

## **WRITE OFF POLICY**

### **1. INTRODUCTION**

- 1.1 Following the recent senior management restructure, officer delegations and authorisations have been reviewed. The review highlighted the need to update the process for writing off debt.
- 1.2 This report seeks approval for the adoption of a new write off code of practice, principally to ensure the limits are reasonable and appropriate and to ensure the delegations fit with the new senior management structure.

### **2. BACKGROUND**

- 2.1 The write off procedure falls under Financial Regulations which states that:
- the S151 Officer is authorised to write off uncollectable or cancelled debt;
  - prior to write off all debts must be submitted with full details; and
  - all written off debt must be reported to the Audit Committee annually.

### **3. EXISTING ARRANGEMENTS**

- 3.1 The following ten service areas are responsible for the collection of income and administration of debt write offs:
- Council Tax
  - Business Rates
  - Overpaid Council Tax Benefit and Housing Benefit
  - Accounts Receivable
  - Housing Rents
  - Garages
  - Penalty Charge Notices
  - Stores
  - Health and Leisure Centres
  - Estates and Valuations
- 3.2 The S151 Officer delegates to the relevant Service Manager the approval of debt write offs that fall within a pre-agreed set of parameters and circumstances.
- 3.3 The code of practice (Appendix 1) requires the ten service areas to prepare write off schedules for approval in the same way but ensuring the write off is coded against criteria for write off. The criteria are listed in Appendix 2.
- 3.4 Where a write off is requested outside of the standard reasons the account with full supporting paperwork must be submitted to the S151 Officer via Internal Audit (which may highlight possible system failures) for approval.

3.5 The effectiveness of these arrangements are reported on as follows:

- Annually each Service Manager arranges for a full system reconciliation to demonstrate write offs have been processed accurately and report collection performance and the annual amount and breakdown of write off reasons to the S151 Officer.
- From this information a single report is submitted to the Audit Committee by the S151 Officer. (Example of pro forma at Appendix 3)

Additionally, Internal Audit will complete an annual systems audit on write offs processed.

#### **4. PROPOSED FRAMEWORK**

4.1 The existing arrangements as outlined above are being adhered to, and the annual reporting process is deemed as sufficient and appropriate.

4.2 Some minor housekeeping is required to update the Code of Practice (Appendix 1) to take into consideration the new Senior Management structure. A couple of minor changes are also proposed to the established policy:

- The delegated 'upper limits per debtor' values are in need of updating, as outlined within Appendix 2.
- The Section 151 officer may be required to agree appropriate write-off limits, if new lines of income are generated, not covered by the list of service areas in paragraph 3.1.

#### **5. FINANCIAL IMPLICATIONS**

5.1 There are no direct budget implications. Whilst write offs impact on the level of revenue received, this is not affected by this report.

#### **6. EQUALITY & DIVERSITY, ENVIRONMENT AND CRIME & DISORDER IMPLICATIONS**

6.1 There are none arising directly from this report.

#### **7. RECOMMENDATIONS**

It is recommended that the Cabinet approve the updated code of practice for write offs as per appendix 1 and 2, effective from 5 April 2017.

**For further information please contact:**

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**Background Papers:**