

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

11 August 2015

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**SHIRE OF WYNDHAM EAST KIMBERLEY
MINUTES OF THE AUDIT (FINANCE AND RISK)
COMMITTEE
KUNUNURRA COUNCIL CHAMBERS
HELD ON TUESDAY, 11 AUGUST 2015 AT 3:00 PM**

1. DECLARATIONS OF OPENING

In the absence of the Chairperson and a deputy, the CEO declares the meeting open at 3:02pm and calls for nominations to Chair the meeting.

Cr B Robinson self nominates.

COMMITTEE RESOLUTION

Minute No. AC360

Moved: Cr B Robinson

Seconded: Cr J Moulden

That Cr B Robinson chairs the Audit (Finance and Risk) Committee Meeting of 11 August 2015 in the absence of the official chairperson and a deputy.

Carried Unanimously 3/0

Cr B Robinson is the chair of the meeting.

2. RECORD OF ATTENDANCE / APOLOGIES

Cr J Moulden	Shire President
Cr B Robinson	Councillor
Cr D Spackman	Councillor
C Askew	Chief Executive Officer
N Octoman	Director Corporate Services
L Gee	Director Community Development
M Tonkin	Executive Assistant (Minute Taker)

APOLOGIES

Cr K Wright	Councillor
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3. DECLARATION OF INTEREST

- Financial Interest
Nil
- Impartiality Interest
Nil
- Proximity Interest
Nil

4. ACCEPTANCE OF MINUTES OF PREVIOUS MEETING

4.1 ACCEPTANCE OF MINUTES OF AUDIT (FINANCE AND RISK) COMMITTEE MEETING OF 12 MAY 2015

RECOMMENDATION

That the Minutes of the Audit (Finance and Risk) Committee meeting of 12 May 2015 be accepted as a true and accurate record of proceedings.

COMMITTEE RESOLUTION

Minute No. AC361

Moved: Cr J Moulden

Seconded: Cr D Spackman

That the Minutes of the Audit (Finance and Risk) Committee meeting of 12 May 2015 be accepted as a true and accurate record of proceedings.

Carried Unanimously 3/0

Note: The Minutes of the Audit (Finance and Risk) Committee meeting of 12 May 2015 are provided under separate cover via www.swek.gov.au

5. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

Nil

6. REPORTS

6.1 STANDING ITEM – SUNDRY DEBTORS

DATE:	11 August 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Paul Tily, Debtors Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.07.2
DECLARATION OF INTERESTS:	Nil

PURPOSE

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

BACKGROUND

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

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

To further progress this strategic focus this item has been changed to provide summary information regarding all sundry debts including airport landing fees administered by Avdata on the Shire's behalf. Sundry debtors in legal process have also been incorporated into this item to provide a complete picture of sundry debtors.

Further changes were recommended to the Committee at the February 2014 meeting to modify the report by remove 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 implemented in 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

CP/FIN-3214 “Sundry Debt Collection Policy” 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 advice the Department of Local Government and Communities has provided recent advice on the status of on-charging legal fees. Further clarification is being sought and the Council’s CP/FIN-3214 “Sundry Debt Collection Policy” will be reviewed once the advice has been fully considered.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.3: Maintain Council's long term financial viability

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

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

COMMENT

Sundry Debtors (General) Summary as at 29 July 2015

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Sundry Debtors	43	161,974	9,124	80,109	2,067,280	2,318,487

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

Sundry Debtors (Airport Landing Fees) Summary as at 29 July 2015

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Kununurra Airport	23	17,588	4,809	138,427	167,368	328,192
Wyndham Airport	1	42	0	5,385	7,037	12,464
Total	24	17,630	4,809	143,812	174,405	340,656

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

ATTACHMENTS

Attachment 1 - Sundry Debtors detailed report as at 29 July 2015 (Confidential attachment provided under separate cover)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to the Council that:-

1. The actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate;
2. Notes that the Council's CP/FIN-3214 Sundry Debt Collection Policy is currently under review based upon advice received from the Department of Local Government in relation to the recoupment of legal fees.

COMMITTEE RESOLUTION

Minute No. AC362

**Moved: Cr D Spackman
Seconded: Cr J Moulden**

That the Audit (Finance and Risk) Committee reports to the Council that:-

- 1. The actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate;**
- 2. Notes that the Council's CP/FIN-3214 Sundry Debt Collection Policy is currently under review based upon advice received from the Department of Local Government in relation to the recoupment of legal fees.**

Carried Unanimously 3/0

6.2 STANDING ITEM – RATES DEBTORS

DATE:	11 August 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Veronica Gulland, Senior Rates Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.1
DECLARATION OF INTERESTS:	Nil

PURPOSE

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

BACKGROUND

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

Minute No. 7936

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

Carried Unanimously 5/0

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

Minute No: 8148

Moved: Cr J Parker Seconded: Cr F Mills

That Council:

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

Carried Unanimously 8/0

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

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

STATUTORY IMPLICATIONS

This item in a Council Meeting needs to be discussed behind closed doors 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

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

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.3: Maintain Council's long term financial viability

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

COMMENT

Rates and Services Debtors Summary

Rates & Services Levied 2014/2015 (including arrears)	Rates & Services Debt at 29 July 2015	Overdue at 29 July 2015
\$ 11,656,727.98	\$414,687.41*	\$447,333.55

*Includes properties in credit with refunds to be processed.

Rates for the financial year of 2014/15 were raised and issued on 12 September 2014. Interim rating occurs periodically throughout the year.

Comparison of rates received 2013/14 and 2014/15

Days from Billing		2013/14			2014/15		
		Total Outstanding	Received	% of Billing	Total Outstanding	Received	% of Billing
		\$	\$		\$	\$	
0	Notices Issued	9,283,794			11,031,944		
7		8,836,119	447,675	4.82%	10,535,586	496,358	4.50%
14		8,106,853	729,266	7.86%	8,370,659	2,164,927	19.62%
21	Discount due date*	5,906,296	2,200,557	23.70%	7,539,027	831,632	7.54%
28		5,579,966	326,330	3.52%	6,786,900	752,127	6.82%
35	Rates Due date	3,235,775	2,344,191	25.25%	4,017,509	2,769,391	25.10%
42		3,024,109	211,666	2.28%	3,629,050	388,459	3.52%
31 December		1,714,268	1,309,841	14.11%	2,272,400	1,356,650	12.30%
04 May		772,424	941,844	10.14%	691,020	1,581,380	14.33%
30 June		440,538	501,306	5.40%	461,187	480,657	4.36%
Total			9,012,676	97.08%		10,821,581	98.09%

*In 2013/14 a 2.5% discount was granted. In 2014/15 no discount was granted.

Instalment Status Report at 30 June 2015

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue \$	% of Properties Overdue**
2 instalments	181	6.65%	181	0	0	0.00%
4 Instalments	628	23.08%	605	23	24,703.45	3.66%
All instalment payers	809	29.72%	786	23	24,703.45	2.84%

*Excludes non-rateable properties

**Percentage of all instalment payers for each option

Comparison of rates debtors referred for debt collection 2013/14 and 2014/15

As at 4 May 2015

	2013/14		2014/15	
	Number of debtors	Total value of Debt \$	Number of debtors	Total value of Debt \$
Debts referred for NOI*	274	683,868	59	438,136
Debts proceeding to GPC**	82	109,489	12	31,840

*NOI – letter sent to debtor by debt collection agency advising of intention to take legal action.

**GPC – General Procedure Claim lodged at court to be served on debtor.

ATTACHMENTS

Attachment 1 - Rates Debtors - Detailed Report (Confidential Attachment provided under separate cover)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

COMMITTEE RESOLUTION

Minute No. AC363

Moved: Cr D Spackman

Seconded: Cr J Moulden

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

Carried Unanimously 3/0

6.3 STANDING ITEM - OVERDRAFT FACILITY UPDATE

DATE:	11 August 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Felicity Heading, Coordinator Financial Operations
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.03.29
DECLARATION OF INTERESTS:	Nil

PURPOSE

To provide an update to the Audit (Finance and Risk) Committee on the status of the overdraft facility approved by Council at the Special Council Meeting on 13 August 2014.

BACKGROUND

At the Special Council Meeting held on 13 August 2014 the Council passed the following resolution:

DECISION

Minute No. 10503

Moved: Cr K Wright

Seconded: Cr R Dessert

That as a result of unbudgeted liability associated with the delay in reimbursement of monies expended as a result of the flood event in February 2014 that Council:

- 1. advertise for one month, via local public notice the intention to take out a \$2.5 million bank overdraft to cover the expenditure associated with the flood event in February;*
- 2. notes that the bank overdraft will be an ongoing facility and incorporated into the annual budget for adoption;*
- 3. requires the status of the overdraft facility to be a standing item on the Audit (Finance and Risk) Committee Agenda.*

Carried 8/1

*For: Cr K Wright, Cr R Dessert, Cr J Moulden, Cr D Learbuch, Cr B Robinson,
Cr S Cooke, Cr G Taylor, Cr G King*

Against: Cr D Spackman

STATUTORY IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The \$2.5 million bank overdraft was approved by Council to assist in the day-to-day cashflow management following the WANDRRA flood event and for potential future use.

Quotes were obtained from Bankwest, Commonwealth Bank, Westpac and National Australia bank. Bankwest provided the most competitive quote overall with the following fees and charges to apply:

- Establishment fee: Waived (normally \$3,500)
- Maintenance fee: \$10 per month (\$120 per annum)
- Line of Credit Fee: \$500 charged on the last day of each quarter (\$2,000 per annum)
- Interest rate: 6.5% which will be charged only on any funds that are utilised.

Until utilised the total cost to maintain the facility will be \$2,120 per annum.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved service

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

Strategy 1.4.3: Maintain Council's long term financial viability

COMMUNITY ENGAGEMENT

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

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and has included:

A public notice was issued on 21 August 2014 for one month in accordance with the requirements of the *Local Government Act 1995*.

COMMENT

The overdraft facility approved by the Council on 13 August 2014 was applied for and approved by the Shire's existing bank, Bankwest.

Due to the non-standard nature of the security being provided for the facility there was a delay in the preparation of the overdraft documents by Bankwest with the documents being received by the Shire for signing on 23 October 2014. Upon reviewing the security documents further information was sought from Bankwest regarding a particular condition that would not be able to be met from an operational perspective. Bankwest agreed to remove the condition with the amended documents returned in the week ending 28 November 2014. The executed security documents were submitted to Bankwest on 4 December 2014. The overdraft facility was activated by Bankwest on 17 December 2014.

Cashflow to cover WANDRRA flood event expenses was managed with existing funds until rates revenue was received in 2014/15. Due to the deficit budget adopted for 2014/15 it was anticipated that the overdraft may need to be utilised towards the end of the financial year. This has not been necessary and the overdraft facility has not been utilised to date.

ATTACHMENTS

There are no attachments associated with the report.

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to the Council that the overdraft facility has not been utilised to date.

Motion – Cr B Robinson

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

1. That the overdraft facility has not been utilised to date; and
2. Recommends that this report be removed as a Standing Item on future Audit (Finance and Risk) Committee Agenda until such time as the overdraft is utilised.

COMMITTEE RESOLUTION

Minute No. AC364

Moved: Cr B Robinson

Seconded: Cr J Moulden

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

- 1. That the overdraft facility has not been utilised to date; and**
- 2. Recommends that this report be removed as a Standing Item on future Audit (Finance and Risk) Committee Agenda until such time as the overdraft is utilised.**

Carried Unanimously 3/0

Reason for amendment to the Officer's Recommendation – this item is not required each month, unless the overdraft facility has been utilised.

6.4 STANDING ITEM - INSURANCE CLAIMS REPORT

DATE:	11/08/2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Niroshini Nandasiri, Asset Management Accountant
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	RM.01.2
DECLARATION OF INTERESTS:	Nil

PURPOSE

To report to the Audit (Finance and Risk) Committee the insurance claims that are either current, or have been finalised.

BACKGROUND

In February 2015, the "Report on a review of risk management, legislative compliance and internal controls" by UHY Haines Norton was presented to Council (via Audit (Finance and Risk) Committee). It has been recognised that risk management is an area where there is minimal communication between Shire officers and the Committee members, particularly in relation to insurance-related matters.

As part of monitoring internal controls and risk management, the insurance claims report will be presented on a regular basis to the Audit (Finance and Risk) Committee. This report identifies the risks/incidents that been reported as an insurance claim, and assists to assess the status and effectiveness of risk management systems, to ensure that identified risks are monitored and new risks are identified and mitigated.

STATUTORY IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

There is a clear requirement for the Shire to develop a Risk Management Framework and associated policies which will be undertaken in the near future.

FINANCIAL IMPLICATIONS

The insurance premiums are contained within the 2014/15 Annual Budget and 2015/16 draft budget. There are no further implications from this report.

STRATEGIC IMPLICATIONS

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

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.4: Deliver cost effective and efficient corporate services

COMMUNITY CONSULTATION

Not applicable.

COMMENT

Risk management is embedded in the processes, systems, procedures that officers work within on a daily basis. While this is the case, there has not been any formal reporting to the Committee or the Council on either strategic or operational risks since around November 2013, until the Committee Meeting held in May 2015.

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." This report is considered to be the first step in involving the Committee directly in insurance-related matters.

The Insurance Register contains a list of current claims (all those lodged in 2015/16 along with claims from previous years) in relation to motor vehicle, property, public liability, marine hull and bushfire policies.

The table below show a summary of 2015/16 year to date, 2014/15 and 2013/14 full year claims made.

Type of Policy	Current/Open		15/16 No of Claims	14/15 No of Claims	13/14 No of Claims
	No	\$ (claim estimate)			
Motor Vehicle	1	\$ 812.00	1	12	6
Property	4*	\$ 526,731.59		7	3
Public Liability		\$ -		3	8
Marine Hull				1	
Bushfire				1	

*4 claims from 2014/15

Under the Motor Vehicle Policy in 2014/15, the Shire received a settlement of \$74,006 for twelve (12) claims in comparison to \$44,466 for six (6) claims in 2013/14. In 2015/16, only one claim has been lodged to date.

There are four (4) claims pending under the Property Insurance Policy with an estimated settlement of \$526,731 related to 2014/15. Note that the claim for the Wyndham depot is estimated at \$513,571.

Four (4) Public Liability claims lodged in 2013/14 and 2014/15 are yet to be resolved with an estimated liability of \$96,650. A contractor liability claim (from 2011/12) has settled this year at a total cost of \$58,474.

It should be noted that the settlement amounts are non-impacting on the Shire's budget as the Shire's insurance company (LGIS) covers them.

Marine Hull and Bushfire claims were lodged on behalf of DEFES in 2014/15, but have since been settled.

ATTACHMENTS

Attachment 1 - Confidential Insurance Claims Register

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee recommends to the Council that it notes the Claims Register attached.

COMMITTEE RESOLUTION

Minute No. AC365

Moved: Cr J Moulden

Seconded: Cr D Spackman

That the Audit (Finance and Risk) Committee recommends to the Council that it notes the Claims Register attached.

Carried Unanimously 3/0

6.5 STANDING ITEM – LEASES

DATE:	11 August 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Natalie Octoman, Director Corporate Services
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	CP.07 and CP.16
DECLARATION OF INTERESTS:	Nil

PURPOSE

To consider the attached Confidential Lease Report as at 31 July 2015.

BACKGROUND

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

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

Minute No. A066

***Moved: Cr Keith Wright
Seconded Cr Frederic Mills***

- 1. that the Audit Committee note that the responsibility for the management of leases and periodical contracts is that of the Executive Manager Corporate Services.***
- 2. that the Audit Committee note that the Executive Manager Corporate Services monitors the leases and coordinates the lease data base and reporting to Executive Managers, the Audit Committee and Council.***
- 3. that the Audit Committee request staff to present an updated Lease Spreadsheet certified by Executive Manager Corporate Services to each Audit Committee meeting as a standing item.***

Carried Unanimously 4/0

STATUTORY IMPLICATIONS

Local Government Act 1995
Part 5, Division 2

5.23. Meetings generally open to public

- (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.***
- (2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the***

public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following -

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

- (3) A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

POLICY IMPLICATIONS

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

The draft Council Policy *CP/PMG-3781 Leasing of Council Managed/Owned Land – Commercial* is currently being advertised for public feedback with the closing date being 7 August 2015. The Policy will be presented to the Council for consideration in conjunction with any public feedback received.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012 - 2022

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

Objective 1.4: Business innovation, efficiency and improved service

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

Strategy 1.4.2: Improve the efficiency and productivity of Shire services.

Strategy 1.4.3: Maintain Council's long term financial viability.

COMMUNITY CONSULTATION

There is no requirement for the community to be consulted in relation to this item.

COMMENT

The Shire has finalised many outstanding leasing issues over the past 12 months. While there are clearly some leases that are outstanding, it demonstrates a positive move forward in relation to overall lease management.

ATTACHMENTS

Attachment 1- Lease Schedule (Confidential attachment provided under separate cover)

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

COMMITTEE RESOLUTION

Minute No. AC366

Moved: Cr J Moulden

Seconded: Cr D Spackman

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

Carried Unanimously 3/0

6.6 INTERIM AUDIT VISIT YEAR ENDED 30 JUNE 2015

DATE:	11/08/2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Natalie Octoman, Director Corporate Services
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.02.13
DECLARATION OF INTERESTS:	Nil

PURPOSE

To note the report titled "Interim Audit Visit Year Ended 30 June 2015 – Matters Noted and Requiring Follow Up" received from the Council's auditors, UHY Haines Norton.

BACKGROUND

The role of the Audit (Finance and Risk) Committee in accordance with section 9 (h) of the Committee's Terms of Reference is to:

- *Examine the reports of the auditor after receiving a report from the CEO on the matters and –*
- *determine if any matters raised require action to be taken by the Shire; and*
- *ensure that appropriate action is taken in respect of those matters.*

UHY Haines Norton, Council's appointed auditors, conducted an onsite procedural audit in May 2015 in preparation for the 2014/15 Annual Audit. The auditors have provided management with an Interim Audit Visit document which is for information purposes only and does not form part of the formal audit reporting process.

STATUTORY IMPLICATIONS

Local Government Act 1995

7.9. Audit to be conducted

(1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*

- (a) the mayor or president; and*
- (b) the CEO of the local government; and*
- (c) the Minister.*

(2) *Without limiting the generality of subsection (1), where the auditor considers that —*
(a) there is any error or deficiency in an account or financial report submitted for audit;
or
(b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
(c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government, details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

- (3) *The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*
- (a) prepare a report thereon; and*
 - (b) forward a copy of that report to the Minister, and that direction has effect according to its terms.*
- (4) *If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government to be dealt with under section 7.12A.*

7.12A. Duties of local government with respect to audits

- (1) *A local government is to do everything in its power to —*
- (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and*
 - (b) ensure that audits are conducted successfully and expeditiously.*
- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —*
- (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and*
 - (b) ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government is to —*
- (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and*
 - (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.*

POLICY IMPLICATIONS

No policy implications apply in relation to this item at this stage however the Terms of Reference for the Committee are relevant.

FINANCIAL IMPLICATIONS

No financial implications apply in relation to this item.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved service

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

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.

COMMENT

A significant amount of work has been undertaken over the past 18 months which has seen many improvements in the systems and processes utilised by the Shire.

This is further evidenced in the report received from UHY Haines Norton which states:

"It is our practice to report weaknesses found in the Shire's systems and procedures encountered during our interim audit visit. We are pleased to report at this juncture, no specific matters were noted with respect to our audit for the year ended 30 June 2015.

As was the case with our review of statutory compliance above, we followed up the matters raised in the FMR we conducted in early 2014 and are pleased to find good progress has been made with respect to the systems procedural weakness identified at that time."

Officers are continuously looking for mechanisms to improve both the efficiency and effectiveness of the processes and systems utilised by the Shire, and will continue to do so irrespective of the positive outcomes reflected in the report by UHY Haines Norton.

ATTACHMENTS

Attachment 1 - Interim Audit Visit Year Ended 30 June 2015 – Matters Noted and Requiring Follow Up

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

1. Receives the Interim Audit Visit Year Ended 30 June 2015 – Matters Noted and Requiring Follow Up;
2. Recognises the significant amount of work that has been undertaken to improve systems and processes over the past 18 months or so;
3. Notes that there were no specific weaknesses in the Shire's systems and procedures noted in respect to the Interim Audit undertaken by UHY Haines Norton.

COMMITTEE RESOLUTION

Minute No. AC367

**Moved: Cr D Spackman
Seconded: Cr J Moulden**

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

- 1. Receives the Interim Audit Visit Year Ended 30 June 2015 – Matters Noted and Requiring Follow Up;**
- 2. Recognises the significant amount of work that has been undertaken to improve systems and processes over the past 18 months or so;**
- 3. Notes that there were no specific weaknesses in the Shire's systems and procedures noted in respect to the Interim Audit undertaken by UHY Haines Norton.**

Carried Unanimously 3/0

8 June 2015

Cr K Wright
The Chair of the Audit Committee
Shire of Wyndham – East Kimberley
Coolibah Drive
KUNUNURRA WA 6743



Dear Cr Wright

INTERIM AUDIT VISIT

We completed our onsite procedures in respect of our interim audit visit on the 12th May 2015 and attach a list of matters raised with management during our exit meeting.

Please note, we will follow these up during our final visit later in the year to help ensure appropriate action has been implemented.

This letter, together with the attached matters noted are provided for the purposes of general information only and are not part of our formal audit reporting process. Our audit and management reports will be formally issued at the conclusion of our audit in respect of the year ended 30 June 2015.

If you have any queries regarding these or other matters, please contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Tomasi', is written over a light blue horizontal line.

DAVID TOMASI
PARTNER

cc: Mr Carl Askew - Chief Executive Officer

SHIRE OF WYNDHAM – EAST KIMBERLEY

INTERIM AUDIT VISIT
YEAR ENDED 30 JUNE 2015
MATTERS NOTED & REQUIRING FOLLOW UP



*Powerful insights
Astute advice*

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1.0 COMPLIANCE

The interim audit included audit procedures which test the Shire's compliance with the Local Government Act 1995 and accompanying regulations in the context of the scope of our engagement for the year ended 30 June 2015. During our procedures, no specific matters were noted.

We also followed up the Financial Management Review (FMR) we conducted in early 2014 and are pleased to report solid progress has been made with respect to the matters raised in that report.

We will continue to monitor these matters during the course of our audit as the year progresses.

2.0 SYSTEMS AND PROCEDURES

During our interim audit, we performed procedures to obtain audit evidence relating to amounts and disclosures to be included in the 2015 financial report. The procedures included assessment of risks of material misstatement of the financial report, whether due to fraud or error.

In making our risk assessments we considered systems and procedures relevant to the entity's preparation of the financial report and designed audit procedures which are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Shire's systems and procedures.

It is our practice to report weaknesses found in the Shire's systems and procedures encountered during our interim audit visit. We are pleased to report at this juncture, no specific matters were noted with respect to our audit for the year ended 30 June 2015.

As was the case with our review of statutory compliance above, we followed up the matters raised in the FMR we conducted in early 2014 and are pleased to find good progress has been made with respect to the systems procedural weakness identified at that time.

Obviously, the comparison of ratios as detailed in our Management Report for the year ended 30 June 2014 (dated 2 February 2015) will be performed during our year end procedures.

We will also review the financial position of the Shire. Whilst it is acknowledged there is still work to do, with the budget for the year ended 30 June 2016 being key to further improvement, there are positive indications a recovery is in progress.

One matter which will be crucial to address is to ensure the calculation of the Asset Renewal Funding Ratio can be calculated.

This will require both the long term financial plan and asset management plan to be updated (refer to Section 4.0 for further details).

Note: This document is for audit purposes only to document matters discussed with management and is not intended to express nor imply any opinion or assurance. It should be read in conjunction with our covering letter in respect of our interim audit visit.

3.0 STATUS OF ADOPTION OF FAIR VALUE ACCOUNTING

OBSERVATION

As mandated by Regulation 17A of the Local Government (Financial Management) Regulations 1996, a local government in Western Australia must show all of the assets in its financial report at fair value by 30 June 2015.

Management has performed valuation of the Shire's assets as follows:

- 2013 – Plant and Equipment and Furniture and Equipment; and
- 2014 – Land and Buildings.

The following revaluations are scheduled to be performed during the year ending 30 June 2015:

- Roads and Other Infrastructure assets by engaging an independent valuer. The Shire has not appointed any independent valuer at this stage.

During our interim audit visit, we made observations and held discussions with a view to assessing the Shire's status in meeting the requirements and noted the following:

1. Management has defined an overall strategy;
2. Management is aware that they should ensure the completeness, accuracy and data confidence of fair value calculations;
3. Management has considered the application of Highest and Best use valuation principles and have not come across any assets not being used for their Highest and Best Use;
4. Review of accounting policies is continuously taking place and where necessary relevant amendments are presented to Council for consideration and approval;
5. The Asset Capitalisation Policy for fair value purposes is being continually assessed and where necessary relevant changes are presented to the Council for consideration and approval; and
6. The current fixed assets system and records for fair value reporting purposes have been reviewed to help ensure details of each individual asset is adequately maintained post revaluation.

COMMENT

We will follow up at year end with a view to ensuring fair value accounting in relation to Roads and Other Infrastructure Assets have been properly addressed.

Note: This document is for audit purposes only to document matters discussed with management and is not intended to express nor imply any opinion or assurance. It should be read in conjunction with our covering letter in respect of our interim audit visit.

4.0 REMINDERS

Council is reminded of the following item:

- The Long Term Financial Plan and Asset Management Plan will need to be updated to include forecasts for at least 10 years of planned and required capital expenditure.

This information is required for the calculation of the Shire's Asset Renewal Funding Ratio which was not able to be calculated for the year ended 30 June 2014 (as reported in our audit report).

Note: This document is for audit purposes only to document matters discussed with management and is not intended to express nor imply any opinion or assurance. It should be read in conjunction with our covering letter in respect of our interim audit visit.

6.7 AMENDMENT TO COUNCIL POLICY CP/FIN-3214 SUNDRY DEBT COLLECTION

DATE:	11 August 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Paul Tily, Debtors Officer
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.07.6
DECLARATION OF INTERESTS:	Nil

PURPOSE

For the Audit (Finance and Risk) Committee to review and consider recommending to Council that it adopt the amendments made to Council Policy *CP/FIN-3214 - Sundry Debt Collection* in relation to sundry debt collection of fees and charges.

BACKGROUND

On the 27 of August 2014 the Council reviewed and adopted the current Council Policy *CP/FIN-3214 - Sundry Debt Collection*.

On 23 June 2015 the Council adopted the 2014 Probity Compliance Audit Report. The report included the following recommendation:

RECOMMENDATION 16

That Council arranges for the completion of a comprehensive review of its policies and adopts those reviewed policies by 31 December 2015.

STATUTORY IMPLICATIONS

Local Government Act 1995 – Part 6, Division 4, Section 6.12 - Power to defer, grant discounts, waive or write off debts.

Local Government Act 1995 - Part 6, Division 4, Section 6.13 - Interest on money owing to local governments.

Local Government Act 1995 - Part 6, Division 4, Subdivision 2, Section 6.16 - Imposition of fees and charges.

Magistrates Court (Civil Proceedings) Act 2004 – Part 2, Section 12 – Pre-Judgement interest may be awarded.

Civil Judgements Enforcement Act 2004 – Part 2, Section 8 – Interest on judgement sums.

Civil judgements Enforcement Regulations 2005 – Part 2, Section 4 - Interest on unpaid amount of judgement sum.

Fines, Penalties and Infringement Notices Enforcement Act 1994.

POLICY IMPLICATIONS

CP/FIN-3214 - Sundry Debt Collection is intended to be a Council Policy and as such would only be amended by resolution of the Council. Recommending policy amendments or new policies to ensure appropriate internal controls could however be considered within the scope of the Audit (Finance and Risk) Committee's Terms of Reference.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this matter.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved service

Strategy 1.4.3: Maintain Council's long term financial viability

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.

COMMENT

Particular amendments have been incorporated into the amended policy to reflect current debt collection procedures and legislative requirements.

For example, Officers have removed any reference to the Wyndham Childcare Fees and Charges but have incorporated reference to the Fines Enforcement Registry and the applicable legislation relative to that process.

ATTACHMENTS

Attachment 1 - Current Council Policy *CP/FIN-3214 Sundry Debt Collection*

Attachment 2 - Amended Council Policy *CP/FIN-3214 Sundry Debt Collection Policy*

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee recommends to the Council that the Council adopt the amended policy CP/FIN-3214 Sundry Debt Collection.

COMMITTEE RESOLUTION

Minute No. AC368

Moved: Cr J Moulden

Seconded: Cr D Spackman

That the Audit (Finance and Risk) Committee recommends to the Council that the Council adopt the amended policy CP/FIN-3214 Sundry Debt Collection.

Carried Unanimously 3/0



Council Policy Number: CP/FIN-3214

Sundry Debt Collection Policy

OBJECTIVE

This policy will establish clear guidelines for the efficient, effective and economical collection of sundry debts and fees and charges to reduce the likely occurrence of unrecoverable debts and to ensure consistency for all debt collection activities.

POLICY

Scope & Limitations

In accordance with the *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) *wave 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.*

6.13. Interest on money owing to local governments

- (1) *Subject to any other written law, a local government may resolve* to require a person to pay interest at the rate set in its annual budget on any amount of money (other than rates and service charges) which —*
- (a) *that person owes to the local government; and*
 - (b) *has been owed for the period of time referred to in subsection (6).*

** Absolute majority required.*

- (2) *A resolution under subsection (1) is to be included in the annual budget.*



Council Policy Number: CP/FIN-3214

Sundry Debt Collection Policy

- (3) *The rate of interest that may be set by the local government under this section is not to exceed the rate for the time being prescribed as the maximum rate of interest that may be set for the purposes of this section.*
- (4) *Where a local government imposes interest under subsection (1) on any outstanding amount of money the local government is not to also impose an additional charge in relation to that amount.*
- (5) *Accrued interest is, for the purpose of its recovery, taken to form part of the money owed to the local government on which it is charged.*
- (6) *A local government is not to impose interest on any amount of money under subsection (1) until the money has been owed to the local government for the period of time set by the local government in its annual budget (not being less than 35 days) after the date which is stated on the relevant account for payment as being the date the account was issued.*
- (7) *Regulations may provide for the method of calculation of interest.*

6.16. Imposition of fees and charges

- (1) *A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*

** Absolute majority required.*
- (2) *A fee or charge may be imposed for the following —*
 - (a) *providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
 - (b) *supplying a service or carrying out work at the request of a person;*
 - (c) *subject to section 5.94, providing information from local government records;*
 - (d) *receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;*
 - (e) *supplying goods;*
 - (f) *such other service as may be prescribed.*
- (3) *Fees and charges are to be imposed when adopting the annual budget but may be —*
 - (a) *imposed* during a financial year; and*
 - (b) *amended* from time to time during a financial year.*

** Absolute majority required.*



Council Policy Number: CP/FIN-3214

Sundry Debt Collection Policy

In accordance with the *Local Government (Financial Management) Regulations 1996*:-

19A. Maximum rate of interest prescribed (Act s. 6.13(3))

The maximum rate of interest to be imposed under section 6.13(1) is prescribed as 11%.

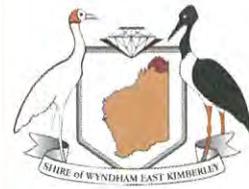
19B. Interest on money owing, calculating (Act s. 6.13)

- (1) *Interest on money that remains owing after the date determined in accordance with section 6.13(6) (the **due date**) is to be calculated on a simple interest basis for the number of days from the due date until the day before the day on which a payment is received by the local government.*
- (2) *The principal sum on which interest is calculated for a financial year may include interest accrued but not paid in a previous financial year but is not to include interest accrued in the current financial year.*
- (3) *If payment is received by the local government during the period from 1 July in a financial year until the annual budget for that financial year is adopted, interest referred to in subregulation (1) for that period is to be at the rate of interest imposed under section 6.13(1) for the previous financial year.*
- (4) *If under section 6.13 interest is to be imposed on money owing, a request for payment of that money is to include or be accompanied by a statement that interest is to accrue on money that remains owing after the due date and stating —*
 - (a) *the date from which interest will be imposed; and*
 - (b) *the rate of interest.*

BACKGROUND

The collection of sundry debtors and fees and charges is an important component of the Shire's management of adequate cash-flows as well as the overall management of the Shire's financial performance and position.

The Shire's fees and charges are adopted by a Council resolution in accordance with the *Local Government Act 1995*. These fees and charges can only be modified by a resolution of the Council or under delegated authority by the Chief Executive Officer. All requests for concessions on fees and charges must be made in advance, in writing and addressed to the Chief Executive Officer.



Council Policy Number: CP/FIN-3214

Sundry Debt Collection Policy

GUIDING STATEMENTS

The Council will exercise its debt recovery powers in order to reduce the overall sundry debt. It will be guided by the principles of:

1. Equity

Ensuring that the debt collection procedures are undertaken in a fair and equitable manner and therefore providing the same treatment for all sundry debtors with similar circumstances.

2. Administrative Efficiency

Providing the Shire of Wyndham East Kimberley with a more effective method over the collection of outstanding debtors and ensuring that the processes used to recover outstanding debts are clear, simple to administer and cost effective.

3. Transparent

Ensuring the obligations of the Shire's sundry debtors are clear, and assisting them to meet their financial obligations where possible.

4. Compliant

Ensuring that the Shire of Wyndham East Kimberley is compliant with the Local Government Act 1995 and all associated regulations.

POLICY

The Shire of Wyndham East Kimberley's credit terms are as stated on the issued tax invoice. The recovery of outstanding sundry debtor accounts will be collected in a fair and timely manner.

1. Fees and Charges

1.1. Only approved account holders can request to be invoiced for fees and charges, however in the case of building, planning, research / retrieval and Leisure Centre fees, these must be paid in full before service / approval is received or the Leisure Centre facilities can be used.

1.2. Exceptions to 1.1 are listed below and the recovery of monies for some of these fees and charges are handled differently to the standard sundry debtors and are explained further in the policy.

a) Bonds;

b) Wyndham Childcare Centre fees and charges;

c) Annual registration for caravan park and camping fees and food business licence fees;



Council Policy Number: CP/FIN-3214

Sundry Debt Collection Policy

- d) Annual lodging house fees;
- e) Quarterly swimming pool sampling fees;
- f) Annual Lease Fees;
- g) Regular / seasonal hires of community and recreation facilities and equipment;
- h) Annual waste receptacle charges, waste management charges and swimming pool / spa inspection fee are charge on the annual rate notice and are collected as per the Rates and Charges Debt Collection Policy CP FIN-3212;
- i) Bin replacement or repair are charged on rate interim notices and are collected as per the Rates and Charges Debt Collection Policy CP FIN-3212;
- j) Fees and charges collected under contract by external agencies, such as Annual Airport Aircraft parking fees and passenger taxes and screening fees whereby the contracted company adhere to the Council's current Sundry Debt Collection Policy;
- k) Fees and Charges collected under a memorandum of understanding arrangement;
- l) Infringements and fines.

Discretion for invoicing of fees and charges not covered in the exceptions list is delegated to the Director Corporate Services and in the case of the Director being on leave the Coordinator Financial Operations.

2. Invoices and Statements

- 2.1. All invoices are raised within five (5) working days after receiving an authorised invoice request.
- 2.2. Due date for payment is strictly thirty five (35) days after the date of invoice.
- 2.3. Statements are to be sent out within five (5) working days after the end of month.



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Sundry Debt Collection Policy

3. Special Payment Arrangements

Before authorising any special payment arrangement in accordance with sub-delegation provided by the CEO, the Director Corporates Services will consider the following:

- 3.1. That the terms of the agreement require that all outstanding amounts will be recovered by the Shire of Wyndham East Kimberley by 30 June of the financial year in which the agreement is entered into.
- 3.2. That the sundry debtor is aware of the costs and charges associated with entering into a payment arrangement, of which the charges will be those adopted by the Council each year.
- 3.3. At the discretion of the Chief Executive Officer, a payment arrangement term may be extended beyond 30 June, but not exceed two (2) successive financial years.
- 3.4. Where a sundry debtor fails to meet their full obligation under the agreement, the agreement will be terminated and legal action shall commence for outstanding charges.
- 3.5. If a sundry debtor defaults on the special payment arrangement agreement twice in any 12 month period, no further special payment arrangements can be made and charges are required to be paid in full.

4. Recovery of Sundry Debtors in Arrears

- 4.1. Fees and charges are due and payable within thirty-five (35) days from the date of issue of the invoice, as shown on that invoice.
- 4.2. Where payment is not received within thirty-five (35) days from the date of the initial invoice, interest will be applied on money that remains outstanding, excluding those charges prescribed under other legislation. Interest is calculated from the number of days from the due date of payment until the payment is received in full by the Shire of Wyndham East Kimberley.



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Sundry Debt Collection Policy

- 4.3. The interest (percentage) charged on sundry debtors is the percentage as adopted by the Council in accordance with section 6.13(1) of the *Local Government Act 1995*. The rate as set out under section 6.13(1) of the *Local Government Act 1995* is not to exceed the maximum rate of interest as prescribed within regulation 19A of the *Local Government (Financial Management) Regulations 1996*.
- 4.4. Seven (7) days after the due date a final notice is to be issued allowing fourteen (14) days for payment, unless the debtor has agreed to enter into a special payment arrangement.
- 4.5. Twenty-one (21) days after the due date a Notice of Intent to Summons (Demand) will be issued by the Shire's debt collection agency allowing seven (7) days for payment or for the sundry debtor to contact the Shire to enter into a payment arrangement. This action will be based on a risk management approach as determined by the value and type of debt incurred.
- 4.6. If no response is received after the seven (7) day period a second Notice of Intent to Summons (Demand) will be issued by the Shire's debt collection agency.
- 4.7. Accounts under \$400.00 will not be sent to the Shire's debt collection agency.
- 4.8. If any payment is received or contact has been made by the sundry debtor of whom legal action has been started, the Shire's debt collection agency will be notified that legal action must be placed on hold immediately.
- 4.9. When payment has been received in full, the Shire's debt collection agency will be notified to close the account.
- 4.10. If the Sundry Debtor defaults a payment or no further contact is received from the sundry debtor, the payment arrangement will be terminated and a General Procedure Claim will be issued by the Shire's debt collection agency.
- 4.11. It should be noted that when a General Procedure Claim is issued, this will impact upon the sundry debtor's credit rating – refer to the Council's Notice of Discontinuance (Rates and Debtors) Policy for further information.



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Sundry Debt Collection Policy

4.12. If no response to the General Procedure Claim (GPC) is received within fourteen (14) days after being issued, a Property Seizure and Sale Order on goods will be issued by the Shire's debt collection agency.

5. Cancellation of an Account

If an account has received three (3) stop credits, the account is to be referred to Coordinator Financial Operations to decide if the account will be closed. In the case that the Coordinator Financial Operations is on leave the Director Corporate Service or the Coordinator Financial Management is to be notified.

6. Bonds

6.1. An invoice for a bond will not be issued.

6.2. Bonds are to be received in full five (5) working days prior to the hiring of Shire facilities / equipment.

6.3. Bonds will be refunded by cheque once a Shire Officer has inspected the facility / equipment hired and approve of the bond release.

6.4. Bonds are only to be refund if the company / person do not owe any monies (current or outstanding) with the Shire.

7. Wyndham Childcare Fees and Charges

7.1. The collection of fees and charges for the Wyndham Childcare is as per Section 4 of this Policy "Recovery of Sundry Debtors in Arrears".

7.2. Invoice is due thirty-five (35) days after date of invoice.

7.3. A copy of the invoice is to be emailed to the Childcare Coordinator who will take a proactive role in following up outstanding amounts.

7.4. Services are to cease if invoices are outstanding more than sixty (60) days.



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Sundry Debt Collection Policy

8. Annual Registration Fees for Caravan Parks, Camping Grounds, Food Business Licence, Lodging Houses, Swimming Pool Sampling fees

- 8.1. The collection of these charges will be handled by the Community Development Support Officer for Health.
- 8.2. On a weekly basis, a list is to be sent to the Officer outlining the outstanding charges.
- 8.3. In the case of the Food Business Licence, if the licence is to be cancelled, the holder of the licence is to notify the Shire in writing and the invoice is to be cancelled on notification.

9. Infringements and Fines

- 9.1. The collections of these charges are handled by the Infrastructure Support Officer.
- 9.2. Fourteen (14) days after the issue of the infringement and fine notice a reminder notice is issued.
- 9.3. Fourteen (14) days after the issue of the reminder notice a final notice is issued.
- 9.4. Fourteen (14) days after the issue of the final notice the account is sent to the Shire's debt collection agency and a Notice of Intent to Summons (Demand) is issued allowing seven (7) days for payment. This action will be based on a risk management approach as determined by the value and type of debt incurred.

10. Debt Collection / Legal Expenses

- 10.1. All debt collection and legal expenses associated with the recovery of outstanding debts are fully recoverable from the sundry debtor.

11. Responsibility of Sundry Debtors

- 11.1. It is the responsibility of the sundry debtor to ensure that the payments made electronically use the correct reference number. If an incorrect reference number is used and the Shire is not advised by the sundry debtor that this error has occurred, then the ratepayer will be responsible for the payment of any interest or debt collection charges that may have been incurred in the meantime.



Council Policy Number: CP/FIN-3214

Sundry Debt Collection Policy

OUTCOMES

This policy aims to provide manageable and efficient control over sundry debts by closely monitoring aged accounts in order to reduce the likely occurrence of unrecoverable debts.

POLICY ADMINISTRATION

Directorate		Officer Title		Contact:	
Corporate Services		Director Corporate Services		Ext: 121	
Date Effective	27/08/2014	CEO Approved <i>[Signature]</i>			
Date Adopted	26/08/2014	Last Reviewed		26/08/2014	
Risk Rating	Low Medium High	Review Cycle	Annual	Next Due	26/08/2015



POLICY NO	CP/FIN-3214	
POLICY	Sundry Debt Collection	
RESPONSIBLE DIRECTORATE	Corporate Services	
RESPONSIBLE OFFICER	Debtors Officer	
COUNCIL ADOPTION	Date: 26/08/2014	Resolution No: 10504
REVIEWED/MODIFIED	Date: 25/08/2015	Resolution No:
	Date:	Resolution No:
REVIEW DUE	August 2017	
LEGISLATION	<ol style="list-style-type: none"> 1. Local Government Act 1995 – Sections 6.12, 6.13, 6.16 2. Local Government (Financial Management) Regulations - Regulations 19A and 19B 3. Magistrates Court (Civil Proceedings) Act 2004 – Section 12 4. Civil Judgments Enforcement Act 2004 – Section 8 5. Civil Judgments Enforcement Regulations 2005 – Regulation 4 	
RELATED POLICIES	<ol style="list-style-type: none"> 1. CP/FIN-3211 Fees and Charges Pricing 2. CP/FIN-3210 Notice of Discontinuance (Rates and Debtors) 	
RELATED ORGANISATIONAL DIRECTIVES	<ol style="list-style-type: none"> 1. Code of Conduct for Council Members, Committee Members and Employees 2. Audit (Finance and Risk) Committee Terms of Reference 3. Organisational Directive – Sundry Debt Collection (under development) 	

PURPOSE:

This policy will establish clear guidelines for the efficient, effective and economical collection of sundry debts and fees and charges to reduce the likely occurrence of unrecoverable debts and to ensure consistency for all debt collection activities.

DEFINITIONS:

Claim means a claim made to the Court by a party (whether a claimant, a defendant or another party).

Complaint is an expression of dissatisfaction with Council's level of service, employees, or policies and procedures affecting an individual or group of customers that has been received in writing.

Concern is any matter of interest or importance to the customer.

Council means the Council of the Shire of Wyndham East Kimberley.

Court means the Magistrates Court.

Default means that the customer has failed to meet their obligations in accordance with the special payment arrangement that they have entered into with the Shire of Wyndham East Kimberley.

Financial year means the period commencing on 1 July and ending on the next following 30 June.

General procedure claim means a claim where the value of the claim or the relief claimed does not exceed \$75,000.

Judgment means —

- (a) a monetary judgment; or
- (b) a judgment or an order of a court that requires or has the effect of requiring a person —
 - (i) to give possession of any property to another person; or
 - (ii) to do an act, to not do an act, or to cease doing an act.

Judgment creditor means a person who is entitled to the benefit of a monetary judgment, including a person to whom the benefit of a monetary judgment has passed (by assignment or any other way).

Judgment sum means the amount of money ordered to be paid under a monetary judgment, whether or not the money is or includes costs or pre judgment interest.

Local government is the Shire of Wyndham East Kimberley.

Magistrate means a magistrate of the Court.

Stop credit means that the Shire of Wyndham East Kimberley will not have any further business dealings with the customer unless the customer pays in cash, or the account is paid in full.

Property seizure and sale order authorises a bailiff to seize and sell as much of the judgment debtor's real or personal property as necessary to satisfy the judgment debt wholly or partially, and is effective for 12 months from the date the order is made.

Suspension order means an order made under section 15(3) of the *Civil Judgments Enforcement Act 2004* which states "On such an application, the court may only make such an order if there are special circumstances that justify doing so."

Time for payment order means an order made under section 32(2) of the *Civil Judgments Enforcement Act 2004* which states "The court may make such an order, subject to sections 21 and 22."

POLICY STATEMENTS:

The Shire of Wyndham East Kimberley will exercise its debt recovery powers in order to reduce the overall sundry debt. It will be guided by the principles of:

1. Equity

Ensuring that the debt collection procedures are undertaken in a fair and equitable manner and therefore providing the same treatment for all sundry debtors with similar circumstances.

2. Administrative Efficiency

Providing the Shire of Wyndham East Kimberley with a more effective method over the collection of outstanding debtors and ensuring that the processes used to recover outstanding debts are clear, simple to administer and cost effective.

3. Transparency

Ensuring the obligations of the Shire's sundry debtors are clear, and assisting them to meet their financial obligations where possible.

4. Compliance

Ensuring that the Shire of Wyndham East Kimberley is compliant with the *Local Government Act 1995* and all associated regulations.

POLICY

The Shire of Wyndham East Kimberley's credit terms are as stated on the issued tax invoice. The recovery of outstanding sundry debtor accounts will be collected in a fair and timely manner.

1. Fees and Charges

- 1.1. Only approved account holders can request to be invoiced for fees and charges, however in the case of building, planning, research / retrieval and Leisure Centre fees, these must be paid in full before service / approval is received or the Leisure Centre facilities can be used.
- 1.2. Exceptions to 1.1 are listed below and the recovery of monies for some of these fees and charges are handled differently to the standard sundry debtors and are explained further in the policy.
 - a) Bonds;
 - b) Annual registration for caravan park and camping fees and food business licence fees;
 - c) Annual lodging house fees;
 - d) Quarterly swimming pool sampling fees;
 - e) Annual Lease Fees;
 - f) Regular / seasonal hires of community and recreation facilities and equipment;
 - g) Annual waste receptacle charges, waste management charges and swimming pool / spa inspection fees are charge on the annual rate notice and are collected as per Council Policy *CP/FIN-3212 Rates and Charges Debt Collection*;
 - h) Bin replacement or repairs are charged on rates interim notices and are collected as per Council Policy *CP/FIN-3212 Rates and Charges Debt Collection*;
 - i) Fees and charges collected under contract by external agencies, such as Annual Airport Aircraft parking fees, passenger taxes and screening fees whereby the contracted company adhere to the current Council Policy *CP/FIN-3212 Rates and Charges Debt Collection*;
 - j) Fees and Charges collected under a memorandum of understanding arrangement;
 - k) Infringements and fines.

Discretion for invoicing of fees and charges not covered in the exceptions list is delegated to the Director Corporate Services and in the case of the Director being on leave the Coordinator Financial Operations.

2. Invoices and Statements

2.1. All invoices are raised within five (5) working days after receiving an authorised invoice request.

2.2. Due date for payment is strictly thirty five (35) days after the date of invoice.

2.3. Statements are to be sent out within five (5) working days after the end of month.

3. Special Payment Arrangements

Before authorising any special payment arrangement in accordance with sub-delegation provided by the Chief Executive Officer, the Director Corporates Services will consider the following:

3.1. That the terms of the agreement require that all outstanding amounts will be recovered by the Shire of Wyndham East Kimberley by 30 June of the financial year in which the agreement is entered into.

3.2. That the sundry debtor is aware of the costs and charges associated with entering into a payment arrangement, of which the charges will be those adopted by the Council each year.

3.3. At the discretion of the Chief Executive Officer, a payment arrangement term may be extended beyond 30 June, but not exceed two (2) successive financial years.

3.4. Where a sundry debtor fails to meet their full obligation under the agreement, the agreement will be terminated and legal action shall commence for outstanding charges.

3.5. If a sundry debtor defaults on the special payment arrangement agreement twice in any 12 month period, no further special payment arrangements can be made and charges are required to be paid in full.

4. Recovery of Sundry Debtors in Arrears

4.1. Fees and charges are due and payable within thirty-five (35) days from the date of issue of the invoice, as shown on that invoice.

4.2. Where payment is not received within thirty-five (35) days from the date of the initial invoice, interest will be applied on money that remains outstanding, excluding those charges prescribed under other legislation. Interest is calculated from the number of days from the due date of payment until the payment is received in full by the Shire of Wyndham East Kimberley.

4.3. The interest (percentage) charged on sundry debtors is the percentage as adopted by the Council in accordance with section 6.13 (1) of the *Local Government Act 1995*. The rate as set out under section 6.13 (1) of the *Local Government Act 1995* is not to exceed the maximum rate of interest as prescribed within regulation 19A of the *Local Government (Financial Management) Regulations 1996*.

- 4.4. At the end of each month a Final Notice will be issued for all accounts exceeding 35 days, allowing fourteen (14) days for payment, unless the debtor has agreed to enter into a special payment arrangement.
- 4.5. If payment is not received fourteen (14) days after the issue of a the Final Notice a Letter of Demand will be issued by the Shire's debt collection agency allowing seven (7) days for payment or for the sundry debtor to contact the Shire to enter into a payment arrangement. The debtor will also be placed on "stop credit" and the account will be placed on hold until the outstanding amount is paid in full.
- 4.6. If no response is received after the seven (7) days a second Notice of Intent to Summons (Demand) will be issued by the Shire's debt collection agency.
- 4.7. Accounts under \$400.00 will not be referred to the Shire's debt collection agency.
- 4.8. If any payment is received or contact has been made by the sundry debtor of whom legal action has been started, the Shire's debt collection agency will be notified that legal action must be placed on hold immediately.
- 4.9. If the sundry debtor has made no contact with the Shire and no payment is received, it will be determined in consultation with the Shire's debt collection agency whether it is economical to proceed with a General Procedure Claim (GPC). This action will be based on a risk management approach as determined by the value and type of debt incurred.
- 4.10. When payment has been received in full, the Shire's debt collection agency will be notified to close the account.
- 4.11. If the Sundry Debtor defaults a payment or no further contact is received from the sundry debtor, the payment arrangement will be terminated and a General Procedure Claim (GPC) will be issued by the Shire's debt collection agency.
- 4.12. It should be noted that when a General Procedure Claim (GPC) is issued, this will impact upon the sundry debtor's credit rating – refer to Council Policy *CP/FIN-3210 Notice of Discontinuance (Rates and Debtors)* for further information.
- 4.13. If no response to the General Procedure Claim (GPC) is received within fourteen (14) days after being issued, a Property Seizure and Sale Order on goods will be issued by the Shire's debt collection agency.

5. Cancellation of an Account

If an account has received three (3) stop credits, the account is to be referred to Coordinator Financial Operations to determine if the account should be closed. In the case that the Coordinator Financial Operations is on leave the Director Corporate Service or the Coordinator Financial Management is to be notified and a determination made.

6. Bonds

- 6.1. An invoice for a bond will not be issued.
- 6.2. Bonds are to be received in full five (5) working days prior to the hiring of Shire facilities / equipment.
- 6.3. Bonds will be refunded by cheque once a Shire Officer has inspected the facility / equipment hired and approve of the bond release.
- 6.4. Bonds are only to be refund if the company / person do not owe any monies (current or outstanding) with the Shire.

7. Annual Registration Fees for Caravan Parks, Camping Grounds, Food Business Licence, Lodging Houses, Swimming Pool Sampling fees

- 7.1. The collection of these charges will be handled by the Community Development Support Officer for Health.
- 7.2. On a weekly basis, a list is to be sent to the Officer outlining the outstanding charges.
- 7.3. In the case of the Food Business Licence, if the licence is to be cancelled, the holder of the licence is to notify the Shire in writing and the invoice is to be cancelled on notification.

8. Infringements and Fines

- 8.1. The collection of these charges is handled by the Infrastructure Support Officer or Customer Service Officer.
- 8.2. In accordance with the *Fines, Penalties and Infringement Notices Enforcement Act 1994*; twenty-eight (28) days after the issue of the Infringement/fine notice a final notice will be issued. A final notice must identify the infringement notice concerned and the alleged offence.
- 8.3. Twenty-Eight (28) days after the issue of the final notice the account will be registered with the Fines Enforcement Registry (FER).
- 8.4. Any further action is to be taken by the Fines Enforcement Registry (FER) according to the *Fines, Penalties and Infringement Notices Enforcement Act 1994*.

9. Debt Collection / Legal Expenses

- 9.1. 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.

10. Responsibility of Sundry Debtors

It is the responsibility of the sundry debtor to ensure that the payments made electronically use the correct reference number. If an incorrect reference number is used and the Shire is not advised by the sundry debtor that this error has occurred, then the sundry debtor will be responsible for the payment of any interest or debt collection charges that may have been incurred in the meantime.

EXPLANATORY NOTES:

The collection of sundry debtors and fees and charges is an important component of the Shire's management of adequate cash-flows as well as the overall management of the Shire's financial performance and position.

The Shire's fees and charges are adopted by a Council resolution in accordance with the *Local Government Act 1995*. These fees and charges can only be modified by a resolution of the Council or under delegated authority by the Chief Executive Officer. All requests for concessions on fees and charges must be made in advance, in writing and addressed to the Chief Executive Officer.

This policy aims to provide manageable and efficient control over sundry debts by closely monitoring aged accounts in order to reduce the likely occurrence of unrecoverable debts.

Scope & Limitations

In accordance with the *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) *wave 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.*

6.13. Interest on money owing to local governments

- (1) *Subject to any other written law, a local government may resolve* to require a person to pay interest at the rate set in its annual budget on any amount of money (other than rates and service charges) which —*
 - (a) *that person owes to the local government; and*
 - (b) *has been owed for the period of time referred to in subsection (6).*

** Absolute majority required.*

- (2) *A resolution under subsection (1) is to be included in the annual budget.*
- (3) *The rate of interest that may be set by the local government under this section is not to exceed the rate for the time being prescribed as the maximum rate of interest that may be set for the purposes of this section.*

- (4) *Where a local government imposes interest under subsection (1) on any outstanding amount of money the local government is not to also impose an additional charge in relation to that amount.*
- (5) *Accrued interest is, for the purpose of its recovery, taken to form part of the money owed to the local government on which it is charged.*
- (6) *A local government is not to impose interest on any amount of money under subsection (1) until the money has been owed to the local government for the period of time set by the local government in its annual budget (not being less than 35 days) after the date which is stated on the relevant account for payment as being the date the account was issued.*
- (7) *Regulations may provide for the method of calculation of interest.*

6.16. Imposition of fees and charges

- (1) *A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*
** Absolute majority required.*
- (2) *A fee or charge may be imposed for the following —*
 - (a) *providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
 - (b) *supplying a service or carrying out work at the request of a person;*
 - (c) *subject to section 5.94, providing information from local government records;*
 - (d) *receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;*
 - (e) *supplying goods;*
 - (f) *such other service as may be prescribed.*
- (3) *Fees and charges are to be imposed when adopting the annual budget but may be —*
 - (a) *imposed* during a financial year; and*
 - (b) *amended* from time to time during a financial year.*

** Absolute majority required.*

In accordance with the *Local Government (Financial Management) Regulations 1996:-*

19A. Maximum rate of interest prescribed (Act s. 6.13(3))

The maximum rate of interest to be imposed under section 6.13(1) is prescribed as 11%.

19B. Interest on money owing, calculating (Act s. 6.13)

- (1) *Interest on money that remains owing after the date determined in accordance with section 6.13(6) (the **due date**) is to be calculated on a simple interest basis for the number of days from the due date until the day before the day on which a payment is received by the local government.*

- (2) *The principal sum on which interest is calculated for a financial year may include interest accrued but not paid in a previous financial year but is not to include interest accrued in the current financial year.*
- (3) *If payment is received by the local government during the period from 1 July in a financial year until the annual budget for that financial year is adopted, interest referred to in sub regulation (1) for that period is to be at the rate of interest imposed under section 6.13(1) for the previous financial year.*
- (4) *If under section 6.13 interest is to be imposed on money owing, a request for payment of that money is to include or be accompanied by a statement that interest is to accrue on money that remains owing after the due date and stating —*
 - (a) *the date from which interest will be imposed; and*
 - (b) *the rate of interest.*

In accordance with the *Magistrates Court (Civil Proceedings) Act 2004:-*

12. Pre judgment interest may be awarded

- (1) *If the Court gives judgment in favour of a claim for money, including a debt, damages or the value of goods, it may include in the judgment sum either —*
 - (a) *interest, at a rate decided by the Court, on the whole or a part of the money for the whole or a part of the period that —*
 - (i) *begins on the date when the cause of action arose; and*
 - (ii) *ends on the date when the judgment is given;*

or
 - (b) *a lump sum of money in lieu of such interest.*

In accordance with the *Civil Judgments Enforcement Act 2004:-*

8. Interest on judgment sums

- (1) *Interest is to be paid on the unpaid amount of a judgment sum from the date of the judgment until the date on which the judgment sum is paid —*
 - (a) *at the rate prescribed by the regulations; or*
 - (b) *at the rate set by the court in the judgment or by an order made after the judgment is given.*
- (2) *Subsection (1) applies whether or not —*
 - (a) *a suspension order has been made; or*
 - (b) *a time for payment order or an instalment order has been made, unless the court that made such an order orders otherwise.*
- (3) *The judgment creditor may waive the payment of the whole or a part of the interest referred to in subsection (1).*
- (4) *A judgment creditor who waives interest under subsection (3) must advise the court of the fact when applying for an enforcement order under Part 4.*
- (5) *Subsection (1) does not apply to —*
 - (a) *a judgment that is registered under section 105(1) of the Service and Execution of Process Act 1992 of the Commonwealth; or*
 - (b) *a judgment sum on which interest is payable under another written law.*

In accordance with the *Civil Judgments Enforcement Regulations 2005*:-

4. Interest on unpaid amount of judgment sum

- (1) *The rate of interest for the purposes of the Act section 8(1)(a) is 6.00% per annum.*
- (2) *The waiver of the payment of the whole or a part of the interest by a judgment creditor under the Act section 8(3) must be in writing.*

RISK:

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

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

COMMITTEE RESOLUTION

Minute No. AC369

Moved: Cr D Spackman
Seconded: Cr J Moulden

That the Audit (Finance and Risk) Committee moves behind closed doors to consider items:

- 7.1 Request for Write off Penalty Interest and Waiver of Penalty Interest – Rates Debtor A501.
- 7.2 Confidential – Minor Case Claim Update

Carried Unanimously 3/0

3:37pm the Audit (Finance and Risk) Committee moves behind closed doors

7. MATTERS BEHIND CLOSED DOORS

7.1 REQUEST FOR WRITE OFF OF PENALTY INTEREST AND WAIVER OF PENALTY INTEREST - RATES DEBTOR A501

DATE:	11 August 2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Felicity Heading, Coordinator Financial Operations
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.1
ASSESSMENT NO:	A501
DECLARATION OF INTERESTS:	Nil

This item will be discussed Behind Closed Doors under Section 5.23(2) as this is a matter that deals with:

- 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
- e) a matter that if disclosed would reveal
 - iii) information about the business, professional, commercial or financial affairs of a person

PURPOSE

For the Audit (Finance and Risk) Committee to consider a further request to write off outstanding penalty interest and to waive future penalty interest for rates debtor A501.

ATTACHMENTS

The report and all attachments are provided under confidential separate cover.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RESOLUTION

Minute No. AC370

Moved: Cr J Moulden

Seconded: Cr D Spackman

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

- 1. The Council do not approve the request for a write off of outstanding penalty interest for rates debtor A501;**
- 2. The Council do not approve the request for a waiver of future penalty interest charges for rates debtor A501;**
- 3. The Shire enters into a special payment arrangement with rates debtor A501 for a period longer than 2 years, on the condition that:**
 - a) The period does not extend beyond June 2022, being approximately 7 years;**
 - b) The special payment arrangement is negotiated and signed by rates debtor A501 prior to 30 September 2015;**
 - a) All future fees and charges levied under the terms of the Club's lease are paid in full as they fall due in order to minimise interest charges;**
- 4. If the special payment arrangement is not adhered to, that the Council authorises officers to enact clause 5.1 of the lease and enter and repossess the premises, and also claim for liquidated damages.**

Carried Unanimously 3/0

7.2 CONFIDENTIAL – MINOR CASE CLAIM UPDATE

DATE:	11/08/2015
PROPONENT:	Shire of Wyndham East Kimberley
LOCATION:	Shire of Wyndham East Kimberley
AUTHOR:	Natalie Octoman, Director Corporate Services
REPORTING OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	LS.05.3
DECLARATION OF INTERESTS:	Nil

This item will be discussed Behind Closed Doors under Section 5.23(2) as this is a matter that deals with:

- (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

PURPOSE

For the Audit (Finance and Risk) Committee to recommend to the Council that it note the status of a Minor Case Claim lodged against the Shire.

ATTACHMENTS

The report is provided under confidential separate cover.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RESOLUTION

Minute No. AC371

Moved: Cr J Moulden

Seconded: Cr D Spackman

That the Audit (Finance and Risk) Committee recommends to the Council that it notes that the case is progressing.

Carried Unanimously 3/0

COMMITTEE RESOLUTION

Minute No. AC372

Moved: Cr D Spackman

Seconded: Cr J Moulden

That the Audit (Finance and Risk) Committee moves out from behind closed doors.

Carried Unanimously 3/0

3:40pm the Audit (Finance and Risk) Committee moves out from behind closed doors

8. DATE OF NEXT MEETING

10 November 2015

9. CLOSURE

The Chairperson declares the meeting closed at 3.40pm.