

## ACCOUNTS RECEIVABLE INTERNAL AUDIT FOLLOW-UP REVIEW (JUNE 2024)

### FINANCE – MANAGEMENT RESPONSES (JUNE 2025)

#### **Ref 01.01**

Since the publication of the findings report, the Accounts Receivable procedure notes are in the process of being updated to the new format, and this will reflect 'last date reviewed'. Some 75% of the notes have been updated and reviewed, and I anticipate that the remainder will be complete by the end of August 2025.

#### **Ref 01.02 and 01.04**

An Accounts Receivable monthly timetable has been implemented in relation to non-negotiable recurring tasks that must be performed in relation to debt collection. This includes a monthly review of different debt types, resulting in specific debt collection processes, consistent with the Council's established debt recovery policies.

These reviews include:

- ASC Debtors review
- Trade Debtors review
- Deceased Debtors review
- Instalment Plan Debtor reviews
- Overpayment of Housing Benefit reviews
- Direct Earnings Attachment reviews

Since September 2024, these checks have been undertaken by the Team Leader with the aid of a Debt Recovery Officer. Prior to this date, the function was performed by the Team Leader alongside the Senior Financial Controller. This review control is now embedded and will remain in place.

The LDR function is still not 'live' and the latest update is that it is linked to the speed of progress of the Agresso system upgrade. The Team Leader and Senior Financial Controller (Interim) have been liaising with an external debt recovery agency in relation to the exploration of alternative debt collection means.

#### **Ref 01.03**

Procedure notes have been updated but individual authorisation levels are still to be determined. The Team Leader intends to present a draft schedule of authorisation limits (for management approval) in June 2025.

#### **Ref 01.04**

Assessment of the benefits of electronic cancellation notes is under consideration within the wider scope of the intended Agresso project implementation.

#### **Ref 01.08**

The new debt write-off documentation is now in operational use. The Team Leader has approached the Agresso Technical Team for advice in relation to the system processing of individual balance write-offs. The current process is considered

unwieldy and time-consuming. Again, this functionality will be considered as an issue within the Agresso system upgrade.

### **Ref 02.01**

Monthly KPI reporting and Aged Debtor Control Account reconciliations are circulated to the Section 151 Officer and Senior Financial Controller (Interim) prior to the second Monday in each calendar month. These reports are still at early stage in terms of presentation and layout but the intention is to continue to enhance these written reports in coming months. Debt types have been established for all customer accounts making it easy to identify which customer accounts may require more management attention owing to ongoing debt trends or sudden spikes in account activity.

The hold process procedure notes were updated to incorporate the effects of the points requested.

Regarding Internal Audit's recommendation that all affected Accounts Receivable team members have access to all documentation in relation to deferred arrangements, the Team Leader has emailed the relevant Legal team members to gain an understanding of the current situation pertaining to the storage of information, and the implications of digital storage.