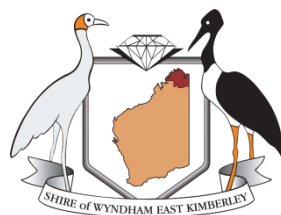


I hereby certify that the Minutes of the Audit (Finance and Risk) Committee Meeting are a true and accurate record of the proceedings contained therein.

Chairperson

Date



SHIRE OF WYNDHAM | EAST KIMBERLEY

MINUTES AUDIT (FINANCE AND RISK) COMMITTEE

09 November 2020

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SHIRE OF WYNDHAM EAST KIMBERLEY
AGENDA OF THE AUDIT (FINANCE AND RISK)
COMMITTEE KUNUNURRA COUNCIL CHAMBERS
HELD ON MONDAY 09 NOVEMBER 2020 AT 5:00 pm

1. DECLARATION OF OPENING

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council 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.

Prior to commencement of this electronic meeting Council Members and other attendee connections by electronic means were tested and confirmed.

Minutes for this Committee meeting will be available to the public within 5 working days.

The Chair declared the meeting open at 5.00 pm

2. RECORD OF ATTENDANCE / APOLOGIES

Cr T Chafer	Deputy Shire President	Chair of Committee
Cr M McKittrick	Councillor	Deputy Chair of Committee
Cr G Lodge	Councillor	
Cr D Menzel	Shire President	Observer
V Lawrence	Chief Executive Officer	
F Heading	Director Corporate Services	
S Tasi	Minute Taker	

3. PUBLIC QUESTION TIME / PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

No Public Questions were received

4. DECLARATION OF INTEREST

- Financial Interest
Nil
- Impartiality Interest
Nil

- Proximity Interest
Nil

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

That the Minutes of the Audit (Finance and Risk) Committee meeting of 10 AUGUST 2020 be accepted as a true and accurate record of proceedings.

COMMITTEE RESOLUTION

Minute Number: 09/11/2020 - AC473

That the Minutes of the Audit (Finance and Risk) Committee meeting of 10 August 2020 be accepted as a true and accurate record of proceedings.

Moved: Cr M McKittrick

Seconded: Cr T Chafer

Decision: 3/0

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

6. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

Nil

7. REPORTS

7.1. PROPOSED MEETING DATES FOR THE AUDIT (FINANCE AND RISK) COMMITTEE FOR 2021

DATE:	9 November 2020
AUTHOR:	Director Corporate Services.
RESPONSIBLE OFFICER:	Felicity Heading - Director Corporate Services
FILE NO:	FM.02.8
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee recommends to the Council:

- 1. That the Audit (Finance and Risk) Committee meetings for 2021 are held in accordance with the following dates, times and place:**

Date	Time	Place
Monday, 8 February 2021	5:00 pm	Council Chambers, Kununurra
Monday, 10 May 2021	5:00 pm	Council Chambers, Kununurra
Monday, 9 August 2021	5:00 pm	Council Chambers, Kununurra
Monday, 8 November 2021	5:00 pm	Council Chambers, Kununurra

- 2. That local public notice of the meetings outlined in recommendation (1) above is provided in accordance with Regulation 12 of the *Local Government (Administration) Regulations 1996*.**

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 - AC474

That the Audit (Finance and Risk) Committee recommends to the Council:

- 1. That the Audit (Finance and Risk) Committee meetings for 2021 are held in accordance with the following dates, times and place:**

Date	Time	Place
Monday, 8 February 2021	5:00 pm	Council Chambers, Kununurra
Monday, 10 May 2021	5:00 pm	Council Chambers, Kununurra
Monday, 9 August 2021	5:00 pm	Council Chambers, Kununurra
Monday, 8 November 2021	5:00 pm	Council Chambers, Kununurra

- 2. That local public notice of the meetings outlined in recommendation (1) above is provided in accordance with Regulation 12 of the *Local Government (Administration) Regulations 1996*.**

**Moved: Cr G Lodge
Seconded: Cr M McKittrick**

Decision: 3/0

PURPOSE

To consider the proposed dates, times and place for the Audit (Finance and Risk) Committee meetings to be held for 2021 in accordance with Regulation 12 of the *Local Government (Administration) Regulations 1996* and recommend to the Council that it endorse the proposal of the Committee.

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 November 2019 Audit (Finance and Risk) Committee meeting, the Committee recommended to the Council the meeting dates, times and place for the 2020 meetings to be held.

Pursuant to section 7.12A of the *Local Government Act 1995*, at the 27 October 2020 Ordinary Council Meeting, the Council provided delegated authority to the Audit (Finance and Risk) Committee to meet annually with the Council's Auditor (s), the Delegation for which is reflected in Item DA-55 of the Delegations Register 2020/21.

STATUTORY IMPLICATIONS

Local Government Act 1995

Part 5, Division 2

5.23. *Meetings generally open to public*

- (1) *Subject to subsection (2), the following are to be open to members of the public —*
- (a) all council meetings; and*
 - (b) all meetings of any committee to which a local government power or duty has been delegated.*

Local Government (Administration) Regulations 1996

Part 2

12. *Meetings, public notice of (Act s. 5.25(1)(g))*

- (1) *At least once each year a local government is to give local public notice of the dates on which and the time and place at which —*
- (a) the ordinary council meetings; and*
 - (b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public,*
- are to be held in the next 12 months.*
- (2) *A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).*
- (3) *Subject to subregulation (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.*
- (4) *If a special meeting of a council is to be open to members of the public but, in the CEO's opinion, it is not practicable to give local public notice of the matters referred to in subregulation (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the CEO's opinion, is practicable.*

POLICY IMPLICATIONS

There are no direct policy implications associated with this item.

FINANCIAL IMPLICATIONS

Minor expenditure will be incurred to ensure the appropriate advertising occurs for the proposed meetings. Funds are provided for this within the 2020/21 Annual Budget.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4 - Performance

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 manage the disbursement of funds to meet the needs of the Shires' forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

Controls: Quarterly Progress Reporting of the Corporate Business Plan, Quarterly Reporting and Risk Assessment of Forward Planning Documents and Strategic Risks, Monthly Financial Management Reports.

COMMUNITY ENGAGEMENT

Shire Policy CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

Engagement will take place in accordance with the Shire's Community Engagement Guidelines and will include local public notice of the proposed meeting dates, times and place in accordance with the legislative requirements.

COMMENTS

The proposed schedule has taken into account the proposed dates of the Ordinary Council Meetings for the 2021 calendar year, Council Briefing sessions and the past convention of having one meeting per quarter.

Consideration was also made to ensure that the meetings could remain at a time and location that would be beneficial to the majority of the community in order to retain an open and transparent meeting process.

It is advantageous to meet on the day before a Council briefing session (generally the 2nd Tuesday of each month). This provides the opportunity to discuss any matters arising from

the Audit (Finance and Risk) Committee at the briefing session and leave sufficient time to prepare reports for the next Ordinary Council Meeting which generally occur on the 4th Tuesday of each Month.

It is therefore proposed that the Committee meetings take place at 5:00 pm on the day before the Council briefing session to be held in the Council Chambers in Kununurra on:

- Monday, 8 February 2021
- Monday, 10 May 2021
- Monday, 9 August 2021
- Monday, 8 November 2021.

ATTACHMENTS

Nil

Chairperson, Cr T Chafer, requested a mover and seconder for the Committee to move-in camera to discuss the confidential attachments in the following Agenda items:

- 7.2 Standing Item – Insurance Claims*
- 7.3 Write-offs and waiver approved under Delegation*
- 7.4 Standing Item – Leases*
- 7.5 Standing Item – Sundry Debtors*
- 7.6 Standing Item – Rates Debtors*

Committee to remain in camera to consider the officer recommendation in the confidential report and attachment in Agenda item 8.1 – Request for Write off of rates and sundry debts.

Cr M McKittrick moved, and Cr G Lodge seconded.

The Gallery was asked to leave the room. Shire Officers and Minute taker to remain

COMMITTEE RESOLUTION

Minute Number: 09/11/2020 - AC475

**Moved: Cr M McKittrick
Seconded: Cr G Lodge**

That the Committee move-in camera to discuss confidential report and attachments at 5:04 pm.

Decision: 3/0

Chairperson, Cr T Chafer, requested a mover and seconder for the Committee to move out of the camera to consider the officer recommendations for Agenda items 7.2 – 7.6 and announce Committee Resolution for Agenda item 8.1.

Cr M McKittrick moved the motion and Cr G Lodge Seconded. The Gallery was invited back in.

COMMITTEE RESOLUTION

Minute Number: 09/11/2020 - AC476

**Moved: Cr M McKittrick
Seconded: Cr G Lodge**

That the Committee move out of camera at 5:25 pm.

Decision:

7.2. STANDING ITEM - INSURANCE CLAIMS

DATE:	09 November 2020
AUTHOR:	Finance Officer
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	RM.01.2
DISCLOSURE OF INTERESTS:	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.

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 – AC477

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

Moved: Cr M McKittrick

Seconded: Cr G Lodge

Decision: 3/0

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 2019/20 and 2020/21 budget processes. The Shire has in terms of its insurance policy, 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 two 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)	
	Estimated Costs	Number of Claims	Estimated Costs	Number of Claims
WorkCare	\$98,411	10	\$0	0
Property	\$22,792	3	\$0	0
Liability	\$0	0	\$0	0
Motor Vehicle	\$12,502	4	\$0	0
Total	\$133,705	17	\$0	0

Ten WorkCare claims were lodged during the 2019/20 year, of which two are listed as current on the attached report. Both of the listed current claims have been rejected. The total paid to date for accepted claims is \$98,411, and there are no further costs anticipated for these claims. There have been three claims submitted to date in 2020/21 which do not yet appear on the attached report, one pending, one accepted and one lodged.

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 have been no claims for quarter 1 of 2020/21, however, following the severe storm that impacted Kununurra on 30 September 2020, three claims are currently being lodged for property damage. The estimated value of these claims is: East Kimberley Regional Airport \$8,200, Ewin Centre \$23,000, and Kununurra Leisure Centre \$3,000.

There were no liability claims lodged for the 2019/20 year and there have been no claims to date in 2020/21.

Four Motor Vehicle claims were made during the 2019/20 year with costs totaling \$12,502. There have been no claims to date in 2020/21.

ATTACHMENTS

(Confidential Attachments provided under separate cover).

Attachment 1 - Shire of Wyndham East Kimberley - LGIS WorkCare

Attachment 2 - Shire of Wyndham East Kimberley - LGIS Property Claims

Attachment 3 - Shire of Wyndham East Kimberley - LGIS Liability Claims

Attachment 4 - Shire of Wyndham East Kimberley - Motor Vehicle Claims

7.3. WRITE-OFFS AND WAIVERS APPROVED UNDER DELEGATION

DATE:	9 November 2020
AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.07.6
DISCLOSURE OF INTERESTS:	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 under Council Delegation DA-11 for the period from 1 June 2020 to 31 October 2020 totalling \$1,902.58, the details of which are provided in Confidential Attachment 1 to this Agenda.

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 – AC478

That the Audit (Finance and Risk) Committee note and report to Council the Write-Offs and Waivers approved under Council Delegation DA-11 for the period from 1 June 2020 to 31 October 2020 totalling \$1,902.58, the details of which are provided in Confidential Attachment 1 to this Agenda.

Moved: Cr T Chafer

Seconded: Cr G Lodge

Decision: 3/0

PURPOSE

For the Audit (Finance and Risk) Committee to note the write-offs and waivers approved under Council Delegation DA-11 - Waive, Grant Concessions or Write Off Debts.

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.

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-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 under Delegation for the period from 1 June 2020 to 31 October 2020 is \$1,902.58.

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

The Write-offs approved under Delegation are all for sundry debts considered to be unrecoverable or uneconomical to pursue. The Waivers approved under Delegation are all for small sundry debts where the debtors had been affected by the economic impacts of the Covid-19 pandemic.

ATTACHMENTS

Confidential Attachment 1 - Write Offs and Waivers approved under Delegation - 1 June to 31 October 2020

7.4. STANDING ITEM - LEASES

DATE:	9 November 2020
AUTHOR:	Coordinator Finance
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	CP.07 and CP.16
DISCLOSURE OF INTERESTS:	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.

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 – AC479

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

**Moved: Cr M McKittrick
Seconded: Cr G Lodge**

Decision: 3/0

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 Annual Budget process estimated that the revenue from lease income is expected to reduce by approximately \$48,700, which is approximately half of the regular lease income.

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 seven 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.

Due to Covid-19 restrictions on movement and gatherings, some organisations have not been able to meet in order to pass resolutions. This has affected Shire Officers in being able to progress aspects of those leases that are not as yet finalised.

As stated above, there is an expectation that lease revenue for the financial year will be halved due to the impact of Covid-19.

ATTACHMENTS

Confidential Attachment 1 - Lease Schedule

Confidential Attachment 2 - New and Renewal Lease Schedule

7.5. STANDING ITEM - SUNDRY DEBTORS

DATE:	9 November 2020
AUTHOR:	Coordinator Finance
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.07.02
DISCLOSURE OF INTERESTS:	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.

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 – AC480

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.

Moved: Cr G Lodge

Seconded: Cr M McKittrick

Decision: 3/0

PURPOSE

To review the status of sundry debtors, including airport debtors, and sundry debts 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

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 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 '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 31 October 2020

Categories	90 Days		60 Days	30 Days	Current	Total
	<u>No</u>	\$	\$	\$	\$	\$
Sundry Debtors	16	440,018	65,488	129,232	569,359	1,204,097

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 31 October 2020

Categories	90 Days		60 Days	30 Days	Current	Total
	<u>No</u>	\$	\$	\$	\$	\$
Kununurra Airport	15	65,074	685	75,276	86,012	227,047
Wyndham Airport	1	59	0	0	0	59
Total	16	65,133	685	75,276	86,012	227,106

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 all for outstanding sundry debtors.

ATTACHMENTS

Confidential Attachment 1 - Sundry Debtors at 31 October 2020 (Confidential attachment provided under separate cover).

7.6. STANDING ITEM - RATES DEBTORS

DATE:	9 November 2020
AUTHOR:	Rates Officer
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.11.1
DISCLOSURE OF INTERESTS:	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.

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 – AC481

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.

**Moved: Cr M McKittrick
Seconded: Cr G Lodge**

Decision: 3/0

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 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

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

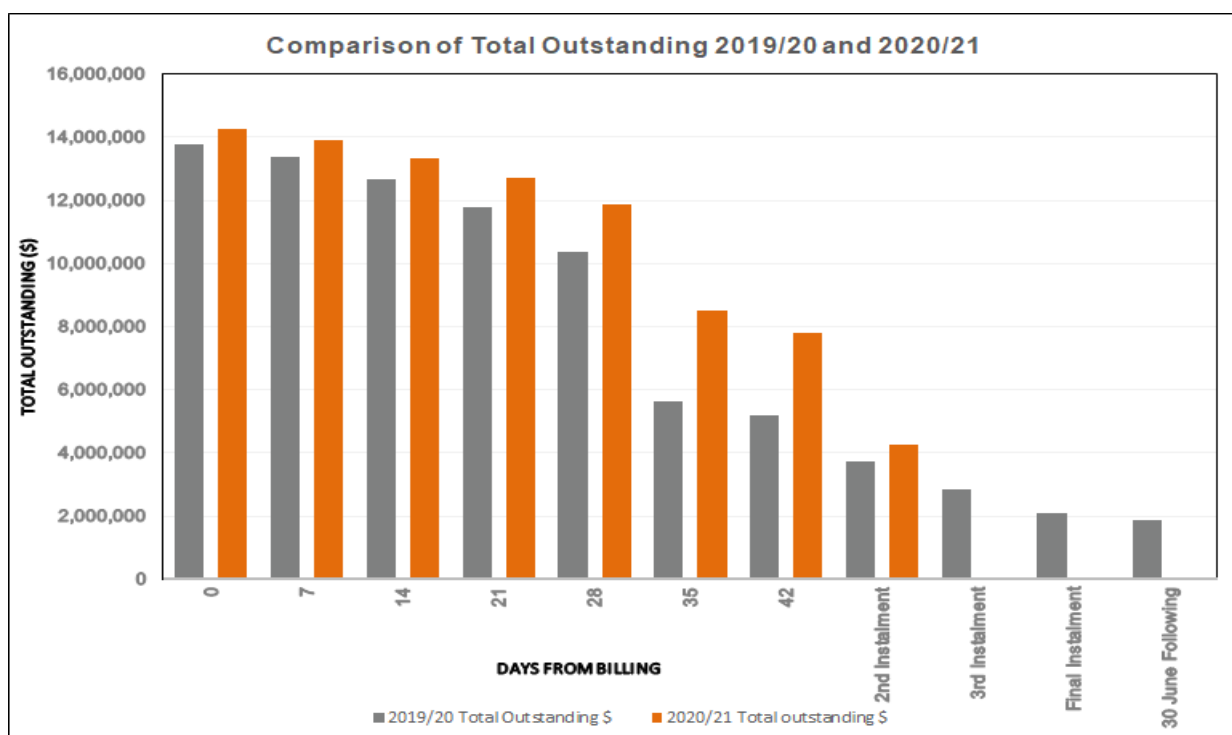
Rates & Services Levied 2020/21 (including arrears) at 02 November 2020	Overdue at 02 November 2020
\$ 14,484,290	\$2,506,893

Rates for the financial year of 2020/21 were raised on 10 July 2020 and notices issued on the 17 July 2020. Interim rating occurs periodically throughout the year. The Overdue amount of \$2,506,893 is analysed in the Confidential Attachment.

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 Receive
		\$	\$	%	\$	\$	%
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%			
Final Instalment		2,093,115	11,662,297	84.78%			
30 June Following		1,854,201	11,901,210	86.52%			
Total			11,901,210				



Instalment Status Report at 02 November 2020

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue \$	% of Properties Overdue
2 Instalment	163	5.85%	147	16	\$28,887	9.82%
4 Instalment	495	17.77%	365	130	\$360,442	26.26%
All Instalment Payers	658	23.63%	512	146	\$389,329	22.19%
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 greater discretion in debt collection. In addition, legal action has been placed on hold for most outstanding rates debtors.

To date, seven applications for Financial Hardship have been received from ratepayers. Four of these have been approved, and three are under assessment. The outstanding balance of approved assessments totals \$105,425.

The total percentage of rates collected for this period in 2019/20 financial year was 72.78% compared to 70.07% this financial year.

This financial year the Shire has seen fewer people take up the Instalment payment options; however, there has been an increase in people opting for a Payment Arrangement.

ATTACHMENTS

(Confidential Attachment provided under separate cover).

Confidential Attachment - Rates Debtors November 2020

8. MATTERS BEHIND CLOSED DOORS

8.1. REQUEST FOR WRITE OFF OF RATES AND SUNDRY DEBTS

DATE:	9 November 2020
AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.07.6, FM.11.56
DISCLOSURE OF INTERESTS:	Nil

Chairperson read aloud to the Gallery the decision of the Committee from behind closed doors for Agenda item 8.1 .

COMMITTEE RESOLUTION:

Minute Number: 09/11/2020 – AC482

That the Audit (Finance and Risk) Committee recommend to Council that Council, in accordance with Section 6.12(c) of the *Local Government Act 1995*, write off the following unrecoverable rates and sundry debts with a total value of \$126,503.11:

- **Kimberley Diamond Company Pty Ltd (In Liquidation) \$23,643.14**
- **Valentine Falls Estate Pty Ltd (In Liquidation) \$95,590.22**
- **Broome Air Services Pty Ltd (In Liquidation) \$3,923.55**
- **Allianz Australia Insurance Ltd \$3,346.20**

Moved: Cr G Lodge

Seconded: Cr M McKittrick

Decision: 3/0

This item is to be considered behind closed doors as per the *Local Government Act 1995*:

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.*

VOTING REQUIREMENT

Simple Majority

PURPOSE

For the Audit (Finance and Risk) Committee to consider recommending to Council that Council write off the following unrecoverable rates and sundry debts with a total value of \$126,503.11:

- Kimberley Diamond Company Pty Ltd (In Liquidation) \$23,643.14
- Valentine Falls Estate Pty Ltd (In Liquidation) \$95,590.22
- Broome Air Services Pty Ltd (In Liquidation) \$3,923.55
- Allianz Australia Insurance Ltd \$3,346.20

ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

Prior to closing the meeting, the Chairperson wanted to make an announcement, regarding the annual meeting of the Audit (Finance and Risk) Committee with the Shires Auditors to be noted in the minutes:

The Audit Committee had the exit meeting with the Auditors and noted the following:

- *The most significant issue for Council, in terms of the balance sheet, was the change in the financial regulations that required the derecognition of crown land vested in the Shire will reduce the asset balance and revaluation reserves by \$3.7 million;*
- *The Auditors after conducting their audit indicated that they would be issuing a clean audit report as no matters of concern were detected and there re no unadjusted errors;*
- *The sustainability ratios were all positive with the exception of the Operating Surplus ratio, which the Auditors confirmed that the Auditor General was looking at the calculation to address the current deficiencies in it. It was noted that approximately 100 of the 140 Councils had an adverse ratio;*
- *The conduct of the audit revealed that were no issues with the financial internal control system of the Shire, two matters raised at interim audit were addressed and implemented;*
- *The Annual Financial Statements will be circulated to Councillors before December and presented to Council as part of the Annual Report at the December Ordinary Council Meeting.*

The Chairperson congratulated everyone for their outstanding performance.

9. CLOSURE

Chairperson declared the meeting closed at 5:41 pm