

**DEBT MANAGEMENT POLICY**

GDS Category: Financial Management

Public Document? **YES**

Date: June 2015

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Version: 2

Review Date: July 2017

**1. POLICY OBJECTIVE**

This Debt Management Policy aims to provide clear direction to Management, staff and Council in relation to the manner in which outstanding debts will be managed, postponed, collected or written off to ensure that:

- all amounts outstanding are continually monitored and collections managed in a controlled and consistent manner;
- ensures that the funds due to Council are received within reasonable timeframes of when they fall due;
- individual circumstances are considered when pursuing collection of outstanding debts; and
- balances to be written-off in appropriate circumstances.

**2. SCOPE**

The Debt Policy covers management of the following classes of Debtors:

- 2.1 Rate Debtors;
- 2.2 General Debtors;
- 2.3 Landfill Debtors;
- 2.4 Library Debtors;
- 2.5 Animal Management Debtors
- 2.6 Child Care Centre Debtors; and
- 2.7 Cemetery and Crematorium Debtors

**3. RISK MANAGEMENT**

Risk Management is an important obligation the Whyalla City Council takes very seriously and pro-actively manages.

Failure by Council administration to manage and control amounts outstanding poses a financial risk for Council.

The Council has a Risk Management Policy and procedures as well as a Risk Management Framework all of which are available for viewing.

**4. DEFINITIONS – Nil**



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### **5. POLICY STATEMENT**

- 5.1 Debt Collection Strategy: Council will continually review and follow up on all outstanding amounts to minimise collection times. Documented procedures for all classes of debtors will be followed internally. Those exceeding \$250 in total, not recovered during internal processes or for which a payment arrangement has not been made will be forwarded to the debt collector for processing.
- 5.2 Financial Review: A review of all general debtors will be undertaken annually those with values over \$250 deemed to be uncollectable are referred to Council recommending that they be written-off. Those deemed uncollectable with values under \$250 are to be written-off under delegated authority.
- 5.3 Rates outstanding three years or more: Where amounts remain outstanding for longer periods and arrangements for payment are continually not adhered too Council will pursue its rights to collect outstanding amounts in accordance with Chapter 10 of the Local Government Act.
- 5.4 Council will manage its application of Chapter 10 with compassion and in confidence.

### **6. DOCUMENTATION**

- 6.1 Debtor Management Procedures
- 6.2 Local Government Act 1999
  - Chapter 10

### **7. RESPONSIBLE PERSON**

Chief Executive Officer

### **8. AUTHORITY**

Adopted by Council 15 June 2015

### **9. HISTORY**

Version 1 adopted by Council 18 March 2013