

SHIRE OF WYNDHAM | EAST KIMBERLEY

# AGENDA AUDIT (FINANCE AND RISK) COMMITTEE

09 AUGUST 2021

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**SHIRE OF WYNDHAM EAST KIMBERLEY  
AGENDA OF THE AUDIT (FINANCE AND RISK)  
COMMITTEE  
KUNUNURRA COUNCIL CHAMBERS  
HELD ON MONDAY, 09 AUGUST 2021 AT 5:00 PM**

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**1. DECLARATION OF OPENING**

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Committee meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

**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**

**That the Minutes of the Audit (Finance and Risk) Committee meeting of 10 May 2021 be accepted as a true and accurate record of proceedings.**

Note: The Minutes of the Audit (Finance and Risk) Committee are provided under separate cover via [www.swek.wa.gov.au](http://www.swek.wa.gov.au)

**6. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS**

## 7. REPORTS

### 7.1. STANDING ITEM - RATES DEBTORS

<b>DATE:</b>	09 August 2021
<b>AUTHOR:</b>	Rates Officer
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading, 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 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 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 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**

The following Council Policies are relevant to this item:

*CP/FIN-3212 Rates and Charges Debt Collection*

*CP/FIN-3219 Covid-19 Financial Hardship - Rates and Sundry Debtors*

*CP/COM-3582 Community Grant Program*

### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable. Should debts become not recoverable it affects the cash position of the Shire. Provision is made for debts that are not recoverable at the end of each financial year.

### **STRATEGIC IMPLICATIONS**

## *Strategic Community Plan 2017-2027*

### Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4 : Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

#### Risk:

Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

#### Controls:

Policies updated in accordance with schedule and operational requirements.

Implementation of Long Term Financial Plan and Annual Budget.

### **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 2020/21 (including arrears) at 30 June 2021</b>	<b>Overdue at 30 June 2021</b>
<b>\$ 14,591,195</b>	<b>\$1,420,941</b>

Rates for the financial year of 2020/21 was raised on 10 July 2020, and notices were issued on 17 July 2020. Interim rating occurs periodically throughout the year. The Overdue amount of \$1,420,941 is analysed in the Confidential Attachment. Details of rates debtors provided in this report are as at 30 June 2021 to allow comparison with the previous financial year.

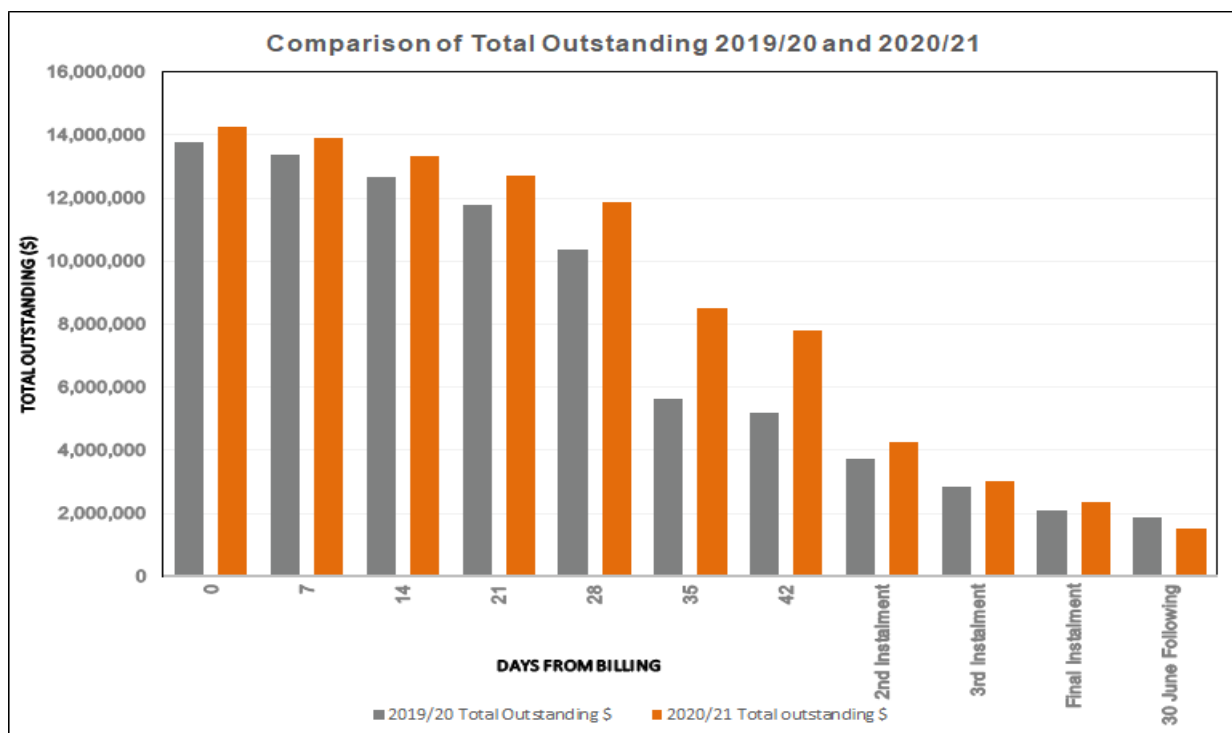
Rates for the 2021/22 financial year was due to be raised during August, with rates notices to be issued on 3 September 2021.

### Comparison of Rates received 2019/20 and 2020/21

NB: It should be noted that the table below includes Rates, Waste Management Charges, Waste Receptacle Charges, Back Rates, ESL & Deferred Rates.

		2019/20			2020/21		
Days from Billing		Total Outstanding	Received	Total % of of Billing Received	Total outstanding	Received	Total % of of Billing Received
		\$	\$	%	\$	\$	%
0	Notices Issued	13,755,411			14,250,592		
7		13,387,247	368,164	2.68%	13,917,365	333,227	2.34%
14		12,670,945	1,084,466	7.88%	13,314,408	936,184	6.57%
21		11,772,160	1,983,251	14.42%	12,730,868	1,519,724	10.66%
28		10,384,303	3,371,108	24.51%	11,877,067	2,373,525	16.66%
35		5,615,165	8,140,246	59.18%	8,526,843	5,723,749	40.16%
42		5,203,347	8,552,064	62.17%	7,809,394	6,441,198	45.20%
2nd Instalment		3,744,575	10,010,837	72.78%	4,265,205	9,985,387	70.07%
3rd Instalment		2,848,867	10,906,545	79.29%	3,033,878	11,216,713	78.71%
Final Instalment		2,093,115	11,662,297	84.78%	2,350,158	11,900,434	83.51%
30 June Following		1,854,201	11,901,210	86.52%	1,538,134	12,712,458	89.21%
<b>Total</b>			<b>11,901,210</b>			<b>12,712,458</b>	





### Instalment Status Report at 30 June 2021

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue \$	% of Properties Overdue
2 Instalment	165	5.92%	132	33	\$2,235	20.00%
4 Instalment	495	17.77%	390	105	\$28,400	21.21%
<b>All Instalment Payers</b>	<b>660</b>	<b>23.70%</b>	<b>522</b>	<b>138</b>	<b>\$30,635</b>	<b>20.19%</b>
2,785	*excluding non-rateable properties					

### Additional Information

#### Impact of COVID-19

It should be noted that in response to the COVID-19 pandemic, a number of initiatives have been put in place to assist ratepayers, businesses and the community in general that impact the Shire's debt collection processes. These include the adoption of Council policy *CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors* to allow those experiencing financial hardship to apply for debt relief including the waiver of interest and fees and charges, and minor amendments to the existing policy *CP/FIN-3212 Rates and Charges Debt Collection* to allow for extended payment arrangement terms and for greater discretion in debt collection. In addition legal action has been placed on hold for most outstanding rates debtors.

To date ten applications for Financial Hardship have been received from ratepayers. Nine of these have been approved and one is under assessment. Outstanding balance of approved assessments totals \$41,442.

Total rates collected for the 2020/21 financial year was \$12,712,458 or 89.21% compared to \$11,901,210 or 86.52% for 2019/20. This was mainly due to the collection of arrears from the liquidation sale of properties in the Valentine Falls Estate.

During the 2020/21 financial year the Shire has seen 660 people take up the Instalment payment options compared to 731 the previous year, and 33 opting for a Special Payment Arrangement this year compared to 44 the previous year.

### **ATTACHMENTS**

*(Confidential Attachment provided under separate cover).*

Confidential Attachment - Rates Debtors August 2021

## 7.2. STANDING ITEM - SUNDRY DEBTORS

<b>DATE:</b>	9 August 2021
<b>AUTHOR:</b>	Coordinator Finance and Customer Services
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading, 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 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 Audit (Finance and Risk) Committee (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 Audit 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**

Policies relevant to this item:

Council Policy *CP/FIN-3214 Sundry Debt Collection*

Council Policy *CP/FIN-3219 Covid-19 Financial Hardship - Rates and Sundry Debtors*

### **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 'Debt collection and 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 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

*Risk:* Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

*Control:* Policies updated in accordance with schedule and operational requirements.

### **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley CP/COM-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 30 June 2021**

Categories	90 Days		60 Days	30 Days	Current	Total
	<u>No</u>	\$	\$	\$	\$	\$
<b>Sundry Debtors</b>	<b>29</b>	<b>271,169</b>	<b>38,884</b>	<b>61,321</b>	<b>1,400,447</b>	<b>1,771,821</b>

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 30 June 2021**

Categories	90 Days		60 Days	30 Days	Current	Total
	<u>No</u>	\$	\$	\$	\$	\$
Kununurra Airport	11	57,114	996	109,036	144,414	311,560
Wyndham Airport	2	95	0	0	694	789
<b>Total</b>	<b>13</b>	<b>57,209</b>	<b>996</b>	<b>109,036</b>	<b>145,108</b>	<b>312,349</b>

Note: The information in the above table is provided by Avdata. The revenue is recognised on a monthly basis from invoicing details provided.

## **Additional Information**

### **Virgin Administration**

It should be noted that Virgin Australia Holdings Limited and its related entities were placed into Voluntary Administration effective from 20 April 2020. Further details are provided in confidential attachment 1.

### **Impact of COVID-19**

In response to the COVID-19 pandemic the Shire has put in place a number of initiatives to assist ratepayers, businesses and the community in general that have an impact on the Shire's debt collection processes. These include the adoption of Council policy *CP/FIN-3219 Financial Hardship - Rates and Sundry Debtors* to allow those experiencing financial hardship to apply for debt relief including the waiver of interest and fees and charges, and minor amendments to the existing policy *CP/FIN-3214 Sundry Debt Collection* to allow for extended payment arrangement terms. In addition to this legal action has been placed on hold for most outstanding sundry debtors.

## **ATTACHMENTS**

Confidential Attachment 1 - Sundry Debtors at 30 June 2021 (Confidential attachment provided under separate cover).

### 7.3. STANDING ITEM - INSURANCE CLAIMS

<b>DATE:</b>	9 August 2021
<b>AUTHOR:</b>	Director Corporate Services
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading, Director Corporate Services
<b>FILE NO:</b>	RM.01.2
<b>DISCLOSURE OF INTERESTS:</b>	Nil

#### **VOTING REQUIREMENT**

Simple Majority

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

**That the Audit (Finance and Risk) Committee recommends to Council that it notes the Insurance Claims Report and associated attachments.**

#### **PURPOSE**

To report to the Audit (Finance and Risk) Committee (the Committee) the insurance claims that have been lodged for the 2019/20 and 2020/21 financial years, the associated costs and the status of the claims.

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

Leader - plan and provide direction through policy and practices.

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

The Audit (Finance and Risk) Committee has as one of its functions to facilitate the effective management of financial and other risks and the protection of Council assets. The Shire administration is currently allocating time and resources to risk management and it is appropriate that the Shire's risk performance is reported to the Committee as a standard report on a quarterly basis.

#### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23.(2)(a) and Section 5.23.(2)(e)(iii) of the *Local Government Act 1995* because the item deals with a matter affecting an employee or employees, and because the item may disclose information about the business, professional, commercial or financial affairs of a person.

## **POLICY IMPLICATIONS**

The following Shire documents are relevant to this report:

- Corporate Insurance Strategy
- CP GOV-3108 Risk and Opportunity Management Policy

## **FINANCIAL IMPLICATIONS**

Insurance premiums have been considered in the 2020/21 and 2021/22 budget processes. The Shire has, in terms of its insurance policies, insurance excesses that it has to absorb as a “first loss” in the event of a claim. These excesses are set out in the detailed insurance schedules accompanying the insurance policies.

There are no other financial implications arising out of the preparation of this report.

## **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire’s financial viability

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

## **RISK IMPLICATIONS**

Risk: Failure to manage the appropriateness and effectiveness of the Shire’s systems and procedures in relation to risk management, internal control and legislative compliance.

Control: Audit Regulation 17 Conducted every three years and recommendations implemented.

Annual review of insurance cover.

## **COMMUNITY ENGAGEMENT**

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

No community engagement is required.

## **COMMENTS**



The Terms of Reference for the Audit (Finance and Risk) Committee set out as one of the objectives to “facilitate the effective management of financial and other risks and the protection of Council assets”. Part of the *Local Government Operational Guidelines Number 09 - Audit in Local Government* identifies that “good audit committee practices in monitoring internal control and risk management programs typically include: assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.”

The attachments detail the cost of claims across four categories where claims were made for the financial years 2019/20 and 2020/21. These can be summarised as follows:

	2019/20 (Q1 - Q4)		2020/21 (Q1 - Q4)	
	Estimated Costs	Number of Claims	Estimated Costs	Number of Claims
WorkCare	\$111,249	10	\$307,869	9
Property	\$22,792	3	\$83,164	8
Liability	\$0	0	\$1,500	1
Motor Vehicle	\$12,752	5	\$1,405	1
<b>Total</b>	<b>\$146,793</b>	<b>18</b>	<b>\$393,938</b>	<b>19</b>

Ten WorkCare claims were lodged during the 2019/20 year, of which three are listed as current on the attached report. These claims have all been rejected. The total paid to date for accepted claims is \$111,249 and there are no further costs anticipated for these claims. There were nine claims submitted in 2020/21 with the total paid to date of \$17,936 and estimated total costs of \$307,869. It should be noted that the estimated costs are a conservative estimate and it is anticipated that actual costs will be considerably less than this amount.

The Shire recruited a Safety and Wellbeing Officer in 2019 to assist in the development, implementation and management of the Shire’s Workplace OSH processes, procedures, as well as coordinating health and wellbeing programs and initiatives. The Shire has also been working closely with its insurers, LGIS, to provide training to all staff on their responsibilities for maintaining a safe workplace. This has resulted in more instances of reporting but has not changed the number of claims made. Incident reporting has provided valuable data to enable the Shire to better manage its risk. This has positive implications for the cost of insurance.

There were three claims for property damage lodged during the 2019/20 year totalling \$22,792. There were eight claims lodged in 2020/21 with the total paid to date of \$26,084 and estimated total costs of \$83,164.

There was one liability claim lodged for the 2019/20 year with estimated total costs of \$1,500. There were no liability claims lodged to date in 2020/21.

Four Motor Vehicle claims were lodged for the 2019/20 year with costs totaling \$12,752. There was one claim lodged in 2020/21 with total costs of \$1,405.

**ATTACHMENTS**

*(Confidential Attachments provided under separate cover).*

Attachment 1 - LGIS WorkCare Claims Report

Attachment 2 - LGIS Property Claims Report

Attachment 3 - LGIS Liability Claims Report

Attachment 4 - LGIS Motor Vehicle Claims Report

#### 7.4. STANDING ITEM - LEASES

<b>DATE:</b>	9 August 2021
<b>AUTHOR:</b>	Director Corporate Services
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading, 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 Council that it notes the Confidential Lease Schedule and the New and Renewal Lease Schedule attached.**

#### **PURPOSE**

To consider the attached Confidential Lease Schedule and New and Renewal Lease Schedule.

#### **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 including airport leases, commercial leases and leases to community organisations.

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**

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.

### **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 direct financial implications from the preparation of this report however a number of lessees have applied for financial hardship relief either under the Shire's Covid-19 Financial Hardship Policy or through requests for deferment or waivers of lease fees. Council approved waivers of lease fees and other charges for three lessees in the ordinary council meeting held on 27 October 2020 totalling \$24,041.44. The value of the waivers was fully provided for in the 2020/21 budget.

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services.

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

Risk: Failure to provide community services which meet the needs and expectations of the community to support social cohesion and participation.

Control: Review policies and procedures in accordance with review schedule

Risk: Failure to secure land which promotes heritage and meets the operational and service delivery requirements of the Shire.

Control: The Shire will be required to develop a Heritage List, which will replace the previous Municipal Heritage Inventory.

### **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**

Shire officers are currently working on six outstanding new and renewal leases. While the Shire is making every attempt to finalise the remaining leases as soon as possible, control over the timeline in progressing the leases is not vested entirely in the Shire. Details of outstanding leases are contained in Attachment 2.

### **ATTACHMENTS**

Confidential Attachment 1 - Lease Schedule

Confidential Attachment 2 - New and Renewal Lease Schedule

## 7.5. WRITE OFFS AND WAIVERS 2020/21

<b>DATE:</b>	9 August 2021
<b>AUTHOR:</b>	Rates Officer
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading, Director Corporate Services
<b>FILE NO:</b>	FM.07.6
<b>DISCLOSURE OF INTERESTS:</b>	Nil

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

**That the Audit (Finance and Risk) Committee note and report to Council the Write Offs and Waivers approved by Council and under Delegation for the period from 1 July 2020 to 30 June 2021 totalling \$598,347, the details of which are provided in Confidential Attachment 1.**

### **PURPOSE**

For the Audit (Finance and Risk) Committee to note the Write Offs and Waivers approved by Council and under Delegation for the period from 1 July 2020 to 30 June 2021.

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

Funder - provide funds or other resources

Leader - plan and provide direction through policy and practices

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

#### **Council Decision:**

**Minute Number: 27/10/2020 - 118319**

***That Council adopts the revised Delegations Register for the 2020/2021 financial year***

***Moved: Cr M Dear***

***Seconded: Cr J Farquhar***

***Decision: 9/0***

## **STATUTORY IMPLICATIONS**

### **Local Government Act 1995**

#### **6.12. Power to defer, grant discounts, waive or write off debts**

- (1) Subject to subsection (2) and any other written law, a local government may —
- (a) when adopting the annual budget, grant\* a discount or other incentive for the early payment of any amount of money; or
  - (b) waive or grant concessions in relation to any amount of money; or
  - (c) write off any amount of money, which is owed to the local government.

\* Absolute majority required.

- (2) Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.
- (3) The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.
- (4) Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.

#### **6.47. Concessions**

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive\* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

\* Absolute majority required.

#### **5.42. Delegation of some powers and duties to CEO**

- (1) A local government may delegate\* to the CEO the exercise of any of its powers or the discharge of any of its duties under —
- (a) this Act other than those referred to in section 5.43; or
  - (b) the Planning and Development Act 2005 section 214(2), (3) or (5).

\* Absolute majority required.

- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.

### **Shire of Wyndham East Kimberley Delegations Register 2020/2021**

#### **DA-11 Waive, Grant Concessions or Write Off Debts**

*In this delegation:*

*Waive means to provide a special concession to a person or organisation that extinguishes a debt that would have been owed to the Shire. A waiver may be provided prior to, or subsequent to the date that the debt is incurred.*

*Write Off occurs following the realisation that the asset can no longer be converted into cash (eg. a bad debt), can provide no further use to the Shire, or has no market value.*

*The Council delegates its authority and power to the Chief Executive to:*

1. Waive or grant concessions in relation to sundry debts owed to the Shire (other than rates and services charges)
2. Write off money owed to the Shire
3. Determine the conditions to be applied to waive, grant a concession or write off money owed to the Shire

*Delegates - Chief Executive Officer*

*Subdelegates - Director Corporate Services*

*Conditions:*

- a) *Limited to individual debts not exceeding \$2,000*
- b) *Write-off rates and service charges not exceeding \$200*
- c) *Report to the Audit (Finance and Risk) Committee on the exercise of this delegation.*

## **POLICY IMPLICATIONS**

### **CP/FIN-3212 Rates and Charges Debt Collection**

#### **6. Write off of Rates and Charges**

1. *Write off of rates and service charges debts will only be considered when all recovery processes available under this policy and allowable under legislation have been followed and there is no prospect of recovery of the debt.*
2. *Write off of rates and service charges can occur under Council delegation 11 for amounts up to \$200 or by resolution of the Council for amounts over \$200.*

### **CP/FIN-3214 Sundry Debt Collection**

*Definitions:*

Waive means to provide a special concession to a person or organisation that extinguishes a debt that would have been owed to the Shire. A waiver may be provided prior to, or subsequent to the date that the debt is incurred.

Write Off occurs following the realisation that the asset can no longer be converted into cash (e.g. a bad debt), can provide no further use to the Shire, or has no market value.

#### **11. Write off of Sundry Debts**

1. *Write off of sundry debts will only be considered when all recovery processes available under this policy and allowable under legislation have been followed and there is no prospect of recovery of the debt.*

Council Policy CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors is also relevant to this item.

## **FINANCIAL IMPLICATIONS**

The total value of Write Off and Waivers approved by Council and under delegation for the period from 1 July 2020 to 30 June 2021 is \$598,347. All amounts have been provided for in the 2020/21 budget through either reduction in expected revenue or directly as write offs or waivers. The details of all Write Offs and Waivers is provided in Confidential Attachment 1.



## **STRATEGIC IMPLICATIONS**

### **Strategic Community Plan 2012-2022**

Focus Area 4: Performance - Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

## **RISK IMPLICATIONS**

**Risk:** Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

**Control:** Policies updated in accordance with schedule and operational requirements.

## **COMMUNITY ENGAGEMENT**

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

No community engagement is required.

## **COMMENTS**

Write Offs are only considered when all recovery processes available under Council's debt collection policies and allowable under legislation have been followed and there is no prospect of recovery of the debt. Waivers are approved either by Council directly or under Council Delegation DA-11 Waive, Grant Concessions or Write Off Debts which allows for the Write Off of rates debts up to \$200 and Sundry debts up to \$2,000. All other Write Offs and all Waivers of rates must be approved by Council. All Write Offs and Waivers approved under delegation must be reported to the Audit (Finance and Risk) Committee.

## **ATTACHMENTS**

Confidential Attachment 1 - Write Offs and Waivers 2020/21

## **8. MATTERS BEHIND CLOSED DOORS**

## **9. CLOSURE**