

# Internal Audit Executive Summary

## Debtors 2023/24 - Follow up Of the 2022/23 Audit Findings

### Torbay Council

December 2023

Official



## 1. Introduction and Background

The Council has two systems and teams for processing debtor and customer invoices. The first is the FIMS Sundry Debt module which is used to raise and collect debts across all areas of the Council except for council tax, NNDR and housing benefit overpayments. The Corporate Debt Team are responsible for the recovery of unpaid council tax, NNDR and housing benefit overpayments with invoices generated from the Open Revenues system. We reported an assurance opinion of 'Limited' in the 2022-23 Annual Report; this document provides a summary of the follow up work we have undertaken as part of the 2023-24 Internal Audit Plan.

## 2. Scope and Objectives

The audit is a focused follow up of the management actions agreed in the 2022-23 report in order to assess progress made. We have not re-assessed the full Sundry Debtor and Corporate Debt processes. We are informed that that the current CRM project and current Customer Services project may have an impact on processes going forward which we will examine in 2024-25. In the interim, we are involved in both projects in order provide live support and challenge.

## 3. Executive Summary

It is pleasing to note that recommendations previously made are now being addressed through the Customer Services Project, which is led by the Section 151 Officer, supported by a project manager from the Business Improvement and Change Team. Despite the relatively recent commencement of the project, some recommendations have already been addressed and project plans are in place to ensure the remaining ones are addressed by April 2024.

Whilst we are not yet able to revise our assurance opinion from 'Limited Assurance', we can confirm a positive direction of travel with a comprehensive management action plan in place to ensure that all recommendations and intended actions are progressed in a timely manner.

## 4. Findings

We reported to Members in 2022-23 that there were issues regarding lack of separation of duties, with credit notes, monitoring performance of external debt collectors, reviewing accounts where recovery had been suppressed and in relation to write-offs, and the adherence to Financial Regulations.

It is pleasing to note that there is now a FIMS wide project to examine access rights and related separation of duties; we understand that in the interim access to amend, insert and copy, invoices and credit notes, has been removed from the FIMS System Administrators. In relation to credit note process improvements, this is now part of the workplan for completion by April 2024. With regard to external debt collection agencies, performance monitoring processes are being established. A new process is now in place whereby suppressed accounts are reviewed monthly. Furthermore, the Section 151 Officer now signs off the account write offs in compliance with Financial Regulations.

## 5. Inherent Limitations

The opinions and recommendations contained within this executive summary are based on our evaluation of information provided, the examination of restricted samples of transactions / records and our discussions with officers responsible for the management actions followed up as part of the audit.

## 6. Acknowledgements

We would like to express our thanks and appreciation to all those who provided support and assistance during the course of this follow up work.

**Tony Rose**  
**Head of Partnership**

## Devon Audit Partnership

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The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at [tony.d.rose@devon.gov.uk](mailto:tony.d.rose@devon.gov.uk).

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