2024 – Scoping Meeting Scheduled				May 2024	-



Appendix B – Other matters

Changes to the audit plan

Our approach to working with you is to respond to your changing assurance needs. By employing an 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery.

Following the November 2023 Audit and Governance meeting, Responsive Repairs was confirmed as the final audit to be included in the 2023/24 internal audit plan.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.

Appendix C - Key performance indicators (KPIs)

	Delivery			Quality		
	Target	Actual	Notes (ref)	Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	Yes	*	Conformance with PSIAS and IIA Standards	Yes	Yes
Draft reports issued within 10 days of debrief meeting	10 days	5 working days (average)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes
Management responses received within 10 days of draft report	10 days	3 working days (average)		Response time for all general enquiries for assistance	2 working days	2 working days
Final report issued within 3 days of management response	3 days	1 working day (average)		Response for emergencies and potential fraud	1 working day	N/A

Notes

* This takes into account changes agreed by management and the Governance and Audit Committee during the year. Through employing an 'agile' or a 'flexible' approach to our service delivery we are able to respond to your assurance needs.



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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of South Kesteven District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

EXECUTIVE SUMMARY – FOLLOW UP 1

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our audit and provide you with the assurances you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by you, we have been able to sample test complete the work in line with the agreed scope.

Background

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits:

- 2022/23-02 – Key Control Testing;
- 2022/23-05 – Health and Safety;
- 2022/23-07 – Housing Void Management;
- 2022/23-10 – Cyber Security; and
- 2022/23-04 – Risk Management.

The 12 management actions followed up as part of this review included 11 medium, and one high priority.

Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the Council has demonstrated **reasonable progress** in implementing agreed management actions.

We were provided with satisfactory evidence in respect of five medium priority actions and one high priority action recorded as complete by the respective action owner and therefore we confirmed that these actions had been fully implemented, with one further medium action being superseded. For two medium priority actions, we have categorised them as partly though not yet fully implemented. For the remaining three medium priority actions, we have categorised them as not implemented. Full details of the outstanding management actions can be found under section two of this report.

Progress on actions

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Status of management actions			
		Implemented	Implementation ongoing	Not implemented	Superseded
2022/23-02 – Key Control Testing	2	2	0	0	0
2022/23-05 – Health and Safety	3	1	1	0	1
2022/23-07 – Housing Void Management	4	0	1	3	0
2022/23-10 – Cyber Security	2	2	0	0	0
2022/23-04 – Risk Management	1	1	0	0	0
Total:	12	6 (50%)	2 (17%)	3 (25%)	1 (8%)

2. FINDINGS AND MANAGEMENT ACTIONS

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

Assignment: 2022/23-05 - Health and Safety

Original management action / priority Service areas will complete and retain a risk assessment log and provide to Corporate Health and Safety for oversight.
Priority: **Medium**

Audit finding / status Through discussion with the Health, Safety and Emergency Planning Manager, we noted that each department has a risk assessment log in place, which recorded risk assessments conducted. We also noted that the Health, Safety and Emergency Planning Manager maintains a central log which details a schedule of health and safety risk assessments conducted for each department. We obtained the central log and through review we confirmed that it included the following:

- Department name (13 departments);
- Responsible person;
- Location of documents; and
- Dates of receiving risk assessments.

In addition, we also noted that each department has a Service Manager who regularly reviews the risk assessment log. Furthermore, both the Health, Safety and Emergency Planning Manager and the General Compliance Officer conduct risk assessment compliance reviews for the departmental log. We selected five out of 13 departments, and obtained the risk assessment logs and compliance review checklists.

Through review of the registers and checklist, we confirmed the following:

- In four out of five instances, the risk assessment log does not specify last review dates, next review dates or review frequency, and there is no further details or notes of assessments conducted.
- In one out of five instances, we found that, for some items in the risk assessment log, the next review dates have already expired.

Assignment: 2022/23-05 - Health and Safety

Without a detailed risk assessment log maintained, there is a risk that it might cause confusion or error when conducting assessment due to lack of information. Without updating risk assessment log promptly with the correct review dates, the risks might not be assessed and managed in a timely manner.

2 - The action has been partly though not yet fully implemented.

Management Action 1	The Service Manager of each department will review and consider updating the risk assessment log in a timely manner, to ensure it recorded necessary details of risk assessments, including last and next review dates, review frequency and persons who conduct the assessment.	Responsible Owner: Health, Safety and Emergency Planning Manager	Date: 31 March 2024	Priority: Medium
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Assignment: 2022/23-07 - Housing Void Management

Original management action / priority	Weekly exception reports to identify any data inaccuracies to be introduced until the implementation of the new IHMS system in May 2023. Priority: Medium
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Audit finding / status	We did not receive any exception reports to confirm that there is a control in place for identifying data inaccuracies. Through discussion with the Head of Housing and Technical Services, we noted that the target time for IHMS implementation has been delayed to January 2024. The implementation date therefore for this action is for once the rollout has been completed. 3 - The action has not been implemented.
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Management Action 2	Weekly exception reports to identify any data inaccuracies to be introduced until the implementation of the new IHMS system.	Responsible Owner: Head of Housing and Technical Services	Date: 31 March 2024	Priority: Medium
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Assignment: 2022/23-07 - Housing Void Management

Original management action / priority	Utilise the post inspection outcome report from new IHMS post launch to understand the level of additional work required post inspection. Priority: Medium			
Audit finding / status	We did not receive any post inspection reports to confirm that there is a control in place. Through discussion with the Head of Housing and Technical Services, we noted that the target time for IHMS implementation has been delayed to January 2024. The implementation date therefore for this action is for once the rollout has been completed. 3 - The action has not been implemented.			
Management Action 3	Utilise the post inspection outcome report from new IHMS post launch to understand the level of additional work required post inspection.	Responsible Owner: Head of Housing and Technical Services	Date: 31 March 2024	Priority: Medium

Assignment: 2022/23-07 - Housing Void Management

Original management action / priority	Ensure this report is monitored by the Voids Contract Manager to inform contract meetings and drive performance improvement. Priority: Medium			
Audit finding / status	We did not receive any post inspection reports to confirm that there is a control in place for driving performance improvement. Through discussion with the Head of Housing and Technical Services, we noted that the target time for IHMS implementation has been delayed to January 2024. The implementation date therefore for this action is for once the rollout has been completed. 3 - The action has not been implemented.			
Management Action 4	Ensure this report is monitored by the Voids Contract Manager to inform contract meetings and drive performance improvement.	Responsible Owner: Head of Housing and Technical Services	Date: 31 March 2024	Priority: Medium

Assignment: 2022/23-07 - Housing Void Management

Original management action / priority Review current performance measures and data integrity, ensuring that the Council is measuring the right things to help oversight and monitoring of successful achievement of its Corporate Plan and its void policy. We suggest number of voids and £ should be included. The Council should consider benchmarking its void performance with other Councils – perhaps visiting high performing Councils (with a turnaround of <60) to learn from best practice. This should form part of the Voids performance update. Commentary on the Corporate Performance update should be action focussed where improvement required, such as Red or Amber rating.

Priority: **Medium**

Audit finding / status Through discussion with the Head of Housing and Technical Services, we noted that the action is still in progress. We noted that the void performance has been discussed as a part of the overall performance data monitoring at weekly void meetings. We therefore obtained the void meeting notes dated 23 November 2023, and through review we confirmed that it recorded the number of lets, number of voids inspected, number of new voids and an inspection log. However we noted that the Council had not benchmarked its void performance with other Councils. We also noted that void performance would form a part of the revised corporate Key Performance Indicator (KPI) reporting, which would be implemented in April 2024. Therefore we confirmed that the action has been partly though not yet fully implemented.
2 - The action has been partly though not yet fully implemented.

Management Action 5		Responsible Owner:	Date:	Priority:
	The Council should consider benchmarking its void performance with other Councils – perhaps visiting high performing Councils (with a turnaround of <60) to learn from best practice. This should form part of the Voids performance update. Commentary on the Corporate Performance update should be action focussed where improvement required, such as Red or Amber rating.	Head of Housing and Technical Services	30 June 2024	Low

EXECUTIVE SUMMARY – DEBTORS AND DEBT RECOVERY

With the use of secure portals for the transfer of information, and through electronic communication means, 100 per cent of our audit has been conducted remotely. Remote working has meant that we have been able to complete our audit and provide you with the assurances you require. Based on the information provided by you, we have been able to sample test to complete the work in line with the agreed scope.

Why we completed this audit

We conducted a review of the debtors and debt recovery processes for the Council to provide assurance that the Council are invoicing for monies owed to them in a timely and accurate manner, and where these amounts are outstanding, these are being chased for payment. This is a key risk area for the Council as income received is used to support the public with services provided.

The Council had an audit conducted in 2022/23 for Accounts Receivable which provided Low Assurance, as part of this review we reviewed all management actions listed as completed and reviewed the supporting evidence to determine if the status is being accurately reported.

The Revenues Team are responsible for the management and monitoring of debt. The Council use the finance system Efin, which has an in-built debt monitoring function which has different roles that provide different users different levels of access depending on their job role.

The Council are in the process of integrating a new finance system, Unit 4. As the new finance system has not been fully implemented yet we will be assessing the current controls in place within the Efin finance system, while remaining aware of the impending changes.

Conclusion

Overall our review confirmed that there is an appropriate control framework in place (noting the current system limitations) and the Council have been making good progress towards implementing the previously agreed management actions. However, our review has identified areas where enhancements are required or controls are not being consistently adhered to in relation to new debtor creation and authorisation, debt chasing, and access to the finance system.

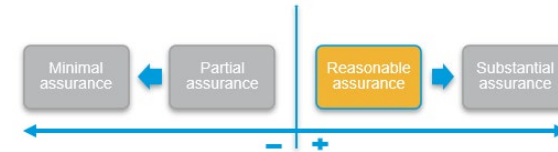
As part of our testing we reviewed the Council's follow up actions from their previous audit and where actions had been completed we reviewed evidence to confirm that management action had been applied. Of the actions listed there were 38 actions listed as completed, upon review of the actions we found that 28 had been completed or superseded. We found 10 instances where actions had been listed as complete but did not have evidence to confirm this.

As a result of our review, we have agreed five low priority management actions with management and detail of these can be found in section two of the report.

Internal audit opinion:

Taking account of the issues identified, the Council can take reasonable assurance that the controls upon which the Council relies to manage this area are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified area.



Key findings

We identified the following areas of good control design which, based on our testing, were being complied with in practice:



The Council have in place Financial Regulations which were last updated in May 2022 which set out the delegated authority limits and high level controls for income. There are also procedure notes that detail the processes for the debtors function including setting up of new debtors accounts, raising invoices and writing off bad debts. The procedure notes were all created during 2023.



For a sample of 10 credit notes, we confirmed that in all instances authorisation to process the credit was received by a delegated authority and the credit had been accurately processed. In six instances an Authority to Raise (ATR) Form was completed, for the remaining four without and ATM Form, two related to InvestSK that no longer exists and was a wholly owned subsidiary, and two related to cancelled invoices which were incorrectly processed, these did not require an ATR as this was before the new procedure was implemented.



We also selected a sample of five refunds that have been processed this year and confirmed they had been approved by a delegated authority. For all five refunds we confirmed the refund request was submitted by the Sundry Debtors Officer and approved by the Revenues Manager. This was in line with delegated authorities. Currently refunds are only processed to the bank account they came from through the finance system, the refund request sheets that have not been fully rolled out yet have a section that confirms bank details as a secondary check which will be used moving forwards.



Of the 10 write offs sampled we found that all 10 write offs had been processed in line with the authorised signatories list detailed in Appendix A of the Council's Financial Regulations.



The Sundry Debtors Officer issues monthly reports to Budget Holders and Budget Managers. The email includes an extra report which details all outstanding invoices (sundry debt) in their service area. The report attached, details all aged debt (invoices) raised through Sundry Debt with the cost centre, customer code, customer name, outstanding balance and gross value. The Council also utilise a debt level dashboard which details the total sundry debtor amount outstanding and then provides a breakdown of the total sundry debt in value, future payments, and for debts of all ages. This was confirmed for November 2023.



Through discussion with the Exchequer and review of the finance system, we have been made aware that month end reconciliations of the control accounts are not carried out as the Efin finance system is self-balancing and the month end report cannot be closed off unless all values balance.

Details of all five low management actions raised in this review are detailed within section two of this report.

DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: New Debtor Set Up

Control	New debtors are set up in the finance system by the Revenues Officer when Authority to Raise (ATR) Forms are received from members of staff across the Council.	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications The Council's Revenues Team have procedure notes in place for setting up accounts on the Efin system, raising invoices, and changing address details. The setting up a new account procedure note details the steps to take when setting up a new supplier from an invoice request. The procedure note states that when processing an invoice, if a current active account cannot be found for the customer or supplier on the invoice the member of staff is to create an account on the Efin system including the name, address, and contact details the customer or supplier is then given a customer number for ease of reference when payments are recorded on the general ledger. The change of details procedure outlines how members of staff are to change customer details when they have received a request from them, which involves changing the details within the Efin system. The procedure note for raising invoices is for the use of all departments across the Council. The procedure note details that each invoice should have a completed and signed Authority To Raise (ATR) Form and states that if the invoice is for a new customer, the setting up a new account procedure is to be followed before processing the invoice in the Efin system.

We selected a sample of 10 new debtors who have the highest customer numbers to identify who had been recently added, and ensured that they had been processed correctly and Authority to Raise (ATR) Forms have been retained. Testing identified:

- Of the 10 the sampled transactions we could see completed ATR Forms for four of the 10 new debtors.
- For four of the 10 new debtors we could only see a report generated before invoices which confirmed that the correct amount had been recorded on the finance system but not the original invoice. This is due to the fact that the sampled new suppliers had been processed by different departments, and through discussion with the Revenues Team we can confirm that different departments use different procedures for invoicing. The risk associated with not retaining original Authority to Raise (ATR) Forms is that incorrect customer details may be recorded which could lead to incorrect debt chasing and more write offs than necessary.

Area: New Debtor Set Up

- For the remaining two selected new debtors we could see screenshots from the finance system confirming that the correct value had been charged and an email chain detailing the charges, through discussion with the Revenues Team we found that there were no Authority to Raise (ATR) Forms for these two new debtors.

The formal ATM Form is a newer process which is still being embedded and therefore needs to be further communicated and embedded to ensure it is being consistently applied.

Management Action 1

Management will ensure that for all new debtors a new debtor form is completed and that the debtor details are correctly recorded on the Efin system.

Responsible Owner:

Head of Service (Revenues, Benefits, Customer and Community)

Date:

1 April 2024

Priority:

Low

Management Comment: We need to understand which teams do not use a new debtors form as a starting point

E-Fin DBA to send email to all users asking if they complete a new debtor form and if not what they use to raise an invoice on the system and send the responses to the Sundry Debtor Team.

Sundry Debtor Officer and Income Recovery Team Leader to make arrangements with those users to send those ATRs over to Sundry Debtors. Where the form can be stored centrally.

E-Fin DBA has been asked if a report can be provided for Sundry Debtor Officer to review on a monthly basis and identify if any have invoices have been raised by service areas and whether a form has been completed.

Area: Authorisation of Invoice Requests

Control	The Authority To Raise (ATR) Form has 23 fields that are required to be completed for the form to be authorised by the Service Manager. This is then passed to the Revenues Officer to process the invoice and issue this to the customer.	Assessment: Design ✓ Compliance ×
Findings / Implications	<p>The ATR Form records the following information:</p> <ul style="list-style-type: none"> • Member of staff raising the request; • Service area; • Name of debtor; • VAT and Financial Code; • Contact details (email and mobile number); • Reason for new debtor being set up; • Value of debt; • Signature from originator; and • Date. <p>The form is then sent to the Sundry Debtors Officer to be signed and dated, the Sundry Debtors Officer then assigns a debtor number and batch number. We selected a sample of 10 new debtors recorded on the Efin system and ensured that they have been processed in line with the procedures recorded on the procedure note.</p> <p>Through our testing we found invoice ATR forms for four of the 10 sampled debtors and therefore confirmed authorisation was present on the form.</p> <p>However, for six of the sampled debtors, we found that the Council had not completed their ATR Form to the invoice information. For these six debtors we obtained evidence of approval by email and therefore the risk associated is lower.</p> <p>The risk associated with not completing and retaining ATR Forms is that there is a chance that false customers may be set up or incorrect invoices may be issued leading to an increase in credit notes being required.</p>	
Management Action 2	<p>Management will ensure that for all invoices, approval is provided by the member of staff requesting the invoice via an ATR Form.</p> <p><i>Management Comment: Same as for Management Action 1.</i></p>	Responsible Owner: Head of Service (Revenues, Benefits, Customer and Community) Date: 1 April 2024 Priority: Low

Area: Debt Management and Chasing

Control	The Council have an automated system to send out debt chasing emails to debtors, then refer any aged debts to a debt collection agency which are irrecoverable by the Council.	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications The aged debt report is run weekly on Wednesday and any reminder letters for aged debt are sent on the following Tuesday. The Efin finance system automatically sends a report to print the reminder letters for aged debt, the system uses the contact details recorded on Efin when printing reminder letters to be sent to debtors. The Council do not retain physical copies of letters sent to debtors, however the finance system records when the reminder letters have been sent to print. Through discussion with the Revenues Team we have been informed that as they are in the process of selecting debt collection agencies to compare with their current debt collectors they have not actively collected on any aged debt since August 2023 with a debt collection agency. This is part of a review they are planning as part of a follow up action previously identified.

As part of our testing we reviewed a sample of four aged debts from the Council's aged debt report. We looked at debts that was aged 30 days, 60 days, 90 days and over 90 days. For all four debts we could see evidence of a first and second chasing letter being sent to the debtor requesting payment of the debt, within two weeks of the debt being due.

However we noticed one debt that was aged past 90 days that had not been chased since 9 September, we have not seen any evidence of debt chasing since that date. There is therefore a risk that the Council are not receiving income due to them in a timely manner.

Management Action 3	Management will ensure that all aged debts are chased in a timely manner. <i>Management Comment: The new process (implemented from 1 October 2023) is in place.</i> <i>New report has been produced for 1 December onwards, which provides more information for the service areas.</i>	Responsible Owner: Head of Service (Revenues, Benefits, Customer and Community)	Date: 1 April 2024	Priority: Low
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Area: Access Levels

Control	The finance systems has different levels of access for each member of the Finance Team, and access is restricted only to members of staff with finance responsibilities.	Assessment:	
		Design	✓
		Compliance	×

Area: Access Levels

Findings / Implications Efin which has an in-built debt management function which has different roles that provide different levels of access for different users. For example the admin role has the ability to access all files and approve credit notes and invoices.

As part of our testing we selected a sample of 10 Efin users with different roles and confirmed if they were still active and necessary for the job role being performed.

Of the 10 accounts we found:

- Two accounts that the Revenues Team did not know why the account was still active as they were created in 2006 when the system was first introduced, the accounts are titled Efin Table Owner and COA Solutions. Having test accounts still with admin level access to the system and not knowing who has access to them poses a risk to the Council as it opens up the possibility of fraud or malpractice which may not be able to be traced by the system to a particular individual.
- For two of the test accounts listed on the Efin user report we have been made aware that only the Systems and Finance Team Leaders utilises these accounts.
- For six of the 10 sampled accounts the Revenues Team have provided a justification for why each user has their provided level of access, in the sample there are two instances where a member of staff has been provided with two different accounts with different levels of access for completing their different managerial tasks. The other two sampled users had admin and team leader roles allowing them to perform their responsibilities.

Management Action 4	Management will remove all Efin users that are no longer required and not use any unnamed admin accounts. <i>Management Comment: Email sent to Efin DBA on 13 December 2023 to advise of this action and request immediate action.</i>	Responsible Owner: Head of Service (Revenues, Benefits, Customer and Community)	Date: 1 April 2024	Priority: Low
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Area: Follow Up

Control	Where actions were raised in the prior years audit, we have assessed the status of these.	Assessment:
		Design ✓
		Compliance ×

Findings / Implications As part of our testing we reviewed the Council's follow up actions from their previous audit and where actions had been completed we reviewed evidence to confirm that management action had been applied. As at 23 October 2023, of the 40 actions identified 34 were recorded as complete, five were directly linked to the implementation of Unit4, and one was linked to other service activity.

Area: Follow Up

Of the actions listed there were 38 actions listed as completed, upon review of the actions we found that 28 had been completed or superseded. We found 10 instances where actions had been listed as complete but the evidence available or discussions with members of the Revenues Team identified these were not implemented in full.

Five of the actions that have not been completed relate to there not being a formal procedure document which details that it is the responsibility of budget holders to chase their own debts as it impacts their own budget and funds. Through discussion with the Revenues Team we have confirmed that they are working on creating a combined document that details all the procedure notes and assigns responsibility to all budget holders as well as detailing the procedures that are to be followed throughout the debtors process.

One of the management actions listed as complete relates to the Council utilising multiple debt recovery agents and assessing their effectiveness, the Council plan on doing this, however the Council are yet to implement.

One of the management actions that was listed as complete of the action plan was that the name and title of officers will be included on the ATR Forms, however our testing identified that of the 10 new debtor accounts we reviewed, six of the sampled new debtors were missing ATR Forms.

One of the management actions that was listed as complete was that the Council would develop an approach to the monitoring of refunds and investigation of credit balances, we have not seen any evidence to support the completion of this action as Unit 4 has not been implemented yet.

The final two management actions relate to the Revenues Team performing additional checking on the data reported on the dashboard which is sent to staff detailing the levels of debt in each department. Through discussion with Revenues Team we were informed that last time there was one instance where one of the figures was incorrect by one digit. One member of staff creates the dashboard document and another reviews it, however, the secondary review is not recorded and there is a risk that transposition errors could be missed due to the manual nature of the creation of the data recorded on the spreadsheet.

Management Action 5	The Council will review and update the action tracker document to reflect the current status of all actions. <i>Management Comment: All officers involved in the Audit have access to the action tracker and are monitoring on a regular basis.</i>	Responsible Owner: Head of Service (Revenues, Benefits, Customer and Community)	Date: 1 April 2024	Priority: Low
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