

Collection of Income -
Debtor Follow up

Salford City Council

ACTION PLAN

Reference:	SA002-08-2003
Date:	July 2003

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
6	R1 Consider including more detail in relation to billing and write-offs in the final policy. (See also R1 from Council Tax Follow Up report.)	2	A F Hennessy/Steve Fryer	Yes.	Salford Direct have been instructed by the Debtor and Creditor Manager on 24 June 2003 to include further detail regarding billing and write off policy. Details to be included were listed on an e-mail. This was agreed by Salford Direct on 14 July 2003.	September 2003
6	R2 The Quality and Performance Scrutiny Committee should receive quarterly reports on performance.	2	A F Hennessy	Yes.	Reporting mechanism has been in place since April 2002 using a template agreed by Q&P Scrutiny Committee members. Reports are submitted in accordance with Q&P's work plan as opposed to strictly quarterly. Reports have been prepared each quarter irrespective of Q&P's work plan but are only submitted when required. Since April 2002 reports have been submitted as follows: on 22 May 2002 (information up to end April 2002); on 23 September 2002 (information up to end August 2002); on 23 June 2003 (information up to end March 2003).	April 2002
6	R3 The strategy should be circulated to all staff once it has been finalised.	2	A F Hennessy	Yes.	Strategy issued to Debtor Team staff in June 2003.	June 2003
7	R4 Pursue a resolution to the problem of accounting for part payments.	2	A F Hennessy/A W Jones	Yes.	The development of appropriate SAP instalment reports have been requested from the e-Merge Team. Currently manual checks are being carried out by Debtor Team staff using printed SAP transaction reports and this is not a satisfactory method of monitoring. The e-Merge Team are investigating the practicality of automatically clearing earliest instalments against payments as part of the SAP clearing functionality.	September 2003

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8	R5 Every effort should be made to ensure that all the data fields on debtor master records are completed.	2	A F Hennessy	Yes.	Every effort is made to ensure complete information is received from Directorates. All requests containing incomplete information are referred back to Directorates for completion. This point has been reaffirmed to Debtor Team officers and will continue to be so.	Continuous since at least February 2002 and ongoing
9	R6 Evaluate the cost effectiveness of the alternative methods of income collection and communicate the results of this exercise to front line staff.	2	J K Masheder/A F Hennessy	Yes.	Investigation into the implementation of Direct Debits has revealed that this is a more complex task than originally envisaged and, therefore, its introduction is now scheduled for 2004/2005. Direct Debit is regarded a more cost effective collection method per transaction. Every effort is made to pursue other cost effective methods of recovery. Payment over the internet is now available, and the City Council has recently withdrawn the Post Office Transcash account due to the high cost per transaction and onerous processing procedures required. It is likely that a resource will become available from Internal Audit in August 2003 to investigate issues such as cost effectiveness.	June 2004
9	R7 Re-examine the type of low value invoices being raised to determine whether it would be more efficient to collect this income at the point of delivery.	2	J K Masheder/A F Hennessy	Yes.	Much effort has been made to reduce the numbers of low value accounts. An exercise will be undertaken by the Debtor Team before the end of 2003/2004 to further scrutinise these accounts to target specific originators with a view to channelling this activity via another income stream. Additionally it is likely that a resource will become available from Internal Audit in August 2003 to investigate issues such as low value invoices.	June 2004

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10	R8 Ensure that Internal Audit's recommendations are promptly implemented.	3	J K Masheded	Yes.	Internal Audit's recommendations are always addressed promptly. However, responses to reports have not always been returned to Internal Audit on time. The latest draft report received in May 2003 was, due to holidays, responded to in early July 2003 and Internal Audit's comments are awaited. Every effort will be made to respond to future reports within one month. However, agreed recommendations will always be addressed as immediately as possible with the response to Internal Audit to follow.	July 2003 for current Internal Audit report. Within one month for future Internal Audit reports
10	R9 The debtor files maintained by Legal should include a position list that would indicate the current position on action being taken.	2	A F Hennessy/A Hatton (Legal)	Yes.	Discussions took place in June 2003 between the Debtor and Creditor Manager and the appropriate Principal Solicitor regarding the creation of a master spreadsheet to track progress of cases between the Debtor Team and Legal Services. This will include all debtor cases with Legal Services and show a progress indicator. This will be visible to both teams on a shared computer drive.	September 2003
10	R10 Ensure that the recommendations in Internal Audits report on Legal Services Debt Recovery have been implemented.	3	A F Hennessy/A Hatton (Legal)	Yes.	In June 2003 discussions took place between the Debtor and Creditor Manager and the appropriate Principal Solicitor regarding the report mentioned. The Debtor and Creditor Manager has not seen the report as at 15 July 2003 but has been assured by the Principal Solicitor that all issues are in hand. A copy of the report has been requested.	September 2003

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11	R11 Accounts that have been blocked, for whatever reason, should be reviewed regularly to ascertain the appropriateness continuing to take no further action.	3	A F Hennessy	Yes.	The Team Leader and a nominated Billing and Recovery Officer have been tasked with regularly reviewing blocked accounts since June 2003. Such accounts are also discussed at every Debtor Team meeting. A template will be created by September 2003 on which progress on blocked accounts will be reported to the Team Leader and the Debtor and Creditor Manager.	September 2003
11	R12 The position on Client Affairs accounts should be ascertained and their settlement discussed with Social Services	2	A F Hennessy/J Rimmer (Social Services)	Yes.	It is felt that this is not a significant issue. However, a Senior Billing and Recovery Officer is tasked with regularly pursuing any account that falls into arrears in conjunction with the respective Client Affairs Officer. There have been very few of these. This action usually resolves the occasional arrears cases. In July 2003 Social Services finance section were asked to investigate the use of standing orders for collection of such income.	March 2004
12	R13 The internal and schools balance on Radius should be reviewed and cleared.	3	John Spink/Jill Baker/A F Hennessy	Yes.	The FSG Debtor Team have taken all internal measures possible to clear the internal debt (journal analysis has been provided to the Corporate Accountancy Team). £220K of originally RADIUS debt has already been cleared from the SAP debtors system. John Spink is currently (at July 2003) in discussion with the Director of Education and Leisure regarding remaining outstanding RADIUS schools accounts.	September 2003

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13	R14 Review the cost and effectiveness of external debt recovery agencies and compare this with in-house recovery.	2	J K Mashedor/A F Hennessy	Yes.	Agreed. It is likely that a resource will become available from Internal Audit in August 2003 to investigate issues such as cost and effectiveness of external debt recovery agencies.	June 2004
13	R15 Continue to write off outstanding debts that are no longer considered viable to collect.	3	A F Hennessy	Yes.	In place since the formation of the Financial Support Group. Next write off lists up to quarter to June 2003 have been completed for Lead Member approval June 2003. Since formation of the FSG write offs have been provided on a quarterly basis to the Lead Member of Corporate Services. Additionally, those accounts proven irrecoverable by the debt recovery agencies have been 'charged back' to the respective originating Directorates.	In place and ongoing
14	R16 All disputed invoices should be reviewed to ascertain if they should be written back to the appropriate Directorate.	3	A F Hennessy	Yes.	In place. A nominated Billing and Recovery Officer has been tasked with this role and regularly liaises with the Debtor Team Leader on this subject. The Debtor Team insists that disputed accounts are dealt with promptly between originating Directorates and customers within one month of notification of the dispute. Thereafter, unless special circumstances prevail, disputed accounts are charged back to the originating Directorate.	In place at July 2003