POLICY 5.13
Finance and Internal Controls
Debt Management
Version: 2 | Next Review: March 2028

DISTRICT COUNCIL of TUMBY BAY

1. INTRODUCTION

The Debt Management Policy establishes a clear and consistent framework for the administration, monitoring and recovering of Council debtor accounts. It outlines the responsibilities of Council staff in maintaining accurate records, ensuring timely invoicing and managing outstanding debts in a fair and effective manner. The policy supports sound financial management practices, promotes accountability and ensures compliance with the *Local Government Act 1999* (the Act).

2. POLICY OBJECTIVE

To provide direction to Council officers in maintaining all Council debtors, records of all debtors and transactions relating thereto.

3. DEBTOR ACCOUNTS

3.1 The Chief Executive Officer will cause to be prepared a record of all debtors and transactions relating thereto.

3.2 Ensure that records are maintained detailing all works or services undertaken which require invoicing. These records must be reviewed regularly to ensure prompt production of invoices.

3.3 Invoices will be sequentially pre-numbered and issued strictly in order. Missing numbers should be investigated after regular sequence checks.

3.4 All works or services undertaken by the Council will be raised as a debtor within one month of the work or service being completed.

3.5 Account allocations are to be authorised by a responsible Council Officer.

3.6 All debtors shall be reviewed monthly.

4. ACCOUNT RECONCILIATION

4.1 The Sundry Debtors Control Account will be reconciled monthly with the Debtors Aged Trial Balance Report at the end of each month.

4.2 The Rates Debtors Control Account will be reconciled monthly with the Rates Trial Balance Report at the end of each month.

4.3 Any discrepancies arising are to be investigated immediately.

5. SUNDRY DEBTORS DEBT MANAGEMENT & COLLECTION

5.1 The following debt collection practices will be applied to all sundry debtors:

5.2 All sundry debtors are to be issued an invoice detailing the service or charge levied by the Council.

5.3 All debtors are issued with a statement following the end of every month detailing the amount outstanding.

5.4 All debtors one (1) month in arrears are to be contacted by a Council Officer to request payment, or to enter a satisfactory payment arrangement with the debtor.

5.5 If the debtor fails to make satisfactory payment arrangements, the debtor will be referred to Council's Debt Collection Agency to commence legal recovery action. All recovery costs except for commission on payments received will be recoverable as part of the outstanding debt.

6. RATES DEBTORS DEBT MANAGEMENT & COLLECTION

6.1 Rate debtors shall include all general rates, separate rates, differential rates, CMWS service charges, waste service charges, and any other charge levied by Council from time to time that is charged on the quarterly rate notice.

6.2 Council shall take a fair, reasonable, and consistent approach in collecting outstanding rates, whilst having regard for provisions of the Act. Rate debtors shall be given the opportunity and be encouraged to make payment arrangements to effect payment of rates.

6.3 All rate debtors are to be contacted by a Council Officer to request payment or enter a satisfactory payment arrangement with the Council once a rate instalment becomes overdue.

6.4 If the rate debtor fails to make satisfactory payment arrangement the debtor will be referred to Council's Debt Collection Agency to commence legal recovery action. All recovery costs except for commission on payments received will be recoverable as part of the outstanding debt.

7. SALE OF LAND FOR NON-PAYMENT OF RATES (SECTION 184)

7.1 The Deputy Chief Executive Officer will report to Council any rate debtors that have remained unpaid following implementation of recovery action as detailed above and are in arrears for three (3) years or more.

7.2 Council will provide direction to the CEO on further recovery action pursuant to section 184 of the Act on presentation of such report.

8. DELEGATION

8.1 Council delegates to the Deputy Chief Executive Officer the power to initiate legal recovery action up to the point of selling the land for non-payment of rates as per section 184 of the Act.

8.2 Council delegates the Deputy Chief Executive Officer the power to initiate legal recovery action to recover outstanding general debtors.

8.3 Council delegates to the Chief Executive Office the power to write off debts for outstanding general debtors up to a limit of $1,000 per debtor as per provisions of section 143 (3) of the Act.

9. SUB DELEGATION

9.1 Delegation made to a specific position excluding the Chief Executive Officer extends to any person appointed to act in the position.

9.2 In the absence of the Chief Executive Officer, delegation extends to the person acting in that role.

10. POLICY REVIEW

This Policy shall be reviewed every two (2) years. However, Council may revise or review this Policy at any time.

11. AVAILABILITY OF POLICY

This Policy will be available for inspection at the Council's Office during ordinary business hours and via the Council's website, www.tumbybay.sa.gov.au. Copies will also be provided to the public upon request and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

12. FURTHER INFORMATION

File reference	R26/9633
Responsibility	Deputy Chief Executive Officer
Version	4
Effective date	30/06/2026
Last revised date	12/05/2020
Minutes reference	6c/62026
Next review date	March 2028
Applicable Legislation	*Local Government Act 1999* *Local Government (Financial Management) Regulations 2011*
Related Policies	Policy 5.28 - Rates Financial Hardship Policy 5.31 - Internal Control Policy
Related Procedures	Procedure 7.4.21 – Debtor Write Offs Procedure 7.5.14 – Rate Debtor Write Off

AUTHORITY:

Adopted by Council:	10/10/2011	{Motion 19c/102011}
Reviewed by Council:	10/11/2015	{Motion 7c/112015}
Amended by Council:	12/05/2020	{Motion 3c/52020}
Adopted by Council:	XX/06/2026	{Motion 6c/62026}

SIGNED: ……..
Responsible Officer

DATED: XX/XX/2026