

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

8 November 2016

Page left intentionally blank.

## CONTENTS

1	DECLARATIONS OF OPENING .....	4
2	RECORD OF ATTENDANCE/APOLOGIES .....	4
3	PUBLIC QUESTION TIME/PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....	4
4	DECLARATION OF INTEREST .....	5
5	ACCEPTANCE OF MINUTES OF PREVIOUS MEETING .....	5
6	DEPUTATIONS/PRESENTATIONS/SUBMISSIONS/NOTICES OF MOTIONS .....	5
7	REPORTS.....	6
	7.1 PROPOSED MEETING DATES FOR THE AUDIT (FINANCE AND RISK) COMMITTEE FOR 2017 .....	6
	7.2 STANDING ITEM - RATES DEBTORS.....	11
	7.3 STANDING ITEM - INSURANCE CLAIMS .....	17
	7.4 STANDING ITEM - SUNDRY DEBTORS.....	20
	7.5 STANDING ITEM - LEASES .....	24
8	MATTERS BEHIND CLOSED DOORS.....	28
	8.1 REQUEST FOR WRITE OFF OF PENALTY INTEREST; WAIVER OF PENALTY INTEREST; AND FOR A SELF SUPPORTING LOAN - RATES DEBTOR A501 .....	28
	8.2 CONFIDENTIAL ITEM - UPDATE ON THE RECOVERY OF OUTSTANDING RATES - ASSESSMENTS A2574, A2569 AND A411 .....	30
	8.3 UPDATE ON REQUEST TO REVEST RATES ASSESSMENTS A5594 AND A5595 BACK TO THE CROWN.....	32
9	DATE OF NEXT MEETING .....	34
10	CLOSURE .....	34

**SHIRE OF WYNDHAM EAST KIMBERLEY  
MINUTES OF THE AUDIT (FINANCE AND RISK)  
COMMITTEE  
KUNUNURRA COUNCIL CHAMBERS  
HELD ON TUESDAY, 8 NOVEMBER 2016 AT 3:00 PM**

---

**1 DECLARATIONS OF OPENING**

The Commissioner declared the meeting open at 3pm.

**2 RECORD OF ATTENDANCE/APOLOGIES**

**ATTENDANCE**

R Yuryevich	Commissioner
C Askew	Chief Executive Officer
N Te Pohe	Director Corporate Services
L Gee	Director Community Development
M Le Riche	Executive Assistant (Minute Taker)

**GALLERY**

F Heading	SWEK
-----------	------

**APOLOGIES**

D Klye	Director Infrastructure
--------	-------------------------

**ABSENT**

Nil

**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  
Nil
- Proximity Interest  
Nil

#### 5 ACCEPTANCE OF MINUTES OF PREVIOUS MEETING

##### **RECOMMENDATION**

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

**NB. As he was not present at this meeting, the Commissioner sought confirmation from the CEO that minutes were correct. CEO confirmed that the minutes were correct.**

##### **COMMITTEE RESOLUTION**

**Minute No. AC421-08/11/2016**

**Commissioner resolved:**

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

Note: The Minutes of the Audit (Finance and Risk) Committee meeting of 9 August 2016 are provided under separate cover via [www.swek.wa.gov.au](http://www.swek.wa.gov.au)

#### 6 DEPUTATIONS/PRESENTATIONS/SUBMISSIONS/NOTICES OF MOTIONS

Nil

## 7 REPORTS

### 7.1 PROPOSED MEETING DATES FOR THE AUDIT (FINANCE AND RISK) COMMITTEE FOR 2017

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Natalie Te Pohe, Director Corporate Services
<b>RESPONSIBLE OFFICER:</b>	Natalie Te Pohe, Director Corporate Services
<b>FILE NO:</b>	Click here to enter text.
<b>DISCLOSURE OF INTERESTS:</b>	Nil

#### VOTING REQUIREMENT

Simple Majority

#### OFFICER'S RECOMMENDATION

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

- 1. That the Audit (Finance and Risk) Committee meetings for 2017 are held in accordance with the following dates, times and place:**

<b>Date</b>	<b>Time</b>	<b>Place</b>
<b>Monday, 27 February 2017</b>	<b>5:00 pm</b>	<b>Council Chambers, Kununurra</b>
<b>Monday, 22 May 2017</b>	<b>5:00 pm</b>	<b>Council Chambers, Kununurra</b>
<b>Monday, 21 August 2017</b>	<b>5:00 pm</b>	<b>Council Chambers, Kununurra</b>
<b>Monday, 27 November 2017</b>	<b>5:00 pm</b>	<b>Council Chambers, Kununurra</b>

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

## **COMMITTEE RESOLUTION**

Minute No. AC422-08/11/2016

Commissioner resolved:

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

1. That the Audit (Finance and Risk) Committee meetings for 2017 are held in accordance with the following dates, times and place:

Date	Time	Place
Monday, 27 February 2017	5:00 pm	Council Chambers, Kununurra
Monday, 22 May 2017	5:00 pm	Council Chambers, Kununurra
Monday, 21 August 2017	5:00 pm	Council Chambers, Kununurra
Monday, 27 November 2017	5:00 pm	Council Chambers, Kununurra

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

Carried 1/0

## **PURPOSE**

To consider the proposed dates, times and place for the Audit (Finance and Risk) Committee meetings to be held for 2017 in accordance with Regulation 12 of the *Local Government (Administration) Regulations 1996* and recommend to the Council that it endorse the proposal of the Committee.

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

Leader - plan and provide direction through policy and practices

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

At the November 2015 Audit (Finance and Risk) Committee meeting, the Committee recommended to the Council the meeting dates, times and place for the 2016 meetings to be held.

Pursuant to section 7.12A of the *Local Government Act 1995*, the Council provided delegated authority to the Audit (Finance and Risk) Committee to meet annually with the Council's auditor(s) at the 30 August 2016 Ordinary Council Meeting, the delegation for which was contained within the 2016/17 Delegations Register.

## **STATUTORY IMPLICATIONS**

### **Local Government Act 1995**

#### **Part 5, Division 2**

##### 5.23. Meetings generally open to public

(1) Subject to subsection (2), the following are to be open to members of the public

- (a) all council meetings; and
- (b) all meetings of any committee to which a local government power or duty has been delegated.

### **Local Government (Administration) Regulations 1996**

#### **Part 2**

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

(1) At least once each year a local government is to give local public notice of the dates on which and the time and place at which —

- (a) the ordinary council meetings; and
- (b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public,

are to be held in the next 12 months.

(2) A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).

(3) Subject to subregulation (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.

(4) If a special meeting of a council is to be open to members of the public but, in the CEO's opinion, it is not practicable to give local public notice of the matters referred to in subregulation (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the CEO's opinion, is practicable.

## **POLICY IMPLICATIONS**

There are no direct policy implications associated with this item.

## **FINANCIAL IMPLICATIONS**

Minor expenditure will be incurred to ensure the appropriate advertising occurs for the proposed meetings. Funds are provided for this within the 2016/17 Annual Budget.

## **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**

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.

Engagement will include local public notice of the proposed meeting dates, times and place in accordance with the legislative requirements.

## **COMMENTS**

The proposed schedule has taken into account the dates and times that the Commissioner will be in Kununurra for other business in order to minimise the cost of travel to the Shire.

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

While the Audit (Finance and Risk) Committee would generally meet on the same day as a Council briefing session (generally the 2nd Tuesday of each quarter), as the Council meetings occur on the 4th Tuesday at 5:00 pm and the Commissioner was likely to be in Kununurra the day prior, it was suggested to hold the meetings on the Monday prior to the Council meetings, rather than having additional travel costs for a second meeting each quarter. Convening the meetings at 5:00 pm will also enhance their openness to the community, as they were previously held at 3:00 pm which would have been more difficult for community members to attend.

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

- Monday, 27 February
- Monday, 22 May
- Monday, 21 August
- Monday, 27 November.

### **ATTACHMENTS**

Nil

## 7.2 STANDING ITEM - RATES DEBTORS

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Felicity Heading, Coordinator Financial Operations
<b>RESPONSIBLE OFFICER:</b>	Natalie Te Pohe, Director Corporate Services
<b>FILE NO:</b>	FM.11.1
<b>DISCLOSURE OF INTERESTS:</b>	Nil

### VOTING REQUIREMENT

Simple Majority

### OFFICER'S RECOMMENDATION

**That the Audit (Finance and Risk) Committee reports to 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. AC423-08/11/2016

**Commissioner resolved:**

**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 1/0**

### 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 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 in accordance with section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person.

## **POLICY IMPLICATIONS**

Council's Policy *CP/FIN-3212 Rates and Charges Debt Collection* 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**

*Risk:*

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

*Controls:*

Annual Financial Audit.

Review policies and procedures in accordance with review schedule.

## **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 however regular communication is had with ratepayers.

## **COMMENTS**

### **Rates and Services Debtors Summary**

<b>Rates &amp; Services Levied 2016/17 (including arrears)</b>	<b>Rates &amp; Services Debt at 31 October 2016</b>	<b>Overdue at 31 October 2016</b>
<b>\$ 12,804,955.14</b>	<b>\$4,895,224.44</b>	<b>\$2,860,551.15</b>

Rates for the financial year of 2016/17 were raised and issued on 23 September 2016.

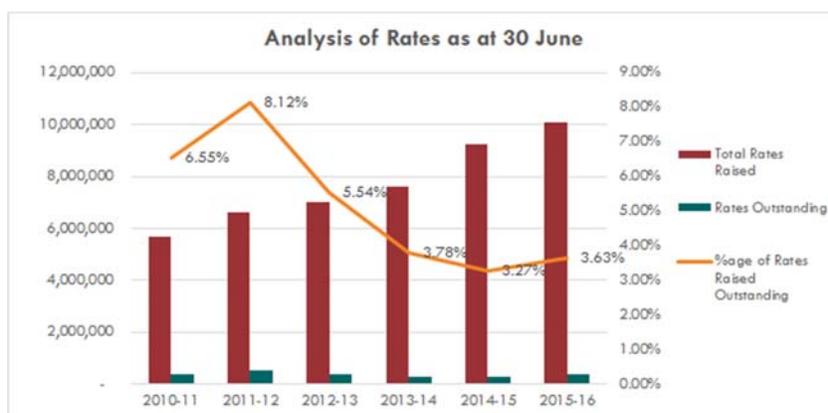
Interim rating occurs periodically throughout the year.

### Comparison of rates received 2015/16 and 2016/17

*NB: It should be noted that the table below includes rates, waste management charges, waste receptacle charges and back rates.*

		2015/16			2016/17		
Days from Billing		Total Outstanding	Received	% of Billing	Total Outstanding	Received	% of Billing
		\$	\$		\$	\$	
0	Notices Issued	11,876,722			12,306,977		
7		11,530,415	346,307	2.92%	12,138,917	16,8060	1.37%
14		10,722,863	807,552	6.80%	11,537,136	601,781	4.89%
21		10,119,902	602,961	5.08%	9,094,993	2,442,143	19.84%
28		9,275,340	844,562	7.11%	7,760,833	1,334,160	10.84%
35	Rates Due date	4,704,076	4,571,264	38.49%	4,766,442	2,994,391	24.33%
42		4,383,002	321,074	2.70%			
31 December		2,917,515	1,465,487	12.33%			
Final Instalment due date		1,017,623	1,899,892	16.00%			
30 June following		580,451	437,172	3.68%			
Total			11,296,271	95.11%		7,540,535	61.27%

The figure below, highlights the trend in relation to rates debt recovery, based on the initial billing of rates only. As can be seen, there has been a significant improvement in the level of outstanding rates over the past few years irrespective of the change in the Strategic Rating Model which saw a large increase in rates income in 2014/15 compared to previous financial years.



### Instalment Status Report at 31 October 2016

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue** \$	% of Properties Overdue**
2 instalments	150	5.51%	150	0	0	0%
4 Instalments	445	16.37%	445	0	0	0%
<b>All instalment payers</b>	<b>595</b>	<b>21.88%</b>	<b>595</b>	<b>0</b>	<b>0</b>	<b>0%</b>

\*2,719 excluding non-rateable properties.

\*\*No overdue instalments at first instalment due date.

### Comparison of rates debtors referred for debt collection 2013/14, 2014/15 and 2015/16 as at 31 October 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 \$
<b>Debts referred for NOI*</b>	274	683,868	59	438,136	149	639,115
<b>Debts proceeding to GPC**</b>	82	109,489	12	31,840	46	154,828

\*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.

No rates debtors have been referred for debt collection for the 2016/17 year at date of report as due date of 28 October has not yet been reached.

## **ATTACHMENTS**

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

### 7.3 STANDING ITEM - INSURANCE CLAIMS

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Niroshini Nandasiri, Asset Management Accountant
<b>RESPONSIBLE OFFICER:</b>	Natalie Te Pohe, Director Corporate Services
<b>FILE NO:</b>	RM.01.2
<b>DISCLOSURE OF INTERESTS:</b>	Nil

#### **VOTING REQUIREMENT**

Simple Majority

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

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

#### **COMMITTEE RESOLUTION**

Minute No. AC424-08/11/2016

**Commissioner resolved:**

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

**Carried 1/0**

#### **PURPOSE**

To report to the Audit (Finance and Risk) Committee the insurance claims that are either current, or have been finalised for the 2016/2017 financial year.

#### **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 (through the 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, 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**

Nil

### **POLICY IMPLICATIONS**

There is a clear requirement for the Shire to develop a Risk Management Framework and associated policies which is currently being drafted.

### **FINANCIAL IMPLICATIONS**

The insurance premiums are contained within the 2016/2017 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**

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

*Controls:* Implementation of OH&S policy and procedures.

Training of OS&H Committee.

Training of staff in risk assessment and OS&H policy and procedures.

*Strategic 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.

## **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 Claims Report contains a list of current claims all lodged in 2016/17 and with claims pending for previous years in relation to motor vehicle, property, public liability.

## **ATTACHMENTS**

Confidential Attachment 1 - Insurance Claims Report as at 21/10/2016

## 7.4 STANDING ITEM - SUNDRY DEBTORS

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Sunil Chopra, Debtors Officer
<b>RESPONSIBLE OFFICER:</b>	Natalie Te Pohe, Director Corporate Services
<b>FILE NO:</b>	FM.07.2
<b>DISCLOSURE OF INTERESTS:</b>	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. AC425-08/11/2016

Commissioner resolved:

**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 1/0**

### 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 considered in the writing of this report.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under section 5.23 (2)(e)(iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item may also contain legal advice to the Shire.

### **POLICY IMPLICATIONS**

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

### **FINANCIAL IMPLICATIONS**

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

It should be noted however, that as outlined in section 9.1 of Council Policy *CP/FIN-3214 Sundry Debt Collection*, 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.

## **RISK IMPLICATIONS**

*Strategic 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.

## **COMMUNITY ENGAGEMENT**

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

No community engagement is required however there is regular contact with debtors generally.

## **COMMENTS**

### **Sundry Debtors (General) Summary as at 24 October 2016**

<b>Categories</b>	<b>90 Days</b>		<b>60 Days</b>	<b>30 Days</b>	<b>Current</b>	<b>Total</b>
	<b>No</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Sundry Debtors</b>	<b>37</b>	<b>132,000</b>	<b>16,222</b>	<b>221,590</b>	<b>481,347</b>	<b>851,159</b>

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

### **Sundry Debtors (Airport Landing Fees) Summary as at 24 October 2016**

<b>Categories</b>	<b>90 Days</b>		<b>60 Days</b>	<b>30 Days</b>	<b>Current</b>	<b>Total</b>
	<b>No</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Kununurra Airport	38	57,397	127,394	162,043	139,856	486,690
Wyndham Airport	3	6,481	1,436	7,084	5,524	20,525
<b>Total</b>	<b>41</b>	<b>63,878</b>	<b>128,830</b>	<b>169,127</b>	<b>145,380</b>	<b>507,215</b>

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

## **ATTACHMENTS**

Attachment 1 - Sundry Debtors detailed report as at 24 October 2016 (Confidential attachment provided under separate cover).

## 7.5 STANDING ITEM - LEASES

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Niroshini Nandasiri, Asset Management Accountant
<b>RESPONSIBLE OFFICER:</b>	Natalie Te Pohe, Director Corporate Services
<b>FILE NO:</b>	CP.07 and CP.16
<b>DISCLOSURE OF INTERESTS:</b>	Nil

### VOTING REQUIREMENT

Simple Majority

### OFFICER'S RECOMMENDATION

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

### COMMITTEE RESOLUTION

Minute No. AC426-08/11/2016

**Commissioner resolved:**

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

**Carried 1/0**

### PURPOSE

To consider the attached Confidential Lease Report as at 21 October 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**

- (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**

Risk: Loss of corporate knowledge with staff turnover.

Control: Documentation of service procedures.

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.

### **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 several 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**

Confidential Attachment 1 - Lease Schedule

Confidential Attachment 2 - New and Renewal Lease Schedule

## 8 MATTERS BEHIND CLOSED DOORS

### COMMITTEE RESOLUTION

Minute No. AC427-08/11/2016

Commissioner resolved:

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

Carried 1/0

The Audit (Finance and Risk) Committee moved behind closed doors at 3:07pm

### 8.1 REQUEST FOR WRITE OFF OF PENALTY INTEREST; WAIVER OF PENALTY INTEREST; AND FOR A SELF SUPPORTING LOAN - RATES DEBTOR A501

DATE:	8 November 2016
AUTHOR:	Felicity Heading, Coordinator Financial Operations
RESPONSIBLE OFFICER:	Natalie Te Pohe, Director Corporate Services
FILE NO:	A501D, FM.11.94
DISCLOSURE OF INTERESTS:	Nil

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

#### **5.23. Meetings generally open to public**

(2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*

- (a) *a matter affecting an employee or employees; and*
- (b) *the personal affairs of any person; and*
- (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and*
- (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*
- (e) *a matter that if disclosed, would reveal —*
  - (i) *a trade secret; or*
  - (ii) *information that has a commercial value to a person; or*
  - (iii) *information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and*
- (f) *a matter that if disclosed, could be reasonably expected to —*
  - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*
  - (ii) *endanger the security of the local government's property; or*

- (iii) *prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and*
  - (g) *information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*
  - (h) *such other matters as may be prescribed.*
- (3) *A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

### **VOTING REQUIREMENT**

Simple Majority

#### **COMMITTEE RESOLUTION**

**Minute No. AC428-08/11/2016**

**Commissioner resolved:**

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

- 1. Does not approve the request for a write off of outstanding penalty interest for rates debtor A501;**
- 2. Does not approve the request for a waiver of future penalty interest charges for rates debtor A501;**
- 3. Does not approve the request for a write off of the portion of payments made by rates debtor A501 during the period from October 2015 to October 2016 that have been allocated to penalty interest;**
- 4. Notes that rates debtor A501 is not eligible to apply for a Self Supporting Loan under Council Policy *CP/FIN-3215 Self Supporting Loans*, however could seek a loan through another financial institution;**
- 5. Notes that the 2016/17 rates and service charges for rates debtor A501 are incorporated in the current special payment arrangement;**
- 6. Notes that rates debtor A501 will be eligible to apply for a rates concession when all rates and service charges debts are paid in full;**

**Carried 1/0**

#### **REASON FOR VARYING THE OFFICER'S RECOMMENDATION**

Point seven of the Officer's recommendation was removed on the basis that it already formed part of a prior resolution of Council and is a condition of current lease.

#### **PURPOSE**

For the Audit (Finance and Risk) Committee to consider a request to write off penalty interest; to waive penalty interest; and for a Self Supporting Loan for rates debtor A501.

## 8.2 CONFIDENTIAL ITEM - UPDATE ON THE RECOVERY OF OUTSTANDING RATES - ASSESSMENTS A2574, A2569 AND A411

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Felicity Heading, Coordinator Financial Operations
<b>RESPONSIBLE OFFICER:</b>	Natalie Octoman, Director Corporate Services
<b>FILE NO:</b>	FM.11.94, A2574D, A2569D, A411D
<b>DISCLOSURE OF INTERESTS:</b>	Nil

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

### 5.23. *Meetings generally open to public*

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

## **VOTING REQUIREMENT**

Simple Majority

### **COMMITTEE RESOLUTION**

Minute No. AC429-08/11/2016

Commissioner resolved:

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

1. The further investigations and actions undertaken 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 1/0

## **PURPOSE**

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

### 8.3 UPDATE ON REQUEST TO REVEST RATES ASSESSMENTS A5594 AND A5595 BACK TO THE CROWN

<b>DATE:</b>	8 November 2016
<b>AUTHOR:</b>	Felicity Heading, Coordinator Financial Operations
<b>RESPONSIBLE OFFICER:</b>	Natalie Te Pohe, Director Corporate Services
<b>FILE NO:</b>	FM.11.94 A5594D, A5595D
<b>DISCLOSURE OF INTERESTS:</b>	Nil

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

#### **5.23. Meetings generally open to public**

(2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*

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

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

#### **VOTING REQUIREMENT**

Simple Majority

**COMMITTEE RESOLUTION**

**Minute No. AC430-08/11/2016**

**Commissioner resolved:**

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

- 1. Authorise the CEO, or their delegate, to request lawyers acting for the Shire to conduct negotiations with the ratepayer on the following basis:**
  - a. That the ratepayer will fund the cost of any works required by the Department of Environment Regulation for the investigation and any remediation required to their property;**
  - b. Recognising that the Shire will be required to undertake investigations and potential remediation of Parcel 69070 Pearse Street road reserve (Pin # 11413027) and offer the ratepayer an arrangement whereby the consultants costs could be shared;**
  - c. That the Shire will execute the Deed of Settlement and Transfer of Land only upon the ratepayer undertaking the investigations and remediating, or funding the investigations and remediation of their land, to the satisfaction of the the Department of Environment Regulation.**
- 2. Authorise expenditure in advance for an additional purpose in the 2016/17 budget of \$20,000, being to initiate the investigations and possible remediation process for Parcel 69070 Pearse Street road reserve (Pin # 11413027) and source these funds from savings (or additional revenue) identified in the 2016/17 Mid-Year Budget Review.**

**Carried 1/0**

**PURPOSE**

For the Audit (Finance and Risk) Committee to recommend to the Council a course of action with regards to the transfer of Assessments A5594 and A5595.

**COMMITTEE RESOLUTION**

**Minute No. AC431-08/11/2016**

**Commissioner resolved:**

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

**Carried 1/0**

The Audit (Finance and Risk) Committee moved out from behind closed doors at 3:45pm, and the gallery were invited to return.

The Commissioner read the recommendations out to the gallery.

**9 DATE OF NEXT MEETING**

Monday 27 February 2017, 5pm

**10 CLOSURE**

The Commissioner declares the meeting closed at 3:46pm