

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 10 JUNE 2004

SUNDRY DEBTORS WRITE-OFF

Report by the Executive Head of Finance

1 PURPOSE OF REPORT

- 1.1 To seek authority for the write-off of a number of sundry debts for which bills were raised prior to 31 March 2004, and which are now considered to be irrecoverable.

2 BACKGROUND

- 2.1 The accounts of the Council include a provision for bad and doubtful debts. Audit Scotland have indicated that it is good accounting practice to review outstanding debts from time to time and to write-off in accounting terms of those which are considered to be uneconomic or impossible to collect.
- 2.2 The Scheme of Delegation delegates authority to the Director of Corporate Support to write-off debts in certain circumstances, for example, where the debtor is insolvent. In circumstance where a debt is in excess of £1,000 and the advice from the Solicitor to the Council is that success of legal action to recover the debt is doubtful, the approval of the Policy and Resources Committee is required to write the amount out of the accounts.

3 PROPOSAL

- 3.1 Members are requested to approve the write-off in accounting terms of 29 accounts totalling £62,259.85. All of the debts involved have been pursued and the Solicitor to the Council has confirmed that they are uneconomic or impossible to pursue. Although they will be written out of the financial records, fresh action will be taken if in future information comes to hand which suggests that recovery is possible.
- 3.2 Full details of the debts being proposed for write-off have been made available to departments to enable them to take account of the existence of these in their future dealings with any of the debtors. These listings are also available to Elected Members on request.

4 FINANCIAL IMPLICATIONS

- 4.1 There will be no effect on the financial position of the Council as the provision for non-payment of sundry debtors is adequate to cover the amounts involved.

5 LEGAL IMPLICATIONS

Nil.

6 RECOMMENDATIONS

It is recommended that Members:

6.1 authorise the write-off in the 2004/05 financial year, the sum of £62,259.85 relating to 29 accounts; and

6.2 otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance

AMcP/AH
18 May 2004

**LIST OF BACKGROUND PAPERS
NIL**

Members wishing further information should contact Lorna Service, Exchequer Services Accounting Manager, Tel: (01563) 576405.