

CITY OF COCKBURN



AUDIT & STRATEGIC FINANCE COMMITTEE

MINUTES

FOR

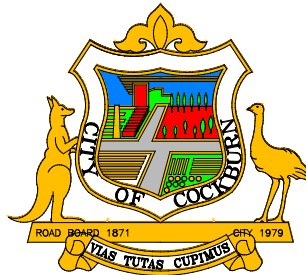
THURSDAY, 21 JULY 2016

These Minutes are subject to Confirmation

Presiding Member's Signature

Date: 17/11/2016

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CITY OF COCKBURN

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CITY OF COCKBURN

MINUTES OF AUDIT & STRATEGIC FINANCE COMMITTEE MEETING HELD ON THURSDAY, 21 JULY 2016 AT 6:00 PM

PRESENT:

ELECTED MEMBERS

Mr S Portelli	-	Councillor (Presiding Member)
Mr L Howlett	-	Mayor
Mrs C Reeve-Fowkes	-	Deputy Mayor (Arr. 6.09 pm)
Mr K Allen	-	Councillor
Dr C Terblanche	-	Councillor

IN ATTENDANCE

Mr S. Cain	-	Chief Executive Officer
Mr D. Arndt	-	Director, Planning & Development
Mr C. Sullivan	-	Director, Engineering & Works
Mr N. Mauricio	-	Acting Director, Fin. & Corp. Services
Mr J Ngoroyemoto	-	Governance & Risk Co-ordinator
Mrs B. Pinto	-	PA to Directors – Fin. & Corp. Services & Governance & Comm. Services

1. DECLARATION OF MEETING

The Presiding Member declared the meeting open at 6.01 pm.

He acknowledged the Noongar people who are the Traditional Custodians of this Land, and pay respect to the Elders, both past and present, of the Noongar Nation and extend that respect to other Indigenous Australians who may be present.

2. APPOINTMENT OF PRESIDING MEMBER (If required)

Nil.

3. ACKNOWLEDGEMENT OF RECEIPT OF WRITTEN DECLARATION

Nil

4. APOLOGIES & LEAVE OF ABSENCE

Nil



5. PUBLIC QUESTION TIME

Nil

6. DEPUTATIONS & PETITIONS

Nil

7. CONFIRMATION OF MINUTES

7.1 (MINUTE NO 172) (ASFC 21/7/2016) - MINUTES OF THE AUDIT & STRATEGIC FINANCE COMMITTEE MEETING - 17 MARCH 2016

RECOMMENDATION

That Committee confirms the Minutes of the Audit and Strategic Finance Committee Meeting held on Thursday, 17 March 2016, as a true and accurate record.

COMMITTEE RESOLUTION

MOVED Clr C Terblanche SECONDED Clr K Allen that the recommendation be adopted.

CARRIED 4/0

8. BUSINESS LEFT OVER FROM THE PREVIOUS MEETING (IF ADJOURNED)

Nil

9. DECLARATION OF COUNCILLORS WHO HAVE NOT GIVEN DUE CONSIDERATION TO MATTERS IN THE BUSINESS PAPER

Nil

10. COUNCIL MATTERS

AT THIS POINT IN THE MEETING, THE TIME BEING 6.04 PM THE FOLLOWING ITEMS WERE CARRIED BY 'EN BLOC' RESOLUTION OF COMMITTEE

12.1	12.2
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10.1 (MINUTE NO 173) (ASFC 21/7/2016) - RISK MANAGEMENT INFORMATION REPORT (021/012) (J NGOROYEMOTO) (ATTACH)

RECOMMENDATION

That Council

- (1) receive the report on the Risk Management Program;
- (2) adopt the proposed City of Cockburn Strategic Risk Register, as shown in the attachment.

COMMITTEE RECOMMENDATION

MOVED Clr C Terblanche SECONDED Mayor L Howlett that the recommendation be adopted.

CARRIED 4/0

COUNCIL DECISION

Background

At the Ordinary Council Meeting of 13 June 2013, Council endorsed the City's proposed risk management policy and associated roll-out program. Subsequently at the Ordinary Council Meeting of 11 December 2014, via the Audit and Strategic Finance Committee, Council endorsed the Risk Management Strategy. The City is progressing in implementing the Risk Program, and this report provides an update on the key milestones achieved over the past 4 months since the last report was submitted to the Audit and Strategic Finance Committee.

The City's Risk Program, through adopting the guidelines and principles of the Australian risk standard, AS/NZ ISO 31000:2009 is committed to a culture of risk management. City Policy SC51 'Enterprise Risk Management' (the policy) is a commitment by the City to ensuring that sound risk management practices and procedures are fully integrated into its strategic and operational processes and day to day business practices. The City continues to roll out the Risk Program in line with the Risk Management Strategy.

Submission

N/A



Report

Risk Management Program:

The City's Risk Monitoring and Reporting System

The City acquired Risk Management and Safety System (RMSS) as its service provider for a Risk Management Software. The City purchased the package consisting of Risk, Event and Compliance Manager Modules, integrating all key areas of risk, compliance and event management across the organisation. The risk manager module efficiently identifies, assesses, controls, monitors and reviews risks and hazards using a unique patented workflow, allowing the City to use a variety of risk assessment methodologies, terminology and workflows.

The Event module is a web-based tool used to manage events as they happen. Following a unique workflow that allows even non-system users (such as contractors) to notify of potential events, the event manager module then follows the traditional process of recording, investigation, correction and review. Built-in flexibility allows events to be managed across a full range of workplace incidents and events e.g. complaints, injuries, enquiries etc.

The compliance manager allows the City to quantify compliance and performance using a flexible, web-based, real-time audit framework. The compliance manager module is used to manage both internal and external audits using any criteria, customisable scoring options and flexible scripting text, designed to meet the requirements of even the most complicated audit process. System configuration is now complete and staff training has commenced, with expected roll out in August 2016 of the Risk and Event modules followed by the Compliance module roll out towards the end of the year.

Strategic Risks

LGIS Risk Management facilitated the development of a City of Cockburn Strategic Risk Register. This process saw four workshops being conducted with the Executive during the month of February, feedback sought from the strategic business managers and an Elected Members briefing session. The workshops were focused on identifying high level key strategic risks associated with City of Cockburn's external environment, stakeholders, strategic direction and systemic organisational issues. A strategic risk is a risk that is likely to have a significant impact on the City's ability, as an organisation, to achieve its mission and objectives. A strategic risk may prevent the City from capitalising on its opportunities and strengths, expose its weaknesses, and/or represent a failure to address threats to the City. The methodology followed during the process consisted of introduction and defining of strategic risks, establishing the strategic risk assessment context, identification of City of Cockburn strategic risks, analysis of strategic risks, and documentation of risk treatment options. This



resulted in the development of the City of Cockburn strategic risk register which is being presented now for adoption. The information on the register will be monitored and reviewed in RMSS, and the scoping exercise will be completed every four years in conjunction with the review of the Strategic Community Plan.

Operational Risks

265 operational risks currently sit on the City's risk registers. All risks were reviewed at the Audit Committee meeting of November 2015, and were rated using the City's risk matrix and were recorded on excel spreadsheets. These risks are currently in the process of being reviewed and transferred into RMSS, and will start to be monitored and reviewed in RMSS in August 2016.

Future direction

As the City continues to implement and embed risk management through its Risk Program, the next four months will continue to focus on the following key areas and current initiatives:

- Training and Rollout of the Risk Management and Safety Systems Software (RMSS), Risk and Event modules.
- Chief Executive Officer's biennial review of the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal controls and legislative compliance.

Strategic Plan/Policy Implications

Leading & Listening

- Deliver sustainable governance through transparent and robust policy and processes

Budget/Financial Implications

The City's 2016/17 Annual Budget makes provision for the continued development of and further introduction of Risk Management framework.

Legal Implications

Local Government (Audit) Regulations 2013, Regulation 17.

Community Consultation

N/A



Risk Management Implications

Good corporate governance dictates that risk management information is captured and retained throughout the risk management cycle. If council does not adopt the Strategic Risk Register there is a risk of failure to have a structured process to record strategic risks, decision processes and treatment performance results. There is also a potential risk of failure to align strategic risks to the City's strategic objectives as identified in the Strategic Community Plan.

Attachment(s)

Proposed City of Cockburn Strategic Risk Register.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

DEPUTY MAYOR REEVE-FOWKES JOINED THE MEETING AT THIS STAGE THE TIME BEING 6.09 PM.

10.2 (MINUTE NO 174) (ASFC 21/7/2016) - INTERNAL AUDIT PLAN REVIEW (067/004) (J NGOROYEMOTO) (ATTACH)

RECOMMENDATION

That Council adopt the Strategic Internal Audit Plan as shown in the attachment to the Agenda.

COMMITTEE RECOMMENDATION

MOVED Mayor L Howlett SECONDED Clr C Terblanche that the recommendation be adopted.

CARRIED 5/0

COUNCIL DECISION



Background

Minutes of the November 2015 Audit and Strategic Finance meeting were adopted by Council at its December 2015 meeting which contained extension of the contract with Deloitte for the provision of internal auditing services for a further two year period ending 30 June 2017. The report advised that future internal audit plans will be facilitated through the City's Risk Review Group (comprising cross functional managers), with input from the internal auditor. Audit planning will be informed by the City's operational and strategic risk registers, where assessed risk levels will influence audit priorities.

Subsequently a three year Internal Audit Plan has been developed by the Risk Review Group which seeks to evaluate the adequacy of internal controls in a number of higher risk areas. In line with the oversight responsibilities mentioned above, the Strategic Internal Audit Plan for 2016 to 2019 is presented (refer to attachment) to the Audit and Strategic Finance Committee for its review and approval.

Submission

N/A

Report

The City has expanded the Terms of Reference for its Audit and Strategic Finance Committee to include oversight in the areas of risk management, internal control and legislative compliance. This expansion of Terms of Reference has been in response to the Local Government (Audit) Amendment Regulations 2013 published in the Government Gazette on 8 February 2013 requiring Audit Committees of a local government to have oversight of its systems and procedures in relation to the above mentioned areas.

The Institute of Internal Auditor's states that internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes

The Risk Review Group spearheaded the review of the Internal Audit Plan, with the assistance of The City's internal auditor. Latest risk management documentation was referred to during the development of this Internal Audit Plan as well as discussions undertaken with senior management to identify and determine potential high risk areas for inclusion in the audit plan. The Risk Review Group conducted an Internal Audit plan scoping exercise whereby the following were considered:



Extreme' or 'High' risks identified in the operational risk register

- Closure of SMRC (not included in the plan as mitigation treatment options are addressed in the risk register)
- Failure to undertake Bushfire Act enforcement or mitigation works on Crown land (not included in the plan as not suitable for internal audit)

Extreme' or 'High' risks identified in the Strategic risk register

- Bush Fires (not suitable for internal audit)
- Record Management (included in the plan)
- Project Management (included in the plan)
- Waste Management (mitigation treatment options are addressed in the risk register)
- Community Led Local Government Reform (as not suitable for internal audit)

Operational Risks with a high Likelihood rating

- FCS18 - Failure to provide a secure, highly available, resilient and well performing Electronic Document and Records Management System (included in the plan)
- PD3- failure to conduct an accurate analysis on the feasibility of land development and projects funded through developer Contributions (included in the plan)

Previously identified areas for Audit - Rates Model (included in the plan)

An explanation for the selection of audit areas in the Internal Audit Plan for 2016 to 2019 is provided below.

Project Management

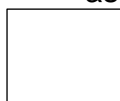
High risk as identified in the risk registers - Project management across the organisation is inconsistent and inefficient and has been highlighted in the Organisational review and employee surveys. The likelihood of the risk eventuating to the level of critical consequences is frequent.

Land Development and Developer Contributions

Substantial risk as identified in the risk registers - Accurate analysis is critical for the feasibility of Land Development and Projects funded through Developer Contributions

Fleet Management

Moderate risk as identified in the risk registers - The City has a considerable investment in its fleet assets and considerable resources are consumed in operating and maintaining the fleet to ensure it services the City's business requirements. Independent review will assist determine the effectiveness of the fleet management model.



Records Management

Substantial risk as identified in the risk registers - The effectiveness of the City's ECM system remains a recurring question and thus a high priority and will immediately follow the formation of the Knowledge Management Plan document which will act as a guide to which actions to be taken to achieve the goal of best practices. There is lack of an audit trail for documents/external; sent emails are not saved in ECM, non-compliance with processes and requirements, lack of awareness and training, and no perceived consequences and increased officer workloads.

Rates Model

Moderate risk as identified in the risk registers - The City's Budget Management Policy requires that internal audit review the annual rate setting process and the outcomes, paying particular attention to the parameters used for applying the rates concession scheme to residential improved properties.

Allocation of Resources (Long Term Financial Planning)

Moderate risk as identified in the risk registers - The Long Term Financial Plan is a critical planning document for ensuring the future financial sustainability of the City in terms of resources allocation. An independent review of the methodology and the basis of underlying assumptions used will support the governance over this exercise.

Internal Communications

Moderate risk as identified in the risk registers - Internal Communications across the organisation was also highlighted in the Organisational review and employee surveys. The likelihood of the risk eventuating to the level of critical consequences has been occurring routinely. There is currently no internal communication plan or policy.

Strategic Plan/Policy Implications**Leading & Listening**

- Deliver sustainable governance through transparent and robust policy and processes

Budget/Financial Implications

The cost for internal audit assignments is determined at the time of agreeing the terms of reference. Hourly fees are set in accordance with the WALGA supply panel contract for Audit Services, which are subject to annual CPI increases.



The City's budget for 2016/17 includes an allocation for compliance/internal audit costs of \$32,000.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

If Council defers or does not adopt the Strategic Internal Audit Plan, the internal auditors will not have a set scope of requirements to evaluate effectiveness and efficiency of operations, reliability of financial and management reporting, compliance with laws and regulations and safeguarding of Assets. This will also ultimately affect the prioritisation of audit projects to be undertaken this year.

Attachment(s)

Proposed City of Cockburn Strategic Internal Audit Plan.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

11. PLANNING & DEVELOPMENT DIVISION ISSUES

Nil

12. FINANCE & CORPORATE SERVICES DIVISION ISSUES

12.1 (MINUTE NO 175) (ASFC 21/7/2016) - INTERIM EXTERNAL AUDIT (067/001) (N MAURICIO) (ATTACH)

RECOMMENDATION

That Council receive the Interim Audit Management letter for the year ended 30 June 2016, as shown in the attachment to the Agenda.



COMMITTEE RECOMMENDATION

MOVED Clr C Terblanche SECONDED Clr K Allen that the recommendation be adopted.

CARRIED 4/0

COUNCIL DECISION**Background**

Council is required to examine the report prepared by the External Auditor and is to determine if any matter raised in the report requires action to be taken.

Council is also required to meet with the Auditor of the Local Government at least once in each year. This will be for the receipt of the final audit report as occurs each financial year.

The Terms of Reference of the Audit Committee were adopted by Council on 8 November 2007.

Submission

N/A

Report

The Interim External Audit Report for the period ending 30 June 2016 was received from Council's Auditors, Macri Partners in July 2016. The Interim Report covered a review of the accounting and internal control procedures in operation, as well as testing of transactions in the following areas:

- Bank Reconciliations (no issues identified)
- Investment of Surplus Funds (no issues identified)
- Purchases (no issues identified)
- Payments and Creditors (no issues identified)
- Rate Receipts and Rate Debtors (no issues identified)
- Receipts and Sundry Debtors (1 issue identified)
- Payroll (2 issues identified)
- General Accounting – Journals, etc. (no issues identified)
- IT Controls (no issues identified)
- Registers - Tenders Register, etc. (no issues identified)
- Fixed Assets - Property, Plant & Equipment and Infrastructure (1 issue identified)
- Review of Council Minutes (1 issue identified)



The review also included an examination of certain compliance matters required under the Local Government Act and Financial Management Regulations. Internal controls were examined primarily for the purpose of expressing an opinion on the financial statements of the City of Cockburn.

It is worth noting that the number of issues identified and reported on this year by audit is down on those in previous years. This indicates the City's current financial controls and processes are operating effectively.

Below is a summary of the issues raised by Audit and the associated management responses:

<u>Audit Finding</u>	<u>Management Response</u>
Sundry Debtors	
<p>Issue The audit review of the procedures relating to raising of credit notes indicated that the credit notes issued were based on the associated debtor invoice number and not sequentially numbered.</p> <p>In the absence of numerical sequence over credit notes, audit believes there is a risk that credit notes raised may not be accounted for within the system and may result in loss of revenue.</p> <p>Recommendation That credit note numbers be automatically generated in a sequential order from the financial system to provide control and assurance that all credit notes have been properly accounted and entered in the system.</p>	<p>We have a system review of sundry debtors processing planned for August 2016 in consultation with a Tech One consultant. This will include reviewing credit note numbering requirements.</p> <p>The City raises very few credit notes (around 6 per year) and only when they are approved by an authorised officer. Sequential numbering of credit notes is seen as less of a control than an independent periodic review by management of all credits notes raised on the system. This will be made a priority in the review.</p>
Payroll	
<p>Issue Audit noted that amendments to the payroll master file are not reviewed by an independent senior officer. Lack of such control may provide opportunities for inappropriate amendments to remain undetected.</p> <p>Recommendation A report containing amendments to the payroll master file be produced and reviewed by an independent senior officer.</p>	<p>HR Officers load new employees onto the Payroll Master File however are unable to make any amendments. All amendments are undertaken by members of the payroll team. Business Systems are able to produce a report which details which member of the team made each amendment to enable auditing.</p> <p>The Manager, Human Resources does not believe the creation of a report of all amendments to be checked on a regular basis (ie. Pre-every payroll run) would be effective or efficient.</p>



<u>Audit Finding</u>	<u>Management Response</u>
<p>Issue Audit noted that 31 employees had accrued annual leave in excess of 8 weeks to a maximum of 13.7 weeks.</p> <p>Recommendation Audit would like to receive feedback on the status of the balances.</p>	<p>The management of leave liability has significantly improved over the past 12 months, as evidenced by the drop in both the number of employees and the excess weeks. This has been achieved through initiatives such as the new HR Monthly Report to all Directors and SBMG members that regularly highlights leave liability and number of employees, by Division, with excess leave balances.</p> <p>Further, as part of the Absenteeism Management training introduced this year, Supervisors are being trained on the requirements to manage leave balances and their powers to do so.</p>
<u>Council Minutes</u>	
<p>Issue Audit noted that the Ordinary Council Meeting minutes for June 2015, August 2015, November 2015 and Special Council Minutes for June 2015, July 2015 and December 2015 were signed and certified on a date much later than that of the meeting at which they were confirmed.</p> <p>Recommendation That the Council Minutes be signed and certified by the Presiding person as soon as is practical following the meeting at which they are tabled in accordance with the requirement of the legislation.</p>	<p>Normal practice is for the presiding person to sign and date the minutes on the day of the meeting at which the Minutes are confirmed. An internal review in May identified a number of minutes that had not yet been certified and these were duly signed. All of these had otherwise been properly confirmed at a meeting of Council.</p> <p>Procedures will be reviewed to ensure the Presiding person signs and certifies the Minutes on the appropriate day.</p>
<u>Asset Residual Values and Depreciation Expense</u>	
<p>Issue In May 2015, the Australian Accounting Standards Board (AASB) clarified its interpretation of the term "residual value" for the purposes of calculating depreciation for long-lived assets such as infrastructure assets under AASB 116.</p> <p>Recommendation Given this, Audit requests the City reviews any residual values applied to assets and appropriately reassesses asset components and their useful lives for the purposes of the calculation of depreciation expense for the 2016 financial year.</p>	<p>The City has never applied residual values to any components of its infrastructure assets as it has never had a factual basis to do so. The City's current depreciation rates are based on the best available asset data and evidence to date.</p> <p>The City's Asset Services team continue gathering further asset data and evidence through asset condition surveys. This will refine useful lives for the various asset components based on a number of asset degradation factors (i.e. road hierarchy, traffic volume, pavement depth etc.) and ultimately increase the accuracy of depreciation rates.</p>



The interim audit report attached to the agenda provides more detailed commentary on the findings of the interim audit and the management responses.

Strategic Plan/Policy Implications

Leading & Listening

- Deliver sustainable governance through transparent and robust policy and processes
- Ensure sound long term financial management and deliver value for money

Budget/Financial Implications

The cost for the interim audit is covered within the City's annual budget allocation for external audit activities.

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

The external audit function is a mandatory legislative requirement and an important component of the City's risk management framework. The external auditor identifies issues that may result in financial risks to the City and makes recommendations to reduce those risks.

Council needs to be satisfied that management responses adequately address the identified or potential risks

Attachment(s)

Interim Audit Management Letter 2016

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.



12.2 (MINUTE NO 176) (ASFC 21/7/2016) - ANNUAL DEBTS WRITE-OFF (069/002) (N MAURICIO) (ATTACH)

RECOMMENDATION

That Council write off the bad debts for commercial and community based debt totalling \$15,874.97 (inc. GST), as shown in the attachment to the Agenda.

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COMMITTEE RECOMMENDATION

MOVED Clr C Terblanche SECONDED Clr K Allen that the recommendation be adopted.

CARRIED 4/0

TO BE CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL

COUNCIL DECISION

Background

Section 6.12 (1)(c) of the Local Government Act allows local governments to write off any amount of money owing to it (other than rates and service charges). This action is required where debts become delinquent.

Council first adopted the Debtors Management Policy AFCS9 at its meeting in August 2012. This states that bad debt write offs should only occur where all avenues for recovery have been exhausted or it is unviable to keep pursuing the debt.

The policy provides for unrecoverable debts (other than rates and service charges) up to the individual value of \$300 to be written off under the associated Council delegation. However, those over \$300 are to be brought to Council for write off on an annual basis.

Submission

N/A



Report

Whilst the City has an excellent track record in managing and collecting its outstanding debts, there are always those that will become uncollectible for a variety of reasons.

The typical debtors mix for the City comprises commercial debtors (mainly landfill trade debtors) and community based debtors (hall and reserve hire and other community service provision). Common causes of bad debts in both these areas are failing businesses or organisations and untraceable companies and individuals. Some debts are also not worth pursuing due to it being uneconomical to apply formal debt recovery procedures.

Attached to the agenda is a detailed listing of the uncollectible debts recommended for write off by Council this year. These have been categorised by their debt type and include relevant commentary on their status and the recovery efforts made where applicable. A consolidated summary of the write offs requested is provided below:

Debt category	No. of debts	Amount to be written-off \$ (ex gst)	Amount to be written-off \$ (inc gst)
Commercial - HWRP landfill	2	1,630.79	1,793.87
Community (hall/reserve hire, services)	6	12,452.81	13,698.10
Sundry – wages overpayment	1	383.00	383.00
Total	9	14,466.60	15,874.97

It should be noted that the impact on Council's financial position will be \$14,466.60, being only the GST exclusive value of the debts to be written off.

Commercial Debtors

There are two small landfill debts totalling \$1,793.87 needing to be written off. Given the amount of turnover for the HWRP landfill operation during the year (\$7M), the recommended write off is well within normal business expectations (i.e. represents around 0.02% of the annual revenue invoiced).

Community Group Debtors

Community based debts totalling \$13,698.10 are recommended for write-off. This amount includes the following:

- \$10,594.09 – hall hire fees (4 debtors)
- \$2,659 – sportsground hire fees (1 debtor)
- \$445.01 – youth program fees (1 debtor)

A number of initiatives are currently being investigated to improve the recovery of hall hire fees. These include more substantial bonds, restriction of credit facilities and advance payment for recurrent



bookings. The City raised \$328,263 in revenue from hall hire fees during 2015/16. The recommended write off represents 3% of this amount.

Debt Write-Offs under Delegation

The delegation under the City's Debt Management Policy AFCS9 allows for small debts owing to the City to be written off up to a maximum value of \$300 (other than for rates levied or prescribed service charges).

There are no infringements recommended for Council write off this financial year. However, infringements totalling \$3,936.58 were written off under delegation. This amount comprised of:

- \$169.58 - Fines Enforcement Registry recommendations (1 debt)
- \$3,300.00 - unsearchable interstate plates (38 debts)
- \$467.00 – insufficient information (5 debts)

Penalty interest totalling \$6,473.90 was also written off under delegation during the financial year, comprising 10,898 transactions of less than \$5 (average of \$0.59 each). The major reason for this unpaid interest is timing issues between processing payments and the generation of interest charges on the system.

Six minor hall hire and sundry debts totalling \$430.64 were also written off under delegation during the year.

Strategic Plan/Policy Implications

Leading & Listening

- Deliver sustainable governance through transparent and robust policy and processes
- Ensure sound long term financial management and deliver value for money

Budget/Financial Implications

A write off of bad debts totalling \$14,466.60 (ex GST) will be included in the 2015/16 Statement of Comprehensive Income and will minimally reduce any EOFY surplus position.

Legal Implications

Debts which are irrecoverable require Council authorisation in order to be written off under the provisions of the Local Government Act, Section 6.12 (1)(c).



Community Consultation

N/A

Risk Management Implications

It is considered good risk and financial management to annually assess overdue debts and determine their collectability. Those that are uncollectible should be written off to increase the accuracy of the debtors value reported in the balance sheet and is an expectation of audit. Further, this ensures debt collection efforts and resources only target collectible debts.

Attachment(s)

List of outstanding debts to be written off in 2015/16.

Advice to Proponent(s)/Submissioners

N/A

Implications of Section 3.18(3) Local Government Act, 1995

Nil.

13. ENGINEERING & WORKS DIVISION ISSUES

Nil

14. COMMUNITY SERVICES DIVISION ISSUES

Nil

15. EXECUTIVE SERVICES DIVISION ISSUES

Nil

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

17. NOTICES OF MOTION GIVEN AT THE MEETING FOR CONSIDERATION AT NEXT MEETING

Nil



18. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING BY COUNCILLORS OR OFFICERS

Nil

19. MATTERS TO BE NOTED FOR INVESTIGATION, WITHOUT DEBATE

Nil

20. CONFIDENTIAL BUSINESS

Nil

21 (ASFC 21/7/2016) - CLOSURE OF MEETING

6.13 pm.

