

## Fiscal Governance Policy

### 1. PURPOSE

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Torres Strait Island Regional Council (Council) is strongly committed to ensuring robust fiscal governance.

### 2. SCOPE

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This policy applies to all local government employees, Councillors, contractors and agents of Council.

### 3. LINK TO CORPORATE PLAN

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- People *Bisnis - Pipol*
- Sustainability *Bisnis - Mekem las long*
- Prosperity *Bisnis – Pruitpul*

### 4. POLICY STATEMENT

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Council, local government employees, Councillors, contractors and agents of Council shall conduct itself/themselves strictly in accordance with:

- a) The local government principles set out in Section 4(2) of the *Local Government Act 2009*:
  - transparent and effective processes, and decision-making in the public interest; and
  - sustainable development and management of assets and infrastructure, and delivery of effective services; and
  - democratic representation, social inclusion and meaningful community engagement; and
  - good governance of, and by, local government; and
  - ethical and legal behaviour of Councillors, local government employees and councillor advisors (where applicable).
- b) The ethics principles set out in Section 4(2) of the *Public Sector Ethics Act 1994*:
  - integrity and impartiality; and
  - promoting the public good; and

- commitment to the system of government; and
- accountability and transparency.

#### 4.1. Write-off Delegations

- a) The Chief Executive Officer has delegated authority to write-off amounts of up to \$1,000 for any one loss or series of losses arising out of one original source or cause, in respect of lost and stolen Council property. Amounts in excess of \$1,000 can only be written off by Council resolution.
- b) The Chief Executive Officer has delegated authority to write-off amounts of up to \$1,000 for rates, charges and sundry debtors, including interest and legal costs, per account as a bad debt.
- c) The Chief Executive Officer has delegated authority to write off up to \$200,000 against a statute barred debtor or deceased debtor per account as a bad debt. Amounts in excess of \$200,000 can only be written off by Council resolution.
- d) The Executive Director Financial Services has delegated authority to write-off debt amounts of up to \$500 for rates, charges and sundry debtors, including interest and legal costs, per account as a bad debt.

Debt is “bad debt” where the Chief Executive Officer or Executive Director, Financial Services is satisfied that:

- a) the debtor is deceased and, as a matter of policy, Council should not seek to recover against the deceased estate; and/or
- b) pursuant to the *Limitation of Actions Act 1974*, it is statute-barred debt and therefore cannot be legally enforced in a Court of competent jurisdiction; and/or
- c) it would not be commercial to pursue debt recovery, taking into account the anticipated time and cost of debt recovery.

#### 307A Recording and notifying loss of local government asset

If the Chief Executive Officer is aware of a reportable loss or a material loss as those terms are defined under section 307A of *the Local Government Regulation 2012*, the Chief Executive Officer must keep a written record of the following details about the loss:

- d) a description of the asset, including its value;
- e) the cause of the loss;
- f) the action taken to deal with the loss, including, for example—
  - i. action to remedy any weakness in TSIRC's operations; or

- ii. action taken to recover the loss;
- g) approval for writing off the loss.

If the Chief Executive Officer is satisfied the material loss is also a reportable loss, the Chief Executive Officer must notify the persons and, in the timeframe, as required under section 307A(3) of the Local Government Regulation 2012.

#### **4.2. Reversals and Adjustments**

The Head of Financial Services and Executive Director Financial Services are delegated authority to approve the reversal of a charge or an adjustment of a charge that is deemed an administrative error.

A charge is an “administrative error” where the delegated officer is satisfied that Council has incorrectly levied a charge, for one or more of the following reasons:

- a) the wrong debtor account and or amount has been charged;
- b) GST was charged incorrectly;
- c) the charge involved a data keying error (typographical error), for example Council charged \$3,000 instead of \$300, or the narration (description of the charge) requires correction;
- d) there is no source documentation or data to substantiate the charge;
- e) a charge has been duplicated;
- f) for a social housing–related charge where:
  - rent charges were increased without a rent increase notice being served properly;
  - rent charges continued after the termination of a tenancy;
  - change in rent charges was implemented after change date;
  - there is no tenancy documentation to substantiate the charge;
- g) for local government charges, the debtor was not occupying the land or building and has no legal obligation to pay the charge confirmed by Council's Legal Services (or external legal advisors); or
- h) there is no legal obligation for the debtor to pay the charge, as confirmed by Council's legal services team (or external legal advisors).

#### **5. REPORTING**

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Nil.

#### **6. RELATED DOCUMENTS AND REFERENCES**

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This policy is established with reference to obligations specified in the Local Government Act 2009 and the Public Sector Ethics Act 1994.

## 7. REVIEW

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This policy is to be reviewed annually, if legislation changes, or at the direction of the Chief Executive Officer.

Policy type:	<input type="checkbox"/> Council <input type="checkbox"/> Operational
Directorate:	Financial Services
Responsible Officer	Executive Director Financial Services
Authorised on:	17 June 2025
Effective date:	17 June 2025
Next review date:	June 2026
Review history:	2013, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2024, 2025
Version	2.0

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