



City of
Peterborough

To: Members of the Joint Services Steering Committee

From: Sandra Clancy, Director of Corporate Service

Date: June 9, 2016

**Subject: Report CPFSJSSC16-022
Provincial Offences Act Collection and Write-Off Policy**

Purpose

A report to recommend approval of a **Provincial Offences Act (POA)** Collection and Write-Off Policy to help maintain consistency and efficiency in all stages of the collection process and to establish a method for the write-off of uncollectible defaulted fines and ensure they are properly identified and authorized.

Recommendation

That Council approve the recommendation outlined in Report CPFSJSSC16-022 dated June 9, 2016 of the Director of Corporate Services as follows:

That the Provincial Offences Act Collection and Write-Off Policy, as set out in Appendix A to report CPFSJSSC16-022, be approved.

Budget and Financial Implications

The City recognizes fines as revenue when payment is received. As a result, the write-off of uncollectible amounts does not have a direct financial impact.

Writing off a fine does not absolve the defendant from the requirement to pay the fine as debts to the Crown are owed in perpetuity and are never forgiven. Even though the fine would be purged from the Integrated Courts Offender Network (ICON), there is a procedure in place to re-enter the fine so that a payment can be received. The defaulted fine will remain in the Court Administration Management System (CAMS) to allow for possible future collection efforts.

Background

As a result of the Provincial transfer of responsibility from the Province to the City in October 2000, the City of Peterborough Provincial Offences Office assumed all defaulted fines in the amount of \$4,889,457.86. As of May 25, 2016, City collection staff, in partnership with third party collection agencies, have diligently pursued these defaulted fines and have successfully recovered approximately \$2,135,500.00 of the pre-transfer portfolio.

While City staff are to be commended for their efforts, the success rate for the collection of aging pre-transfer and aged delinquent cases has, as expected, declined over time. Staff efforts now center primarily on the collection of more recent post transfer defaulted fines.

In February 2008, the Ministry of Attorney General (MAG) released a Provincial Offences Act Write-Off Directive and Operating Guideline document which provides Municipal Partners the authority to establish write-off criteria for defaulted fines deemed uncollectible. One of the key mandatory requirements outlined in this directive, was that each Municipal Partner shall establish a formal write-off policy establishing protocols and thresholds under which POA defaulted fines shall be deemed to be uncollectible and therefore eligible for write-off.

Not only does the proposed Provincial Offences Act Collection and Write-Off Policy address the MAG requirements but it will also establish a standard operating process for the collection of defaulted POA fines. The Policy will also allow the City to establish a consistent method for the write-off of uncollectible fines and ensure they are properly identified and authorized while also ensuring that every attempt is made to collect all POA fines.

Despite collection efforts, there are defaulted fines that the City is unable to collect and there are situations where fine collection is not appropriate or practical. In such cases, the City needs to remove those fines from its inventory of defaulted fines to properly reflect the amount of outstanding fines owing and to identify cases for which active fine collection has ceased. By purging such files from the ICON system, staff and the collection agencies will be able to concentrate on fines with a higher probable rate of collection. It would not be cost effective to continue efforts that would yield little or no return.

If circumstances were to change, such as legislative changes which enhance collection efforts or if information were to surface about a debtor, the City may resume collection of any written-off amount.

An annual Write-Off summary report will be provided to the City Audit Committee and the Joint Services Steering Committee.

Summary

By approving the recommendation in this report, not only is the City following MAG's directive in having a collection and write off policy in place, it will assist our collection staff by providing for the responsible, systematic and efficient collection and Write-Off of uncollectible Provincial Offence fines and ensure that uncollectible POA Defaulted fines are written-off in a timely and consistent manner.

Submitted by,

Sandra Clancy
Director of Corporate Services

Contact Name:

Loren Drinkwalter
Revenue Administrator
Phone 705-742-7777 ext 1804
Toll Free: 1-855-738-3755
Fax 705-748-8839
E-mail: ldrinkwalter@peterborough.ca

Appendix A: Provincial Offences Act Collection and Write-off Policy