

Type: System

SUBJECT: Debtors

Date: May 2009

Introduction

In 2008/09 income of over £4.4million was billed with 5,300 invoices/credit notes raised by the Debtors section.

Scope and Coverage

The 2008/09 audit review was undertaken using the systems-based auditing approach, identifying the system and controls, evaluating and testing in relation to the system objectives.

All documentation has been updated as appropriate. Findings, conclusions and recommendations are discussed with Management prior to being included in a formal report or memorandum.

This year's testing encompassed the expected key controls, as agreed with the External Auditor, together with general observations and examination of the system. Functions examined included invoice requests, billing, payment, recovery, write-offs, costing and outstanding debt.

Recommendations

High/Significant risk recommendations - none

A number of recommendations were made, all of which were of low or medium risk. These have been agreed and Management is implementing them.

Governance Statement assessment

The Debtors system operates with a reasonable degree of internal control. Whilst no major weaknesses were found within the testing, the level of outstanding debt had increased at the year-end. However since then the newly formed Corporate Recovery unit has been assigned responsibility for the collection of these debts, recovery has improved.