



Committee and Date

Audit Committee

21 June 2013

10.00am

Item

5

Public

**UPDATE ON ACTIONS FOLLOWING REVIEW OF SHARED SERVICES
FINANCE – DUPLICATE PAYMENTS**

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1. Summary

- 1.1. Following an internal process review of Shared Services financial management transactional services in October 2012 a decision was made to engage with a third party supplier to assist with the recovery of duplicate payments. As part of that decision making process Twice2Much was commissioned to support the recovery process.
- 1.2. This report provides members with an update in respect of progress made by Twice2Much on the recovery of the duplicate payments between March and June 2013.
- 1.3. To date the total amount recovered is £250,000 (net of payments).

2. Recommendations

- 2.1. The Audit Committee are asked to note the progress made, and to support the ongoing recovery process.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. Failure to take the necessary corrective action in relation to the issue identified would result in the following risk to the Council:
 - Overpayments made by the Council not being recovered could compromise controls as specified within the Councils Financial Rules and procedures.

4. Background

- 4.1 Following an internal process review of Shared Services financial management transactional services in October 2012 a key issue relating to the recovery of duplicate payments was highlighted. In addition it was noted that there had been a lack of process in place for recovering duplicate payments over a number of years.
- 4.2 In order to mitigate this management control process an immediate decision was made by the S151 Officer to engage with a third party suppliers to assist with the recovery of duplicate payments. As part of that decision making process Twice2Much was commissioned to support this recovery.
- 4.3 In support of this decision Shared Services were approached to manage the process and ongoing relationship with Twice2Much to ensure that the timely recovery of duplicate payments is made.
- 4.4 As of June 18th 2013 £250,000 (net payments to Twice2Much) has been recovered.
- 4.5 A summary of the payments recovered indicate recovery of duplicate payments from the following periods:
- 23% related to payments from 09/10
 - 26.7% related to payments from 10/11
 - 26.4% related to payments from 11/12
 - 23.9% related to payments from 12/13
- 4.6 A monthly manual control report has been developed within Shared Services finance transaction teams, and this will mitigate ongoing duplicate payment from happening in the future. This process will be implemented once the Twice2Much contract has ended.
- 4.7 Future developments of the corporate financial system should consider the automated management of duplicate payments. This development would enable all payments to be checked for duplicate and fraudulent claims prior to payment.

5. Conclusions

- 5.1 The engagement of Twice2Much is positively recovering duplicate payments on behalf of the Council and is supported by day to day management controls to assist with the outcomes specified in the original scope of the contract.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Keith Barrow (Leader of the Council) and Brian Williams (Chairman of Audit Committee)

Mike Owen (Resources & Support)

Local Member n/a

Appendices