



Hamilton

**CITY OF HAMILTON**
**CORPORATE SERVICES**  
*City Clerk's Division*

<b>TO:</b> Chair and Members Audit, Finance and Administration Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> September 21, 2011	
<b>SUBJECT/REPORT NO:</b> Proposed Write-offs of Outstanding Fines for Provincial Offences (FCS11070) (City Wide)	
<b>SUBMITTED BY:</b> Roberto Rossini General Manager Finance & Corporate Services Department	<b>PREPARED BY:</b> Wendy Mason Ext. 5718
<b>SIGNATURE:</b> <i>Roberto Rossini</i>	

**RECOMMENDATION**

That staff be authorized to write-off all outstanding Provincial Offences deemed uncollectible with a due date of December 31, 2003.

**EXECUTIVE SUMMARY**

It is appropriate and necessary to review and purge all revenue deemed uncollectible from the Integrated Courts Offence Network (ICON) on an annual basis. ICON is the Provincially managed database that the Provincial Offences Office is required to use as per the transfer agreement between the Province of Ontario and the City of Hamilton.

***Alternatives for Consideration – See Page 3***

**SUBJECT: Proposed Write-offs of Outstanding Fines for Provincial Offences  
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**FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)**

**Financial:** As POA works on a cash basis for accounting purposes, these amounts are not true outstanding receivables on the City books. Accordingly, there is no budgetary/financial impact on the City.

**Staffing:** The writing-off of these assets will have no impact on staffing.

**Legal:** If approved by Council, staff will advise the Ministry of the Attorney General of this recommendation and request that they be authorized to purge these records from the Ministry database (ICON).

**HISTORICAL BACKGROUND**

As a result of the Provincial transfer of responsibility from the Province to the City on February 7, 2000, the City of Hamilton Provincial Offences Office assumed outstanding revenues (fines) dating back to 1977. There are currently outstanding files that are outside the window for a judgment to be secured in Civil Court, therefore, negating the possibility of further enforcement means. These files are seven years old or more and are now uncollectible in terms of available legal remedies, and therefore, should be written-off. As of December 31, 2010, the total outstanding receivables for the Provincial Offences Office were \$48,335,804.

The Provincial Offences Office has an internal collections section and utilizes two collection agencies for outstanding fines. Internal collections were responsible for 24% and external collection agencies were responsible for 9% of the total POA revenues generated. Internal collections totalled \$2,655,626 and the external collection agencies collected \$948,638. Internal collections increased revenues collected by approximately \$400,000 over 2009 and the external collection agencies combined increased revenue generated by approximately \$48,000.

The Collection Agency By-Law that permits recovery of the fees from the defendant had an extremely high rate of success in 2010, generating recovery of \$153,145.

**POLICY IMPLICATIONS**

The above recommendation is in compliance with existing corporate, Provincial policies and procedures and standard accounting practices respecting the writing-off of uncollectible monies.

**RELEVANT CONSULTATION**

N/A

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

Staff anticipates the amount of the write-offs to be \$976,875 in uncollectible fines with a due date of December 31, 2003 and prior. This amount includes the Victim Fine Surcharge which is payable to the Province of Ontario.

Write-off reports have been completed, on an annual basis, by the Provincial Offences Office since 2004. All offences filed in the Provincial Offences Office are pursued by way of enforcement if they are not paid by their due date. Enforcement means suspension of a driver's licence; denial of licence plate renewal and referral to our internal collections and or an external collection agency. Outstanding fines are tracked, through our collections database, wherein chronic offenders can be identified, based upon criteria that anyone with more than three offences in a five year period is classified as chronic. Files that have been written-off remain in the collection database with the status of written-off.

The approval to write-off these revenues will reduce the accounts receivables owing to the City of Hamilton and allow our collection staff to concentrate their efforts in pursuing more recent fines for which there is a higher probable rate of collection. Future reports will show a decrease in amounts to be written-off with the elimination of older files and the ongoing improvement in the POA office collection procedures.

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

A record is maintained of all write-offs, for future reference, if required. In view of the fact that amounts to be written-off are deemed uncollectible, it would not be cost effective to continue collection efforts that would yield little or no return.

The Ministry of the Attorney General has issued a directive to all POA offices in the Province to establish and maintain write-off policies and procedures.

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability,  
3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development,  
6. Environmental Stewardship, 7. Healthy Community

**Financial Sustainability**

- ◆ Financially Sustainable City by 2020

**APPENDICES / SCHEDULES**

Appendix "A" to Report - Write-Off Summary Spreadsheet

Provincial Offences Write Offs  
August 4, 2011

2003 Write Offs Summary

	<b>Files</b>	<b>Dollars</b>
Uncollectable	2051	\$ 902,695.29
Deceased Persons	95	\$ 62,230.97
Under Payments	882	\$ 11,948.56
<b>Total</b>	<b>3028</b>	<b>\$ 976,874.82</b>

