



SHIRE OF WYNDHAM | EAST KIMBERLEY

**AGENDA**  
**AUDIT (FINANCE AND**  
**RISK) COMMITTEE**

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**SHIRE OF WYNDHAM EAST KIMBERLEY  
AGENDA OF THE AUDIT (FINANCE AND RISK)  
COMMITTEE  
KUNUNURRA COUNCIL CHAMBERS  
HELD ON MONDAY 12 FEBRUARY 2018 AT 5:00 PM**

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- 1. DECLARATIONS OF OPENING**
- 2. RECORD OF ATTENDANCE/APOLOGIES**
- 3. PUBLIC QUESTION TIME/PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
- 4. DECLARATION OF INTEREST**
  - Financial Interest
  - Impartiality Interest
  - Proximity Interest
- 5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**
- 6. DEPUTATIONS/PRESENTATIONS/SUBMISSIONS/NOTICES OF MOTIONS**

## 7. REPORTS

### 7.1. STANDING ITEM - RATES DEBTORS

<b>DATE:</b>	12 February 2018
<b>AUTHOR:</b>	Senior Rates Officer
<b>RESPONSIBLE OFFICER:</b>	Vernon Lawrence, Director Corporate Services
<b>FILE NO:</b>	FM.11.1
<b>DISCLOSURE OF INTERESTS:</b>	Nil

#### VOTING REQUIREMENT

Simple Majority

#### OFFICER'S RECOMMENDATION

**That the Audit (Finance and Risk) Committee reports to the Council that the actions being undertaken by the administration in regard to rates debtors, including rates debts in legal process, are sufficient and appropriate.**

#### PURPOSE

To review the status of rates debtors and those rates debts that are in the legal process.

#### NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

#### BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

At the Ordinary Council Meeting, 16 October 2007, Council resolved the following:

***Minute No. 7936***

***That Council direct the CEO to provide a written report to Council under confidential cover each month in regard to all debts currently in legal process.***

***Carried Unanimously 5/0***

At the Ordinary Council Meeting on 18 March 2008, Council resolved the following:

***Minute No: 8148***

**Moved: Cr J Parker    Seconded: Cr F Mills**

**That Council:**

- 1. note the confidential report provided to it in relation to debts owed to Council and under legal action.**
- 2. direct the Executive Manager Corporate Services to provide a written report to the Audit Committee under confidential cover at each Audit Committee meeting in regard to all debts currently in legal process.**
- 3. request the Audit Committee to make recommendations to Council as required and appropriate in relation to the report provided under confidential cover regarding debts currently in legal process.**
- 4. resolve that this requirement replaces the previous requirement on the CEO to report information to Council.**

**Carried Unanimously 8/0**

This requirement is now fulfilled by a combination of this report and item 5.1 Standing Item – Sundry Debtors.

The Outstanding Rates Debtors over three years report has also been incorporated into the confidential attachment to this item to give a complete picture of rates debtors.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors in accordance with section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person.

### **POLICY IMPLICATIONS**

Council's Policy *CP/FIN-3212 Rates and Charges Debt Collection* is relevant

### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2012-2022*

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved services

Strategy 1.4.3 : Maintain Council's long term financial viability

### **RISK IMPLICATIONS**

*Risk:*

Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

*Controls:*

Annual Financial Audit.

Review policies and procedures in accordance with review schedule.

### **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required however regular communication is had with ratepayers.

### **COMMENTS**

#### **Rates and Services Debtors Summary**

<b>Rates &amp; Services Levied 2017/18 (including arrears)</b>	<b>Rates &amp; Services Debt at 2 February 2018</b>	<b>Overdue at 2 February 2018</b>
<b>\$ 13,555,885.30</b>	<b>\$2,219,472.75*</b>	<b>\$1,590,192.70</b>

\*Includes properties in credit

Rates for the financial year of 2017/18 were raised and issued on 4 August 2017. Interim rating occurs periodically throughout the year.

#### **Comparison of rates received 2016/17 and 2017/18**

NB: It should be noted that the table below includes rates, waste management charges, waste receptacle charges and back rates.

		2016/2017			2017/18		
Days from Billing		Total Outstanding	Received	% of Billing	Total Outstanding	Received	% of Billing
		\$	\$	%	\$	\$	%
0	Notices Issued	12,306,977			12,943,820		
7		12,138,917	168,060	1.37%	12,543,019	400,801	3.10%
14		11,537,136	601,781	4.89%	10,426,388	2,116,631	16.35%
21		9,094,993	2,442,143	19.84%	9,307,423	1,118,965	8.64%
28		7,760,833	1,334,160	10.84%	8,274,170	1,033,253	7.98%
35		4,766,442	2,994,391	24.33%	5,248,725	3,025,445	23.37%
42		4,482,442	284,000	2.31%	4,765,947	482,778	3.73%
2nd Instalment Due Date		3,178,988	1,303,454	10.59%	3,595,310	1,170,637	9.04%
Final Instalment Due Date		1,346,179	1,832,809	14.89%			
30 June Following		978,254	367,925	2.98%			
Total			11,328,723	92.05%		9,348,510	72.22%

### Instalment Status Report at 2 February 2018

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue \$	% of Properties Overdue
2 instalments	186	6.76%	133	53	67,153.28	28.49%
4 Instalments	594	21.59%	388	206	89,782.04	34.68%
<b>All instalment payers</b>	<b>780</b>	<b>28.35%</b>	<b>521</b>	<b>259</b>	<b>156,935.32</b>	<b>33.21%</b>

\*2751 excluding non-rateable properties



**Comparison of rates debtors referred for debt collection for 2014/15, 2015/16 and 2016/17 as at 2 February 2018**

	2015/16		2016/17		2017/18	
	Number of debtors	Total value of Debt \$	Number of debtors	Total value of Debt \$	Number of debtors	Total value of Debt \$
Debts referred for LOD	149	639,115	133	490,002	95	642,906
Debts proceeding to GPC	46	154,828	20	77,260	72	420,120

**ATTACHMENTS**

Confidential Attachment 1 - Rates Debtors 2 February 2018 (Confidential Attachment provided under separate cover).

## 7.2. STANDING ITEM - LEASES

<b>DATE:</b>	12 February 2018
<b>AUTHOR:</b>	Senior Finance Officer
<b>RESPONSIBLE OFFICER:</b>	Vernon Lawrence, Director Corporate Services
<b>FILE NO:</b>	CP.07 and CP.16
<b>DISCLOSURE OF INTERESTS:</b>	Nil

### VOTING REQUIREMENT

Simple Majority

### OFFICER'S RECOMMENDATION

**That the Committee recommends to the Council that it notes the Confidential Lease Schedule and the New and Renewal Lease Schedule attached.**

### PURPOSE

To consider the attached Confidential Lease Report as at 30 January 2018.

### NATURE OF COUNCIL'S ROLE IN THE MATTER

Provider - provide physical infrastructure and essential services.

### BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

The Shire of Wyndham East Kimberley administers over thirty five leases ranging from airport leases, community and commercial leases.

In December 2007 the Audit (Risk and Finance) Committee resolved:

**Minute No. A066**

**Moved: Cr Keith Wright**

**Seconded Cr Frederic Mills**

- 1. That the Audit Committee note that the responsibility for the management of leases and periodical contracts is that of the Executive Manager Corporate Services.**
- 2. That the Audit Committee note that the Executive Manager Corporate Services monitors the leases and coordinates the lease database and reporting to Executive Managers, the Audit Committee and Council.**

3. ***That the Audit Committee request staff to present an updated Lease Spreadsheet certified by Executive Manager Corporate Services to each Audit Committee meeting as a standing item.***

***Carried Unanimously 4/0***

## **STATUTORY IMPLICATIONS**

### ***Local Government Act 1995***

#### ***Part 5, Division 2***

#### ***5.23. Meetings generally open to public***

- (2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*
- (a) *a matter affecting an employee or employees; and*
  - (b) *the personal affairs of any person; and*
  - (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and*
  - (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*
  - (e) *a matter that if disclosed, would reveal —*
    - (i) *a trade secret; or*
    - (ii) *information that has a commercial value to a person; or*
    - (iii) *information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and*
  - (f) *a matter that if disclosed, could be reasonably expected to —*
    - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*
    - (ii) *endanger the security of the local government's property; or*
    - (iii) *prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and*
  - (g) *information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*
  - (h) *such other matters as may be prescribed.*
- (3) *A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

## **POLICY IMPLICATIONS**

CP/PMG-3780 Leasing of Council Managed Reserve Land – Community is relevant.

CP/PMG-3781 Leasing of Council Managed/Owned Land – Commercial is relevant.

## **FINANCIAL IMPLICATIONS**

There are no financial implications from the preparation of this report.

## **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2012-2022*

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved services

Strategy 1.4.1 : Ensure legislative compliance and follow best practice principles in planning and service delivery

Strategy 1.4.2 : Improve the efficiency and productivity of Shire services

Strategy 1.4.3 : Maintain Council's long term financial viability

## **RISK IMPLICATIONS**

Strategic Risk: Loss of corporate knowledge with staff turnover.

Control: Documentation of service procedures.

Strategic Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Review policies and procedures in accordance with review schedule.

## **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required.

## **COMMENTS**

The Shire has finalised several outstanding leasing issues over the past 12 months. Shire staff are following up on outstanding leases on a regular basis and aim to resolve the remaining leases before the end of the financial year. While there are some leases that remain outstanding, it demonstrates a positive move forward in relation to overall lease management.

## **ATTACHMENTS**

Confidential Attachment 1 - Lease Schedule

Confidential Attachment 2 - New and Renewal Lease Schedule

### 7.3. SUNDRY DEBTORS REPORT FEBRUARY 2018

<b>DATE:</b>	12 February 2018
<b>AUTHOR:</b>	Senior Finance Officer
<b>RESPONSIBLE OFFICER:</b>	Vernon Lawrence, Director Corporate Services
<b>FILE NO:</b>	FM.07.02
<b>DISCLOSURE OF INTERESTS:</b>	NIL

#### **VOTING REQUIREMENT**

Simple Majority

#### **OFFICER'S RECOMMENDATION**

**That the Audit (Finance and Risk) Committee reports to the Council that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate**

#### **PURPOSE**

To review the status of sundry debtors, including airport debtors, and sundry debts in legal process.

#### **NATURE OF COUNCIL'S ROLE IN THE MATTER**

Leader - plan and provide direction through policy and practices.

#### **BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE**

The listing of 90+ day sundry debtors was provided at the Ordinary Council Meeting on a monthly basis until March 2009 when Council resolved that the 90+ days debtor list be removed from the Council Agenda as a standing item and be presented to the then Audit Committee for consideration and to make recommended actions to Council as this falls within the scope of the committee's purpose.

In line with the more strategic focus of the new Committee the report in April 2012 only included debtor balances at 90+days and over \$500.

To further progress this strategic focus this item has been changed to provide summary information regarding all sundry debts including airport landing fees administered by Avdata on the Shire's behalf.

Further changes were recommended to the Committee at the February 2014 meeting to modify the report by removing the categories previously reported and to report sundry

debtors as a whole, with airport debtors still being identified separately and that only debtors in excess of \$20,000 be provided with more detail. These changes were supported by the Committee and have been considered in the writing of this report.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

### **POLICY IMPLICATIONS**

Council Policy *CP/FIN-3214 Sundry Debt Collection* is relevant to this item.

### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

It should be noted however, that as outlined in section 9.1 of the *CP/FIN-3214 Sundry Debt Collection Policy*, when possible 'legal fees associated with the recovery of outstanding debts will be recovered from the sundry debtor to the extent allowable under legislation and will be assessed on a case by case basis'.

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2012-2022*

Goal 1: Strong leadership and governance that underpins a more strategic approach to community engagement, regional development and organisational sustainability

Objective 1.4: Business innovation, efficiency and improved services

Strategy 1.4.3 : Maintain Council's long term financial viability

### **RISK IMPLICATIONS**

*Risk:* Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

*Control:* Review policies and procedures in accordance with review schedule

### **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley *CP/GOV-3100 Community Engagement Policy* has been considered in relation to this item.

No community engagement is required however there is regular contact with debtors generally.

## **COMMENTS**

### **Sundry Debtors (General) Summary as at 29 January 2018**

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Sundry Debtors	25	128,693	11,192	16,671	203,148	359,704

Note: The information in the above table is from the Shire's Debtors System, the revenue is recognised when the debt is raised.

### **Sundry Debtors (Airport Landing Fees) Summary as at 29 January 2018**

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Kununurra Airport	22	50,221	15,806	105,233	102,150	273,410
Wyndham Airport	3	1,234	1,809	1,016	1,966	6,025
<b>Total</b>	<b>29</b>	<b>51,455</b>	<b>17,615</b>	<b>106,249</b>	<b>104,116</b>	<b>279,435</b>

Note: The information in the above table is provided by Avdata.

## **ATTACHMENTS**

**Attachment 1** - Sundry Debtors February 2018  
(Confidential attachment provided under separate cover).

## **7.4. CONFIDENTIAL ATTACHMENT 1 – SUNDRY DEBTORS FEBRUARY 2018**

### **CONFIDENTIAL ATTACHMENTS**

Confidential Attachment 1 - Sundry Debtors February 2018



**8. MATTERS BEHIND CLOSED DOORS**

**9. DATE OF NEXT MEETING**

**10. CLOSURE**