



### Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

#### Stage 1

##### Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	Yes	16/3/2026
MAT+ review (to have been circulated <b>at least 5 working days before Stage 2</b> )		
This item is on the Forward Plan for the relevant committee	Yes	10/03/2026
	Reviewed by	
Finance comments (circulate to Finance)	Yes	25/03/2026
Risk comments (circulate to Lee O'Neil)	LO	01/04/26
Legal comments (circulate to Legal team)	LH	26/03/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

#### Stage 2

##### Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least <b>5 working days before MAT</b>	L Heron	26/03/2026
S151 Officer commentary – at least <b>5 working days before MAT</b>	T.Collier	20/03/2026
Commissioner engagement	J. Kingston	20/03/2026
	Delete as applicable:	No issues
Confirm final report cleared by MAT		

# Corporate Policy and Resources Committee

Monday 20<sup>th</sup> April 2026

<b>Title</b>	<b>Amendments to the Corporate Debt Policy and Financial Regulations</b>
<b>Purpose of the report</b>	To make a decision and a recommendation
<b>Report Author</b>	Nina Diton Project Management Officer
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Corporate Priority</b>	Services Resilience
<b>Recommendations</b>	<p><b>The Committee is asked to:</b></p> <ol style="list-style-type: none"><li><b>1. Approve the amendments to the Corporate Debt Policy</b> required following the Southern Internal Audit Partnership (SIAP) audit conducted in October 25.</li><li><b>2. Approve the proposed amendments to the Financial Regulations (Part 4d of the Constitution)</b> as detailed in Appendix A; and</li><li>3. Subject to the comments from the Committee System Working Group to recommend to Council to adopt the revised Financial Regulations and for the Constitution to be amended accordingly.</li></ol>
<b>Reason for Recommendation</b>	Internal Audit has highlighted some limitations within our current operational debt processes. To address these, a number of processes-driven updates are required to both the Corporate Debt Policy and the Financial Regulations. These refinements do not represent fundamental policy changes, but rather practical adjustments designed to strengthen financial controls, promote consistency across services, and further reduce risks associated with income recovery.

**1. Executive summary of the report** (*expand detail in Key Issues section below*)

What is the situation	Why we want to do something
<ul style="list-style-type: none"> <li>Internal Audit findings showed some inconsistencies in credit note approval, reminder letter timeframes, hold case monitoring, debt ownership, payment plans, invoice cancellation documentation, and write-off- records.</li> </ul>	<ul style="list-style-type: none"> <li>The Council must ensure strong internal controls to manage income effectively, reduce financial risk, and comply with audit expectations.</li> </ul>
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> <li>Update the Corporate Debt Policy and Financial Regulations in line with audit recommendations and confirmed operational practice.</li> </ul>	<ul style="list-style-type: none"> <li>Once approved by the Corporate Policy and Resources Committee (and, for the Financial Regulations, subsequently adopted by Council), the updated documents will be issued, staff guidance provided, and processes updated across all service areas.</li> </ul>

**2. Key issues**

2.1 In 2025 an internal audit of sundry debt processes identified several areas requiring further improvement. While resourcing enhancements and improved engagement with services had strengthened overall performance certain financial control issues remained. Addressing these require formal amendments to both the Corporate Debt Policy and Financial Regulations.

2.2 **Appendix A Audit findings and proposed amendments** shows the full schedule of all recommended amendments mapped directly against each Internal Audit recommendation as required for the Financial Regulations. Appendix A shows the audit observation, previous wording, required change, and the revised policy or regulation text. **Appendix B Revised Sundry Debt Corporate Process map** illustrates the revised process for dealing with sundry debt as a result of the internal audit.

2.3 The principal changes to the **Financial Regulations**, are summarised below,

- Credit notes must now be approved by a manager who is independent from the original decision, with a clear record showing who approved what and why.
- Reminder letters for unpaid invoices will follow the same standard timescales everywhere based on a 28-day payment cycle.
- Debt reports will now clearly show how old debts are, including whether any are close to, or have reached, the legal time limit for recovery.

- Accounts that been put on hold (for example due to disputes) will be formally reviewed each month.
- Invoice requests must follow clearer steps, so it is easy to track who requested them and when they were confirmed.
- Responsibility for debts is now clearer: the service that raised the invoice keeps overall responsibility, supported by central teams who help recover the debt.
- Payment plans must now be based on what the customer can realistically afford, using the same affordability form across all services.
- Cancelled invoices must be properly justified, fully documented and recorded so the decision can be checked later.
- Write offs will use a standard digital form, with regular checks to make sure decisions are correct and consistent.

2.4 The revised **Corporate Revised Debt Policy** showing the amendments to the policy is provided in **Appendix C** with tracked changes in red. The principal changes are summarised below:

- Clear separation of roles so the same person cannot both make and approve decisions on things like credit notes or cancelling invoices with clear limits on who can approve what.
- Clear rules on reminder letters, making sure unpaid invoices are chased at the right times in line with the Council's Corporate Debt Policy.
- Standard debt reports that show exactly how old debts are, with a yearly check on debts that are close to (and past) the legal time limit for recovery.
- A formal process for accounts put on hold, so disputed or paused debts are reviewed regularly and not forgotten.
- Better tracking of invoice requests, with clear records showing who requested and invoice and when it was confirmed.
- Clear ownership of debt, so it is always clear which service is responsible for recovering the money, with support from central recovery team and finance.
- Clear rules for payment plans, including minimum payments and who must approve them, based on what people can realistically afford.
- Stronger controls over writing off debt, using standard digital forms and regular independent checks to make sure decisions are correct and consistent.

2.5 The revised financial regulations (Part4d) showing all amendments in track change (in red) accompanies this report in **Appendix D** Revised Part4d Financial Regulations.

### 3. Options appraisal and proposal

#### 3.1 Option 1: Approve all amendments

This option involves approving: All amendments to the Financial Regulations (as set out in **Appendix A**) in principle, noting that **Financial Regulations** form part of the Constitution and adopting amendments to the Constitution is a function reserved to Council. Approving amendments to the Corporate Debt Policy as in **Appendix C**.

##### Corporate Debt Policy – Benefits

Strengthens operational controls through improved authorisation, monitoring, and documentation processes.

Reduces risk by addressing audit-identified gaps in areas such as credit notes, reminder letters, write-offs, debt ownership, and payment arrangements.

Creates consistent, standardised procedures across all services (e.g., payment plans, invoice cancellations, and suppression monitoring).

Enhances transparency and accountability through clearer audit trails and documented processes.

##### Corporate Debt Policy – Disbenefits

Approximately eight members of staff will require time to review and familiarise themselves with the amendments. As the changes mainly formalise and standardise existing practice, significant training is not expected. Limited adjustments to local workflows may be required to ensure alignment with the updated processes.

##### Financial Regulations – Benefits

Embeds strengthened financial governance controls into the Constitution, including segregation of duties, age-banded debt reporting, monitoring of held accounts, and defined approval thresholds.

Ensures corporate consistency by aligning Financial Regulations with the updated Corporate Debt Policy.

Improves audit compliance and provides stronger assurance through enhanced documentation and mandatory digital processes.

##### Financial Regulations – Disbenefits

As changes to the Constitution require additional approval stages (comments from Committee System Working Group → Council), implementation may take longer than the Corporate Debt Policy updates.

Approximately eight members of staff will require time to review and familiarise themselves with the amendments. As the changes mainly formalise and standardise existing practice, significant training is not expected. Limited adjustments to local workflows may be required to ensure alignment with the updated processes.

### 3.2 Option 2: Approve only some amendments

#### Benefits

Reduces the scale and pace of change for services.

Allows a phased approach if operational capacity is limited.

#### Disbenefits

Leaves some audit findings unresolved and associated risks unmitigated.

Maintains inconsistency in controls, monitoring processes, and approval practices.

Key requirements (e.g., audit trails, tracking controls, suppression monitoring) would remain incomplete across the organisation.

### 3.3 Option 3: Approve no amendments

#### Benefits

No immediate staff time or operational change required.

Existing processes and workflows remain unaffected.

#### Disbenefits

Audit findings remain unaddressed, and known weaknesses persist.

Income management, documentation standards, and compliance controls remain at risk.

Processes such as invoice cancellations, payment plans, or write-offs would continue.

## 4. Risk implications

- 4.1 **Operational Risk:** Without the changes, delays, errors, and inconsistent practices may continue across services **Mitigation:** Updated processes introduce clearer controls, standardised procedures, and defined monitoring requirements to reduce these risks.
- 4.2 **Financial Risk:** Weak segregation, incomplete tracking, and inadequate write-off controls increase the risk of income loss. **Mitigation:** Strengthened approval processes, improved audit trails, and digital forms provide better oversight and protect income.
- 4.3 **Compliance Risk:** Without amendments the Council would not be able to demonstrate assurance against the audit findings **Mitigation:** The proposed changes address the issues identified and help ensure alignment with required standards across all services.
- 4.4 **Reputational Risk:** Non-compliance with financial regulations may undermine governance credibility. **Mitigation:** More consistent processes, better documentation, and greater transparency help reinforce assurance.
- 4.5 **Overall Mitigation:** The controls introduced through the amendments would collectively reduce operational, financial, compliance, and reputational risks for all services, improving governance assurance.

## **5. Financial implications**

- 5.1 The strengthened controls for services (credit notes, write-offs, tracking, monitoring, reporting) ensure:
- Better protection of income streams
  - Reduced risk of uncollected debt
  - Improved accuracy of financial monitoring and reporting
- 5.2 All improvements relate to existing operational processes and do **not** create new budget pressures.

## **6. Legal comments**

- 6.1 The Council is required to recover outstanding debt where possible. Subject to existing legislation, the method of enforcement is at the discretion of the Council. Up to date and robust policies and regulations assist the Council in discharging this responsibility.
- 6.2 Debt and treasury management are within the remit of the Corporate Policy and Resources Committee (Part 3(b) of the Constitution).

## **Corporate implications**

### **7. Commissioners' comments**

- 7.1 Commissioner's content with this report overall.

### **8. S151 Officer comments**

- 8.1 The S151 Officer confirm that all financial implications have been taken into account and that the recommendations are fully funded from within the 2026-27 budget. The S151 Officer fully supports the proposed improvements.

### **9. Monitoring Officer comments**

- 9.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

### **10. Procurement comments**

- 10.1 Not required — no procurement activity involved.

### **11. Equality and Diversity**

- 11.1 No negative impact identified. Improved consistency may enhance fairness in the recovery process.

### **12. Sustainability/Climate Change Implications**

- 12.1 No direct implications.

### **13. Other considerations**

- 13.1 None identified

### **14. Timetable for implementation**

- 14.1 Following approval by the Corporate Policy and Resources Committee, the amended Corporate Debt Policy will be issued and made live without delay.

14.2 As the Financial Regulations form part of the Council's Constitution, the proposed amendments have been circulated to the Committee System Working Group for consideration. Subject to their comments, the updated Financial Regulations will then be referred to Council for adoption.

**15. Contact**

15.1 Nina Diton n.diton@spelthorne.gov.uk / Sandy Muirhead  
s.muirhead@spelthorne.gov.uk

***Please submit any material questions to the Committee Chair and Officer  
Contact by two days in advance of the meeting.***

**Background papers: There are none**

**Appendices: Attached**

**Appendix A** - Audit findings and Financial Regulation Amendments

**Appendix B** Revised Sundry Debt Recovery Process - July 24 amended 2026

**Appendix C** Revised Corporate Debt Policy

**Appendix D** Revised Part 4d Financial Regulations (Amendments to Section D)