



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

Internal Audit Progress Report 2024/25 Q1

Continuation report

1. Introduction

- 1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2024/25 Internal Audit Plan up to 30 June 2024.

2. Internal Audit Plan Update

- 2.1 The majority of the first quarter has been focused on the completion of the 2023/24 audit plan. Delays in completing the plan have been due to staffing issues within both the audit service and services being audited. There have been fourteen audit reports issued since the last report. Due to the number of reports, the following reports were discussed at the Audit and Governance Committee meeting on 7 August 2024 -

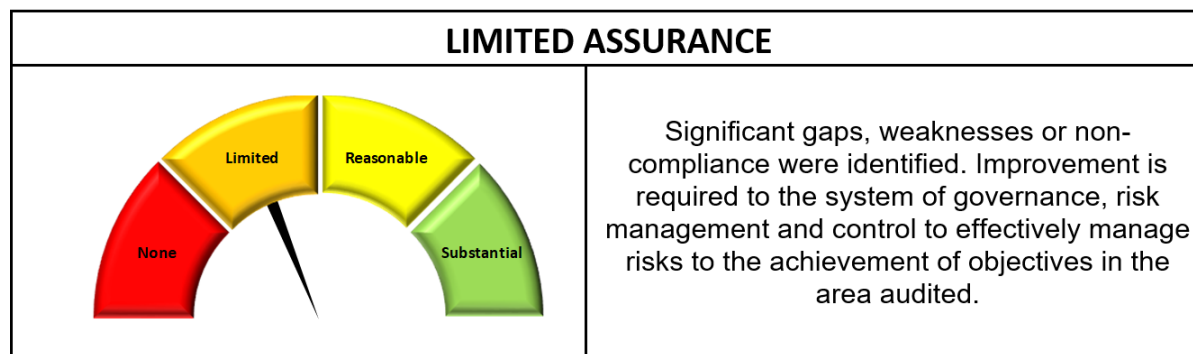
- Housing Repairs
- Housing Planned Maintenance
- HMO's
- Asbestos Management
- Remote Support and Data Exchange
- Cyber Security – CONFIDENTIAL

The remaining audit reports, detailed below, are to be discussed at the Audit and Governance Committee meeting on 22 August 2024 -

- Creditors
- Debtors
- Main Accounting and Budgetary Control
- Treasury Management
- Safeguarding
- Workforce Planning
- Capital Programme Management
- Procurement and Contract Management

Summaries of these reports are detailed in appendix A.

Treasury Management



Key Findings

Areas of positive assurance identified during the audit:

- Investments have been made in line with policy and have been correctly authorised.
- Fidelity insurance is in place.

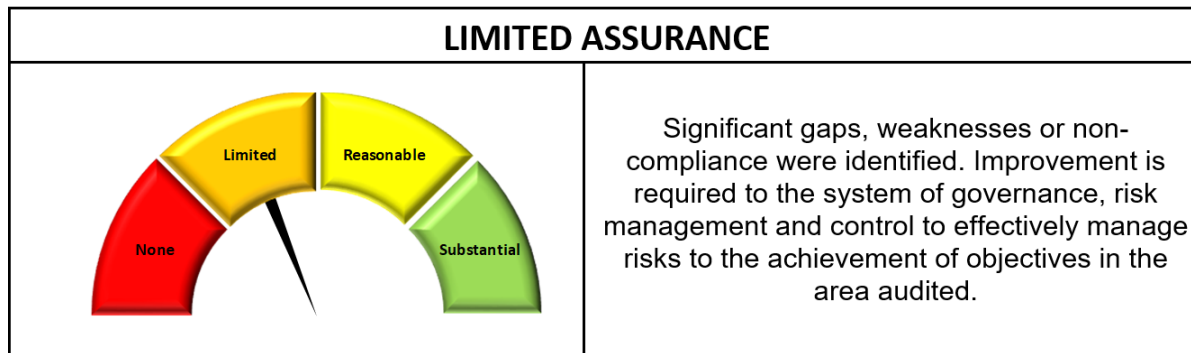
The main areas identified for improvement are to:

- Update the Treasury Management practices document.
- Complete and review reconciliations between Treasury Management and the General Ledger for 2023/24.
- Review the number of designated officers and the relevant job roles recorded on the Fidelity Guarantee Insurance.
- Regularly review staff access to Lloyds link to ensure the level of access is appropriate.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1.The Treasury Management Practices document is reviewed and updated to ensure it complies with 2021 CIPFA Treasury Management Code of Practice.	Medium	Agreed	Treasury Management Officer	March 2025
2.Reconciliations between the Treasury Management system and the general ledger should be brought up to date.	High	Agreed The treasury management reconciliations will be completed once the bank reconciliation for 2023/24 have been completed.	Treasury Management Officer	December 2024
3. The number of designated officers recorded on the Fidelity Guarantee insurance should agree to the detailed job roles. Additionally, the job roles for the designated officers should be reviewed and updated to reflect the current Council structure.	High	Agreed	Head of Finance	Implemented – May 2024
4.The users with Primary Administrator access to Lloyds Link should have their access reviewed to confirm if this is still appropriate. To ensure a separation of duties, consideration should be given to this level of access being provided to and managed by ICT.	High	Agree	Interim Exchequer Services Team Leader	June 2024
5. A regular review of user access should be carried out.	High	Agreed. Quarterly reviews to be undertaken.	Interim Exchequer Services Team Leader	September 2024

6. A review of the roles assigned to users on Lloyds Link is carried out to ensure that these are appropriate and assist with segregation of duties.	High	Agreed – as above.	Interim Exchequer Services Team Leader	September 2024
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Safeguarding



Key Findings

Areas of positive assurance identified during the audit:

- Policies, procedures and guidance are up to date and easily available to all staff, volunteers and Members.
- Staff are aware of the designated safeguarding officers and the process for reporting any suspicions or concerns.
- There is mandatory Safeguarding Training, which includes Prevent and Modern Slavery, for all staff with refresher training every three years.
- There are adequate arrangements for dealing with referrals promptly and sharing information with other agencies.
- Performance is recorded, monitored and reported to senior managers and members.
- Relevant processes and protocols are in place to ensure smooth inter agency working.
- Regular reviews are carried out to ensure compliance with Section 11 of the Children Act.

The main areas identified for improvement are:

- Including the risk of Safeguarding in Team Plans where relevant.

- Recruiting and retaining Designated Safeguarding Officers (DSO's).
- The process for dealing with safeguarding referrals.
- Updating of the DBS Policy and Procedure.
- Identifying and recording roles requiring a DBS and the level of DBS check required.
- Monitoring and recording of DBS rechecks.
- Providing guidance for use of photographic equipment at events and retaining consent forms.
- Reviewing of safeguarding policies and procedures for contractors at procurement stage.
- Providing information at events and for hirers to raise awareness of safeguarding and how to report concerns.

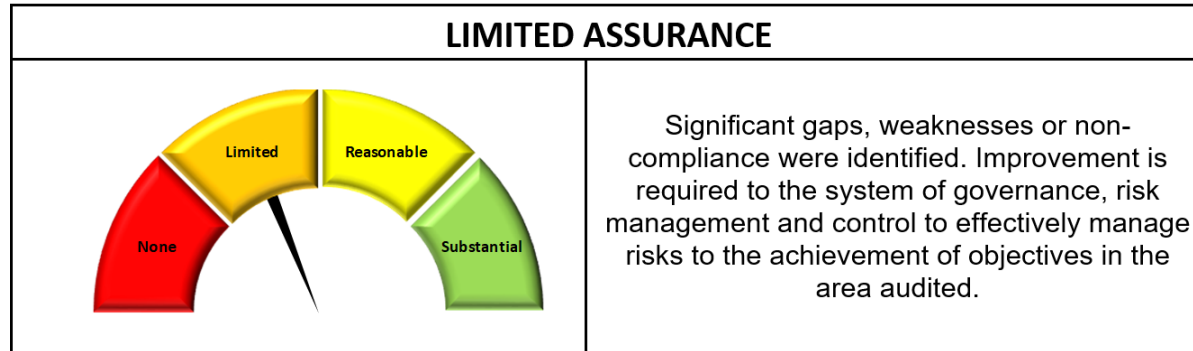
Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1. Where teams have safeguarding responsibilities, consideration should be given to including a relevant risk within their service plans. This will need promoting from a corporate level and disseminating to teams as needed.</p> <p>The template for all service plans should reference safeguarding risks to ensure that all teams with safeguarding responsibilities have been identified and the risks relevantly documented.</p>	Medium	<p>Agreed – Team Plans are being replaced with Service Plans. These will include reference to Safeguarding and whether there is a need to include this as a risk in the risk register.</p>	Head of HR and Organisation Development	May 2024
<p>2. A review of the process for dealing with Safeguarding referrals should be undertaken to ensure that only relevant action is taken, cases do not remain open longer than is necessary and the authority does not breach any boundaries but continues to meet its statutory requirements and nothing further.</p>	High	<p>To undertake a review of the current process for dealing with safeguarding referrals</p> <p>To implement a revised process for dealing with safeguarding referrals</p>	Environmental Health Team Manager	<p>September 2024</p> <p>December 2024</p>
<p>3. Additionally, the requirement to have a second DSO involved in all safeguarding referrals should be reviewed.</p>	Medium	<p>To review the requirement to have a second DSO in all safeguarding referrals</p>	Environmental Health Team Manager	September 2024

<p>4. Whilst there are still issues with recruiting and retaining DSO's the introduction of Safeguarding Champions within specific services across the authority should be considered. The role of the champion would be to promote safeguarding, offer safeguarding advice and support within their service area, highlight any specific issues that the service is having and reduce the pressure on DSO's.</p> <p>N.B a review of the process may lead to no additional DSO requirement. Consideration should be given to having "service champions" to advise and assist within their area of expertise reducing the need to involve DSO's by completing their own referrals.</p> <p>Endorsement and support from all of CLT is required to either introduce Safeguarding Champions within specific services (e.g. Housing, Customer Services) across the authority or support the recruitment of more DSO's.</p>	Medium	<p>As part of the review of the process for dealing with Safeguarding referrals and considering the scope required, this will identify if there is a requirement to recruit additional DSOs.</p> <p>To introduce and recruit to the role of Safeguarding Champions within the services making the majority of referrals (Housing and Customer Services)</p>	Director of Communities	September 2024
<p>5. The retention period for documentation relating to Safeguarding referrals should be reviewed to ensure that the authority is meeting retention requirements.</p> <p>Details of the type of documentation to be retained should also be obtained. There should be reference to this within the revised process for dealing with Safeguarding referrals.</p>	Medium	Review the retention period for documentation relating to Safeguarding referrals and update the retention document.	Environmental Health Team Manager	September 2024
<p>6. A full review of the performance indicators is carried out to ensure that the duty of the authority is correctly monitored and reported.</p>	Medium	<p>Following completion of the review of the process, to carry out a review of the performance indicators to ensure that the legal duty of NWLDC is correctly monitored and reported.</p> <p>Implementation of new performance indicator.</p>	Environmental Health Team Manager	September 2024

		Details of performance indicators will also be included within the Community Services service plan.		December 2024
7.The updated DBS Policy should be made available to staff on SharePoint. The out-of-date DBS Policy should be removed from SharePoint to avoid confusion.	High	Agreed	Head of HR and Organisation Development	May 2024
8.Staff required to have DBS checks should be made aware of the requirement to have annual rechecks, the results of which should be provided to and recorded by HR. Consideration should be given to including this as an item within the annual Individual Development Review (IDR) to ensure that it is not overlooked.	High	Agreed – however the policy is to be changed and the requirement will be for DBS rechecks to be completed every three years.	Head of HR and Organisation Development	May 2024
10.All posts which are required to have a DBS check should be identified and recorded on iTrent. Details relating to the level of DBS check, date of check, reference number and confirmation of the annual recheck having been completed should also be recorded on iTrent.	High	Agreed – those posts currently shown as requiring DBS checks will be reviewed and details will be recorded on iTrent.	Head of HR and Organisation Development	September 2024
12.Guidance on use of Photographic equipment at events should be made available on SharePoint and promoted to staff.	Medium	Add photo consent guidance and photo consent forms to Communications Team Page on Sharepoint. iNet article to promote and message included in weekly email	Communications Team Manager	May 2024
13.A reminder should be issued regarding the requirement to obtain consent when taking photographs. Completed consent forms should be forwarded / retained by the Communications Team.	High	iNet article and message in weekly update. Mentioned in next ELT meeting	Communications Team Manager	May 2024
14.Leaflets / posters regarding Safeguarding and how to report concerns should be made available and distributed / displayed at council run events (where appropriate).	Medium	Posters will be displayed at the two events scheduled for delivery by the district council in 2024: 29 and 30 June 2024 - Celebrating 125 years of Coalville Park 23 November 2024 – Christmas in Coalville	Economic Regeneration Team Manager	June 2024

		Leaflets will be held at the event control area and will be distributed as appropriate. The poster and leaflet PDF will be shared with parish / town councils who deliver events across the district, who will be encouraged to display / distribute as appropriate at events the run.		
15. As part of the tender reviews, officers should ensure that Safeguarding policies for prospective contractors are reviewed to confirm they are appropriate and adequate to meet the needs of the contract. Where this is found not to be the case the contractor should be required to formally adopt the Safeguarding policies of NWLDC for the duration of their contract. Additionally, where applicable to the contract, officers are reminded of the need to obtain confirmation of safeguarding training, current DBS checks and a current safeguarding policy is in place during their annual contract management review meetings.	High	Agreed – will be communicated to officers and any relevant guidance updated accordingly.	Director of Resources	June 2024

Workforce Planning



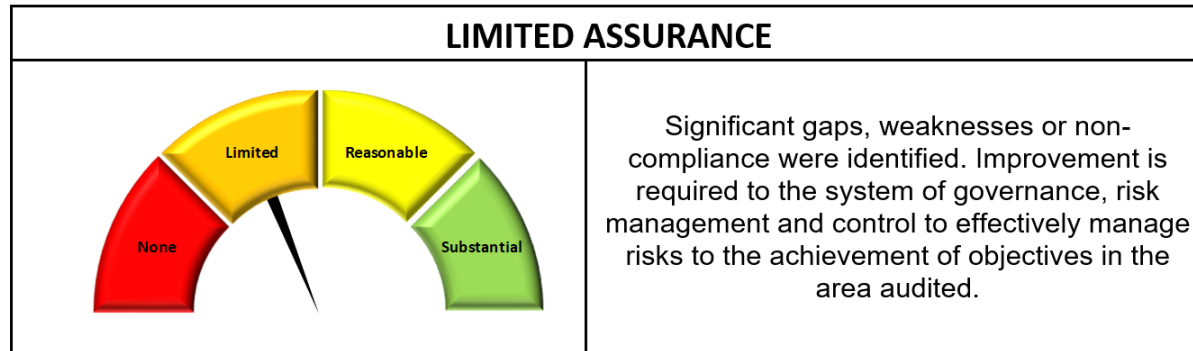
Key Findings

The main areas identified for improvement are:

- Development of a Workforce Strategy.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1.The Council should develop a Workforce Planning Strategy, supported by an action plan, that clearly sets out the desired approach and methodology to workforce planning along with roles and responsibilities across the Council. The Strategy should also include details of how the Council will react to any significant external factors such as emerging risks, changes in legislation, opportunities and staff satisfaction that could impact the resourcing structure or pressures across the organisation.</p> <p>Once developed the Strategy should be formally approved and communicated as appropriate, with the action plan becoming a live document that is appropriately reviewed, managed, monitored, and updated.</p>	High	Agreed. A Work Force Planning Strategy will be developed.	Head of HR & OD	CLT September 2024 Followed by consultation Approval by Cabinet November 2024
<p>2.The partners that the Council is working with need to be documented in either the Workforce Planning Strategy or supporting documentation.</p>	High	Agreed as per the recommendation.	Head of HR &OD	in line with above.
<p>3.The controls contained in the Corporate Risk Register (Risk 3) should be reviewed and updated where required.</p>	High	Corporate Risk Register (Risk 3) has been reviewed and updated.	Head of HR & OD	Implemented

Procurement & Contracts



Key Findings

Areas of positive assurance identified during the audit:

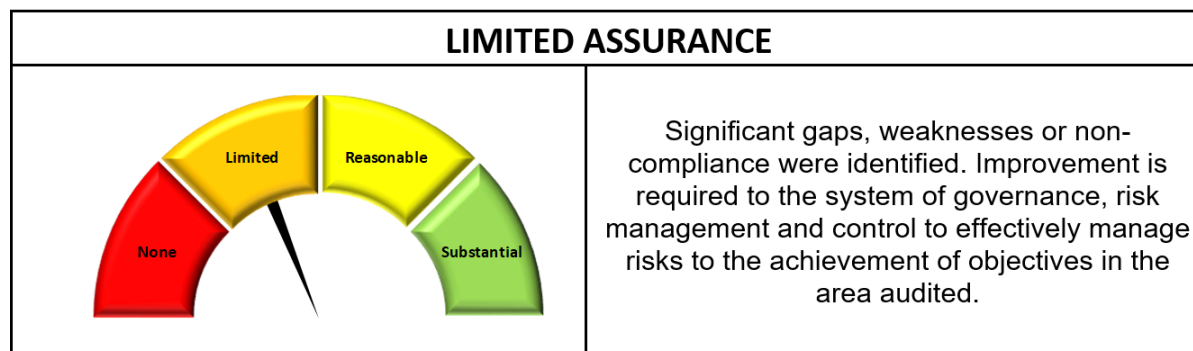
- There is a dedicated Procurement page on TEAMS with procedures and guidance which is available to staff.

The main areas identified for improvement are to:

- Complete and formally approve the Council's Procurement Strategy
- Review procurement guidance on SharePoint and remove if no longer relevant.
- Maintain an up-to-date register of Council contracts.
- Ensure there are named contract managers to manage and monitor both the overall contract and performance.
- Ensure contract managers are trained to ensure effective contract management.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1.The draft procurement strategy should be reviewed and updated to ensure it contains reference to all key areas. Once updated the strategy should be formally approved, and its availability communicated to staff.	High	Agreed. Whilst the strategy was developed by the previous Procurement Consultant, it is lacking specific detail.	Director of Resources	December 2024
2.The Procurement information on SharePoint should be reviewed and removed if no longer required. Staff should be reminded of where to obtain information on Procurement should they require it.	Medium	Agreed	Director of Resources	August 2024
3.The contract register should be reviewed and updated on a regular basis to ensure compliance with the Local Government Transparency Code. Responsibility for updating the contracts register should be relevantly assigned.	High	Agreed. This is currently in train. If the full information is not available, will publish and add full detail at a later date.	Procurement Officer	June 2024
4.Where appropriate satisfactory contract management arrangements should be incorporated into contract documentation.	Medium	Agreed. The additional planned resource for Procurement will help to support relevant training for officers.	Director of Resources	December 2024
5.Ensure, where appropriate, that contracts have an assigned contract manager with responsibility for ensuring all contract management processes are undertaken.	High	Agreed – guidance will be produced detailing roles and responsibilities associated with contract management.	Director of Resources	December 2024
6.Suitable training and advice should be available to staff that are new to contract management to enable them to manage contracts effectively.	Medium	Agreed. See 4. Above.	Director of Resources	December 2024

CAPITAL PROGRAMME MANAGEMENT



Key Findings

Areas of positive assurance identified during the audit:

- The Council has established a Capital Strategy and detailed Capital Programme that is refreshed and formally approved by members each year.
- New schemes are considered by the Capital Strategy Group and approved by members as required.

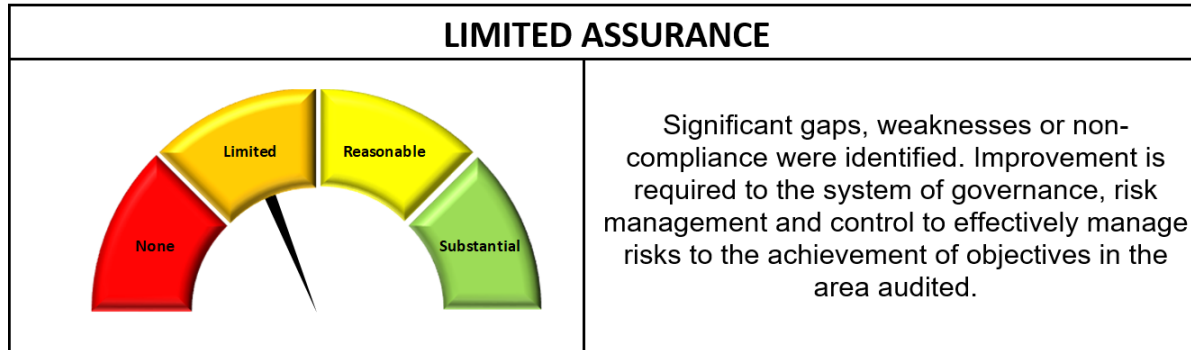
The main areas identified for improvement are:

- The availability of documented procedures and training for new managers.
- The virement procedure.
- The monitoring and reporting process.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Capital Governance procedures and forms are reviewed, updated as required are made available to all relevant staff.	Medium	Agreed.	Head of Finance	December 2024
2. Officers are provided with training in respect of financial management and the capital governance process, commensurate to their role.	Medium	Agreed.	Head of Finance	March 2025
3. The virement procedure and approval process for capital schemes is clarified to ensure that virements are clearly documented and approved.	Medium	Agreed. Updates to Unit4 will help to create relevant workflow. However, the process needs to be communicated. Will review the Financial Procedures Rules, specifically sections A24 – A28 to align with the approach of the development and active pool approach.	Head of Finance	February 2025
4. The documented procedure and request form are published and made available to all relevant staff.	Medium	Agreed	Head of Finance	March 2025
5. Consideration is given to reviewing the virement scheme requirements as set out in Financial Procedure Rules, and approval levels to ensure that they are appropriate and prevent the use of cumulative transactions to circumvent Financial Procedure Rules.	Medium	Agreed	Head of Finance	February 2025
6. Meetings of the Capital Strategy Group take place in accordance with the agreed timetable.	Medium	Terms of Reference to be updated to reflect that CSG meetings can be flexible and to reflect that some meetings may be cancelled.	Head of Finance	July 2024
7. All capital expenditure is periodically reported to the Capital Strategy Group to ensure that it is effectively monitored and reviewed.	High	Agreed. Interim capital accountant employed who will be responsible for agendas. Terms of Reference for the Capital Strategy Group to be reviewed to reflect reporting to other key stakeholders e.g. CLT	Head of Finance	September 2024

8. All completed schemes are reported to the Capital Strategy Group and subject to a post-implementation review.	High	Agreed. Capital Strategy Group in May 2024 agreed this approach and, in the future, completed projects will be communicated across the Council. Lessons learned log to be maintained.	Head of Finance	September 2024
9. A full review of the capital expenditure to date for all capital projects is completed and reported to the Capital Strategy Group as soon as accurate information is available.	High	Agreed. Focus is on updating Unit 4 which focuses on revenue monitoring. Capital monitoring functionality is available and will be considered at a later date to support improved monitoring.	Head of Finance	September 2024

MAIN ACCOUNTING AND BUDGETARY CONTROL



Key Findings

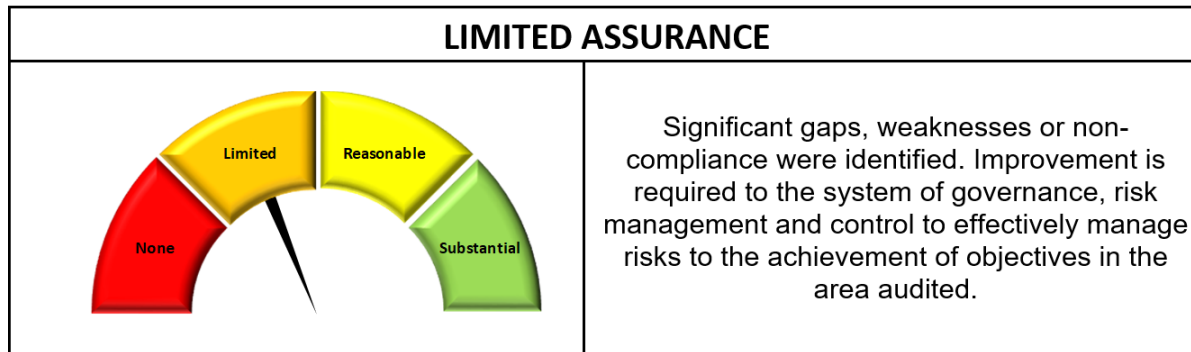
The main areas identified for improvement are:

- Documented policies and procedures not being in place.
- Reconciliation between approved annual budget and budget uploaded to system.
- Conclusion on financial year 2021/22 and financial year 2022/23 Accounts.
- Timely completion of reconciliations.
- Timely and accurate compilation of budgetary information to budget holders.
- Monitoring and appropriate accounting of virements.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Key procedures covering Main Accounting and Budgetary Control are developed. All procedures be made available to relevant officers.	High	Agree - With the new finance system, many procedures and processes are new or evolving, as and when each process is understood. Knowledge around each task is being captured and procedures and guides are being created, these will then be maintained to ensure consistency is applied.	Finance Team Manager	June 2025
2. Formal reconciliation of annual budget upload should be undertaken and signed-off.	Medium	Agree - A formal reconciliation will take place from 2024/25 onwards.	Finance Team Manager	July 2024
3. Work on closing FY 2021/22 and 22/23 Accounts be completed as a matter of priority, to enable a confirmed opening balance for FY 2023/24.	High	Agree - The Finance Team is currently finalising the 2021/22 and 2022/23 accounts.	Head of Finance	August 2024
4. Reconciliations for FY 23/24 be completed as a matter of urgency. Going forward, time limits are set for the completion and sign off for all reconciliations, these should be relevantly managed and monitored.	High	Agree - completion of 2023/24 reconciliations are being worked on as a priority. There will be a monitoring process for all feeder system reconciliations going forward.	Finance Team Manager and Interim Exchequer Services Team Leader	30 Sep 2024
5. All virements must be appropriately processed through the finance system.	High	Agreed.	Finance Team Manager	30 Sep 2024
6. Finance Team to maintain a cumulative log of all virements approved to ensure that the approval limits are not breached.	High	Agreed. Virement log has been created for 2024/25	Finance Team Manager	30 Jun 2024
7. Timely and accurate budgetary information is generated and provided to Budget Holders and Members to ensure spend and saving decisions can be made based on accurate information.	High	Agree - With the backlog reducing, the issues in 2023/24 are not expected to be repeated in 2024/25. There is work underway with a Third Party to develop a budget monitoring solution for use by Budget Holders.	Head of Finance	30 Dec 2024
8. A formal training programme be put in place for Budget holders. Budget holders are reminded of their responsibilities for managing their budgets.	Medium	Agree - A guide setting out the responsibilities of a budget holder and any other relevant information to be created. This can be used by new and existing budget holders. New budget holders will be trained on an individual level by the Finance Team.	Finance Team Manager	30 June 2025

9. Review to be completed as a matter of priority.	High	Agree – a review is already underway	Interim Exchequer Services Team Leader	30 September 2024
10. A review of open purchase orders to be undertaken on a quarterly basis going forward to ensure that available funds are identified in a timely manner.	Medium	Agree – quarterly reviews to commence from October 2024 once the initial review has been completed.	Interim Exchequer Services Team Leader	31 October 2024
11. A process for managing and investigating variances is implemented.	High	Agree - The Budget monitoring solution will cover all aspects of monitoring variances. Any variances will be reported as part of the budget monitoring cycle, after review by both the service and finance.	Head of Finance	31 Dec 2024
12. Following completion of clearing the suspense/ holding accounts, regular monitoring of these accounts is carried out.	Medium	Agree – monthly reconciliations will be undertaken	Interim Exchequer Services Team Leader	30 September 2024

DEBTORS



Key Findings

Areas of positive assurance identified during the audit:

- Pro-active action is being taken to address current issues within the sundry debtor's operation (outstanding backlog of monthly sundry Debtor Account reconciliations, streamlining of historical inefficient processes and activities etc).
- Adequate separation of duties exists between the raising of invoices and collection and monitoring of sundry debts.

The main areas identified for improvement are:

- Policies and procedures.
- Automation of the 'Dunning' process (dispatch of overdue reminder letters to customers).
- Manual debt recovery strategy following completion of automated 'Dunning' process (including risk assessment, prioritisation and use of external debt recovery services).
- Bad debt identification and write-off.
- Monthly Debtor Account reconciliations.
- Finance Service Plan KPI targets for the collection of sundry debt.
- Reporting of management information and performance as part of the quarterly service and business plan performance reports.

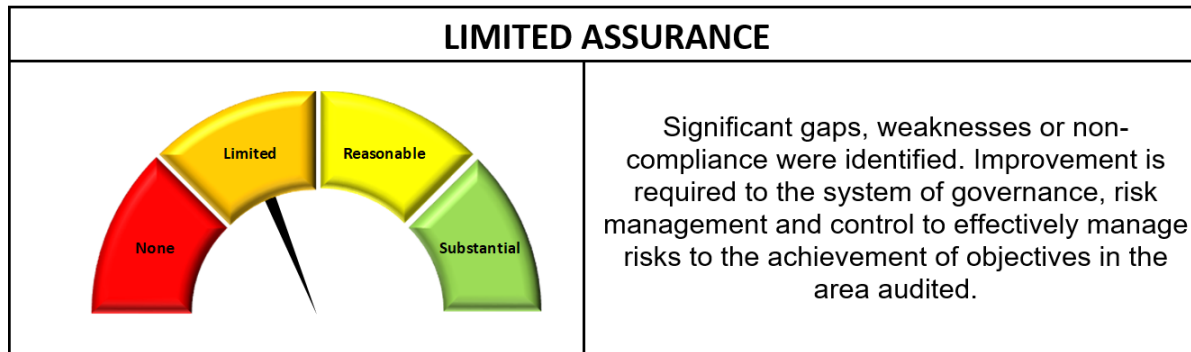
Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1. Key policies and procedures for the management of debtors generally and sundry debtors are developed All policies and procedures be made available to relevant officers.</p>	High	<ol style="list-style-type: none"> 1. Identify and formalise a full set of policies which will be supported by procedures. 2. Allocate the responsibility for writing policies and procedures. 3. Review and approval phase for both policies and procedures. 4. A training matrix will be developed to ensure all relevant staff are fully trained and aware of the policies and procedures to be followed and understood. 	Interim Financial Services Team Leader	June 2025
<p>2. UNIT4 system user guide/ manual be produced and made available to all relevant officers. NB – this recommendation also applies to the Creditors and Main Accounting audits.</p>	Medium	<p>Response/Agreed Action:</p> <ol style="list-style-type: none"> 1. Create training Matrix for each role containing list of all tasks. 2. Create Standard Operating Procedures (SOPs) for each task undertaken in Unit 4 as a step by step guide. 3. If required, training video's will be produced. 4. Review of training material and sign off. 5. Add to role training pack. 	<p>Officer Responsible: Interim Financial Services Team Leader</p>	<p>Implementation Date: Six months after implementation of Unit 4 Audit to follow up for progress in March 2025</p>
<p>3. Management consider automation of the process, whereby once the Service function has raised a sundry sales order, the system is programmed to automate the raising of the respective customer sundry sales invoice.</p>	Medium	<ol style="list-style-type: none"> 1. Review of full end to end process. 2. Training review, implement and document. 3. Finance Service Plan will include relevant KPI's which will be monitored monthly. <p>Notes: Vision ERP (External software consultants) will amend the labelling of two boxes in the system for a more user-friendly approach. Vision ERP will amend layout on invoice to ensure customer Purchase Order is shown in the right place on the invoice. Vison ERP will aim to enhance and maximise the invoice automation as much as possible.</p>	Interim Financial Services Team Leader and Finance Systems Administrator role (Capital Accountant)	March 2025

<p>4. Sales orders, where possible, should be raised in advance of providing goods or services to customers unless there is a suitable reason as to why this should not occur. Requirement to be incorporated into a policy (refer to Policies and Procedures section already covered in report above).</p>	<p>Low</p>	<ol style="list-style-type: none"> 1. Review of full end to end process. 2. Create Policies. 3. 3. Review training, implement and document. 4. Finance Service Plan will include relevant KPI's which will be monitored monthly. 	<p>Interim Financial Services Team Leader</p>	<p>June 2025</p>
<p>5. Overdue monthly Debtor Account reconciliations for FY 23/24 be completed as a matter of urgency. Going forward, time limits are set for the completion and sign off for all monthly reconciliations.</p>	<p>High</p>	<p>Due to the issues with the implementation of Unit4, it had not been possible to complete any reconciliations during 2023/24</p> <ol style="list-style-type: none"> 1. Full review of existing reconciliation and process taking place between Unit 4 and the debtors' system, including method. 2. Implement agreed daily and monthly reconciliation process of the Sundry Debtor Account. 3. Training rollout and introduction of Finance Service Plan KPI's. 4. Bring up to date all outstanding reconciliation and update KPI's. 5. A set review time will be put in place for completion of the reconciliations and the management sign off going forward. 	<p>Interim Financial Services Team Leader</p>	<p>December 2024</p>
<p>6. Automated functionality within UNIT4 system be utilised for the generation and issue of standard overdue reminder letters, to ensure follow-up activity is undertaken in a timely manner. Parameters set within the system for issue of overdue reminders letters to be agreed by senior management. Senior management review and assess the rationale for not issuing reminder letters to customers with overdue unpaid invoices for Licences issued.</p>	<p>Medium</p>	<ol style="list-style-type: none"> 1. Following review, Vision ERP (External software consultants) will complete the setting up of the reminder letters functionality. 2. Embed automation of the reminder letters instead of manual workload. 3. Training rollout and Policy/training material creation. 4. Introduction of monitoring of letters sent out monthly via Finance Service Plan KPI's and review of aged creditors report with actions follow up. 5. Set up monthly meetings with services including licensing, property and revenues to ensure consistent collaboration of driving down aged debt. 	<p>Interim Financial Services Team Leader</p>	<p>March 2025</p>

		6. Ensure reminder letters are set up for all including Licensing and Property services. (Listing in Finance Service Plan KPI monthly review).		
7. Manual debt recovery procedures be introduced which outlines pro-active debt recovery processes and activities to be undertaken. All overdue sundry unpaid debts be pro-actively worked on for recovery of payment, not just the most current. Pro-active telephone call be made by Exchequer Services function in first week of invoices in excess of £5,000 falling overdue (providing telephone contact details have been provided and resources allow) to discuss non-payment and make acceptable arrangements for the invoice to be paid.	High	<ol style="list-style-type: none"> 1. Review of full existing processes and procedures. 2. Training rollout and Policy/training material creation. 3. Finance Service Plan KPI with clear to ensure timely review of aged creditors report with credit control actions follow up including monitoring the timely chasing of overdue payments. 4. Set up monthly meetings with services where serious aged debt outstanding to ensure consistent collaboration of driving down aged debt. 5. Review bad debt write offs. 	Interim Financial Services Team Leader	March 2025
8. Senior management to consider approval of the reintroduction of the facility to use external debt recovery agencies into the sundry debt recovery process for overdue debts. Use of 'External Debt Recovery Services' policy and associated procedures to be agreed and documented.	High	<ol style="list-style-type: none"> 1. Set up workshop to discuss new world requirements post pandemic, document and apply into policy for debt recovery. 2. Review and sign off policy 3. Activate and implement as part of Finance Service Plan KPI and monitor monthly. 	Interim Financial Services Team Leader	September 2024
9. Bad Debt write-off policy and associated procedures to be agreed and documented, this should be linked into the outstanding recommendation from 2022/23 relating to the production of a corporate debt policy.	High	<ol style="list-style-type: none"> 1. Create / Review and sign off bad debt policy and training document in line with the creation of the corporate debt policy. 	Interim Financial Services Team Leader	March 2025
10. Exchequer Service function, in conjunction with relevant Service function officers to review the complete and full 'Aged Debtor' position in detail quarterly to identify and recommend to management 'unrecoverable' debts for consideration of potential write-off. The quarterly reviews should not just concentrate on identifying those debts which have become statute barred, but pro-actively	High	<ol style="list-style-type: none"> 1. Set up monthly review and sign off aged debtors report with credit control actions. 2. Set up standard unrecoverable debt report for write off review, including potential bad debts. 	Interim Financial Services Team Leader	December 2024

<p>identify debts outside of this category which are deemed 'unrecoverable'.</p>				
<p>11. Introduce a Business Plan KPI with associated targets for the collection rate of sundry debts. Performance should be reported as part of the service and business plan quarterly monitoring arrangements in place.</p> <p>The Monthly Debtors Performance Pack produced by Exchequer Services function be distributed to all relevant members of staff (Heads of Service, finance colleagues, CEO).</p> <p>The Monthly Debtors Performance Pack produced by Exchequer Services be reviewed to ensure it meets its stakeholder needs. Stakeholders be issued with a full Aged Debt listing of their specific area. Resources be made available to pro-actively chase and recover historic overdue sundry debt.</p>	<p>Medium</p>	<ol style="list-style-type: none"> 1. List of Finance Service Plan KPI's to be produced for monthly review and the Monthly Debtors reporting Pack 2. Automate majority via Unit 4 where possible and remaining in RTI via day-to-day completion of tasks. 3. Review and sign off monthly pack to be distributed and action production. 4. Collate feedback and improve on content. 5. Build into individual's performance as part of their day-to-day duties and responsibilities. 6. Review with Exchequer team to ensure they are provided all the tools and training to ensure completion, regular consistency and quality of aged debt maintenance. 	<p>Interim Financial Services Team Leader</p>	<p>March 2025</p>
<p>12. A review is undertaken of current individuals with enhanced user access to the UNIT4 system to ensure their current roles and responsibilities require such access. Going forward a quarterly review is undertaken on validity and appropriateness of current user access to the system.</p>	<p>High</p>	<ol style="list-style-type: none"> 1. Review full list of users who have enhanced user access. 2. Update user access according to role, including the removal of super user access. 3. Document roles with superuser access and save in Project folder under Unit 4 <p>Note: "Read Only" Access has been created in Unit 4. To be assigned to Auditors as and when needed going forward. Restrict external user access when no longer required.</p>	<p>Interim Financial Services Team Leader & Finance Systems Administrator role (Capital Accountant)</p>	<p>September 2024</p>

CREDITORS



Key Findings

Areas of positive assurance identified during the audit:

- Pro-active action is being taken to address current issues within the creditor's operation (outstanding backlog of monthly Creditor Account reconciliations, streamlining of historical inefficient processes and activities etc).

The main areas identified for improvement are:

- Corporate strategy, policies and procedures.
- Timeliness of processing supplier invoices and credit notes.
- Timeliness of investigating historic 'old' open Purchase Orders.
- Training on functionality of Accounts Payable module.
- Monthly Creditor Account reconciliations.
- System reporting functionality.
- Publishing of supplier payment transactions of invoices and credit notes of £500 (excluding VAT).

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1. Key policies and procedures for the management of creditors operation are developed. All relevant policies and procedures be made available to relevant officers.</p>	High	<p>1. Identify and formalise a full set of policies which will be supported by procedures. 2. Allocate the responsibility for writing policies and procedures. 3. Review and approval phase for both policies and procedures. A training matrix will be developed to ensure all relevant staff are fully trained and aware of the policies and procedures to be followed and understood.</p>	Interim Financial Services Team Leader	June 2025
<p>2. A standard system report be made available for both Audit and management monitoring / reporting purposes which provides details of the officers involved in the requisitioning and approver process of PO's raised.</p>	Medium	<p>1. Report creation currently in progress which contains both the requestor and approver against each PO. 2. User report available showing requisitioner and approver levels.</p>	Interim Financial Services Team Leader	March 2025
<p>3. Review be undertaken by the finance team once system reporting data becomes available to ensure PO's are not being raised and approved by the same officer.</p>	Medium	<p>Review will be undertaken once report has been created to ensure there is no conflict between requisitioner and approver.</p>	Interim Financial Services Team Leader	March 2025
<p>4. An exercise on identifying all duplicate invoice payments made during 2023/24 be completed as a matter of priority.</p>	High	<p>1. Duplication report has been created within the Unit 4 system. This report requires a review alongside the bank reconciliation which is currently taking place. 2. Historic duplicate payments listing for the previous financial year has also been located which will be reviewed. 3. A request has been raised with Embridge (software management company) to provide a tool on Unit 4 to track duplicate invoices and payments for accuracy and also allow a report to be run against these specific invoices.</p>	Interim Financial Services Team Leader	September 2024

		4. External Duplicate payments tracker created in the meantime to monitor and track payments alongside bank rec.		
5. Recovery of funds or credit notes be obtained for all duplicate payments identified.	High	<ol style="list-style-type: none"> 1. Duplicate payments report will be tracked and actioned weekly to chase up and provide update. 2. To be included in monthly Finance Service Plan KPI to monitor and feedback. 	Interim Financial Services Team Leader	December 2024
6. Processes and activities be reviewed to ensure risk of future duplicate invoice payments being processed are minimised (all potential circumstances to be considered).	High	<ol style="list-style-type: none"> 1. Payment processing controls are currently being documented. 2. Training to be rolled out around the requirement of invoices and documents processing prior to making payment as this is where some of the gaps were identified. 3. Improve document management within and outside the system. 	Interim Financial Services Team Leader	September 2024
7. Supplier invoice payment performance be monitored going forward, with a KPI introduced within the Finance Service Plan.	Medium	<ol style="list-style-type: none"> 1. Report now created and introduced to enable the effective monitoring of supplier invoice payment. 2. To include in KPI in Finance Service Plan and monitor monthly. 	Interim Financial Services Team Leader	March 2025
8. User training required to understand functionality of system.	Medium	<ol style="list-style-type: none"> 1. Payment processing controls is currently being documented. 2. Create and obtain sign off of payment approval value levels by payment type. i.e BACS, cheques, faster payments, manual payments etc. 3. Review overall existing controls within Unit 4, Paygate and the bank and compare to requirements. 4. Review audit trail within Unit 4, Paygate, cheques and bank. 5. Update / system changes in authorisation access and levels to enable controls. 6. Training to be rolled out in line with policy and procedures. 	Interim Financial Services Team Leader	September 2024

<p>9. A review of approvals required for all payments made by the authority is carried out to ensure that they are in line with the bank mandate, documented and circulated to all relevant officers.</p>	<p>High</p>	<ol style="list-style-type: none"> 1. Payment processing controls are currently being documented. 2. Create and obtain sign off of payment approval value levels by payment type. i.e BACS, cheques, faster payments, manual payments etc. 3. Review overall existing controls within Unit 4, Paygate and the bank and compare to requirements. 4. Review audit trail within Unit 4, Paygate, cheques and bank. 5. Update / system changes in authorisation access and levels to enable controls. 6. Training to be rolled out in line with policy and procedures. 	<p>Interim Financial Services Team Leader</p>	<p>December 2024</p>
<p>10. A Corporate Credit Card Policy is introduced and all officers that have been issued with a credit card are required to sign up to this policy.</p>	<p>Medium</p>	<ol style="list-style-type: none"> 1. Create credit card policy 2. Create standard form for cardholders to complete each month (if used) and attached receipts, include new cost centre/account codes. 3. Ensure card rules are emphasised in the agreement they complete that failure to provide timely receipts and cost centre codes will result in card being retracted. 4. Emphasising point 3 as backlog included card statement receipts not processed since Nov 2022. Team had been chasing for receipts and codes. 5. Possible opportunity to enable the submission of card receipts via unit 4 – to look into. 	<p>Interim Financial Services Team Leader</p>	<p>March 2025</p>
<p>11. Reporting specification to be written into UNIT4 to enable exception reports of this nature to be generated showing the audit trail of newly created supplier accounts and amendments made to supplier account records. Exercise to be undertaken with immediate effect. These reports may possibly be available through audit functionality within the system.</p>	<p>High</p>	<p>Report requested from Embridge to allow the viewing of new and amended suppliers with audit trail (created by, amended by, checked by and approved by) within Unit 4.</p>	<p>Interim Financial Services Team Leader</p>	<p>September 2024</p>
<p>12. Overdue monthly Creditor Account reconciliations for FY 2023/24 be completed as a matter of urgency.</p>	<p>High</p>	<p>Due to the issues with the implementation of Unit4, it had not been possible to complete any reconciliations during 2023/24</p>	<p>Interim Financial</p>	<p>December 2024</p>

<p>Going forward, time limits are set for the completion and sign off for all monthly reconciliations.</p>		<ol style="list-style-type: none"> 1. Full review of existing reconciliation and process taking place between Unit 4 and the creditors system, including method. 2. Implement agreed daily and monthly reconciliation process of the creditor Account against the GL. 3. Training rollout and sign off of agreed Finance Service Plan KPI. 4. Bring up to date all outstanding reconciliation and update Finance Service Plan KPI. 5. Review and sign off all monthly reconciliations going forward. 	<p>Services Team Leader</p>	
<p>13. Reporting specification be written into UNIT4 to enable supplier invoice and credit note payment data over £500 to be extracted for publishing requirements. Exercise to be undertaken with immediate effect. Supplier payment data for FY 2023/24 be published on the Council's website as soon as available. Going forward, supplier payment data to be published each quarter on the Council's website.</p>	<p>High</p>	<p>Note: Original request could not be concluded until backlog had been completed. Report specification does exist for £250 & £500 within Unit 4 and is ready to run. (Tested and passed)</p> <ol style="list-style-type: none"> 1. Finalise entries of all invoices into the system for year end. 2. Run report and review for sign off prior to publishing. 3. Embed into KPI and as part of routine task. 	<p>Interim Financial Services Team Leader</p>	<p>December 2024</p>
<p>14. Publication of FY 2022/23 and 2023/24 performance data to be published as a matter of priority.</p>	<p>High</p>	<ol style="list-style-type: none"> 1. Report now created and introduced to enable the effective monitoring of supplier invoice payment for FY23/24 2. Obtain data from Total for 22/23 3. Review and sign off 4. Publish. 5. To include as a KPI within the Finance Service Plan and monitor monthly as part of routine task. 	<p>Interim Financial Services Team Leader</p>	<p>March 2025</p>