

**Audit & Performance Committee - Accounts Receivable Management Report**  
**APPENDIX 1 : ACCOUNTS RECEIVABLE MANAGEMENT - NEXT PHASE, ACTION PLAN**

Service Area	Action Reference	Detail	Responsibility	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13
PROPERTY	A1	Revamp the collection process and billing process with a focus on greater accuracy together with more proactive and timely intervention.	Knight Frank / Service Area / AR specialist.						
	A2	Carry out audit of all lease agreements across the portfolio to ensure that all agreements are being billed in accordance with the agreement and that renewal dates etc, are recorded within the Knight Frank system.	Knight Frank / AR specialist.						
	A3	Identify those properties within the WCC portfolio which are not recorded in the Knight Frank system. Investigate and explain these gaps.	Knight Frank / Service Area / AR specialist.						
	A4	City West Homes, heating and hot water recharge, establish a reliable and agreed method for calculating and billing ongoing re-charge values to be billed. Investigate and correct historic billing.	Knight Frank / City West Homes / AR specialist.						
	A5	Repairs and maintenance charges, establish a robust monthly charging mechanism for ongoing charges. Investigate and correct historic billing. Develop a control mechanism to reconcile repairs and maintenance charges paid by the Council and those amounts recovered from tenants.	Knight Frank / Service Area / AR specialist.						
	A6	Where tenants have monthly rental agreements, ensure that bills are issued are issued monthly.	Knight Frank.						
	A7	Billing of utilities and other costs. Ensure that rent and other costs are billed separately; this will prevent the withholding of significant sums for minor value queries.	Knight Frank.						
	A8	Monthly reporting. Develop monthly reporting so that progress is more easily tracked and monitored. Develop a repeat late-payer register and develop a debt management approach for such tenants.	Knight Frank / AR specialist.						
	A9	The collection process is to be documented and adhered to. Performance measures to be developed and implemented to support this.	Service Area / AR specialist.						
	A10	Reduce DSO from the current level of 63.14 to 45 days.	Knight Frank / AR specialist / Service Area						
PARKING	A11	Once the new service provider has settled in carry out a full review of collection processes.	AR specialist.						
	A12	Conduct an audit of the process used by Serco to identify those PCNs which are not viable to chase.	AR specialist.						
	A13	There were significant debt write offs as a consequence of the Council not having followed the legislative time frames. Analysis is to be carried out to identify the points of failure and the related value.	AR specialist.						
	A14	Reporting, develop a monthly report which shows the collection status of all outstanding PCNs together with the time taken to transit from each stage.	AR specialist.						
	A15	Consideration to be given to the setting of collection targets to be set for unpaid debt against which service provider performance to be assessed.	Service Area / AR specialist.						
	A16	Reduce DSO from the current level of 150.59 to 121 days.	AR specialist / Service Area						
COMMERCIAL WASTE	A17	An exercise should be undertaken by Veolia to fully investigate unallocated cash and unapplied payments. This process should then to be embedded within BAU processes.	Veolia / AR specialist.						
	A18	A review of the resourcing of the debt collection process should be carried out and recommendations made on the size and level of experience of the team.	AR specialist.						
	A19	The debt collection threshold of £1100 should be removed from the credit policy, and all overdue debt pursued.	Veolia / AR specialist.						
	A20	Formulate and then implement a collection plan formulated to collect debt older than February 2012.	AR specialist / Veolia / Service Area						
	A21	Reduce DSO from the current level of 66.08 to 45 days.	AR specialist / Veolia / Service Area						
CITY MANAGEMENT	A22	Continue to assist with the development of a debt collection plan.	AR specialist.						
	A23	Weekly Tracker meetings to be held with the Business to ensure that debt is progressed.	AR specialist.						
	A24	Reporting of overdue debt – and persistent delinquent debtors - is to be developed.	AR specialist.						
	A25	Where agreed payment plans have broken down, new payment plans to be set in place, with a realistic goal to liquidate the debt within 12-18 months.	Service Area / AR specialist.						
	A26	Analysis to be performed on debt with no movement and >365 days to ascertain collection strategy.	AR specialist.						
	A27	That all overdue debt is placed on a weekly payment plan, with an annual review into the value of the payment.	Service Area / AR specialist.						
	A28	All current debt to be kept up to date when the pitch is on a payment plan, any default should trigger a meeting with the customer.	Service Area.						
	A29	A consolidated view of all monies owed to the Council by a particular client to be developed.	AR specialist.						
	A30	To complete the review of the AR processes within all of the business units within City Management.	AR specialist.						