



Item No: 9
Belfast City Council

Report to:	Corporate Management Team
Subject:	Debt Management
Date:	22 June 2011
Reporting Officer:	Ciaran Quigley, Town Solicitor & Assistant Chief Executive
Contact Officer:	Trevor Wallace, Financial Accounting Manager, ext 6097

Relevant Background Information

At the COMT meeting held on 13 October 2010 the Director of Finance and Resources submitted a paper on Debt Management for the purpose of up-dating Chief Officers on the actions being taken to manage debt more efficiently and effectively. Various issues were raised by the Property and Projects Department relating to roles and responsibilities and the recovery of rental debt.

Following a meeting held on 3 November 2010 which was chaired by the Director of Finance it was agreed that, in order to progress this matter, the Assistant Chief Executive and Town Solicitor would chair a small working group comprising of the following representatives Cathy Reynolds, Philip Hynds, Trevor Wallace and Paula McKissick - CTU Operational Manager.

Key Issues

Roles & Responsibilities

There has been some confusion around roles and responsibilities between departments and CTU. In order to establish procedures for CTU and actions which departments are required to follow, a paper has been prepared and attached (See Appendix 3).

This paper recognises CTU as a service provider who are responsible for managing the process of debt collection.

In relation to debt write offs the following procedure will apply:

- CTU will consult with each Business Support Manager about specific debts and provide assurances to the relevant departments on the steps taken to recover debt which has become irrecoverable.
- CTU will liaise closely with Legal Services and take advice prior to referring debt for write off
- following consultation, CTU will make recommendations to the relevant departments
- Departments must decide on whether to proceed with write offs.

Appendix 2

- a standard template is to be used and submitted by the Business Support Manager as part of the report to the relevant Director recommending write-offs
- the relevant Chief Officer either approves write off, or takes a report to their committee recommending write-off, as per Financial Regulations based on the value of the debt.
- write off reports must be taken to committee on a six monthly or annual basis.

Financial Regulations/ Accounting Manual

It has been noted that there are discrepancies between two financial documents, namely the Financial Regulations and the Accounting Manual, which need to be resolved.

If the attached paper on roles and responsibilities is agreed by COMT, then the Accounting Manual will be updated to reflect this.

The Financial Regulation, K12, refers to a limit of £200 being authorised by a Chief Officer to write off debt, but debts exceeding this limit must be written off by Committee. The Accounting Manual refers to a limit of £500 before Committee approval must be sought, as agreed by the previous Director of Corporate Services.

It is recommended that the Financial Regulations are amended to reflect the Accounting Manual limits and that the limit of £500 be applied before referral to Committee.

Resource Implications

Financial

None

Human Resources

None.

Asset and Other Implications

None.

Recommendations

1. COMT agree the roles and responsibilities between CTU and Departments around Debt Management
2. COMT agree the frequency of write-offs
3. COMT agree to the Accounting Manual being updated in line with the paper on roles and responsibilities
4. COMT agree to the Financial Regulations being updated re debt write off limits

Key to Abbreviations

CTU – Central Transactions Unit

Documents Attached

Procedure on Debt Collection