

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

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**SHIRE OF WYNDHAM EAST KIMBERLEY
MINUTES OF THE AUDIT (FINANCE AND RISK)
COMMITTEE MEETING
KUNUNURRA COUNCIL CHAMBERS
HELD ON TUESDAY, 10 MAY AT 3:00 PM**

1. DECLARATIONS OF OPENING

The Chairperson declared the meeting open at 3:00pm.

2. RECORD OF ATTENDANCE / APOLOGIES

ATTENDANCE

Cr B Robinson	Councillor – Deputy Chair
Cr N Perry	Councillor
Cr A Petherick	Councillor
C Askew	Chief Executive Officer
N Octoman	Director Corporate Services
M Le Riche	Executive Assistant (Minute Taker)

GALLERY

Cr K Wright
Cr J Parker

APOLOGIES

Cr S Rushby Councillor - Chair

LEAVE OF ABSENCE PREVIOUSLY APPROVED

NIL

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

NIL

4. DECLARATION OF INTEREST

- Financial Interest
Nil
- Impartiality Interest

Councillor/Officer	Item	Title	Description of Interest
Cr N Perry	7.4	Standing Item - Leases	My niece and nephew are lawyers who assisted to draft some community leases.

- Proximity Interest
NIL

5. ACCEPTANCE OF MINUTES OF PREVIOUS MEETING

5.1 ACCEPTANCE OF MINUTES OF AUDIT (FINANCE AND RISK) COMMITTEE MEETING OF 9 FEBRUARY 2016

RECOMMENDATION

That the Minutes of the Audit (Finance and Risk) Committee meeting of 9 February 2016 be accepted as a true and accurate record of proceedings.

COMMITTEE RESOLUTION

Minute No. AC402

**Moved: Cr B Robinson
Seconded: Cr N Perry**

That the Minutes of the Audit (Finance and Risk) Committee meeting of 9 February 2016 be accepted as a true and accurate record of proceedings.

Carried 3/0

6. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

NIL

7. REPORTS

7.1 Standing Item – Rates Debtors

DATE:	10 May 2016
AUTHOR:	Veronica Gulland, Senior Rates Officer
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.1
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee reports to 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. AC403

Moved: Cr N Perry

Seconded: Cr A Petherick

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 3/0

PURPOSE

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

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

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

Minute No. 7936

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

Carried Unanimously 5/0

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

Minute No: 8148

Moved: Cr J Parker Seconded: Cr F Mills

That Council:

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

Carried Unanimously 8/0

This requirement is now fulfilled by a combination of this report and the Standing Item for sundry debtors that is provided at each Committee meeting.

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 services

Strategy 1.4.3 : Maintain Council's long term financial viability

RISK IMPLICATIONS

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

Operational Risk: Non-collection of rates and debts resulting in financial and/or reputation loss.

COMMUNITY ENGAGEMENT

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

No community engagement is required.

COMMENTS

Rates and Services Debtors Summary

Rates & Services Levied 2015/2016 (including arrears)	Rates & Services Debt at 29 April 2016	Overdue at 29 April 2016
\$12,573,113.77	\$983,641.63*	\$940,334.85

*Includes properties in credit with refunds to be processed.

Rates for the financial year for 2015/16 were raised and issued on 11 September 2015. Interim rating occurs periodically throughout the year.

Comparison of rates received 2014/15 and 2015/16

2014/15	2015/16
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Days from Billing		Total Outstanding	Received	% of Billing	Total Outstanding	Received	% of Billing
		\$	\$		\$	\$	
0	Notices Issued	11,031,944			11,876,722		
7		10,535,586	496,358	4.50%	11,530,415	346,307	2.92%
14*		8,370,659	2,164,927	19.62%	10,722,863	807,552	6.80%
21		7,539,027	831,632	7.54%	10,119,902	602,961	5.08%
28		6,786,900	752,127	6.82%	9,275,340	844,562	7.11%
35	Rates Due date	4,017,509	2,769,391	25.10%	4,704,076	4,571,264	38.49%
42		3,629,050	388,459	3.52%	4,383,002	321,074	2.70%
31 December		2,272,400	1,356,650	12.30%	2,917,515	1,465,487	12.33%
Final Instalment due date		759,577	1,512,823	13.71%	1,017,623	1,899,892	16.00%
Total			10,272,367	93.11%		10,859,099	91.44%

* Difference at 14 days due to timing of receipt of Department of Housing Rates.

Instalment Status Report at 26 April 2016

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind***	Instalments Overdue \$	% of Properties Overdue**
2 instalments	202	7.43%	176	26	6,161.96	12.87%
4 Instalments	605	22.25%	429	176	217,416.23	29.09%
All instalment payers	807	29.68%	605	202	223,578.19	25.03%

*2719 excluding non-rateable properties

**Percentage of all instalment payers for each option

Comparison of rates debtors referred for debt collection 2013/14, 2014/15 and 2015/16 As at 26 April 2016

	2013/14		2014/15		2015/16	
	Number of Debtors	Total value of Debt \$	Number of Debtors	Total value of Debt \$	Number of Debtors	Total value of Debt \$
Debts referred for NOI*	274	683,868	59	438,136	149	639,115
Debts proceeding to GPC**	82	109,489	12	31,840	33	138,135

*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).

7.2 Review of Council Policy CP/FIN-3210 Notice of Discontinuance (Rates and Charges)

DATE:	10 May 2016
AUTHOR:	Veronica Gulland, Senior Rates Officer
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.83
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee recommends to the Council that it adopts the amended Policy *CP/FIN-3210 Notice of Discontinuance (Rates and Debtors)*.

COMMITTEE RESOLUTION

Minute No. AC404

Moved: Cr N Perry
Seconded: Cr B Robinson

That the Audit (Finance and Risk) Committee recommends to the Council that it adopts the amended Policy *CP/FIN-3210 Notice of Discontinuance (Rates and Debtors)*.

Carried 3/0

PURPOSE

For the Audit (Finance and Risk) Committee to review and consider recommending to the Council that it adopt the amendments made to Council Policy *CP/FIN-3210 – Notice of Discontinuance* in relation to the collection of rates and general debts.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

On the 18 of March 2014 the Council reviewed and adopted the current Council Policy CP/FIN-3210 – *Notice of Discontinuance Policy*.

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, Sections 6.12, 6.13, 6.16, 6.45, 6.49, 6.50, 6.51, 6.56, 6.60, 6.64, 6.68.

Local Government (Financial Management) Regulations 1996 - Part 2, Regulations 19A, 19B, and Regulations 58 to 66.

Magistrates Court (Civil Proceedings) Act 2004 - Part 2, Section 12.

Civil Judgements Enforcement Act 2004 - Part 2, Section 8.

Civil judgements Enforcement Regulations 2005 - Part 2, Regulation 4.

POLICY IMPLICATIONS

Policy CP/FIN-3210 - *Notice of Discontinuance (Rates and Debtors)* 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 services

Strategy 1.4.3 : Maintain Council's long term financial viability

RISK IMPLICATIONS

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

Operational Risk: Non-collection of rates and debts resulting in financial and/or reputation loss.

COMMUNITY ENGAGEMENT

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

No community engagement is required.

COMMENTS

Particular amendments have been incorporated into the amended policy to reflect changes to the procedures from credit rating agencies with respect to the issue of Notices of Discontinuance.

ATTACHMENTS

Attachment 1 - Current Council Policy *CP - FIN 3210 Notice of Discontinuance (Rates and Debtors)*

Attachment 2 - Amended Council Policy *CP/FIN-3210 Notice of Discontinuance (Rates and Debtors)*

7.3 Standing Item – Insurance Claim Report

DATE:	10 May 2016
AUTHOR:	Brian Garrett, Coordinator Financial Management
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	RM.01.2
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

COMMITTEE RESOLUTION

Minute No. AC405

Moved: Cr N Perry

Seconded: Cr A Petherick

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

Carried 3/0

PURPOSE

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

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

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 2015/16 Annual Budget. There are no further implications from this report.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved services

Strategy 1.4.4 : Deliver cost effective and efficient corporate services

RISK IMPLICATIONS

Death or injury of an employee(s) resulting in substantial claim(s) from unsafe work practices.

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

COMMUNITY ENGAGEMENT

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

No community engagement is required.

COMMENTS

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	5	23,277	5	13	6
Property	3	437,500	1	8	3
Public Liability			0	3	8
Marine Hull				1	
Bushfire				1	

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, five claims have been lodged to date.

There are three (3) claims pending under the Property Insurance Policy, with an estimated settlement of \$ \$365,000 (in total) related to the Wyndham depot for 2014/15 and 2015/16. This includes a contents claim of up to \$100,000 currently being finalised (Jan/April 16). Other claims are for vandalism at Kununurra Leisure Centre (\$2,500) and at White Gum Park (\$70,000).

ATTACHMENTS

Attachment 1 - Confidential Claims Report as at April 12, 2015.

Cr N Perry declares an impartiality interest as her niece and nephew are lawyers who have assisted to draft some community leases.

7.4 Standing Item - Leases

DATE:	10 May 2016
AUTHOR:	Brian Garrett, Coordinator Financial Management.
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	CP.07 and CP.16
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

COMMITTEE RESOLUTION

Minute No.

Moved: Cr B Robinson

Seconded: Cr N Perry

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

Carried 3/0

PURPOSE

To consider the attached Confidential Lease Report as at 28 April 2016.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Provider - provide physical infrastructure and essential services

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

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

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

Minute No. A066

Moved: Cr Keith Wright

Seconded Cr Frederic Mills

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

Carried Unanimously 4/0

STATUTORY IMPLICATIONS

Local Government Act 1995

Part 5, Division 2

5.23. Meetings generally open to public

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

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

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

Objective 1.4: Business innovation, efficiency and improved services

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

Strategy 1.4.2 : Improve the efficiency and productivity of Shire services

Strategy 1.4.3 : Maintain Council's long term financial viability

RISK IMPLICATIONS

Loss of corporate knowledge with staff turnover

COMMUNITY ENGAGEMENT

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

No community engagement is required.

COMMENTS

The 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)

Attachment 2 - New and Renewal Lease Schedule (Confidential attachment provided under separate cover)

7.5 Standing Item – Sundry Debtors Report May 2016

DATE:	10 May 2016
AUTHOR:	Amanda Collins, Debtors Officer
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.07.2
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

COMMITTEE RESOLUTION

Minute No. AC406

Moved: Cr N Perry

Seconded: Cr A Petherick

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

Carried 3/0

PURPOSE

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

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices.

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

The listing of 90+ day sundry debtors was provided at the Ordinary Council Meeting on a monthly basis until March 2009 when Council resolved that the 90+ days debtor list be removed from the Council Agenda as a standing item and be presented to the then Audit

Committee for consideration and to make recommended actions to Council as this falls within the scope of the committee's purpose.

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

To further progress this strategic focus this item has been amended 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 removing the categories previously reported and to report sundry debtors as a whole, with airport debtors still being identified separately and that only debtors in excess of \$20,000 be provided with more detail. These changes were supported by the Committee and have been 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 may also contain legal advice to the Shire.

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

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

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022.

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

Objective 1.4: Business innovation, efficiency and improved services.

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

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

RISK IMPLICATIONS

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

Operational Risk: Non-collection of rates and debts resulting in financial and/or reputation loss.

COMMUNITY ENGAGEMENT

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

No community engagement is required.

COMMENTS

Sundry Debtors (General) Summary as at 28 April 2016

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Sundry Debtors	59	184,272	23,917	180,846	162,587	551,622

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 28 April 2016

Categories	90 Days		60 Days	30 Days	Current	Total
	No	\$	\$	\$	\$	\$
Kununurra Airport	25	38,074	10,857	112,799	127,686	289,416
Wyndham Airport	3	3,337	2,343	1,770	3,240	10,690
Total	28	41,411	13,200	114,569	130,926	300,106

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

ATTACHMENTS

Attachment 1 - Sundry Debtors detailed report as at 28 April 2016 (Confidential attachment provided under separate cover).

7.6 Audit (Finance and Risk) Committee Terms of Reference Review

DATE:	10 May 2016
AUTHOR:	Lisa Hannagan, Senior Risk and Governance Officer
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

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

- 1. It adopt the revised Terms of Reference; and**
- 2. Calls for Councillor nominations to appoint one (1) additional person to the Audit (Finance and Risk) Committee in accordance with section 5.10 and 7.1A of the *Local Government Act 1995* noting that this will require an absolute majority decision.**

COMMITTEE RESOLUTION

Minute No. AC407

Moved: Cr N Perry

Seconded: Cr A Petherick

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

- 1. It adopt the revised Terms of Reference; and**
- 2. Calls for Councillor nominations to appoint one (1) additional person to the Audit (Finance and Risk) Committee in accordance with section 5.10 and 7.1A of the *Local Government Act 1995* noting that this will require an absolute majority decision.**

Carried 3/0

PURPOSE

The Audit (Finance and Risk) Committee is established in accordance with Part 7 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* which requires all local governments to establish an audit committee.

These Terms of Reference outline the Committee's objectives, powers, composition and membership, terms of membership, meetings, quorum, duties and responsibilities of both the Committee and its members.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

The Terms of Reference were last reviewed in March 2014 and while two years is generally considered a best practice timeframe for the review of policies, in the UHY Haines Norton Regulation 17 Audit (Risk Management, Legislative Compliance and Internal Controls, February 2015) the responsible officer noted that the Terms of Reference would require amendment.

STATUTORY IMPLICATIONS

Local Government Act 1995, section 5.10 Committee members, appointment of and section 7.1A Audit committee

Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

Nil

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 services

Strategy 1.4.3 : Maintain Council's long term financial viability

RISK IMPLICATIONS

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

COMMUNITY ENGAGEMENT

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

No community engagement is required.

COMMENTS

The underlying scope of the Terms of Reference have been reviewed and it is suggested, that the number of elected members on the committee be increased from 4 (four) to 5 (five). The quorum for this committee would also be adjusted to 3 (three). This would also ensure an odd number of members which is considered more appropriate for voting purposes.

The Regulation 17 Audit has seen an increased focus on Risk Management processes in local government and as progress is made in the implementation of the recommendations the Auditors make in respect to the Shire's risk management activities, there will a considerable increase in risk focus for the Audit (Finance & Risk) Committee. Having an additional elected member on committee is seen as both beneficial and good practice.

ATTACHMENTS

Attachment 1 - Revised Terms of Reference for the Audit (Finance and Risk) Committee
Attachment 2 - Department of Local Government and Communities - Operational Guideline No. 9 - Audit in Local Government

COMMITTEE RESOLUTION

Minute No. AC408

**Moved: Cr N Perry
Seconded: Cr A Petherick**

That the Audit (Finance and Risk) Committee move behind closed doors with Officers to remain.

Carried 3/0

The Audit (Finance and Risk) Committee moved behind closed doors with Officers remaining at 3:09pm.

8. MATTERS BEHIND CLOSED DOORS

8.1 Confidential Item – Potential Acquisition of Property for the Recovery of Outstanding Rates

DATE:	10 May 2016
AUTHOR:	Felicity Heading, Coordinator Financial Operations
RESPONSIBLE OFFICER:	Natalie Octoman, Director Corporate Services
FILE NO:	FM.11.83
DISCLOSURE OF INTERESTS:	NIL

This item 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.

COMMITTEE RESOLUTION

Minute No. AC409

**Moved: Cr N Perry
Seconded: Cr B Robinson**

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

- 1. The investigations undertaken to date regarding options for the recovery of outstanding rates for Assessments A2574, A2569, and A411 in accordance with relevant legislation; and**
- 2. That a further updated report will be included in the next Audit (Finance and Risk) Committee Agenda.**

Carried 3/0

VOTING REQUIREMENT

Simple Majority

PURPOSE

For the Audit (Finance and Risk) Committee to report to the Council the investigations undertaken to date regarding options for the recovery of outstanding rates for Assessments A2574, A2569, and A411 in accordance with relevant legislation.

COMMITTEE RESOLUTION

Minute No. AC410

Moved: Cr N Perry

Seconded: Cr A Petherick

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

Carried 3/0

The Audit (Finance and Risk) Committee moved out from behind closed doors at 3:19pm.

All resolutions of items considered behind closed doors were read out to the members of the gallery.

9. DATE OF NEXT MEETING

Tuesday 9 August 2016, 3pm.

10. CLOSURE

The Chairperson declares the meeting closed at 3:21pm.