



Agenda Item 10

JOINT AUDIT COMMITTEE
27 June 2024

DEBT WRITE OFFS

1. PURPOSE OF REPORT

1.1 To recommend debt write offs to the Committee.

2. BACKGROUND

2.1 An internal audit report in December 2023 identified that there was a weakness around the follow up and write off of external debt, and this report follows a period of investigation by the Accounts Receivable team and the Financial Accounting team.

2.2 Due to the de minimis levels of the debt, the matter had not caused any concerns for external audit.

2.3 The code of governance states that: "The FCFO may write off debts considered to be irrecoverable up to the amount set out in Financial Regulations subject to periodical reports to the Commissioner. Any individual write-off above the amount set out in Financial Regulations must be referred by the FCFO to the Joint Audit Committee, on behalf of the Commissioner, for approval;"

2.4 Those levels are as follows:

Up to £500	Service Director – Finance
Up to £2,000	Director of Commercial Services
Over £2,000	Police and Crime Commissioner, as advised by JAC

3 RECOMMENDATIONS

3.1 There are five aged debts which exceed the delegated authority of the FCFO and which, in the view of the Accounts Receivable team are now unenforceable.

3.2 Table 1 – Proposed debt write offs

Invoice Number	Date	Amount	Description
200116	24/08/2015	£4,926.30	Payroll overpayment of annual leave following dismissal. Offered £10 pcm
200096	22/06/2017	£5,818.38	Overpayment of salary
209271	13/01/2022	£4,734.87	Overpayment of salary – CJ did not inform payroll of a leaver. Offered £30 pcm
205046	12/11/2019	£2,308.00	Shift / Rota overpayment following team change. This overpayment has been challenged by the individual as the change was never communicated by HR following the change in role.
210469	08/09/2022	£3,370.82	Outstanding balances of salary sacrifice scheme on leaving WMP.
		£21,158.37	

3.3 The original errors themselves are not concerning and represent a minor error rate in view of the more than 11,000 staff paid per year on a monthly basis. However, the correspondence in these cases shows a lack of follow up and a lack of escalation.

3.4 The first 3 invoices were all approved for write off by the former FCFO in 2020, however, this was never proposed to JAC as per the code of governance.

3.5 The final two invoices have been identified as part of the work the team have carried out following the internal audit review in December 2023.

3.6 The recommendation is that the JAC consider supporting the write off of these debts to the PCC.

4 PROGRESS ON AUDIT RECOMMENDATIONS

4.1 The teams involved have now made the following improvements:

- Tested and setup in Oracle the authorisation limits detailed in the code of governance allowing the write off process to be fully moved online, moving away from paper and wet signatures;
- Added information on the level and profile of debt to the monthly KPI pack for performance panels and the Finance Quarterly Performance Review pack;
- Held conversations with the oracle around implementing the collections module to automate some debt recovery process;

- Implemented means of more effectively monitoring the collection of debt on agreed instalment plans.

4.2 This recommendation has not yet been actioned:

- A reconciliation between the number and value of invoices raised in Fusion and the requests received to the My Service Portal