

Meeting of the Group Audit and Risk Committee

4.00 - 6.00 pm on Tuesday, 15 June 2021
in MS Teams

Supplement

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Finance Systems Recovery Update

1. Agresso

Recovery:

Agresso has been restored and staff are now able to use most functionality. Some interfaces are still not fully operational including those with online payments and the accommodation system. Bacs software is also not yet fully functional, and we are working with IT on a solution. Processes for creating new suppliers, which had previously been delayed, are now operational and supplier payments are now being made.

Work is still underway to bring accounting records up to date and this has taken longer than anticipated due to delays in accessing some systems and staff absence due to sickness and annual leave.

In SBC, recording of supplier invoices is now up to date. The change in security protocols has had an impact on system access at SBC and, while useable, performance of Agresso and ITrent is slower and more complex. This has also had knock on implications for the roll out of P2P at Lambeth

In summary the transactions that are still to be brought up to date include:

- Supplier invoices dated from the start of May to mid-June with an estimated 1500 waiting to be processed. There are a further 400 on Agresso and awaiting authorisation.
- Around 200 supplier invoices where a PO has not been raised and the team need to investigate who should approve before payment
- Income and expenditure through the Accommodation system interface
- Credit notes through the QL interface where credits for fees have not been raised

It had been estimated that it would be the end of July before the team have caught up with financial processing but this is dependent on resolution of the remaining IT matters.

May management accounts are being prepared.

Workarounds:

We continue to maintain a manual spreadsheet cashbook is being maintained to record all bank transactions.

A manual process is in place to transfer transactions from QL to Agresso.

2. Student Sales Ledger

QL invoicing for new enrolling students is now complete although workaround are still in place with the interface with Agresso . There is still some tidying up to ensure status as self funded or SLC funded is correct.

Jan 21 re-enrolments are still being processed - so there is still some fee invoicing to do as a result and estimate that approx 74% of those who are expected to re-enrol have now been processed.

The refunds database is not yet available and credit notes have not been recorded yet on the accounting system although Actual refunds due to students are being made manually.

Access to the fees lookup database has not been restored , and this is needed to generate the fees matrix for 21/22 - and without that we won't be building any fee income for 21/22.

3. Payroll

Before the June payroll, There are approx £85k of manual payments still to recover from staff – mainly HPLs with 10-15 staff owing more than a few pounds will get an update when the June payroll has been finalised later this week. In SBC only one advance, for £35, is still unrecovered.

4. Reporting

The Group's VAT return was sent on 7th June and was less accurate than if accounts payable records were up to date. We are working with KPMG to advise on reconciling with actual figures once records are up to date.

5. Audit

Internal Audit:

Work on reviewing processes put in place as a result of the IT outage and controls around bringing records up to date is in progress and we are expecting BDO to report in the next few weeks.

Year end Audit and Accounts:

We are still expecting records to be brought up to date and not impact on the year end process and are in the process of planning the interim with KPMG.

Natalie Ferer
15th June 2021