

APPENDIX A

"This appendix provides a full crosswalk between each audit recommendation, the previous policy position, and the amended wording."

Audit Observation Corporate Debt report	Financial Regulations Section	Audit Report Comments	Financial Regulations Policy Text	Required Amendment/Action	Suggested Amendment
1. Credit Notes – Segregation of Duties and Approval Process	D22A - Income and Expenditure	No segregation of duties between raising invoices and issuing credit notes.	N/A	Add D22A – Credit Note & Invoice Cancellation Process (approval thresholds, justification, audit trail, independent approval).	D22 A Credit Note and Invoice Cancellation Process. All credit notes and invoice cancellations must follow the Council’s Scheme of Delegation, include justification and support documentation, and maintain an auditable trail. A Stage 2 validation step is mandatory for credit notes, requiring independent managerial approval.
2. Reminder Letters – Inconsistent Timeframes	New Part of D7	Reminder letters are not issued in line with the Corporate Debt Policy.	N/A	Add reminder-letter compliance clause after D7 (must follow Corporate Debt Policy timelines; require monitoring).	D7 Services must ensure that all reminder letters are issued in accordance with the timeframes set out in the Corporate Debt Policy, and must retain an auditable record confirming when each reminder was generated and sent.
3. Aged Debt Reporting – Lack of Analysis	New D19 A	Reports lack breakdowns by age and actionable insights.	N/A	Add D19A – Aged Debt Reporting Requirements (age bands, service review, annual statute-barred report).	D19 A Aged debt reports must include defined age bands and be reviewed by service areas prior to Corporate Debt Meetings, with Finance providing an annual summary of statute-barred or near-barred debt.
4. Hold Cases (Suppressions) – No Monitoring Process	New D14 A	No formal review process for accounts on hold.	N/A	Add D14A – Monitoring of Hold/Suppression Cases (monthly report; holds lifted promptly).	D14 A) A monthly review of all suppressed accounts must be carried out by the Debt Recovery Officer. Holds must be lifted promptly once disputes are resolved or balances cleared.
5. Invoice Requests – Risk of Loss During Manual Transfer	New D19B	No confirmation process for invoice requests.	N/A	Add D19B – Invoice Request Controls (log vs invoice reconciliation; confirmation to services).	D19 B) Customer Services maintain a centralised, auditable spreadsheet logging all credit note numbers against the relevant accounts, ensuring traceability and compliance with internal controls.
6. Debt Ownership – Lack of Clarity	New D7A	Unclear whether debt ownership lies with service areas or central recovery.	N/A	Add D7A – Debt Ownership Clarification (define service vs recovery responsibilities).	D7A Roles and responsibilities are defined within the Council’s Scheme of Delegation and operationalised through the Sundry Debt Corporate Debt Process Map (Appendix B), ensuring a structured and transparent approach to debt recovery and write-offs.
7. Payment Plans – No Defined Parameters	New D7B	No formal guidance on payment plans.	N/A	Add D7B – Payment Plan Governance (minimum payments, duration, approval levels).	D7B Payment plans must include defined timeframes, minimum instalments, and approval thresholds. These arrangements must be documented and reviewed quarterly by the Corporate Debt Group.

Audit Observation Corporate Debt report	Financial Regulations Section	Audit Report Comments	Financial Regulations Policy Text	Required Amendment/Action	Suggested Amendment
8. Invoice Cancellations – No Documented Process	New D22A	No rules for invoice cancellations (credit notes).	N/A	Add D22A – Credit Note & Invoice Cancellation Process (approval thresholds, justification, audit trail, independent approval).	A) Credit Note and Invoice Cancellation Process. All credit notes and invoice cancellations must follow the Council's Scheme of Delegation, include justification and support documentation, and maintain an auditable trail. A Stage 2 validation step is mandatory for credit notes, requiring independent managerial approval.
9. Write-Offs – Incomplete Approval Records	D20-22	Inconsistencies in write-off documentation.	N/A	Add D22 – Write-off Documentation Standards (digital forms, mandatory fields, monthly QA checks).	<p>D20 All write-off requests are required to be submitted exclusively through the Council's secure digital workflow system. The form must include mandatory fields capturing justification, supporting documentation, and delegated authority approval. Automated routing will ensure segregation of duties and compliance with the Scheme of Delegation. In addition, a formal, independently verified reconciliation of all write-off transactions against authorised approval lists will be performed at defined intervals, with results reported to the Chief Finance Officer and Audit Committee to maintain transparency, accountability, and full audit traceability.</p> <p>D22 The Chief Finance Officer must maintain a comprehensive, up-to-date record of all income written off. In addition, an independent reconciliation of all write-off transactions against the approved authorisation lists will be conducted on a scheduled basis to ensure accuracy, compliance with delegated authority, and full audit traceability.</p>