

AUDIT COMMITTEE	AGENDA ITEM No. 11
29 NOVEMBER 2021	PUBLIC REPORT

Report of:	Peter Carpenter – Corporate Director of Resources	
Cabinet Member(s) responsible:	Cllr Coles - Finance	
Contact Officer(s):	Peter Carpenter – Corporate Director of Resources	Tel: 384564

UNCOLLECTABLE DEBTS IN EXCESS OF £10,000

R E C O M M E N D A T I O N S	
FROM: Peter Carpenter – Acting Director of Corporate Resources	Deadline date: 29 November 2021
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> Note the Uncollectable Debts in excess of £10,000 report. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Audit Committee for information from Cllr Coles (Cabinet Member for Finance) following the publication of a Cabinet Member Decision Notice (CMDN).

2. PURPOSE AND REASON FOR REPORT

2.1 This report is for information following the Cabinet Member for Finance exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (n).

2.2 This report is for Audit Committee to consider under its Terms of Reference No. 2.2.2.13
To review any issue referred to it by the Chief Executive or a Director, or any Council body.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

4.1 The attached CMDN report details the Cabinet Member's approval to write-off uncollectable debts that exceed £10,000 in relation to accounts receivable (sundry debt), as detailed in the appendices to this report. The aggregate total value of these debts is £262,697.

4.2 All cases requested for write-off follow a lengthy process to recover the outstanding money, sometimes dating back many years. Only once all avenues have been exhausted will the council consider writing off debt.

4.3 It is acknowledged that given the high volume and value of invoices and bills issued there will

always be a requirement to write off an element of debt as uncollectable.

- 4.4 Sundry debt raised each year is normally in excess of £60 million. When the sum recommended for write off in this report is expressed as a percentage of the total debt raised over the period, it represents only 0.03%. If debts less than £10,000 are also included, the total percentage written off is only 0.06% of the total debt raised.
- 4.5 The majority of debt to be written off has been provided for in the council's debt provisions. As a result, the impact on the Council's revenue position as a result of this write off exercise is £23,656. All debt recovery actions available to the council must be exhausted before outstanding debt can be recommended for write-off.
- 4.6 The recent Internal Audit review of Sundry Debt focussed on all aspects of the debt management process, including the governance arrangements for writing off debt. As part of gaining reasonable assurance, it was recognised that the Council conducts quarterly reviews of potential uncollectable debt (exceeding £10k) and that this report to Audit Committee forms part of the formal CMDN process. It was recommended that this aspect of governance is documented within policy guidance for budget managers, and this has now been updated.

5. CONSULTATION

- 5.1 Information concerning the consultation undertaken is detailed within the attached CMDN report.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 It is anticipated that the Committee will note the attached 'Uncollectable Debts in Excess of £10,000' Cabinet Member Decision Notice.

7. REASON FOR THE RECOMMENDATION

- 7.1 Reasons for recommendation are detailed within the attached CMDN report.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Alternative options are detailed within the attached CMDN report.

9. IMPLICATIONS

Financial Implications

- 9.1 Financial implications are detailed within the attached CMDN report.

Legal Implications

- 9.2 Financial implications are detailed within the attached CMDN report.

Equalities Implications

- 9.3 There are no significant equalities implications.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 Cabinet Member Decision Notice: To approve the write-off of any uncollectable debts in excess of £10,000.

11. APPENDICES

- 11.1 Cabinet Member Decision Notice: To approve the write-off of any uncollectable debts in excess of £10,000.