



## MINUTES OF AUDIT COMMITTEE MEETING HELD 9 MARCH 2010.

I hereby certify that the Minutes of the Audit Committee meeting held 9 March 2010 are a true and accurate record of the proceedings contained therein.

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*Chairperson Confirmed*

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## 1 Declaration of Opening / Election of Acting Chair

The meeting was opened by the Executive Manager Corporate Services at 4.40pm who assumed the Chair for the election of an Acting Chair for the Audit Committee as the Committee Chair was an apology for this meeting.

The Executive Manager Corporate Services called for nominations for Acting Chair of the Audit Committee.

### **COMMITTEE RESOLUTION**

#### **Minute AC202**

**Moved: Cr J Parker**

**Seconded: Cr F Mills**

**That Cr D Ausburn be nominated acting chair of the Audit Committee.**

**Carried Unanimously: 3/0**

## 2 Record of Attendance

Cr D Ausburn	Committee Member (Acting Chair)
Cr F Mills	Committee Member
Cr J Parker	Committee Member
Gary Gaffney	Chief Executive Officer (Arrived 5pm)
Jo-Anne Ellis	Executive Manager Corporate Services
Observer	
Cr J McCoy	Councillor
Apologies	
Cr K Wright	Committee Chair

## 3 Declaration of Interest

- Financial

Cr F Mills declared a financial interest in item 5.3 Standing Item – Debts Currently in Legal Process as he has the skills and experience to potentially to be in the same line as business and therefore in competition with one debtor subject to this report.

Cr J Parker declared a Financial Interest in Item 5.5 Cambridge Gulf Shares as her husband is employed by the company.

- Members Impartially Interest

Nil

- Proximity Interest

Nil

## **4 Acceptance of Minutes of Previous Meeting**

### **4.1 Audit Committee Meeting Minutes 10 November 2009**

#### Recommendation

That the minutes of the Audit Committee meeting of the 10 November 2009 be accepted as a true and accurate record of proceedings.

#### **COMMITTEE RESOLUTION**

##### **Minute AC203**

**Moved: Cr D Ausburn**

**Seconded: Cr F Mills**

**That the minutes of the Audit Committee meeting of the 10 November 2009 be accepted as a true and accurate record of proceedings.**

**Carried Unanimously: 3/0**

## 5 Officer's Report

### 5.1 Review of Policies in Division – Members of Council

<b>DATE:</b>	9 March 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	63.02.04

#### **PURPOSE**

To present revised Policies from division Members of Council to the Audit Committee for review and recommendation to Council.

#### **BACKGROUND**

The process for review of policies falling under the division – Members of Council commenced in May 2009 with one policy being reviewed, one policy being repealed and replaced and two new policies being recommended by the Audit Committee and adopted by Council.

The status of policies in Division – Members of Council is shown in the tables below.

Current Policies:

Policy Number	Subject	Adopted Date	Last Review date	Status / Action
MC1	Code of Conduct	17 July 1997	20 January 2009 (Minute 8538)	Review Current
MC5	Elected Members Entitlements	15 August 2002	17 May 2005	Requires Review
MC6	Councillors Presentation on Retirement	15 May 2005	May 2009	Review Current
MC7	Freedom of Information Statement	15 August 2002		Requires Review
MC8	Legal Representation and Cost Indemnification	17 July 1997	15 August 2002	Requires Review
MC13	Public Relations Policy			Requires Review
MC14	Community Recognition	15 December 2005		Requires Review
MC15	Councillor Briefing Sessions/Forums	20 May 2008 (Minute 8224)		Requires Review
MC16	Freeman of the Shire of Wyndham East Kimberley	16 May 2009		Review Current
MC17	Elected Member Induction Program	16 May 2009		Review Current
MC18	Elected Member Training	16 May 2009		Review Current

#### Repealed Polices:

Policy Number	Subject	Adopted Date	Last Review date	Status / Action
MC2	Repealed (Council Meetings and Information Availability)	15 August 2002		Repealed
MC3	Repealed (Conference Attendance)	15 August 2002	Repealed	Repealed
MC4	Repealed (Meeting Procedures)	15 August 2002		Repealed
MC9	Repealed (Freedom of Information Statement)			Repealed
MC10	Repealed (Meeting Fees and Reimbursement of Expenses)			Repealed
MC11	Repealed (Mobile Phones in Council and Committee Meetings)			Repealed
MC12	Repealed (Submission of Late Items for Council Consideration)			Repealed

This item was tabled as a late item at the November Audit Committee Meeting.

*Minute AC198*

*Moved: Cr K Wright*

*Seconded: Cr J Parker*

*That this item be deferred to the 9 March Audit Committee Meeting and the documentation be distributed to all Councillors to enable feedback to be given to Audit Committee Members.*

*Carried Unanimously: 3/0*

The Audit agenda and all attachments is distributed to all Councillors.

#### **STATUTORY IMPLICATIONS**

Local Government Act 1995.

#### **POLICY IMPLICATIONS**

All policies of Council should be regularly reviewed and easily accessible.

#### **FINANCIAL IMPLICATIONS**

Nil

#### **STRATEGIC IMPLICATIONS**

Council adopts polices for the governance of the organisation. These policies should be up to date, regularly reviewed and readily available so Councillors and Staff are aware of and can adhere to the adopted policies of Council.

#### **COMMUNITY CONSULTATION**

Community Consultation is not required in regard to this item.

## **COMMENT**

### **MC5 – Elected Members Entitlements**

This policy was adopted on 15 August 2002 and reviewed and amended on 17 May 2005.

Further review since this time is not evident.

Under the Local Government Act 1995 there are meeting fees, allowance and expenses payments that members have a right to receive and other payments that elected members may receive at the discretion of the local government. The Act and associated Regulation sets minimum and/or maximum amounts that apply to payments an elected member is entitled to receive. Where not specified in the legislation a local government can determine whether to reimburse the expense and the amount that is considered appropriate.

The meeting fees, allowances and expenses entitled under the Act are not required to be included in policy as they are an entitlement. The value must be set each year as part of Budget Adoption. Amendments to the current policy include removal of these payments as part of the policy but retention of reference to these to increase understanding of the full entitlement elected members have to meeting fees, allowances and expense payments.

Annual budget allocations are required to meet costs of Elected Member Entitlements under this policy and the Local Government Act 1995.

Local Government Operational Guideline Number 15 – Meeting Fees, Allowances and Expenses for Elected Members provides relevant guidance.

### **MC13 – Public Relations Policy**

The adoption date of this policy is unclear.

The recommended changes to this policy are minor

- correction of enabling legislation
- inclusion of requirement for consent to be written
- changes to ensure consistence with Delegation 90 – Signing of Council Correspondence.

### **MC14 – Community Recognition**

This policy was adopted on 15 December 2005.

The changed recommended to this policy are primarily due to Council adopting policy MC16 – Freeman of the Shire of Wyndham East Kimberley in May 2009. Previously 3 categories of recognition were involved. The proposed policy only has one category – certificate of appreciation and gift. There seemed to be little distinction between this and certificate of appreciation only as the policy allows the value of the gift to be determined based on merit of recipient.

### **MC15 – Councillor Briefing Sessions/Forums**

This policy was adopted on 20 May 2008 (Minute 8224).

The review of this policy recommends changes to order of items to group similar points together and additional points to improve the policy in line with the Local Government Operational Guideline Number 5 – Council Forums.

## **ATTACHMENTS**

Existing Policies have been provided as separate attachments (yellow pages)  
Proposed Council Policies have been provided as separate attachments (green pages)

Local Government Operational Guidelines have been provided as separate attachments

- Number 15 – Meeting Fees, Allowances and Expenses for Elected Members
- Number 5 – Council Forums

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That the Audit Committee having reviewed and considered the following policies recommends to Council for adoption:

- CP/MC5 – Elected Members Entitlement
- CP/MC13 – Public Relations Policy
- CP/MC14 – Community Recognition
- CP/MC15 – Councillor Briefing Sessions/Forums

## **COMMITTEE RESOLUTION**

**Minute AC204**

**Moved: Cr J Parker**

**Seconded: Cr F Mills**

**That the Audit Committee having reviewed and considered the following policies recommends to Council for adoption:**

- **CP/MC5 – Elected Members Entitlement**
- **CP/MC13 – Public Relations Policy**
- **CP/MC14 – Community Recognition**
- **CP/MC15 – Councillor Briefing Sessions/Forums**

**Carried Unanimously: 3/0**

## **COMMITTEE RECOMMENDATION 1**

**That Council having reviewed and considered the following policies adopts the policies as attached:**

- **CP/MC5 – Elected Members Entitlement**
- **CP/MC13 – Public Relations Policy**
- **CP/MC14 – Community Recognition**
- **CP/MC15 – Councillor Briefing Sessions/Forums**

**Attachment 1  
Proposed Policy CP/MC5 – Elected Members Entitlements**

<b>POLICY No:</b>	<b>CP/MC5</b>
<b>DIVISION:</b>	<b>Members of Council</b>
<b>SUBJECT:</b>	<b>Elected Member Entitlements</b>
<b>REPORTING OFFICER:</b>	<b>Chief Executive Officer</b>
<b>ENABLING LEGISLATION:</b>	<b>Local Government Act 1995 Sections 5.98 – 5.102</b>

**OBJECTIVE**

To establish the Council's policy in regard to expenses incurred by Councillors and other representatives in the course of representing the community in cases other than that determined by the Local Government Act 1995.

**POLICY**

***Meeting Fees***

Councillors have a right to receive meeting attendance fees under section 5.98(1) of the Local Government Act 1995.

Council elects to pay an annual allowance to cover attendance at meetings. This fee will be set as part of the annual budget each year.

The Shire President and Deputy Shire President will receive an additional annual allowance, which will be set as part of the annual budget each year.

***Telecommunications***

For the purposes of Section 5.98(2) (a) of the Local Government Act 1995 and Local Government (Administration) Regulation No.32 and 34A, Council will provide each elected member with an annual Telecommunications Allowance to cover all related telecommunications costs including use of modem, fax, mobile and hard wired telephone and supplies for fax machine.

This allowance will be set as part of the annual budget each year.

***Travelling Expenses***

All Councillors and Council appointed delegates (who are not Council Members) will be paid the Local Government Officers' Award rate per kilometre for all travelling expenses incurred in attending the following:

- (a) Ordinary and Special Meetings of Council
- (b) Council Briefing Sessions/Forums
- (c) Committee Meetings;
- (d) Annual meeting of electors
- (e) Special meetings of electors
- (f) General meetings of electors
- (g) Officially called civic receptions

- (h) Council inspection tours
- (i) Council authorised meetings with Government agencies
- (j) Other Council called meetings of Councillors and staff
- (k) Where a Council vehicle is not available
- (l) Official meetings as delegates of Council.

The distance is to be calculated on their normal place of abode within the District to the meeting venue. Payment is made on the production of a log in a form to be determined by the Chief Executive Officer. All claims for payment must be received no later than 15 August of the next financial year.

In the event of any dispute arising from a claim, the Chief Executive Officer shall discuss the matter with the Shire President in order to resolve the dispute.

### ***Elected Member Insurance***

Council will provide Personal Accident/Travel insurance for Councillors of \$200,000. This will cover Elected Members and their spouses whilst carrying out authorised business of Council or official duties.

### ***Provision of Information Technology***

Upon election to office all Councillors will be supplied with a dedicated individual council email address.

Councillors will also receive an Information Technology (IT) allowance, subject to budget considerations and regulations, which will reimburse Councillors the cost of maintaining/upgrading appropriate hardware/software facilities/applications to gain access to this dedicated Council Email address.

When Councillors utilise their dedicated Council email address, though not subject to, guidance should be sourced from the Shire's Information Technology Policy IT 1 Email Facilities, with regards to content and use of the email address.

ADOPTED: 15/08/2002  
REVIEWED: 17/05/05, XXX  
AMENDED: 17/05/05, XXX

**Attachment 2  
Proposed Policy CP/MC13 – Public Relations Policy**

<b>POLICY No:</b>	<b>MC13</b>
<b>DIVISION:</b>	<b>Members of Council</b>
<b>SUBJECT:</b>	<b>Public Relations Policy</b>
<b>REPORTING OFFICER:</b>	<b>Chief Executive Officer</b>
<b>ENABLING LEGISLATION:</b>	<b>Local Government Act 1995 Section 2.8 and 5.41</b>

**OBJECTIVE:**

To establish procedures and protocols for various types of communications by Councillors and staff

**POLICY:**

**Advertising :**

All advertisements and public notices must be signed off by the CEO or Executive Manager.

**Public Relations:**

All Press Releases must be signed off by the CEO or the Shire President.

Councillors shall not make contact with the media regarding Council matters without prior written consent from the Shire President.

**Television or Radio Interviews:**

All Television or Radio Interviews by Staff must have prior written approval from the CEO.

All Television or Radio Interviews by Councillors must have prior written approval from the Shire President.

**Outgoing Correspondence:**

All correspondence to State or Federal Parliamentarians by Councillors must be signed by the Shire President.

Correspondence to be personally signed by the Chief Executive Officer:

(1) Letters which either:

- (a) Offer an opinion on Council Policy;
- (b) Give political comment;
- (c) Seek a meeting or deputation, or
- (d) Make a major commitment, financial or otherwise in terms of Council's resources;

and which are addressed to the following:

- (i) State or Federal Member of Parliament
- (ii) Permanent Secretaries or Directors of the like of State and Federal Departments
- (iii) Mayors/Presidents of other Councils
- (iv) Chief Executive Officers of other Councils
- (v) The Ombudsman
- (vi) Western Australian Municipal Association
- (vii) The Department of Local Government

(2) Letters: -

- (a) of appointment for Council staff
- (b) letters of dismissal in relation to Council staff or contractors working for Council

Correspondence that can be signed by Executive Managers:

- (1) Letters other than those referred to above
- (2) Letters that are of normal operations
- (3) Letters that are the result of a Council decision
- (4) Letters that are permitted by another delegation or Council policy

Staff may sign operational letters with approval of their Executive Manger.

All other correspondence written by staff must be signed by the Manager or Executive Manager of the Department.

Council's standard response time to incoming correspondence is seven (7) days.

**Public Meeting:**

All Shire based presentations made at a public/ community meetings must be approved by the Executive Manager prior to the meeting.

**ADOPTED:**  
**REVIEWED:**  
**AMENDED:**

**Attachment 3  
Proposed Policy CP/MC14 – Community Recognition**

<b>POLICY No:</b>	<b>MC14</b>
<b>DIVISION:</b>	<b>Members of Council</b>
<b>SUBJECT:</b>	<b>Community Recognition</b>
<b>REPORTING OFFICER:</b>	<b>Chief Executive Officer</b>
<b>ENABLING LEGISLATION:</b>	<b>Local Government Act 1995 Section 5.5</b>

**OBJECTIVE:**

To establish a process to recognise members of the public for their contribution to the Shire of Wyndham East Kimberley Community.

**POLICY:**

**Nominations**

All candidates must be nominated for recognition under this policy in writing by no less than two (2) recognised and active community groups, associations or organisations, and with permission of the person being nominated. All applications must include all relevant information necessary for the Community Recognition Review Panel to make an informed decision.

Applications for community recognition can be received at anytime during the year.

Once an application has been received, the community recognition review panel must make a recommendation to Council within two (2) calendar months of receipt of the application.

Each application will be considered behind closed doors.

If the candidate has already received a form of recognition in the current year (for example volunteer of the year) the application will be refused and the nominators will be invited to re-apply in the following year. (The intention of this is to ensure that the prestige of other civic awards are not diminished by this policy)

**Community Recognition Review Panel**

A Community Recognition Review Panel will be created to review all applications for community recognition and make recommendations to Council regarding the application.

The Community Recognition Review Panel will be made up of Shire President, the Deputy Shire President and one Councillor decided by Council.

When considering whether this form of recognition should be awarded to a candidate, the Community Recognition Review Panel will consider the following:

1. Length of service in a field(s) of activity,
2. Level of commitment to a field(s) of activity;
3. Personal leadership qualities;
4. Benefits to the community of the Shire of Wyndham East Kimberley resulting from the candidate activities; and
5. Specific achievements of the candidate.

### **Presentation of Community Recognition**

Presentation of community recognition will be made at an Ordinary Meeting of Council with the Chief Executive Officer arranging a press release regarding the award.

The recipient shall receive a Certificate of Appreciation and gift

The value of the gift awarded will be at the discretion of Council, based on a recommendation from the Community Recognition Review Panel, in consultation with the Chief Executive Officer.

### **Attachments**

1. Nomination Form
2. Criteria to assist with considering a candidate for Community Recognition

**ADOPTED: 15/12/2005**

**REVIEWED:**

**AMENDED:**

**SHIRE OF WYNDHAM EAST KIMBERLEY**

**Nomination for Community Recognition**

I hereby nominate \_\_\_\_\_, of  
\_\_\_\_\_

as a candidate for community recognition by the Shire of Wyndham East Kimberley.

The following Community Groups/Association/Organisations support this nomination;

Community Group/Association/Organisation (1) : \_\_\_\_\_

President's Signature: \_\_\_\_\_

Community Group/Association/Organisation (2) : \_\_\_\_\_

President's Signature: \_\_\_\_\_

Candidate's Signature; \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

**SHIRE OF WYNDHAM EAST KIMBERLEY**

**Criteria to assist with considering a candidate for Community Recognition**

**Length of service in a field(s) of activity**

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**Level of commitment to a field(s) of activity**

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**Personal leadership qualities**

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**Benefits to the community of the Shire of Wyndham East Kimberley resulting from the Candidate's activities**

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**Specific achievements of the candidate.**

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**Attachment 4**  
**Proposed Policy CP/MC15 – Councillor Briefing Sessions / Forums**

<b>POLICY No:</b>	<b>MC15</b>
<b>DIVISION:</b>	<b>Members of Council</b>
<b>SUBJECT:</b>	<b>Councillor Briefing Sessions/Forums</b>
<b>REPORTING OFFICER:</b>	<b>Chief Executive Officer</b>
<b>ENABLING LEGISLATION:</b>	<b>Local Government Act 1995</b>

**OBJECTIVE:**

To establish a process for the operation of elected member Briefing Sessions/Forums to ensure the requirements of accountability, openness and transparency are satisfied.

**POLICY:**

1. Council holds monthly Briefing Sessions between elected members and staff, on the first Tuesday of each month.
2. Briefing Session are closed to the public, so to as to facilitate full disclosure, and build trust between the elected members and between elected members and staff.
3. The purpose of Briefing Sessions are to:
  - a. Provide an informal exchange of information between elected members and staff on issues.
  - b. enable elected members to receive information in advance of the Council meetings, and thereby to assist elected members make informed decisions related to that information at subsequent Council meetings.
  - c. To enable elected members to inform themselves before having to make decisions on issues.
  - d. To facilitate strategic considerations of issue in advance.
4. Staff will prepare Agenda's for Briefing Sessions and where required produce relevant items for consideration by Council on matters discussed at Briefing Sessions.
5. Elected Members are encouraged to submit agenda items and details related to those items by the agenda submission deadline.
6. The Shire President, Deputy and Chief Executive Officer will jointly review draft Briefing Session Agendas before they are circulated to Councillors and Managers.
7. Where practical, Briefing Session Agendas will be distributed by close of business on the Thursday preceding the meeting day.
8. No delegated authority from Council exits at the Briefing Sessions.

9. Standing Orders of Council do not apply at Briefing Sessions.
10. The Shire President, Deputy President or nominated delegate will chair Briefing Sessions. All discussion and questions are to be directed through the chair.
11. No debate style discussion is to be conducted at Briefing Sessions.
12. No decisions that bind the Local Government, or decisions requiring a decision of Council or, are to be made at Briefing Sessions.
13. Elected members and staff will be respectful of each other and not interrupt the speaker.
14. Elected members and staff will make written declarations of interest in any matters being discussed and the Chief Executive Officer will keep records of these declarations. Where a financial interest is declared, the elected member will depart the forum and not take part in any discussion relating to the matter.

### **Attachments**

Department of Local Government Operational Guidelines Number 5, January 2005, Council Forums.

**ADOPTED:** 20 May 2008 (Minute No.8224)

**REVIEWED:**

**AMENDED:**

## 5.2 Standing Item - 90 Day Aged Debtors Listing

<b>DATE:</b>	9 March 2010
<b>PROPONENT:</b>	N/A
<b>LOCATION:</b>	N/A
<b>AUTHOR:</b>	Kelly D'Arcy, Senior Finance Officer
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	60.14.03
<b>ASSESSMENT NO:</b>	N/A

### **PURPOSE**

To present the listing of Aged Debtors with balances outstanding for 90 days or longer.

### **BACKGROUND**

The listing of 90 Day Sundry Debtors has traditionally been provided at the Ordinary Council Meeting on a monthly basis. At the 21 February Audit Committee Meeting the Committee resolved to recommend to Council that the Audit Committee be presented with the item as this falls within the scope of the committee's purpose.

The following recommendation was adopted by Council at Ordinary Meeting on 18 March 2008:

*Minute No: 8102*

*Moved: Cr K Wright*

*Seconded: Cr Paul Caley*

*That Council:*

- 1. 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.*

*Carried Absolute Majority 8/0*

### **STATUTORY IMPLICATIONS**

Nil.

### **POLICY IMPLICATIONS**

Nil.

### **FINANCIAL IMPLICATIONS**

Ongoing management of Council funds.

### **STRATEGIC IMPLICATIONS**

Key Result Area 5 – Governance

## **COMMUNITY CONSULTATION**

Community Consultation is not required in relation to this item.

## **COMMENT**

The listing of 90 Day Sundry Debtors is presented to the Audit Committee as per Council resolution.

## **ATTACHMENTS**

Sundry Debtors as at 2 March 2010  
Sundry Debtors as at 2 March 2010 including debtor names  
(Confidential Attachment provided under separate cover)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION**

That the Audit Committee

1. receives and accepts the listing of 90 Day Sundry Debtors as at 2 March 2010 totalling \$134,795.20 (GST inclusive); and
2. reports to Council that the actions being undertaken by the administration in regard to 90 Day Sundry Debtors are sufficient and appropriate and no further actions are recommended at this time.

## **COMMITTEE RESOLUTION**

**Minute AC205**

**Moved: Cr D Ausburn**

**Seconded: Cr F Mills**

**That the Audit Committee**

1. **receives and accepts the listing of 90 Day Sundry Debtors as at 2 March 2010 totalling \$134,795.20 (GST inclusive); and**
2. **reports to Council that the actions being undertaken by the administration in regard to 90 Day Sundry Debtors are sufficient and appropriate and no further actions are recommended at this time.**

**Carried Unanimously: 3/0**

## **COMMITTEE RECOMMENDATION 2**

**That Council acknowledges that the Audit Committee has reviewed the listing of 90 Day Sundry Debtors and reports to Council that the actions being undertaken by the administration in regard to 90 Day Sundry Debtors are sufficient and appropriate and no further actions are recommended at this time.**

**Attachment Item 5.2**  
**Sundry Debtors as of 2 March 2010**

Debtor Number	90 Days	Balance as at 2 <sup>nd</sup> March 2010	Debt Collection Status for Debts over 90 Days
132	174.50	585.00	Attempting to locate customer
86140	31.50	31.50	Customer to make payment today
96224	11,000.00	11,000.00	Awaiting instructions from executive managers of how to proceed
83026	21.00	73.50	Attempting to locate customer
98578	39.62	39.62	Obtaining forwarding address.
7	198.00	198.00	Chq to be re-issued.
96340	78,856.49	78,856.49	Final acquittal requires letter of certification from an Engineer - this is being pursued
98110	640.50	766.50	1 <sup>st</sup> demand letter sent
96468	50.00	210.50	Going to make payment this week
3104	1,176.00	2,356.86	Will make payment next week.
96235	400.00	400.00	Refer agenda item for write-off
80737	199.00	199.00	Message left for customer to make contact.
56	92.40	92.40	Attempting to locate customer
96301	115.00	115.00	Customer going to pay this week
98587	144.50	207.50	Going to pay this week.
126	52.50	52.50	Attempting to locate customer.
96207	21.00	21.00	Customer going to pay this week.
80258	1,088.37	1,901.29	Attempting to speak to customer
82949	1,840.00	2,657.00	Sent through copy of invoices.
80625	21.00	21.00	Sent through copy of invoice.
196	24.00	24.00	Attempting to locate customer.
80165	21,505.55	21,505.55	Paying \$125.00 week as per agreement
71	1,109.92	1109.92	Refer agenda item for write-off
98563	10,800.00	10,800.00	Refer Agenda Item Debts Under Legal Action.
82942	168.00	672.00	Left message to call me back
96280	42.00	42.00	Left message to call me back
96352	650.35	2,688.67	Attempting to get account back into 30 days
81448	546.50	756.50	Attempting to locate customer
4009	220.50	221.10	Attempting to locate customer
82551	1,805.00	1,805.00	Spoke to debtor – waiting for reply to advise payment date.
96375	292.00	292.00	Spoke to debtor – faxed through copies
86188	1,470.00	1,470.00	1 <sup>st</sup> demand letter sent
	<b>\$134,795.20</b>	<b>\$141,171.40</b>	

### 5.3 Standing Item - Debts Currently in Legal Process

<b>DATE:</b>	9 March 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Gill Old, Manager Financial Services
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	61.23.02 / 61.22.14

#### **PURPOSE**

To the Audit Committee with an update regarding debts currently in legal process.

#### **BACKGROUND**

At the Ordinary Council Meeting, 16 October 2007, Council moved the following resolution:

*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, 18 March 2008, Council moved 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 report is therefore presented.

#### **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.

As the Audit Committee has no delegated powers it does not need to open to the public and therefore the provisions of Section 5.23 are not relevant.

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

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

### **STRATEGIC IMPLICATIONS**

The costs associated with legal fees to recover debt need to be weighed up against the debt to ensure and economically viable action is being taken.

### **COMMUNITY CONSULTATION**

Community Consultation in not required in relation to this item.

### **COMMENT**

The listing of Debtors currently in legal process is presented to the Audit Committee as per Council resolution.

### **ATTACHMENTS**

Sundry Debtors under legal action as at 2 March 2010.  
(Confidential Attachment provided under separate cover)  
Rates Debtors under legal action as at 2 March 2010  
(Confidential Attachment provided under separate cover)

### **VOTING REQUIREMENT**

Simple Majority

### **RECOMMENDATION**

That the Audit Committee

1. notes the confidential report provided to it in relation to debts owed to Council and under legal action; and
2. reports to Council that the actions being undertaken by the administration in regard to debts under legal action are appropriate and sufficient and that no additional actions are recommended in relation to these debts at this time.

### **COMMITTEE RESOLUTION**

#### **Minute AC206**

**Moved: Cr J Parker**

**Seconded: Cr D Ausburn**

**That item 5.3 – Debts Currently in Legal Process be referred directly to Council for Consideration.**

**Carried Unanimously: 3/0**

**COMMITTEE RECOMMENDATION 3**

**That Council consider Audit Committee Item 5.3 Debts Currently in Legal Process behind closed doors.**

#### 5.4 Write Off – Sundry Debtor 96253, 96244 and 71

<b>DATE:</b>	8 March 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Kelly D'Arcy, Senior Finance Officer
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	N/A

#### **PURPOSE**

For the Audit Committee to recommend that Council write-off an unrecoverable debts.

For information to Audit Committee and Council of write-off by CEO under delegated authority an unrecoverable debt.

#### **BACKGROUND**

Debtor 96235 was invoiced \$220.00 on 31/10/08 and \$180.00 on 15/01/2009 being for tipping fees. The invoices were raised after debtor used the landfill site facilities in August and September 2008. Statements and invoices have been returned from the address on file and the phone numbers on file have been disconnected.

Debtor 96244 was invoiced \$40.00 on 15/01/2009 being for tipping fees. The invoice was raised after debtor used the landfill site facilities in September 2008. Statements and invoices have been returned from the address on file and the phone numbers on file have been disconnected as the business is no longer operating and the owners have left town.

Officers have followed Councils Sundry Debt Collection Policy to recover this debt but have not been successful.

Debtor 71 was invoiced \$220.00 on 12/12/08 and \$900.00 on 08/03/09 being for hire of Kubota tractor and operator at the East Kimberley Regional Airport. The company went into receivership and an administrator was appointed on 20/05/09. We have endeavoured to collect the outstanding monies from the airline who leased the aircraft from the debtor but correspondence from this airline states they are responsible for landing fees but the use of the air-start cart is not covered. The administrator called for proof of debt 30/6/09 and notice of final dividend was received 15/2/10. Final payment received of \$10.08 in full settlement of the debt.

#### **STATUTORY IMPLICATIONS**

- 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;
    - (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*

## **POLICY IMPLICATIONS**

Sundry Debt Collection Policy – F15

## **FINANCIAL IMPLICATIONS**

The Shire will incur a reduction in revenue of \$1,549.92.

## **STRATEGIC IMPLICATIONS**

Nil

## **COMMENT**

Debtor 96235 cannot be located and it is recommended the debt be written off, as the expense involved in continued attempts to locate debtor through Council's debt collection agency will exceed the amounts owed.

Debtor 71 has been declared bankrupt and have paid a final dividend calculated at the rate on debt as admitted to rank.

Debtor 96244 cannot be located and the debt has been written off by the Chief Executive Officer under authority of Sundry Debt Collection Policy F15, as the expense involved in continued attempts to locate debtor through Council's debt collection agency will exceed the amounts owed.

## **ATTACHMENTS**

Nil

## **VOTING REQUIREMENT**

Simple Majority (Absolute Majority decision required by Council)

## **RECOMMENDATION**

That the Audit Committee recommends to Council to:

- Write off the sundry debtor amount of \$400.00 being debtor 96235 for landfill site fees.
- Write off the sundry debtor amount of \$1,109.92 being debtor 71 for usage of air-start cart at East Kimberley Regional Airport.
- Note the authorisation for write-off by the Chief Executive Officer under the Sundry Debtor Collection Policy F15 of \$40.00 being debtor 96244 for landfill site fees.

## **COMMITTEE RESOLUTION**

**Minute AC207**

**Moved: Cr J Parker**

**Seconded: Cr D Ausburn**

**That the Audit Committee recommends to Council to:**

- **Write off the sundry debtor amount of \$400.00 being debtor 96235 for landfill site fees.**
- **Write off the sundry debtor amount of \$1,109.92 being debtor 71 for usage of air-start cart at East Kimberley Regional Airport.**
- **Note the authorisation for write-off by the Chief Executive Officer under the Sundry Debtor Collection Policy F15 of \$40.00 being debtor 96244 for landfill site fees.**

**Carried Unanimously: 3/0**

## **COMMITTEE RECOMMENDATION 4**

**That Council:**

- **Write off the sundry debtor amount of \$400.00 being debtor 96235 for landfill site fees.**
- **Write off the sundry debtor amount of \$1,109.92 being debtor 71 for usage of air-start cart at East Kimberley Regional Airport.**
- **Note the authorisation for write-off by the Chief Executive Officer under the Sundry Debtor Collection Policy F15 of \$40.00 being debtor 96244 for landfill site fees.**

## 5.5 Cambridge Gulf Limited Shares

<b>DATE:</b>	9 March 2010
<b>PROPONENT:</b>	Shire Of Wyndham East Kimberley
<b>LOCATION:</b>	Shire Of Wyndham East Kimberley
<b>AUTHOR:</b>	Bonnie Cole, Finance Projects Officer
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Executive Manager Corporate Services
<b>FILE NO:</b>	61.35.07
<b>ASSESSMENT NO:</b>	N/A

### PURPOSE

To recommend further action in relation to the disposal of 4,061 shares in Cambridge Gulf Limited.

### BACKGROUND

At the Ordinary Council Meeting on 19 August 2008 Council resolved:

Minute No. 8314

Moved: Cr J Moulden

Seconded: Cr K Wright

*That Council:*

- a. *Council retain the current shares held with the Co-operative and continue to do business with the Co-operative to benefit from the dividends and the rebate when issued; and*
- b. *Council dispose of the current shares held with Cambridge Gulf Limited by public expression of interest with such sale to be ratified by the board of Cambridge Gulf Limited.*

Carried Unanimously 6/0

As a result of this decision, an expression of interest for the acquisition of these shares was advertised. At the close of the submission period, one offer was received from Cuckoona Park Superannuation Fund.

At the Ordinary Council Meeting on 16 December 2008 Council resolved:

*Minute No: 8471*

*Moved: Cr J Moulden*

*Seconded: Cr R Addis*

*That Council having considered the offer received from Cuckoona Park Superannuation Fund to purchase 4,061 shares in Cambridge Gulf Limited for \$3.50 per share makes a counter offer to sell the shares at a value of \$5.00 per share with the offer expiring at 4.00pm on Monday 12 January 2009.*

**CARRIED: (4/2)**

*Cr K Wright requested the votes be recorded*

*Crs J Moulden, R Addis, F Mills and D Ausburn voted for the motion*

*Crs K Wright and K Torres voted against the motion*

After these minutes were published Council officers were contacted by a representative of the company who made the initial offer to inform Council that the correct name of the company was Arkoona Park Super Fund, not Cuckoona Park Superannuation Fund as published.

Following the expiration of the counter offer for the sale of the shares, Council resolved, at its Ordinary Meeting of Council on 17 March 2009:

*Minute No. 8588*

*Moved:Cr K Wright  
Seconded:Cr K Torres*

*That Council adopt the recommendation that the status of the 4,061 Cambridge Gulf Limited shares be re-examined in six months time.*

*CARRIED UNANIMOUSLY: (6/0)*

In accordance with the above resolution, the status of the shares was then re-examined at the Ordinary Meeting of Council on 15 September 2009, during which Council resolved:

*Minute No. 8812*

*Moved:Cr K Wright  
Seconded:Cr K Torres*

*That Council having considered the option to advertise for expressions of interest for the purchase of 4,061 shares in Cambridge Gulf Limited consider that it is not the opportune time to sell the shares and that the status of the 4,061 Cambridge Gulf Limited shares be re-examined in a further six months time.*

*CARRIED UNANIMOUSLY: (7/0)*

### **STATUTORY IMPLICATIONS**

Section 3.58 of the Local Government Act 1995: Disposal of Property

### **POLICY IMPLICATIONS**

Disposal of these shares will ensure Council practice is in line with Council Policy, F17 Investment Policy.

### **FINANCIAL IMPLICATIONS**

Council received the Cambridge Gulf Limited 2009 Annual Report in November 2009. The report noted that a fully franked dividend of 15 cents per share, including both the interim and final dividend for the year. The net gain to Council from these dividends was \$609.15 for the 2008/2009 financial year.

Proceeds from sale of shares were not included in the 2009/10 Budget.

### **STRATEGIC IMPLICATIONS**

Nil

## **COMMUNITY CONSULTATION**

Not required

## **COMMENT**

In December 2009, another shareholder placed an advertisement the Kimberley Echo regarding the sale of 71,579 Cambridge Gulf Shares for a value of \$3.40 per Share. A representative of this shareholder was contacted in February 2010 and advised Shire Officers that they have been unable to sell all of their shares at this time.

The Secretary of Cambridge Gulf Limited suggested that if Council is interested in disposing of the shares our details can be listed with Cambridge Gulf Limited and in the event that a prospective purchaser of the shares contacts them then they are able to give the Shire's details for pursuit of the purchase.

Should a potential purchaser come forward with an offer that is considered reasonable an item to Council recommending the sale of the shares will be presented.

Whilst the value of the shareholding is not large in relation to the Shire of Wyndham East Kimberley total investment portfolio, it is advised that the retention of the Cambridge Gulf Limited shares is not consistent with the guidelines set down in the Investment Policy F17.

## **ATTACHMENTS**

Nil

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That the Audit Committee recommends to Council to

- a) confirm their intention to dispose of the 4,061 Cambridge Gulf Limited Shares by listing the Shares details with Cambridge Gulf Limited for the purposes of disposal of the shares, with the disposal requiring a decision of Council. and
- b) review the status of the shares in twelve months if the shares are still held by Council at this time.

## **COMMITTEE RESOLUTION**

**Minute AC208**

**Moved: Cr J Parker**

**Seconded: Cr D Ausburn**

**That item 5.5 Cambridge Gulf Limited Shares referred directly to Council for Consideration.**

**Carried Unanimously: 3/0**

## **COMMITTEE RECOMMENDATION 5**

**That Council consider Audit Committee Item 5.5 Cambridge Gulf Limited Shares.**

## **6 Project Updates**

This item is to provide information to the Audit Committee on

- ongoing projects not subject to officers reports
- items that do not require a Council decision

A confidential attachment has been provided under separate cover.

*The Chief Executive Officer arrived at the meeting at 5pm*

## **7 Requests for Officers Reports**

This section is included in the agenda in place of General Business to improve the meeting process and to enable the Audit Committee to make informed decisions based on adequate research and an officer recommendation. Even though this item exists committee members can request officer reports at any time (giving suitable preparation time prior to the agenda deadline).

## **8 Closure of Meeting**

With all the business of the meeting concluded the Acting Chair thanked the members for their attendance and closed the meeting at 5.05pm