

# Moray Council

## Internal Audit Section

**DEPARTMENT:** Economy, Environment & Finance

**SUBJECT:** Debtors

**REPORT REF:** 24'011

### Follow Up Audit Review

Risk Ratings for Recommendations					
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	Medium	Less critically important controls absent, not being operated as designed or could be improved.	Low	Lower level controls absent, not being operated as designed or could be improved.
No.	Audit Recommendation	Priority	Accepted (Yes/ No)	Date of Completion	Status / Explanation
<b>Key Control:</b> The audit reviewed the key operational controls in the management of the Debtors System.					
5.01	Further to a review undertaken by the Payments Section, additional controls have been implemented to ensure more effective monitoring of software licensing requirements. This will include establishing a register of software	High	Yes	31/12/2023	<b>Implemented</b> – Revised processes have been introduced to ensure software licenses are renewed in accordance with contract conditions.

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<b>No.</b>	<b>Audit Recommendation</b>	<b>Priority</b>	<b>Accepted (Yes/ No)</b>	<b>Date of Completion</b>	<b>Status / Explanation</b>	
	certificates requiring future renewal.					
<b>5.02</b>	To ensure the Council is maximising income recovering arrangements, services should be reminded to resolve any disputed invoices as quickly as possible.	Medium	Yes	31/01/2024	<b>Implemented</b> – The Payments Section sends quarterly debt management reports of unpaid invoices to services. Services have been reminded of the need to resolve disputed invoices promptly. Payments Section also undertakes regular age debt analysis to highlight unpaid invoices over different time periods.	
<b>5.03</b>	In accordance with Financial Regulations, services should be reminded of the requirement that invoices are issued promptly, either in advance or within a maximum of 30 days of the service or goods being provided.	Medium	Yes	31/01/2024	<b>Implemented</b> – Quarterly debt management reports are sent to services, which include a reminder of the Financial Regulations requirement of issuing invoices within 30 days of providing a service or goods.	
<b>5.04</b>	Consideration should be given for additional guidance to be included	Medium	Yes	31/01/2024	<b>Implemented</b> – Revised Sundry Debt Management Procedures have been updated	

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	within the Sundry Debt Management Procedures to ensure a uniform approach is taken where the use of legal action should be considered by services for the recovery of unpaid invoices.				to include guidance on the use of legal action for unpaid invoices. Procedures remain within the consultation period with an expectation of final agreement by the end of June 2024.
<b>5.05</b>	Consideration should be given to further developing performance management information to allow benchmarking with other local authorities and for the internal management of debt recovery action undertaken by individual services.	Medium	Yes	31/03/2024 Revised Implementation Date 31/08/2024	<b>Outstanding</b> – Operational demands and staffing vacancies have delayed the implementation of this recommendation. Work has started on the analysis of information, which will then be used to develop performance indicators for benchmarking with other local authorities. Revised implementation date 31/08/2024.