

## Financial Regulations – proposed updates

It is proposed to update the Financial Regulations 2017 in the following two areas:

- Large contracts
- Debt write off

The following regulations on large contracts are proposed to be inserted into section 5 of the Financial Regulations 2017.

### 5. Purchase orders, goods receipting and payment of invoices

#### Large contracts

For contracts that fall into threshold 4 in the CPR's (>£100,000) and where stage payments are made due to the length or type of the contract (ie construction), officers shall ensure that:

#### 5.9 Contracts involving stage payments

- The contract documentation is prepared with the agreement of the Borough Solicitor.
- The contract must be recorded in the Contract Register.
- A final account is prepared.

#### 5.10 Final Payments

- Supporting documentation must be checked to ensure that all the items invoiced have been used on the project and that the figures are correctly calculated throughout each stage of the project payment process.
- Where a retention is held, the retention value and retention period must be recorded so that it can be released when the defect liability period has ended.
- The project manager is responsible for collating and checking the final account before the final payment is made.
- The final payment must be signed off by the relevant Head of Service to confirm the accuracy and integrity of the final payment.
- The Head of Service approval should be emailed to [AccountancyTeam@Waverley.gov.uk](mailto:AccountancyTeam@Waverley.gov.uk) to be put with the invoice in the Finance system.

# Annexe 1

## Debt Write off

It is proposed that the Section 151 Officer approve all debt write off without the need to take individual debt write off over £7,500 to Executive for approval.

Whilst the debt will not go to Executive for approval it will follow the same write off procedures and scrutiny but will allow for a more streamlined and efficient process. However, there will be no financial impact as the impairment allowances provide for the debt write off.

This supports the work to be undertaken in the Finance Service Plan for the corporate review of debt. It also addresses some of the concerns made by external audit about the level and age of debt.

To ensure transparency of debt write off it is proposed to bring summary reports of debts written off to the Executive as part of the financial monitoring.

### Current regulation:

#### Debts Write-off

- 7.12 The write off levels for individual debt that is uneconomic to collect, where there is no prospect of collection or legally restricted are:
- Up to £7,500 – Section 151 Officer; and
  - Over £7,500 Executive.
- 7.13 Write-off schedules of uncollectable debt shall be taken to the Executive for noting or approval as appropriate.

### Proposed regulation:

#### Debts Write-off

- 7.12 Where debt is uneconomic to collect or there is no prospect of collection or is legally restricted the debt will be written off by the Section 151 Officer.
- 7.13 Write-off schedules of uncollectable debt shall be taken to the Executive for noting.