Outstanding Debt Task & Finish group

Draft Terms of Reference

Project Scope

The scope of the project shall encompass the end-to-end process relating to the billing of customers, receipt and allocation of payments and all aspects of the pursuit of outstanding debt, up to and including the writing off of unrecoverable debt. It is necessary that the scope is this broad, as the actions at the very start of the process directly impact on both the efficiency and effectiveness of the following steps in the process.

The nature of our business is such that a number of different systems and processes can result in an invoice being raised, and hence a debt existing. This project will not initially expect to review the operation of any third party systems, but will be constrained to the operation of the corporate finance system SAP. Where issues are identified which stem from third party systems there is an expectation that the responsible Business Unit will address these issues in support of the corporate outcomes sought.

Outcomes sought

Below are the high-level outcomes identified as the deliverables of the project;

1. To reduce the levels of outstanding debt to an appropriate level for each Business Unit
2. The organisation is confident that all outstanding debt is valid for collection
3. All Business Units clearly understand their roles and responsibilities within the process
4. Business Units are suitably supported to deliver their roles and responsibilities
5. All new debts are created with the best possible chance of recovering them
6. The systems and processes supporting the process are fit for purpose and reflect best practice in line with all relevant policies, strategies an guidance
7. Management information is provided / available for Business Units to understand their outstanding debt and make appropriate decisions in relation to this debt

Key Stakeholders

The following represents an initial proposal on the key stakeholder roles required to ensure the project can deliver the outcomes identified above;

Role	Function	Proposed officer
Task & Finish group lead	To deliver the role of Project Sponsor, and have overall responsibility for the delivery of the outcomes above	Lloyd Jeffries
Corporate Finance lead	To ensure that corporate financial policies and procedures are fully considered within the project, and to manage any changes required as a result of the group's activities	Matt Strevens (Corporate Finance Business Partner)
Business Assurance lead	To provide challenge to proposals from a Business Assurance perspective that changes contribute positively to the financial control and risk management activities of the authority	Maggie Gibb to provide
Accounts Receivable / Debt recovery lead	To ensure that proposals relating to corporate AP functions are delivered within the Finance Operations Team	Clare Bradshaw to provide
SAP technical support lead	To provide technical expertise on the SAP AR functionality and deliver required systems enhancements	Adrian Clark to provide
Business Unit representatives	To provide the interface between the project team and the Business Unit, both at an operational level and to Business Unit Boards	BU's to provide
Corporate Business Support representative	To represent CBS (who raise a significant volume of invoices) and ensure that changes agreed are implemented within the service	CBS to provide
Business Unit Board	To provide support to the project and ensure Business Unit activities are delivered in line with the projects requirements	

Resource requirement

At present it is difficult to understand the resource requirements to deliver these objectives. This is especially true within Business Units, where the potential scale of any activity is likely to change as the project progresses and issues are better understood.

It is however clear that delivering this project will either require the reprioritisation of some existing planned activities and/or some as yet undefined additional resource in order to deliver the defined outcomes. This requirement will depend significantly on the pace with which the planned interventions are to be delivered.

Specific activities to be completed by the Task & Finish Group

1. End-to-end process review and customer journey for corporate process
   a. Recording sales in SAP
   b. Quality of data on invoice
   c. Receipt of payment
   d. Matching of payment to invoice
   e. Ongoing management of outstanding debt
   f. Classification of debt
   g. Business Unit debt recovery process
   h. FOT debt recovery process
   i. Legal debt recovery process
   j. Customer care process in debt recovery
2. Review of best practice in completion of billing documents
3. Development of process improvements to address identified issues
4. Compare third party systems inputs to best practice
5. Identification of opportunities to transfer billing to up-front payment processes
6. Identification of Business Unit specific reporting / management requirements
7. Review of options to deliver BU requirements for management of debt
8. Review / rationalisation / refocus of Dunning codes
9. Update to training materials
10. Update to online support materials
11. Redefinition of roles & responsibilities
12. Communication of changes required
13. Review of existing overdue debt to ensure correctly classified
14. Review of existing Debt management policies, procedures and strategies