

Invoicing & Debt Recovery Process

Responsibility	Activity
SD	Invoice raised
AR	Print & issue invoice
AR	Issue system generated letters on 29 th & 43 rd days
AR	Invoice disputes received > put hold on recovery action > notify SD of dispute details. AR Section sends individual notifications for each dispute at the point it is received and, in addition sends monthly dispute lists to Heads of Service for cascading to officers in SDs. AR also monitors old disputes every 6 months (with full liaison with SDs) and cancels any disputed invoices where there is no action or response from the SD.
SD	Resolve all invoice disputes. Accounting Instruction 7 requires that disputes are resolved within 14 days or as soon as possible.
AR & SD	<p>Monitor outstanding debt. Engage with customer to chase up outstanding invoices to obtain payment. Instalment plans managed only by AR.</p> <p>AR has encouraged SDs to do more of this to try and maximise recovery due to the severely diminished resource in AR. Activities by both AR & SD will include reviewing outstanding debt lists, phone calls and emails to the debtor, diarising follow up action, liaison between AR & SD and ensuring that further credit is not given where possible.</p> <p>AR sends 60 day debt lists (list of all invoices over 60 days old) to Heads of Service on a quarterly basis for cascading down to officers in SDs. SDs are requested to review and follow up outstanding debts appropriately. AR promotes SD engagement with the debtor by liaising with SD officers and educating them on how to access system reports and advising on monitoring processes. The limited AR staff resource means that this a selective approach is taken so that SDs where high value invoices, recurring services/credit is being supplied or SDs where there is very little pro-active activity taking place are targeted. AR will seek to escalate debts to the Legal Dept for further action wherever possible.</p> <p>'Ownership' of the debt ultimately lies with the SD as they engage with the debtor and provide the services. AR recognises that a 'whole council' approach is needed for successful debt recovery as SDs, AR and LD all play a vital role in the recovery process. It is not just one Depts responsibility. If debts are not recovered successfully then it will result in lost revenue reflected through increased debt write off.</p>
AR	Customer with outstanding debts is vetted against a range of internal databases and against external sources such as Experian and Companies House to establish that all debtor information is correct.
AR	Review individual outstanding invoices to apply the AR/Legal Protocol. Invoices that cannot be referred to Legal are placed on 'awaiting write off' status. Invoices that cannot be written off under the protocol are prepared for referral to Legal. The Pre-Action protocol legislation requires that evidence of the debt must be submitted to Legal Debt Recovery Section before any legal action can be taken against individual debtors through the courts. Swansea Council Legal Section has decided that this will be applied to all Swansea Council customers, including businesses and organisations, as best practice. AR Section requests the documents as evidence of the debt from the Service Dept. 2 requests are sent. If the value is less £1000 and there is no response from the SD the debt is put onto write off. If the value is over £1000 an email is also sent to the HOS highlighting the lack of response.
SD	Evidence of debt supplied to AR
AR	Refers debt to Legal Dept for court action. Referral is via a digital form and supporting docs are attached.
LD	Court Warning Notice issued by Legal Dept
LD	Legal action instigated by entering debt into court, usually through the High Court Enforcement Office (HCE). Other action may include a Third Party Debt Order or a Charging Order to secure a debt against a property

LD	Instruction sent to AR to notify outcome – write off, (irrecoverable or rely on charge), monitor an instalment agreement or the debt may be paid in full.
AR	Progresses outcomes form Legal by changing the invoice status to write off or monitors the instalment plan

AR = Accounts Receivable Team

SD = Service Department

LD = Legal Department