

# Accounts Receivable - Post Oracle Go Live – Final Report – September 2024

Audit & Governance Committee - 17/10/2024

# Summary findings – Accounts Receivable

Overall opinion - Limited Assurance

The audit reviewed the following: • Guidance and process documentation; • Segregation of duties; • System access to Oracle; • Raising of invoices and credit notes; • Arrears of debtors and write offs process and reporting and monitoring of debt position; • Reconciliation of debtors.

The review identified significant gaps, weaknesses, or instances of noncompliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.

# Key Findings

There are processes which require improvement such as:

No effective debt recovery process in place;

No guidance on the debt recovery process;

New and amended customer duplication checks;

No regular reconciliation checks to ensure correct postings

# Finding 1 – Debt recovery process

**Action:** Once the system issues are resolved (direct debits and reconciliation) the debt recovery process can be started and reports sent out to update the budget monitoring reports. Debt accumulated in the period following implementation will be recovered as per our standard process. Some debt recovery has taken place but on an ad hoc basis when highlighted by the business area. We anticipate this starting by the end of Autumn 2024. The debt recovery policy and processes are being reviewed as part of an overhaul of the Finance Manual which will be completed in draft format by 31/12/24. We have a corporate debt recovery policy but this hasn't been reviewed for a number of years. There is also a new Adult Social Care Debt Recovery policy which the Care Contributions team are working to. The debt recovery policy and processes are being reviewed as part of the continuing work on the Finance Manual which will be completed in draft format by 31/12/24. In addition, we will need to include a programme of rolling out the new Finance Manual which we will look to take place in the new financial year (25/26).

We will have completed this work by 31<sup>st</sup> January 2025.

## Finding 2 –Customer Creation Duplicate Checking

Action: Oracle functionality focusses on the name of the object (either customer or supplier) and all checks are made using that identifier. The initial responsibility for checking customer sits with the service as part of the move towards a self-service approach within Oracle and was a deliberate, conscious decision. The process for setting up new customers will be reviewed to determine if there are any appropriate additional steps/checks that can be added in.

This review will be completed by 30th November 2024

# Finding 3 – Reconciliation of the Debtors System to the Cash Receipting System

Action: Process demonstrated was not fully developed. This has now been revised and the officers/consultant involved have updated the process. Reconciliations are now being carried out.

Update: The reconciliation process has been developed and is in use.

# Finding 4 – Reconciliation of write-offs to Oracle

Action: The write off spreadsheet will be reconciled to the total write offs in Oracle on a periodic basis.

This will be implemented by 31<sup>st</sup> October 2024.