

Area of Review	Accounts Receivable
Level of Assurance	<p>Satisfactory</p> <p>Satisfactory assurance can be given when there is generally a sound system of internal control in place with only minor lapses, and in general objectives are being achieved.</p>
<p>Objectives of Review</p> <ol style="list-style-type: none"> 1. Invoices are raised appropriately and show sufficient detail of the nature of the debt. 2. Invoices are correctly calculated and properly accounted for. 3. Effective debt recovery arrangements are in place 4. That the integrity of the system is maintained 	
<p>Key Findings</p> <p>Control Objective 1 – Invoices are raised appropriately and show sufficient detail of the nature of the debt.</p> <ul style="list-style-type: none"> ➤ The council has established processes in place for the setting up of sundry debtor invoices onto the financial system Integra. Sample testing showed that controls are in place which ensure that the nature of the debt could be identified as well as other important information including the name and address of the debtor and the total debt and VAT amounts. ➤ Officers do need to ensure supporting evidence for any invoice is retained. ➤ There are still occasions where services are provided to customers prior to payment being received, for example the sale of new bins to developers. <p>Control Objective 2 – Invoices are correctly calculated and properly accounted for.</p> <ul style="list-style-type: none"> ➤ Testing found that invoices are correctly calculated and income accounted for in an accurate and timely manner. Invoices have unique reference numbers and have an income code on their Integra account. ➤ A monthly reconciliation is performed and reviewed by a senior/financial accountant. <p>Control Objective 3- Effective debt recovery arrangements are in place.</p> <ul style="list-style-type: none"> ➤ The council has established processes for the recovery of debt. Testing showed that Capita issue the two standard reminders as required were issued in a timely manner. Further recovery action after the two standard letters is limited. ➤ No debts sampled had been referred to the legal process, further recovery action should be taken by Heads of Service. ➤ A sample of write offs was tested which confirmed sufficient reason explaining as to why it was being written off. Furthermore, there was adequate separation of duties between those preparing and approving write offs. 	

Control Objective 4– The integrity of the system is maintained.

- Testing found that back-up and recovery processes are in place which enable the integrity of the system to be maintained.

ACTION PLAN

Ref	Action to be Taken	Management Response	Category of Risk	Responsible Officer	Target Date
1.	Capita should review processes provided to other councils under the 5 Councils contract and ensure Hart are offered the same arrangements.	This is being carried out as part of the move to the new version of Integra. This will enable a standard processes to be adopted for Accounts Receivable.	Medium	Head of Finance (Capita)	June 2019
2.	The Council Debt Policy should be reviewed and updated accordingly.	Complete. Policy was reviewed in December 2018.	Medium	Head of Corporate Services	Dec 2018
3.	All managers and Heads of Service are reminded to take further proportionate recovery action on debt that remains outstanding after the standard reminder letters.	Heads of Service will be reminded that further recovery action, proportionate to the value of debt must be taken against outstanding debt promptly.	Medium	Head of Corporate Services	Jan 2019
4.	Ensure where possible payments for goods and services is received prior to services being provided.	As above Heads of Services to be reminded to ensure payments are received prior to services being made.	Medium	Head of Corporate Services	Jan 2019