



AGENDA

Audit Committee Meeting

I HEREBY give NOTICE that an Audit Committee Meeting will be held on:

30 July 2025

Shire of Victoria Plains
Council Chambers, Calingiri
AND
via E-Meeting Protocol

Commencing – 12:00 PM



DISCLAIMER:

The recommendations contained in this document are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations.

The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered. Resolutions are not considered final until the minutes of the meeting are confirmed or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Council's decision.

Recording of Meeting

Members of the public are advised that meetings of Council are audio recorded to assist with ensuring an accurate record of the meeting is provided for the formal minutes of the meeting. In terms of the Privacy Act 1998 this may involve the recording of personal information provided at the meeting. The provision of any information that is recorded is voluntary, however if any person does not wish to be recorded they should not address or request to address the meeting. By remaining in this meeting, you consent to the recording of the meeting.

You are not permitted to record this meeting with any recording device, unless you have the express authorisation of the Council of the Shire of Victoria Plains.

E – Disclaimer

It is the Presiding Member's responsibility to preserve order in the meeting and this can be more difficult in an eMeeting. Therefore, each Council Member must consistently and respectfully follow the Local Government's Meeting Procedures Local Law, any additional eMeeting guidance provided by the Local Government and support the Presiding Member in their conduct of the eMeeting.

The pace of an eMeeting should be slow and orderly. The following practices will help avoid confusion and support effective eMeetings:

Speak clearly and slowly, as connections may be distorted or delayed;

Always state your name to indicate to the Presiding Member that you wish to speak. Restate your name if the Presiding Member has not heard you at first;

In debate, only speak after the Presiding Member has acknowledged you. Then state your name, so that others know who is speaking;

Follow the Presiding Member's directions and rulings;

If you are unclear about what is happening in an eMeeting, immediately state your name to draw the Presiding Member's attention and enable you to then seek clarification from the Presiding Member;

Avoid looking for opportunities to call Points of Order; instead, politely and respectfully gain the Presiding Member's attention and explain any deviation from your Meeting Procedures, the Local Government Act or any other relevant matter.

Commonly used abbreviations	
AAS / AASB	Australian Accounting Standard / Australian Accounting Standards Board
BF Act	Bush Fire Act 1954
BFB	Bush fire brigade
CEO	Chief Executive Officer
CDO	Community Development Officer
DBCA	Dept of Biodiversity, Conservation and Attractions
DFES	Dept of Fire and Emergency Services
DPLH	Dept of Planning, Lands and Heritage
DWER	Dept of Water and Environmental Regulation
EHO	Environmental Health Officer
EFT	Electronic Funds Transfer
FAM	Finance and Administration Manager
JSCDL	Parliamentary Joint Standing Committee on Delegated Legislation
LEMA	Local Emergency Management Arrangements
LEMC	Local Emergency Management Committee
LG Act	Local Government Act 1995
LGGC	WA Local Government Grant Commission
LPP	Local Planning Policy
LPS	Local Planning Scheme
MOU	Memorandum of Understanding
MRWA	Main Roads WA
NNTT	National Native Title Tribunal
OAG	Office of Auditor General
OCM	Ordinary Council Meeting
PTA	Public Transport Authority
RRG	Regional Roads Group
RTR	Roads to Recovery
SAT	State Administrative Tribunal
SEMC	State Emergency Management Committee
SGC	Superannuation Guarantee Contribution
SJAA	St John Ambulance Association
SWALSC	South West Aboriginal Land and Sea Council
WAEC	WA Electoral Commission
WALGA	WA Local Government Association
WSM	Works and Services Manager
WSFN	Wheatbelt Secondary Freight Network
EPA	Environmental Protection Authority
DPIRD	Department of Primary Industries and Regional Development
HCWA	Heritage Council of Western Australia
WAPC	Western Australian Planning Commission
WDC	Wheatbelt Development Commission

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AGENDA

Audit Committee Meeting of the Victoria Plains Shire Council

To be Held in the Shire of Victoria Plains, Council Chambers, Calingiri, AND, via E-Meeting Protocol

on 30 July 2025 commencing at 12:00 PM

1 DECLARATION OF OPENING

1.1 Opening

1.2 Announcements by Chairperson

2 REMOTE ATTENDANCE BY ELECTED MEMBERS

THAT:

Under regulation 14C (2)(b) of the Admin Regulations, the Shire President can approve Elected Member attendance by electronic means;

In doing so, under r.14C (5) the Shire President must have regard as to whether the location that the Elected Member intends to attend the meeting, and the equipment intended to be used to attend the meeting, are suitable;

Electronic means includes, as per r.14CA(2) by telephone or video conference;

Suitable equipment would include an electronic device that can hold a Teams meeting, and perhaps, the use of headphones;

In accordance with r.14CA (5) the Elected Member must declare that they are able to maintain confidentiality during the meeting. Under r.14CA(7), the declaration by the Elected Member is recorded in the minutes of the meeting;

Summarily, according to Departmental guidance, a suitable location is one that is quiet and private e.g. a private room in your house. If there are other people at the location at the time of the meeting, an Elected Member may be required to close a door and wear headphones.

Approval to Attend and Declaration of Confidentiality**THAT:**

Cr _____ has been approved to attend the 30 July 2025 Audit Committee Meeting by electronic means as approved by the Chairperson and that a declaration has been received regarding confidentiality and other requirements as noted in Section 2 herewith.

3 RECORD OF ATTENDANCE

Members present

Staff attending

Apologies

Approve leave of absence N/A

Visitors

Members of the public

4 DISCLOSURES OF INTEREST

Refer – Local Government Act, Regulations, Code of Conduct, and Declaration Forms in Councillor folders.

Type	Item	Person / Details.
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5 PUBLIC QUESTION TIME

Refer – Local Government Act, Regulations, Local Law and Submission Form & Guidelines circulated.

5.1 Public Questions with Notice

Nil

5.2 Public Question Without Notice

6 CONFIRMATION OF MINUTES

That the minutes of the Audit Committee Meeting held 14 April 2025 as circulated, be **CONFIRMED** as a true and correct record.

PUBLIC AGENDA

7 REPORTS REQUIRING DECISION

7.1 Updates on the Functions of the Audit Committee

Nil

PUBLIC AGENDA

7.2 External Audits

7.2.1 Outcomes from the Interim Audit 2024-25

File Reference	
Report Date	18 July 2025
Applicant/Proponent	N/A
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. OAG Interim Audit Results June 2025

PURPOSE

To present the audit committee with the interim audit 2024-25 findings and endorse the recommendations for remediation.

BACKGROUND

The interim audit was conducted in May 2025 by the shires auditors William Buck Accountants and findings presented back to OAG. Correspondence on these findings were provided from OAG to the CEO and Shire President as per attachment 1.

COMMENT

The interim audit highlighted some issues in Payroll as detailed in attachment 1 across four (4) employees rated as moderate by the auditors.

As per managements comments the administration issues of missing paperwork was during the time of transition to the new computer system and electronic records management by the previous Payroll Officer. General filing of records was raised by management to the Officer several times with the expectation this relatively simple task would be carried out but was not physically reviewed for completion.

This was at a busy time and transition but nevertheless a fair finding.

The other area of calculation is a minor amount monetarily but again should not occur given the layers of checks and balances already in place. Whilst management always reviews payroll before payment, it would be impossible to pick these calculations up (without doing the calculation themselves) hence there is a reliance on support staff to undertake the necessary checks.

These errors and mistakes are an inherit risk of doing business but accordingly, shire staff and management have implemented further processes to further reduce this risk as noted in managements comment.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

Ms Glenn Deocampo, Coordinator Financial Services.

Mrs Marie Freeman, Payroll / HR Officer.

STATUTORY CONTEXT

Part 7 of the Local Government Act 1995.

Local Government (Audit) Regulations 1996.

CORPORATE CONTEXT**Strategic Business Plan/Corporate Business Plan**

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Councillors attend training and feel supported in their role
	Council is supported by a skilled team

Strategic Priority 4.3 of external audits and findings is essential to ensure compliance, reduce risk and highlight areas for improvement.

Delegation

Nil

Policy Implications

Section 3 – Financial Management

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring any recommendations from the audit are implemented will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Committee:

1. **NOTES** the interim audit findings.
2. **RECOMMENDS** to council to **ENDORSE** the additional measures as per managements comments to further reduce risk.

PUBLIC AGENDA



Our Ref: 8316-002

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Chief Executive Officer
Shire of Victoria Plains
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CALINGIRI WA 6569

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PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Mr Fletcher

**ANNUAL FINANCIAL REPORT
INTERIM AUDIT RESULTS FOR THE YEAR ENDED 30 JUNE 2025**

We have completed the interim audit for the year ended 30 June 2025. We performed this phase of the audit in accordance with our audit plan. The focus of our interim audit was to primarily evaluate your financial control environment, and to obtain an understanding of the key business processes, risks and internal controls relevant to our audit of the annual financial report.

Management control issues

We would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the course of the interim audit. These matters have been discussed with management and their comments have been included on the attachment. The matters reported are limited to those deficiencies that were identified during the interim audit that we have concluded are of sufficient importance to merit being reported to management.

This letter has been provided for the purposes of your local government and may not be suitable for other purposes.

We have forwarded a copy of this letter to the President. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on 6557 7543 if you would like to discuss these matters further.

Yours faithfully

Indika Dias
Assistant Director
Financial Audit
4 July 2025

Attach

SHIRE OF VICTORIA PLAINS**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Payroll issues	No		✓		✓

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF VICTORIA PLAINS**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****1. Payroll issues****Finding**

During our testing of payroll expenses covering the period 1 July 2024 to 31 March 2025, we noted the following instances:

- For one employee, the actual hours paid in a specific pay run differed from the hours stipulated in correspondence from the Shire;
- One salary sacrifice request form was not available in the relevant employee's file;
- One leave application form was not available in the relevant employee's file;
- A discrepancy of 0.5 leave hours was noted for one employee, where the hours recorded in the pay run report did not match the hours applied for in the approved leave application form.

Rating: Moderate**Implications**

There are risks that:

- employees may be paid incorrectly, particularly in relation to overtime, allowances, or deductions; and
- leave hours may be inaccurately recorded, which could impact the accuracy of leave provisions calculations and financial reporting.

Recommendation

We recommend that the Shire:

- ensures that all payroll related documents such as employee contracts and correspondences confirming work hours, salary sacrifice forms, and approved leave applications are properly retained and securely filed; and
- ensures leave hours taken are accurately recorded and consistently reflected across both the approved leave application forms and the payroll system.

Management comment

Agree with the findings and recommendations and have instigated:

- *filing procedures has moved to secure electronic methods which has made it easier to track and ensure all payroll-related documentation (e.g., salary sacrifice forms, leave applications, hours confirmations) is systematically retained and easily accessible within each employee's file.*
- *Reviewing and updating payroll processing procedures to ensure alignment between approved hours and actual payment.*
- *Establish a reconciliation checkpoint to ensure that the leave hours documented in the payroll system accurately reflect to the approved applications.*

Responsible person: DCEO
Completion date: 3/7/2025

7.3 Internal Audits

Nil

7.4 Financial Reporting

Nil

PUBLIC AGENDA

7.5 Risk Management Issues (quarterly updating and reporting on key risks)

7.5.1 Risk Dashboard and Profiles Summary

File Reference	
Report Date	17 July 2025
Applicant/Proponent	Sean Fletcher, Chief Executive Officer
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Shire Risk Dashboard and Profiles June 2025

PURPOSE

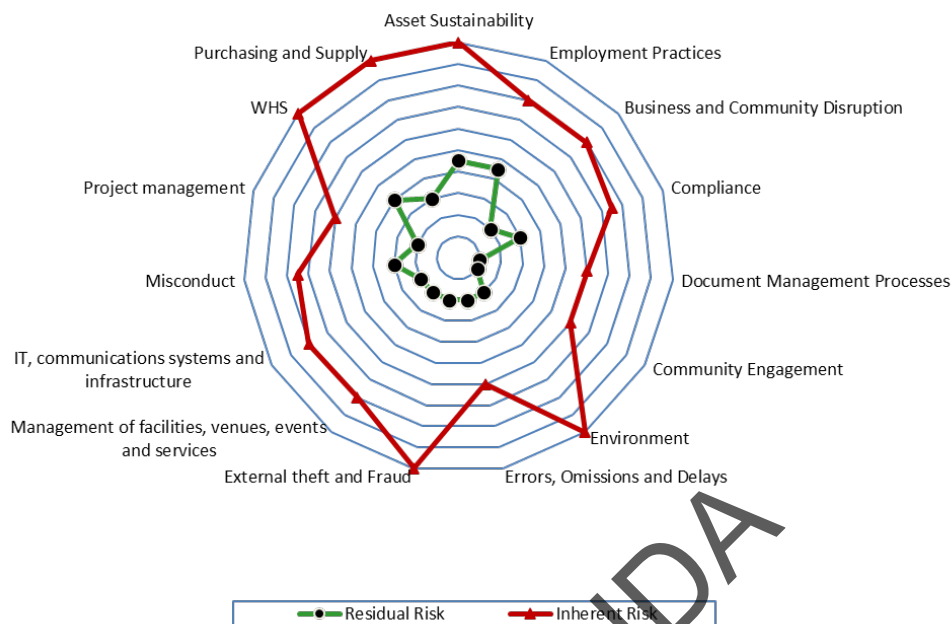
For the Audit Committee to accept the update regarding the Shire's Risk Profiles and Dashboard.

BACKGROUND

The Risk Profiles capture the Shire's 15 operational risks. These risks are monitored at the Executive/Management level. These are:

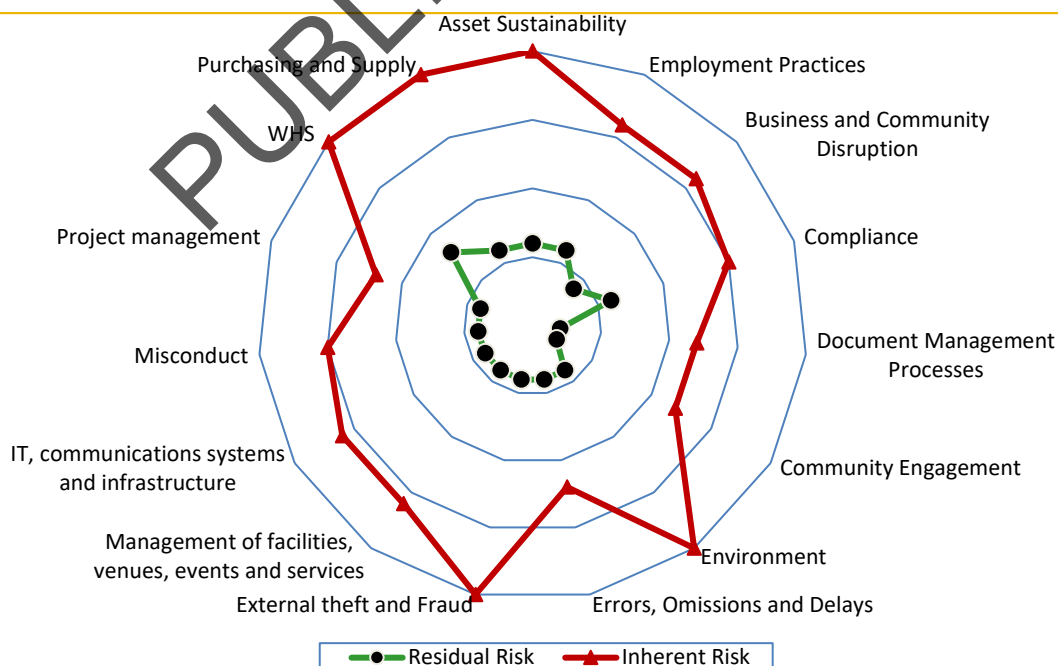
- Asset Sustainability
- Document Management
- Environment Management
- Management of Facilities, Venues and Events
- Project / Change Management
- Business and Community Disruption
- Employment Practices
- Errors, Omissions and Delays
- IT, Communication Systems and Infrastructure
- Purchasing and Supply
- Compliance Obligations
- Community Engagement
- External Theft and Fraud
- Misconduct
- WHS

As such, the dashboard and profiles have not been reported on since November 2024. However, the Senior Management Team did review the profiles at its meeting on 29 April 2025. Today's report considers the improvements since April 2025 and a series of actions to improve the Residual Risk even further.

COMMENT**Diagram 1 - Dashboard – Web Diagram of Risk Profiles November 2024**

Dashboard One shows the following improvements to the risk profiles since February 2024:

- External Theft and Fraud transitioned from Adequate to Effective. In the main this is due to the implementation of Council First;
- 8 out of 15 Profiles, the Risk is accepted;
- 6 out of 15 were Monitor;
- 1 remained Urgent Attention (Asset Sustainability).

**Diagram 2 - Dashboard – Web Diagram of Risk Profiles July 2025**

The improvements since April 2025 encompass the following:

- Risk Accepted went from 8 to 9 out of the 15 Profiles (Misconduct);
- 6 out of 15 remain at Monitor Level;
- Asset Sustainability changed from Urgent to Monitor as the Local Heritage Strategy has been adopted and there is an Asset Management Strategy Implementation Plan in place.

Profile Breakdown – Risks Requiring Further Action

Table One sets out the status of the risk profiles regarding the risk acceptance that need further action:

Profile	Risk Acceptance Update – Monitor/Urgent Action
Asset Sustainability	• Development of the Building Maintenance Program completed • The Local Heritage Survey was adopted • The Development of the Disposal Process is still on hold • As a result of the improvements, the Residual Risk for Likelihood was changed from Possible (50/50) to Unlikely • Overall, the Residual Risk was changed from Extreme to Moderate with the Risk Evaluation set at Monitor
Business and Community Disruption	• Although the Risk Evaluation is Accept, the IT Disaster Recovery Plan will need to be included in the overall Disaster Recovery Plan
Compliance	• There is no change to this risk profile as the controls are considered adequate regarding the actions/treatments. However, the review of Council Policies is ongoing and thus the Risk Evaluation is Monitor.
Employment Practices	• Although progress has been made on the development of an Attraction and Retention Document and Staff continuing professional development, the Residual Risk still stays at Moderate with the Risk Evaluation set at Monitor
Errors, Omissions, Delays	• Overall Control Effectiveness remains at Effective. Residual Risk is Low but the Risk Evaluation is Monitor • CEO needs to develop the automated Key Work Plan using Microsoft Planner, which is part of the Office 365 Suite that the Shire has.
Misconduct	• Due to the Shire having effective controls in place regarding the review of the Delegations Register, cash handling procedures, Code of Conduct and so on, the likelihood of misconduct has moved from Possible to Unlikely. • This means that the Residual Risk is Low and the Risk Evaluation is Accept
Purchasing and Supply	• Contractor Management Procedures still need to be developed; • CEO is a member of the WALGA Procurement Group; • There is no change to Residual Risk and the Risk Evaluation remains at Monitor
WHS	• Tier 1 WHS assessment was conducted on 16/10/24. Action Plan will encapsulate improvements to SWMS. • Admin/WHS Officer provides quarterly WHS report to SMT Meetings. • Overall Effectiveness remains at Adequate. The Residual Risk remains Moderate. The Risk Evaluation remains at Monitor

Table One – Risk Profiles that are **Monitor or **Low Action****

As a result of the latest review of the risk profiles based on Table One, the focus for the next 11 months will be the following (Diagram 3):

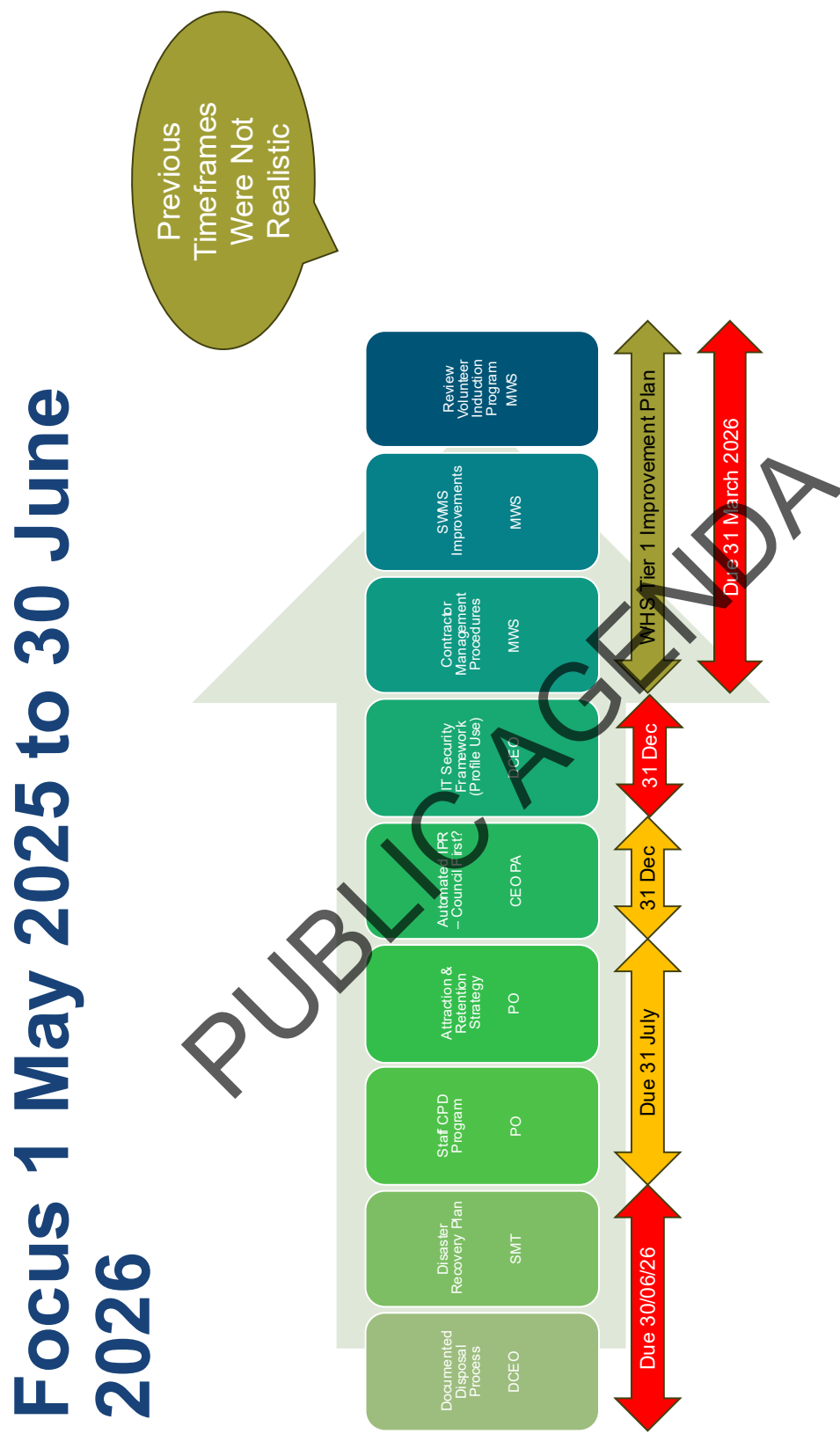


Diagram 3 -Risk Improvement Focus 1 November 2024 – 30 June 2025

CONSULTATION

Senior Management Team

STATUTORY CONTEXT***Local Government (Audit) Regulations 1996***

Reg 17 – CEO to review certain systems and procedures.

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:
- (a) risk management

CORPORATE CONTEXT**Strategic Business Plan/Corporate Business Plan****Strategic Business Plan/Corporate Business Plan**

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire		External audits and reviews confirm compliance	
		We have sound financial management policies and attract external funding to help achieve our goals	
		Councilors attend training and feel supported in their role	
		Council is supported by a skilled team	

The Risk Dashboard and Profiles are subject to the compliance process and auditing.

Delegation

Nil

Policy Implications

Nil

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
	Non-compliance results in termination of service or imposed penalties. Single major litigation	The event should occur at some time (20% chance) At least once in 3 years		Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	

FINANCIAL IMPLICATIONS

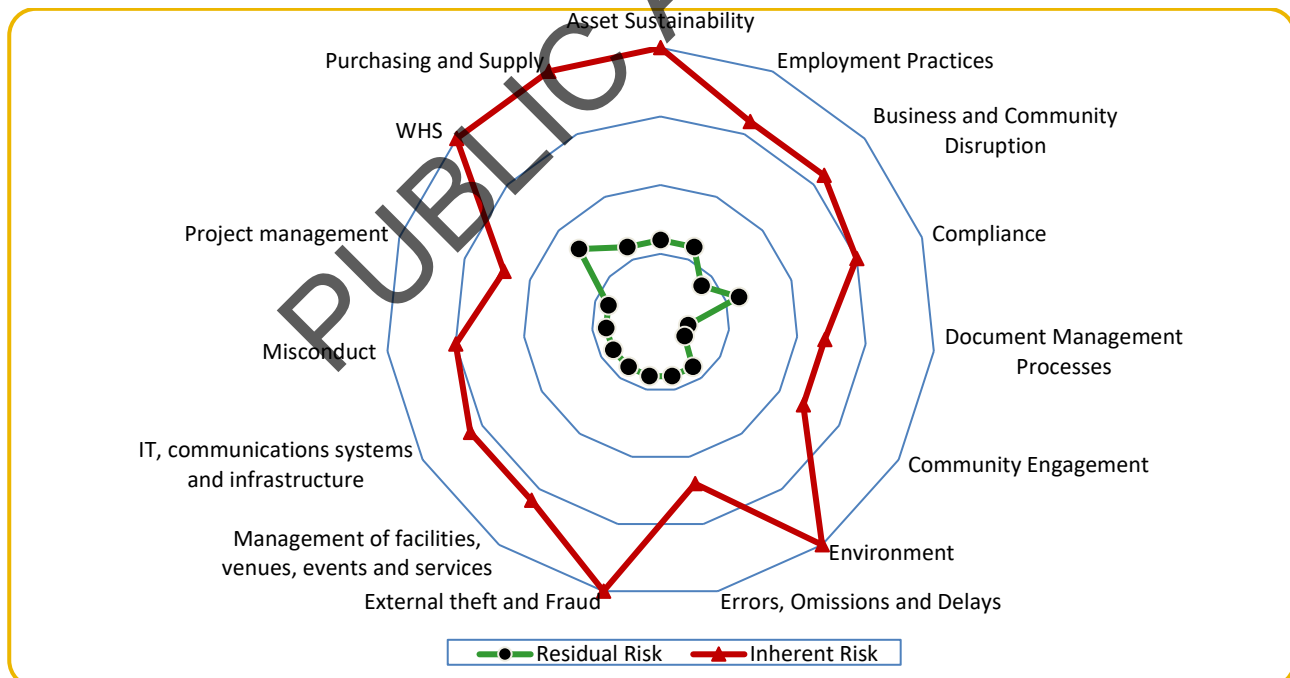
Nil

VOTING REQUIREMENTS

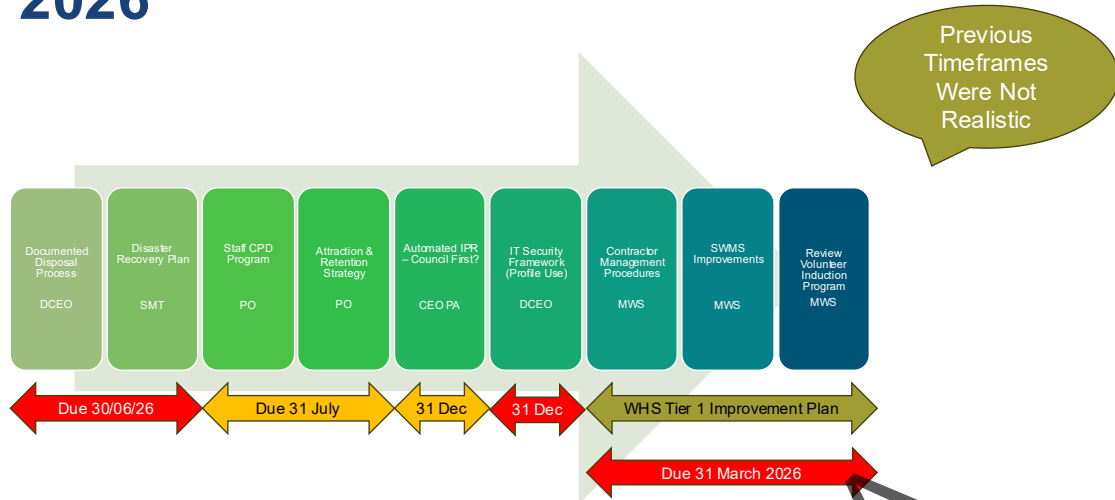
Simple Majority

Officer Recommendation

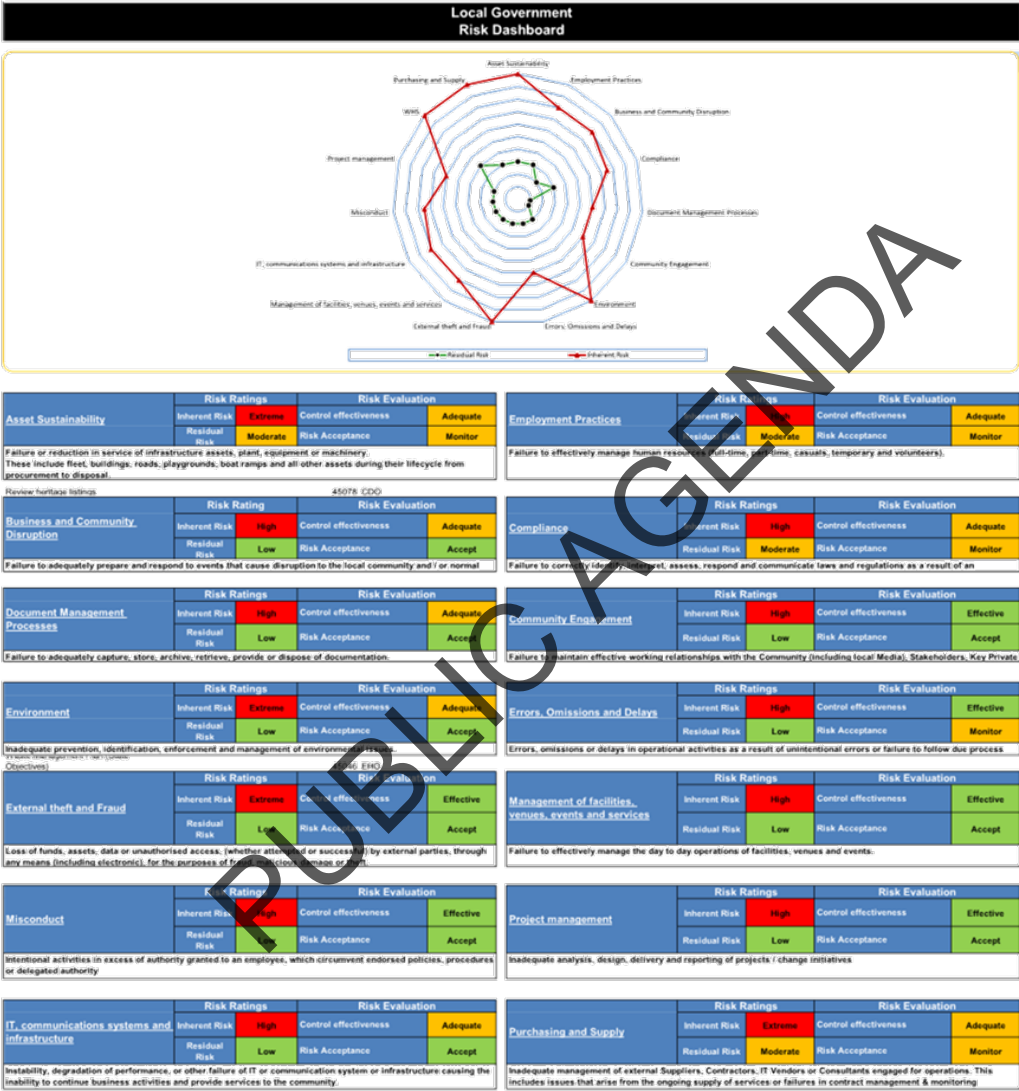
That the Audit Committee **ACCEPTS** the report on the update to the Shire's Risk Profiles and Dashboard:



Focus 1 May 2025 to 30 June 2026



PUBLIC AGENDA



Asset Sustainability		Sep-22		
Risk Description				
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets during their lifecycle from procurement to disposal.				
Causal Factors		Potential Outcomes		
- Skill level & behaviour of operators - Lack of trained staff - Outdated equipment - Insufficient budget to maintain or replace assets - Unavailability of parts - lack of Maintenance - Breakdowns		- Financial - Service interruption - Property damage - Non compliance - Health		
Inherent Risk	Consequence	Likelihood	Risk Rating	
	Catastrophic	Likely	Extreme	
Key Controls		Type	Date	Control Operating Effectiveness
Roads Routine Maintenance Program		Preventative	Feb-24	Adequate
Plant Routine Maintenance Program		Preventative	Feb-24	Adequate
Buildings Routine Maintenance Program (reactive)		Preventative	Feb-24	Adequate
Procurement & Disposal Process		Preventative	Feb-24	Adequate
Asset Management Data Entry (Multiple) & Monitoring		Preventative	Feb-24	Adequate
Asset Register		Preventative	Feb-24	Adequate
Reactive Maintenance Program		Detective	Feb-24	Adequate
Community Strategic Plan (new)		Preventative	Mar-24	Effective
Asbestos Management Plan (in development)		Detective	Feb-24	Adequate
Overall Control Effectiveness			Adequate	
Residual Risk		Consequence	Likelihood	
		Moderate	Unlikely	Moderate
Risk Evaluation				Monitor
Actions / Treatments			Due Date	Responsibility
Develop disposal process (financial / risk)			Mar-24	DCEO
Implement Asset management Plan (currently in development)			Apr-23	MWS
Review heritage listings			Jun-23	CDO
Corporate Business Plan (in development)			Apr-23	CEO
Comments / Justifications				
01/09/22 It was agreed that the approach to the management and maintenance of Shire controlled assets is sporadic and more reactive in nature.				
27/03/23 Timeline reset. SCP changed to Effective. CBP to April 2023 OCM. Development of Building Maintenance Program underway.				
27/03/23 EHO confirmed Asbestos Management Plan is two thirds completed. Will need confirmation by WHS Committee re CEO Executive Policy and Procedures for inclusion in WH Safety Plan				
15/02/24 - Roads routine maintenance program consists of 5 Year Rd Program, 2030 RRG Program, Annual R2R Program and WFSN. There is also the School Bus Program, Vegetation Control Program				
15/02/24 EHO confirmed Asbestos Management Plan is in place and annual reporting to the Commonwealth is undertaken.				
15/02/24 Scheduled servicing is in place for all plant				
15/02/24 - Heritage Plan due April 2024.				
15/02/24 - CBP was adopted at April 2023 OCM.				
15/02/24 - Asset Register is maintained quarterly. Asset Management Plan adopted 26/4/23. Assets (Plant and Vehicles) are disposed through Auctions to reduce financial risk and management. Quote received 14/2/24 to develop Asset Management Strategy to help bed down asset management across the Shire, including using the Asset Register effectively. Plant Replacement Program in place - this helps reduce the maintenance impost.				
15/02/24 - CEO developed Procurement Cycle 23/11/23. CEO and DCEO met with consultant 13/12/23 to seek quote to develop financial management tools including disposal process - quote received and submitted to 24/25 Budget.				
15/02/24 - Building Maintenance Program will be completed April 24. There is an annual works program developed for Shire buildings and maintained by Admin staff. This is based on annual inspections and the customer complaint process. The same occurs for road and other infrastructure assets. Bridge Maintenance Program implemented January 2024.				
15/02/24 - Maintenance/Reactive Programs for roads, buildings and other infrastructure - the Shire cannot afford to address the backlog that exists. However, it has been tackling key maintenance matters for the last 18 months. There is now the Road Hierarchy in place, which is an informing strategy, annual building maintenance program and five year bridge maintenance program.				
15/02/24 - The Consequence is Moderate as an issue occurring with an asset now sits between \$50,001 - \$250,000. The Likelihood of an incident occurring is possible i.e. 20% or at least once in 3 years. This means that the Residual Risk is reduced to Moderate, however the Risk Evaluation remains at Urgent Attention i.e. Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring				
24/10/2024 - Development of Disposal Process on hold? Building Maintenance Program is set for completion Nov 24. The Local Heritage Strategy has been reviewed by Council in August 2024 - Final draft required. Asset Management Strategy in place - the Implementation Plan to take effect from November 2024. No change to Overall Risk Effectiveness ie Adequate. The residual Risk remains Moderate.				
16/07/2025 - Development of Disposal Process on hold? Building Maintenance Program completed. The Local Heritage Strategy adopted June 2025 OCM. Asset Management Strategy Implementation Plan took effect from November 2024. No change to Overall Risk Effectiveness ie Adequate. The residual Risk remains Moderate. However, Likelihood has changed from Possible to Unlikely which reduces Risk to Monitor				

Business and Community Disruption		Sep-22	
Risk Description			
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism) and/or pandemic.			
Causal Factors		Potential Outcomes	
• Cyclone, storm, fire, earthquake • Terrorism / sabotage / criminal behaviour • Epidemic / Pandemic • Loss of suppliers • Climate change • Loss of key staff • Loss of key infrastructure		• Service Interruption • Reputational damage • Health • Financial Impact	
Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Likely	High
Key Controls	Type	Date	Control Operating Effectiveness
Business Continuity Plan	Recovery	Sep-22	Adequate
LEMA	Preventative	Sep-22	Effective
Bushfire Risk Management Arrangements	Preventative	Sep-22	Effective
Volunteer Mgt & Training	Preventative	Sep-22	Adequate
Internal Emergency Management Plan	Preventative	Sep-22	Adequate
Generator availability across Shire	Preventative	Sep-22	Effective
IT Disaster Recovery Plan	Preventative	Feb-24	Adequate
Overall Control Effectiveness Adequate			
Residual Risk	Consequence	Likelihood	
	Minor	Unlikely	Low
Risk Evaluation			Accept
Actions / Treatments		Due Date	Responsibility
Update Business Continuity Plan		Dec-22	DCEO
Review and update emergency management plan		Dec-23	WHS
Review IT Disaster Recovery Plan		Dec-23	DCEO
Comments / Justifications			
27/03/23 - BCP updated and adopted. Now needs to be tested			
15/02/24 - Internal Emergency Management Plan in place including evacuation procedures and charts. Evacuation procedures were tested December 2023. Vehicles now park reversed in. Further evacuation training to occur. Documented procedures due end of March 2024 (Payroll Officer)			
15/02/24 - IT Disaster Recovery Plan strategies encapsulated within ICT Plan adopted at December OCM 2023. Separate plan to be developed in due course			
15/02/24 - LEMA - Five year review is underway by CFSM.			
24/10/24 - Evacuation Procedures implemented. The IT Disaster Recovery Plan will need to be included as part of the Shire's overall Disaster Recovery Plan, which the development of should commence in November 2024 (Also on the Risk Register). Council endorsed the new LEMA on 27/09/24. Key progress has been made regarding the training and development of bush fire brigade volunteers: volunteers reduced from 176 to 95. Those removed can undertake online training to be spontaneous responders. No change to Overall Risk Effectiveness ie Adequate. The Residual Risk remains Low.			
16/07/25 - No Change. Risk Evaluation is Accept			

Compliance

Sep-22

Risk Description

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation. It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

Causal Factors	Potential Outcomes
- Lack of training, awareness and knowledge - Staff Turnover - Inadequate record keeping/ failure of corporate electronic systems - Ineffective policies & processes - Impulsive decision making - Elected member turnover - Lack of Legal Expertise - Breakdowns in the tender or procurement process - Ineffective monitoring of changes to legislation - Attitudinal problems	- Non-compliance - Reputational - Environmental - Financial Impact

Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Possible	High

Key Controls	Type	Date	Control Operating Effectiveness
Compliance framework / calendar (new)	Preventative	Sep-22	Effective
'Advice' monitoring (subscriptions)	Preventative	Sep-22	Effective
Annual Compliance Return (CAR)	Detective	Mar-23	Effective
Reg 17 (July)	Preventative	Mar-23	Adequate
FMR	Preventative	Mar-23	Adequate
Audit Committee	Preventative	Mar-23	Effective
Council Policies (currently under review)	Preventative	Sep-22	Adequate
Executive Instructions (can be improved)	Preventative	Sep-22	Adequate
Overall Control Effectiveness			Adequate

Residual Risk	Consequence	Likelihood	
	Minor	Possible	Moderate

Risk Evaluation

Monitor

Actions / Treatments	Due Date	Responsibility
Review financial executive instructions	Jun-23	DCEO
Implement staff training plan	Jun-23	DCEO

Comments / Justifications

27/03/23 CAR 2022 achieved 99%. Audit Committee is meeting quarterly and receiving good level reporting. Consequence changed to Minor

15/02/24 - Training Register and Plan in place. Monthly updates provided by Payroll Officer to all staff regarding training availability. Training requirements encapsulated within performance reviews

15/02/24 - All policies encapsulated within relevant sections and uploaded on Shire website and internally. HR policies reviewed and will go to Council for consideration, Induction Manual reviewed, WHS Manual reviewed.

24/10/24 - Compliance Calendar automated August 2024. Advice subscriptions re WALGA, LGIS, Fitzgerald Strategies work well - status changed from Adequate to Effective. Reg17 and FMR matters addressed - second half of 2025 should be next review. Council policies continue to be reviewed. HR policies updated with Council. Executive Instructions have continued to be updated. Overall Control Effectiveness has no change i.e Adequate. The Residual Risk remains Moderate.

16/07/25 - No Change. CAR 100% 2024, 2023

Document Management Processes			Sep-22
Risk Description			
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.			
Causal Factors		Potential Outcomes	
• Spreadsheet/database/document corruption or loss • Inadequate access and / or security levels • Inadequate Storage facilities (including climate control) • Lack of knowledge/training • Incompatible systems • Lack of awareness of the State Records Act • Outdated record keeping practices • Incomplete authorisation trails		• Compliance • Reputation • Loss of data	
Inherent Risk	Consequence	Likelihood	Risk Rating
	Moderate	Likely	High
Key Controls	Type	Date	Control Operating Effectiveness
Records Management Framework	Preventative	Sep-22	Adequate
Document/Correspondence receipt & action process	Preventative	Feb-24	Effective
Policy & Procedural Review Framework	Preventative	Feb-24	Adequate
Record Management Officer (new)	Preventative/Detective	Feb-24	Effective
Record Keeping Plan	Preventative	Sep-22	Adequate
IT Disaster Recovery Plan	Preventative	Sep-22	Adequate
Staff Training and Development	Preventative	Feb-24	Adequate
Synergy	Preventative	Sep-22	Effective
Overall Control Effectiveness			Adequate
Residual Risk	Consequence	Likelihood	
	Insignificant	Unlikely	Low
Risk Evaluation			Accept
Actions / Treatments		Due Date	Responsibility
Implement offsite storage		Sep-23	Records Officer
Review staff training and development		Sep-23	Records Officer
Ongoing implementation of Council's policy review program		Ongoing	CEO
Comments / Justifications			
27/03/23 - Records Officer passed probation and is performing well.			
15/02/24 - Archived records are removed and destroyed by professional services. Offsite storage to be implemented May 2024			
15/02/24 - Staff records training program in place			
15/02/24 - Correspondence in and out is registered and actioned as required			
15/02/24 - Review Framework is captured by the Compliance Calendar			
15/02/24 - Record Keeping Plan at the next review (2025) will need updating to reflect changes to our processes due to the implementation of Council First (end of Feb 2024) and new GDA			
15/02/24 - Consequence changed to Insignificant. Key improvements have been made over time			
24/10/24 - Council First successfully implemented and replaces Synergy. Status changed to Effective. Overall Control Effectiveness remains at Adequate. The Residual Risk remains at Low			
16/07/25 - No Change. Risk Evaluation is Accept			

Employment Practices		Sep-22	
Risk Description			
Failure to effectively manage human resources (full-time, part-time, casuals, temporary and volunteers).			
Causal Factors		Potential Outcomes	
• Leadership failures • Key / single-person dependencies • Poor internal communications / relationships • Ineffective Human Resources policies, procedures and practices • Ineffective performance management arrangements • Limited staff availability - labour market • Inadequate staff training / knowledge		• Health • Compliance • Reputation • Service interruption	
Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Likely	High
Key Controls	Type	Date	Control Operating Effectiveness
Onboarding / Induction process	Preventative	Feb-24	Effective
Staff training register (New)	Preventative	Feb-24	Effective
Performance Management Process	Preventative	Sep-22	Adequate
Staff Exit process	Preventative	Sep-22	Adequate
Workforce Planning	Preventative	Sep-22	Adequate
Code of Conduct	Preventative	Feb-24	Effective
Volunteer Policy and Procedures	Preventative	Sep-22	Adequate
Internal engagements (meetings)	Preventative	Sep-22	Effective
Overall Control Effectiveness			Adequate
Residual Risk	Consequence	Likelihood	
	Moderate	Unlikely	Moderate
Risk Evaluation			Monitor
Actions / Treatments		Due Date	Responsibility
Review induction/onboarding program		Jun-23	DCEO
Workforce Plan (in development)		Apr-23	CEO
Review recruitment process		Jun-23	CEO
Review attraction/retention strategies		Sep-23	CEO
Implement CPD program for all staff (link to performance appraisal program)		Dec-23	DCEO
Comments / Justifications			
27/03/23 - Staff Exit interviews/surveys in place. WFP will go to Council in April 2023			
15/02/24 - WFP was adopted at April 2023 OCM. CEO provides quarterly update to Council re actions			
15/02/24 - Induction Program reviewed and approved by CEO January 2024			
15/02/24 - Training Register implemented 01/09/2023. Reports are produced quarterly			
15/02/24 - Performance Reviews - All reviews to be moved to September timeframe apart from CEO			
15/02/24 - Recruitment Process is effective			
15/02/24 - Staff CPD program to be developed by Payroll Officer - Due 30 June 2024			
15/02/24 - Attraction and Retention strategies and document to be developed by Payroll Officer - Due 30 June 2024			
24/10/24 - Performance Reviews now occur in September, except for CEO. Direct reports to CEO will have their annual review in October. Staff CPD and Staff Attraction and Development strategies not undertaken to date due to resourcing devoted to implementation of Council First and the new Payroll System (which was exemplary). The Workforce Plan is currently under review as part of the Minor Review process. Overall Control Effectiveness remains at Moderate. The Residual Risk remains at Moderate.			
16/07/25 - Attraction and Retention document drafted May/June 2025. CPD to be listed as an objective under the Attraction and Retention document. Although Likelihood has changed to Unlikely, the Residual Risk remains as Moderate and the Risk Evaluation stays at Monitor .			

[illegible]

Sep-22

Environment

Risk Description

Inadequate prevention, identification, enforcement and management of environmental issues.

Causal Factors	Potential Outcomes		
- Inadequate management of landfill sites - Lack of understanding / knowledge - Inadequate local laws / planning schemes - Prolific extractive industry (sand, limestone, etc) - Poor management of contaminated sites - Clandestine drug labs disposing of chemicals illegally - Weather events / natural disasters - Climate change - Inadequate weed and pest management - Land contamination	- Environmental - Compliance - Health - Reputational - Property - Financial		
Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Almost Certain	Extreme

Key Controls	Type	Date	Control Operating Effectiveness
Waste Facilities Management (Mogumber - unmanned)	Preventative	Sep-22	Adequate
Waste Facilities Management (Calingiri / Bolgart)	Preventative	Sep-22	Adequate
Strategic Plan - includes reference to environmental and waste services	Preventative	Mar-23	Effective
Spill kits / PPE	Preventative	Sep-22	Effective
Above ground fuel tank bunded	Preventative	Sep-22	Effective
Weed Control Program	Preventative	Sep-22	Effective
Vegetation control program	Preventative	Sep-22	Effective

Overall Control Effectiveness Adequate

Residual Risk	Consequence	Likelihood	
	Minor	Unlikely	Low

Risk Evaluation	Accept
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Actions / Treatments	Due Date	Responsibility
Develop Environmental Management Plan (EMP).	Dec-24	CEO
Waste Management Plan (State Objectives)	Apr-23	EHO
Waste Rationalisation Plan (Internal action plan)	Apr-23	EHO

Comments / Justifications

27/03/23 - Structure of EMP identified with EHO. New fence in place at Mogumber Landfill. Entry signage required. CCTV has been effective re identifying vandals/other offenders. Meetings with local police in place. WMP and WRP will be ready for consultation April 2023

27/03/27 - Calingiri and Bolgart Landfills (Class 2) are managed well by external contractors. Upgrading of fence at Calingiri through LRCI 3 underway. Consequence changed to Minor

15/02/24 - WMP in place.

15/02/24 - Implementation of new waste transfer stations are underway. Installation to occur in March 2024

15/02/24 - EMP refers to Landfill Management. As part of the Landfill Management Review, these plans are to be incorporated into the overall Landfill Rationalisation. Drafts to be undertaken by EHO and completed by 30/06/24

15/02/24 - Waste Rationalisation Plan to be developed re inside and outside work areas and environments. Will fold into WMP

24/10/24 - Waste Rationalisation Plan put back to 24/25 as application for grant funding was unsuccessful. Transfer Stations - sheds installed at all three locations. Calingiri retaining wall installed. Bolgart next, then Mogumber. Have reviewed new State Waste Management Strategy. CEO, ESO and EHO attended Waste Management Conference in August (Northam). DWER requires improvements to Bolgart Landfill - new bore installed, old bore decommissioned and 10,000l installed for fire mitigation. Overall Control Effectiveness remains at Adequate. The Residual Risk is Low.

16/07/25 - No Change. Transfer stations constructed for Calingiri and Bolgart. Employee to come on board to manage landfills from September 2025. Mogumber Transfer Station to be completed by 31 December 2025. State Waste Management Strategy reviewed. Shire positioning document on regional landfill drafted. Biodiversity plan (Environmental Management Plan) developed. Committee to be implemented from August 2025.

Errors, Omissions and Delays		Sep-22	
Risk Description			
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.			
Causal Factors		Potential Outcomes	
• Inadequate internal processes • Lack of knowledge/training • Legislative changes • Unrealistic community/council expectations • Incorrect information • Staff turnover • Work pressures / deadlines • Failure to monitor external non-compliance (swimming pools/food hygiene) • Human Error		• Compliance • Reputational • Financial • Property	
Inherent Risk		Consequence	Risk Rating
		Major	High
Key Controls		Type	Control Operating Effectiveness
Delegations Register		Preventative	Effective
Town Planning policy / procedures		Preventative	Effective
Local Planning Strategy		Preventative	Effective
Compliance and Governance Calendar		Preventative	Effective
Access to state legislation		Preventative	Effective
Contracted planning officer		Preventative	Effective
Contracted health Officer		Preventative	Effective
Authorisations		Preventative	Effective

[illegible]

Management of facilities, venues, events and services			Sep-22
Risk Description			
Failure to effectively manage the day to day operations of facilities, venues and events.			
Causal Factors		Potential Outcomes	
- Lack of internal procedures - Inappropriate alcohol consumption - Inadequate hiring agreements - Poor event planning - Lack of internal knowledge/training - Lack of monitoring		- Financial - Reputational - Compliance - Health - Environmental	
Inherent Risk		Consequence	Risk Rating
		Major	High
Key Controls	Type	Date	Control Operating Effectiveness
Event management approval process	Preventative	Sep-22	Effective
Inspection and cleaning schedules	Preventative	Sep-22	Effective
Facility / Venue booking process	Preventative	Sep-22	Effective
Ad hoc inspection program	Preventative	Sep-22	Effective
Environmental Health Officer (contracted)	Preventative	Sep-22	Effective
Overall Control Effectiveness			Effective
Residual Risk	Consequence	Likelihood	
	Minor	Unlikely	Low
Risk Evaluation			Accept
Actions / Treatments		Due Date	Responsibility
27/03/23 Rolling out MOUs is an issue		Feb-24	CDO
Comments / Justifications			
15/02/24 - All MOUs are in place. CDO has commenced review of MOUs and also to standardise the MOUs			
24/10/24 - Working as expected. Overall Control Effectiveness remains effective. The Residual Risk remains Low			
16/07/25 - No Change. Annual inspection program implemented by Principal Regulatory Services			

IT, communications systems and infrastructure			Sep-22
Risk Description			
Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community.			
Causal Factors		Potential Outcomes	
- Power outage on site or at provider - Software / hardware vulnerability and/or failure - Cyber crime and viruses - Inadequate IT incident and recovery processes - Failure of vendor - User error		- Financial - Service interruption - Property - Reputational	
Inherent Risk		Consequence	Risk Rating
		Major	High
Key Controls		Type	Control Operating Effectiveness
Formal IT Infrastructure replacement / refresh program		Preventative	Effective
IT Vendor Agreement monitoring program (Wallis)		Detective	Effective
IT Disaster Recovery Plan		Recovery	Adequate
Infrastructure Security		Preventative	Adequate
UPS / Generator		Preventative	Effective
Mobile phones for key staff		Preventative	Effective
Overall Control Effectiveness			Adequate
Residual Risk		Consequence	Risk Rating
		Minor	Low
Risk Evaluation			Accept
Actions / Treatments		Due Date	Responsibility
Develop an IT DR Plan		Dec-23	DCEO
Review IT security controls		Jun-23	DCEO
Review IT back up		Dec-23	DCEO
Implement ICT plan (currently in development)		Sep-23	DCEO
Comments / Justifications			
27/03/23 - Cybersecurity program in place. Generators at Office and Landfills maintained and tested regularly			
15/02/24 - ICT Plan adopted December 23 OCM			
15/02/24 - Initial IT Disaster Recovery strategies encapsulated within ICT Plan			
15/02/24 - Formal IT infrastructure replacement program referenced in ICT Plan			
24/10/24 - Formal IT Infrastructure Replacement/Refresh Program in 24/25 Budget. Control Operating Effectiveness changed from Inadequate to Adequate. IT Disaster Recovery Plan will feature in overall Recovery Plan with development scheduled to get underway in November 2024. Overall Control Effectiveness remains at Adequate. The Residual Risk remains Low			
16/07/25 - No Change. Refresh Program successfully completed 24/25. This Key Control was changed from Adequate to Effective.			

Misconduct		Sep-22		
Risk Description				
Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority				
Causal Factors		Potential Outcomes		
- Inadequate training - lack of policies and procedures (code of conduct) - Delegated authority circumvented - Lack of internal control - Poor recruitment practices - Insubordination - Workplace culture		- Financial - Health - Services - Reputation - Compliance		
Inherent Risk		Consequence	Likelihood	
		Catastrophic	Possible	
			Risk Rating	
			High	
Key Controls		Type	Date	Control Operating Effectiveness
Delegations register and process		Preventative	Sep-22	Effective
IT Security Framework (Profile Use)		Preventative	Sep-22	Adequate
Cash handling procedures		Preventative	Oct-24	Effective
Staff on-boarding / induction program		Preventative	Feb-24	Effective
Internal reporting process		Preventative	Sep-22	Effective
Code of Conduct		Preventative	Sep-22	Effective
Council policies		Preventative	Sep-22	Effective
Performance Appraisal Program		Detective	Sep-22	Effective
Effective Leadership		Preventative	Sep-22	Effective

Project management		Sep-22	
Risk Description			
Inadequate analysis, design, delivery and reporting of projects / change initiatives			
Causal Factors		Potential Outcomes	
• Poor planning methodology and process • Excessive/unrealistic project lists • Inadequate monitoring of projects • Lack on internal resources • Supply chain restrictions • Ineffective procurement processes		• Reputation • Financial • Service interruption	
Inherent Risk	Consequence	Likelihood	Risk Rating
	Major	Possible	High
Key Controls	Type	Date	Control Operating Effectiveness
Project reporting to Council	Preventative	Sep-22	Effective
Purchase orders	Preventative	Sep-22	Effective
Project proposal templates	Preventative	Sep-22	Effective
Use of project management tools	Preventative	Sep-22	Effective
Project reporting processes	Preventative	Sep-22	Effective
Budget allocations	Preventative	Sep-22	Effective
Project timelines	Preventative	Sep-22	Effective
Overall Control Effectiveness			Effective
Residual Risk	Consequence	Likelihood	
	Minor	Unlikely	Low
Risk Evaluation			Accept
Actions / Treatments		Due Date	Responsibility
Document project management framework		Dec-23	CEO
Comments / Justifications			
27/03/23 - Smartdraw software purchased that is used to develop Gannt charts and other reporting. Monday.com is also utilised to help develop project plans			
15/02/24 - DCEO and Council Support Officer attended Project Management Training in Feb 2024			
15/02/24 - Consequence reduced from Moderate to Low. Residual Risk is Low and Risk Evaluation is Accept			
15/02/24 - Project Proposal Template encapsulates project management framework as does Smartdraw			
24/10/24 - Effective - No change			
16/07/25 - No Change. Cost overrun to Calingiri New Norgia Intersection caused by increased ARC Infrastructure Costs (Rail Crossing), ARC insisting a review of the left site lines and subsequent reshaping of the approaches to the rail crossing. AGRN 962 funding rejected by DFES 31 December 2025. President and CEO appealed this with NEMA June 2025			

Purchasing and Supply		Sep-22	
Risk Description			
Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.			
Causal Factors		Potential Outcomes	
- Inadequate tendering/procurement processes - Limited internal resources (physical and financial) - Inadequate contractor management practices - Inadequate supply/contractor monitoring - Supply chain limitations		- Financial - Service Interruption - Reputation - Compliance - Property	
Inherent Risk		Consequence	Likelihood
		Major	Almost Certain
			Risk Rating
			Extreme
Key Controls		Type	Date
Contractor management procedures		Preventative	Sep-22
Purchasing policy		Preventative	Sep-22
Regular supplier / contractor review meetings		Preventative	Sep-22
Use of WALGA contracts and e-quite system		Preventative	Sep-22
Buy Local Policy		Preventative	Sep-22
RFQ/RFT processes		Preventative	Sep-22
Overall Control Effectiveness			Adequate
Residual Risk		Consequence	Likelihood
		Moderate	Unlikely
			Risk Rating
			Moderate
Risk Evaluation			Monitor
Actions / Treatments		Due Date	Responsibility
Develop contractor management procedures		Dec-23	DCEO
Comments / Justifications			
27/03/23 - The review of purchasing policies went to the Audit Committee in March 23. These will now go to Council for April 2023. Completed			
15/02/24 - Purchasing Policy due for annual review			
15/02/24 - CEO and DCEO met with consultant 13/12/23 to seek quote to develop financial management tools including contractor management procedures - quote received and submitted to 24/25 Budget.			
15/02/24 - Overall Control Effectiveness changed from Inadequate to Adequate			
24/10/24 - Contractor Management Procedures not developed as focus has been on the implementation of Council First, which was finished in October 2024. CEO is a member of WALGA Procurement Group and attends meetings/briefings where possible. Overall Control Effectiveness remains at Adequate and the Residual Risk remains at Moderate, the Risk Evaluation remains at Monitor			
16/07/25 - No Change			

WHS		Sep-22	
Risk Description			
Non-compliance with the Workplace Health & Safety Act, associated regulations and standards.			
Causal Factors		Potential Outcomes	
• Lack of resources (physical and financial) • Ineffective safety management practices • Inadequate training and supervision • Lack of understanding of WHS requirements • Poor culture		• Health • Compliance • Reputation • Financial • Property	
Inherent Risk	Consequence	Likelihood	Risk Rating
	Catastrophic	Likely	Extreme
Key Controls	Type	Date	Control Operating Effectiveness
Safety Policy (out of date)	Preventative	Feb-24	Effective
WHS committee (in development)	Preventative	Mar-23	Adequate
Induction program	Preventative	Sep-22	Effective
Safe work method statements	Preventative	Sep-22	Inadequate
Member of LGIS RRC program	Preventative	Sep-22	Effective
LGIS 3 steps to safety assessment	Detective	Sep-22	Effective
WHS Officer (0.5)	Preventative	Sep-22	Adequate
Emergency management program (needs review)	Preventative	Feb-24	Adequate
</			

7.5.2 Risk Register - June Quarter 2025

File Reference	
Report Date	22 July 2025
Applicant/Proponent	Sean Fletcher, Chief Executive Officer
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Shire of Victoria Plains Risk Register June 2025

PURPOSE

For the Audit Committee to accept the June Quarterly Update for the Shire's Risk Register.

BACKGROUND

The Shire maintains a risk register regarding the key risks (exposure) to the organisation. The Audit Committee last received a report on the risk register at its meeting on 28 November 2024. However, the Senior Management Team did review the data for the March Quarter at its April meeting.

COMMENT

The Shire's Corporate Risk treatment has improved as follows:

- Extreme risks reduced from 7% to 3% due to Complaints Committee (C2) now having a Council appointed Chair and The Office of the Inspector to be implemented 25/26;
- High Risks reduced from 14% to 10% due to completion of the Calingiri NN Intersection (F2)
- Moderate Risks have increased from 34% - 40% due to:
 - F8 – New Risk re the Energy Transition. Advocacy has kept this at Moderate Impact;
 - C2 – Complaints Committee transitioning from Extreme as management actions have improved.
- Low risks increased from 45% to 47% due to the completion of the Calingiri NN Intersection (F2).
- Risks increased from 29 to 30. However, since the September Quarter, 8 risks will be removed in future as those matters are now completed, and are no longer relevant.

Many of the other risks continue to improve which means the Shire's corporate risk treatment is also improving at the same time.

Matters for Further Consideration (Ongoing Review)

The Disaster Recovery Plan (S4) is yet to commence. New risks regarding the use of AI and Deficit Funding need to be included.

We also may need to consider the engagement of a Manager Community and Regulatory Services to assist manage the development of the Shire in future years. This would form part of the Workforce Plan Review in 2026.

The ESA Inauguration has not been included in the Risk Register. The introduction of AI is another matter that will need a risk profile.

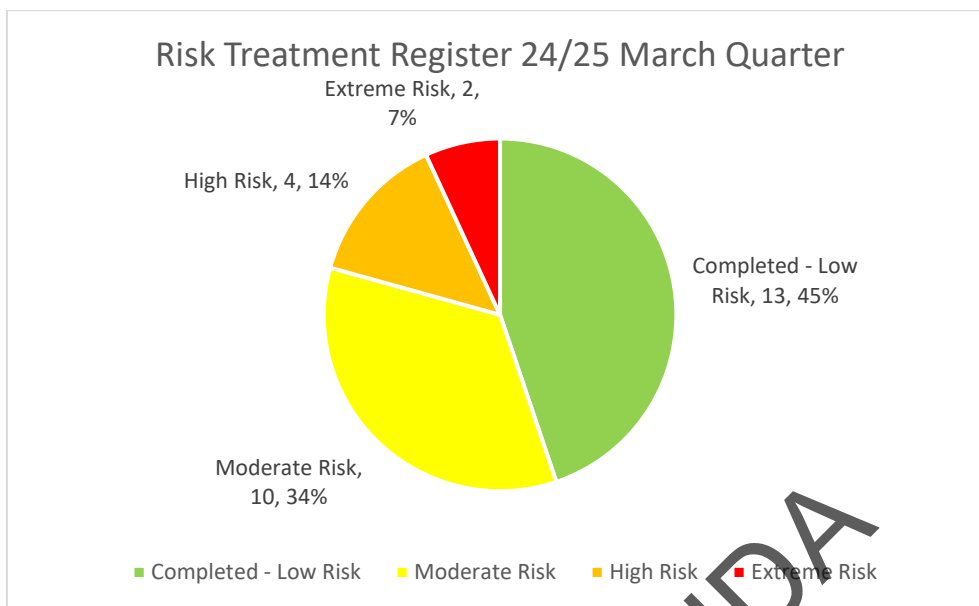


Chart 1 – Risk Register - March Quarter

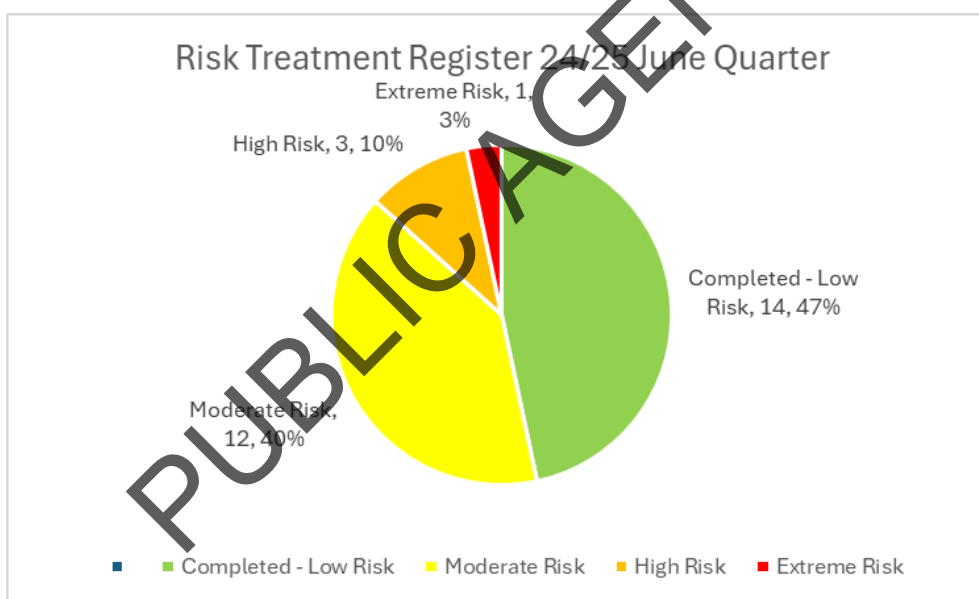


Chart 2 – Risk Register – June Quarter

CONSULTATION

The Senior Management Team 29 July 2025.

STATUTORY CONTEXT

Local Government (Audit) Regulations 1996

Reg 17 – CEO to review certain systems and procedures.

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:
 - (a) risk management

CORPORATE CONTEXT**Strategic Business Plan/Corporate Business Plan**

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

The Risk Register is subject to the compliance process and auditing.

Delegation

Nil

Policy Implications

Nil

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
	Non-compliance results in termination of service or imposed penalties. Single major litigation	The event should occur at some time(20% chance) At least once in 3 years		Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Committee **ACCEPTS** the Risk Register report for the June Quarter 2025.

PUBLIC AGENDA

Shire of Victoria Plains: June Quarter 2025



Risk register (part one)

- Complete a row per risk. Then, in the separate *Risk Treatment Register*, summarise the action you'll take.
- Add more rows if you need to (Main menu bar > Table > Insert > Rows Below).
- **Important:** Use the risk assessment and acceptance tables in Part Three to work out the level of risk.

Date first introduced: 27 March 2023	Compiled by: CEO – Sean Fletcher
Date reviewed: 16 July 2025	Reviewed by CEO – Sean Fletcher

PUBLIC AGENDA

Shire of Victoria Plains: June Quarter 2025



Reference ID	Describe the risk	Rate the likelihood	Rate the consequence	= Resulting level of risk	Describe how adequate current controls are	Give it a risk priority
Eg. risk # 1	What can happen? How can it happen? When can it happen?	- Almost Certain - Likely - Possible - Unlikely - Rare	- Insignificant - Minor - Moderate - Major - Catastrophic	- Low - Moderate - High - Extreme	- Effective - Adequate - Inadequate	- A - Must - B - Should - C - Could
S1: No power for more than a day Example: delete after reading or leave as a guide.	Power failure for more than one day Loss of all frozen stock, refrigerated food, food and drink cabinets Security system may not operate, staff cannot lock up No lighting to kitchen or elsewhere Could happen anytime, night or day, no notice Air con, exhaust fans and hand dryers will not work No appliances, but stoves will work if lit manually. No hot water Cash register, stock control and EFTPOS etc will not operate	Unlikely	Major	Moderate	Inadequate. Backup generator does not run Insurance will not cover losses. Not sure if security system has a battery backup	B
Health						
H1 8/01/24	Staff exposed to physical injury or trauma (including stress) that has impacts for more than 10 days	Likely	Moderate	High	Adequate – safe work practices are in place, WHS Committee in place and EAP is in place. Mental Health Sessions held quarterly	B
H2 24/10/24	Shire fails to implement Tier 1 WHS Action Plan. Failure to implement the WHS Action Plan will see the Shire exposed to corrective action or prosecution by WorkSafe. Also exposes staff to potential harm	Possible	Major	High	Inadequate – Controls (processes) not operating as intended ie there is no Action Plan in place.	A

Shire of Victoria Plains: June Quarter 2025

**Financial Impact**

F1 27/03/23	WSFN – Mogumber Yarrawindah Rd Upgrades 2021/2022 and 2022/2023 – Deferred due to RFQ costs 50% above budget	Likely	Catastrophic	Extreme	Inadequate – proposed project management does not meet WFSN requirements. Costs up by 50%	A
F2 27/03/23	Calingiri New Norcia Road and Toodyay Bindi Bindi Road Intersection – On hold due to RFQ costs 50% above budget, Shire expending allocated MRWA funds in 2021/2022, land acquisition drawn out	Likely	Major	High	Inadequate – Shire funds spent on other operations. Costs up by 50%.	A
F3 27/03/23	AGRN962 – Flood Event March 2021. DFES will not recognise Shire's submission. Several attempts have been made to rectify. Damage is set at \$4.25M	Possible	Catastrophic	High	Inadequate – DFES is using current criteria to assess Flood Event	A
F4 15/01/24	Inadequate staff housing (lack of housing stocks makes it difficult to recruit and maintain staff in some roles)	Likely	Major	High	Inadequate – need at least 1 house for Outside staff. Need 1 house for Regulatory Services personnel/other	B
F5 15/01/24	Shire does not follow the Asset Management Plan	Almost Certain	Catastrophic	Extreme	Adequate – Plant Replacement Program in place, Bridge Maintenance Program in place. Road Hierarchy drafted	A
F6 15/02/24	Claims by Dr Maurice Walsh upheld	Almost Certain	Major	Extreme	Effective – Shire has followed due process, has adequate insurance	A

Shire of Victoria Plains: June Quarter 2025

**Service Interruptions**

S1	Power blackouts and shutdowns to allow repairs and upgrades	Almost Certain	Minor	High	Effective – generators in place and maintained on a regular basis and there is a business continuity plan in place	A
S2	Information, Technology and Communication systems hacked or shut down due to other causes	Almost Certain	Moderate	High	Effective – staff undertake cyber training and there is a business continuity plan in place. Also, Shire Office upgraded to 5G fibre	A
S3	Water supply to all shire facilities in Calingiri interrupted	Almost Certain	Moderate	High	Adequate – bottled water is at the Depot and staff can access public toilets	A
S4	2024 Interim Audit flagged the Shire's disaster recovery processes are inadequate. A Disaster Recovery Plan as a sub-plan to the Business Continuity Plan is required	Likely	Moderate	High	Inadequate – There is no plan in place	A
S5	The BPAY Biller software from Bendigo and Adelaide Bank requires GPG4WIN v2.3.3, which is vulnerable to remote exploitation. WCS reference 98365 - Remote exploitation could compromise the integrity of the payment system - Unauthorised access to sensitive payment and customer information - Potential to be used as an attack vector which could lead to compromise of any device connected to the Shire of Victoria Plains network - Possible halting of all business operations reliant on IT	Possible	Major	High	Adequate – Bendigo and Adelaide Bank were provided with an risk assessment of the software, verified they know about the issue but offered no alternative. GPG4WIN is restricted via Application Whitelisting however some controls had to be disabled to ensure it can run correctly	B

Shire of Victoria Plains: June Quarter 2025



S6	Building applications not assessed/approved in a timely fashion	Possible	Moderate	Moderate	Adequate – Shire of Chittering provides service to other double check or assess	B
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Compliance

C1 27/03/23	Implementation of Stage 5 of the Public Health Act – allocation of local health tasks	Possible	Minor	Moderate	Adequate – EHO currently contracted to the Shire. EHO's are expected to do key tasks. Other tasks can be reallocated to other staff	B
C2 27/03/23	Not managing complaints for the Behaviour Complaints Committee in a timely fashion	Almost Certain	Moderate	High	Inadequate – Process has not been reviewed or tested as yet	A
C3 27/03/23	Risk Procedures including the Risk Register and Risk Dashboard are inadequate or not implemented	Possible	Major	High	Adequate – Updated Risk Assessment and Acceptance Criteria adopted by Council 22 March 2023. Risk Procedures in place and Risk Register implemented 27/03/23	A
C4 3/06/22	Record Keeping Plan is not followed	Almost Certain	Major	Extreme	Inadequate – Plan not being used, records not being recorded or filed. Records not archived	A

Shire of Victoria Plains: June Quarter 2025

**Reputation**

R1 27/03/23	Dog attacks not responded to in a timely fashion	Almost Certain	Minor	High	Inadequate – Process to handle dog attacks including effective reporting and follow-up	A
R2 15/01/24	Communication strategy not followed, creating gaps in the Shire's level of communication/engagement with the community	Likely	Minor	Moderate	Effective – Website updated, Well Done afterhours, Newsletter improved, Facebook improved. Mailouts where required. OCM video uploaded to website	A

Property

P1 8/01/24	Uncertainty regarding the status of the Shire's CCTV causing problems when there is an incident e.g. damage to property or a break in	Likely	Minor	Moderate	Adequate – A review of current CCTV across the Shire is required eg improved monitoring	B
P2 8/01/24	Ongoing confusion regarding the responsibilities of the Shire and the Progress Associations to manage the Shire's halls despite the implementation of MOUs, causing matters not to be addressed.	Likely	Minor	Moderate	Adequate – review of MOUs in place required to ensure meeting requirements	A

Shire of Victoria Plains: June Quarter 2025

**Environmental**

E1 15/01/24	Breaches regarding inadequate monitoring of the bores for the Bolgart Landfill	Possible	Minor	Moderate	Inadequate – bores are required to monitor seepage from landfill into water sources	A
E2 15/01/24	Shires landfills (Calingiri, Bolgart & Mogumber) do not comply, leading to DWER intervention	Possible	Minor	Moderate	Adequate – EHO has reviewed and identified actions in the Strategic Waste Plan. E-Waste Transfer stations being implemented. Other transfer stations to follow	A
E3 8/01/24	Water Supply to communities continues to be inadequate	Almost Certain	Moderate	High	Adequate – Supply to Mogumber needs to be secured. Piawaning desalination plant requires upgrading (filtration system). Access to Gillingarra Water needs resolution. Standpipes need better security	A
E4 01/07/24	Energy Transition Projects dominate Shire workload and resources for the next five years (until 2030)	Almost Certain	Catastrophic	Extreme	Inadequate – green technology on a significant scale has not been experienced previously. WALGA is developing a renewables framework for local government	A



Shire of Victoria Plains: June Quarter 2025

E5 Since 2019	1. Caravel Copper Mine at Lake Ninan (Wongan-Ballidu) will commence construction in 25/26 and operating in 2026. Will impact: a. Local Roads b. Environment - Underground water sources c. Planning	Almost Certain	Catastrophic	Extreme	Monitor - Shire has an engagement process in place with Caravel. The Shire has had input into the development of the Caravel Environmental Scoping Document and is in the process of developing a community support package	A
E6 1/10/23	Corellas are not managed effectively	Almost Certain	Moderate	High	Monitor – Shire has in place a flexible shooting program, is a member of the AROC Corella Management Project and the EHO has developed a local action plan. ESO is in the process of setting up a Shire working group to coordinate effective strategies	B
E7 25/07/24	Failing to effectively engage with the Yued Ranger Program	Possible	Minor	Moderate	Adequate - Connection with Yued Aboriginal Corporation established in July 2024 including lines of communication	A
E8	Failing to effectively engage regarding the Energy Transition State Coal Transition Target 2030	Unlikely	Moderate	Moderate	Adequate – Shire is lobbying through the appropriate mechanisms and at the appropriate level	

Shire of Victoria Plains: June Quarter 2025



Risk treatment register (part two)

Date first completed: 27 March 2023	Compiled by: CEO - Sean Fletcher
Date reviewed: 25 July 2024	Reviewed by: CEO – Sean Fletcher

- Use one row per risk. Work your way across, left to right.
- Add more rows if you need to (Main menu bar > Table > Insert > Rows Below).
- This summary is based on your analysis of each risk in the *Risk Register (stage one)*.

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Shire of Victoria Plains: June Quarter 2025



Risk in priority order from the risk register	Possible treatment options - Available options - More research needed to create new options?	Preferred options	Choose what to do: A = accept option/s R = reject option/s	Who will implement option/s	By when?	Who will monitor this risk and its treatment?	Further action Includes residual risk
Risk S1: Priority B No power for more than a day Example	1. Fix generator 2. Buy second generator 3. Investigate better insurance 4. Research exactly how long food keeps for in fridges and freezers without power 5. Simply shut down to cut losses and claim on insurance 6. Set up an agreement with another store 7. Improve fridge insulation	1. 3. 4. 6.	1. = A 3. = A 4. = A 6. = R	Jerry	21/12/2012	Elaine	- Take generator in - Contact broker - Talk to manufacturer or industry association?
C1 Priority B Allocation of EHO tasks	1. CEO and EHO to meet and identify key tasks versus minor tasks Note: June 2025. Matter is completed and can be removed from the Risk Register - September Quarter 2025	1	1 = A	CEO	31/12/23	Reg Support Off (Saoirse)	Tasks set out in revised Reg Services Branch structure 7 July 2025: Gordons Functions 2025 Final.pptx
C2 Priority A	1. Advise Committee Chair on status of initial complaints 2. Advise complainants on status of complaints 3. Call Committee meeting once discussed with Committee Chair Note: June 2025. Risk transitioned from Extreme to Moderate (originally Extreme)	1 2 3	1 = A 2 = A 3 = A	Complaints Officer – CEO	30/04/23	CEO	- DLGSC DG advised July 24 CEO's Forum that the Office of the Inspector will help ameliorate this issue - Council at the 2 July 2025 OCM resolved to appoint Cr Suzanne Woods in line with changes to the Act; - Committee has not met during current term



Shire of Victoria Plains: June Quarter 2025

C3 Priority A Risk Register and Risk Dashboard	1. Update Risk Dashboard to reflect realistic timeframes 2. Develop Risk Register Note: June 2025. No change	1 2	1 = A 2 = A	CEO	31/03/23	CEO	Roll out to all staff: • Risk Register in place March 2023; • Risk Dashboard updated Sep 2024 and presented to Audit Committee. November 2024
C4 Priority A Record Keeping Plan	1. Record Keeping Plan updated and compliant 2. Archives completed 3. Training undertaken for Records Officer and all staff 4. Staff to register own records 5. Source new records management system 6. Mentor implemented for Records Officer 7. Hard copy records archived off site Note: July 2024. Risk transitioned from Moderate to Low (Originally Extreme)	1 2 3 4 5 6	1 = A 2 = A 3 = A 4 = A 5 = A 6 = A 7 = A	Records Officer	03/06/22	Records Off	• All objectives achieved • Council First implemented 31/01/24

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E1 Priority A Monitoring of Bolgart Landfill Bores	1. Resolve with DWER whether landfill can be deregistered, hence bores will not be required as transfer stations are being installed and putrescible waste taken to Calingiri or Northam June 2025. No change – Low Level	1	1 = A	EHO	31/03/24	EHO	Outcome of discussions with DWER saw Bolgart transitioned to High Risk. Monitoring Bore to be installed 24/25 Further requirements now imposed 24/10/24: - Existing bore to be decommissioned - Completed; - New bore to be installed – Completed - Water testing not done due to Budget Constraints - DFES requires 10,000 l water tank for fire fighting purposes - Pending
E2 Priority A Shire Landfills	1. Implement Strategic Waste Management Plan 2. Audit landfills and reconfigure to allow for 5M setbacks 3. Implement E-Waste Transfer Stations 4. Expand to include other transfer facilities for waste 5. Rehabilitation Plan Required Note: June 2025 – No change - Moderate level	1 2 3 4	1 = A 2 = A 3 = A 4 = A	EHO/MWS/CEO	8/01/24	EHO	- Works for E-Waste Transfer stations: - Sheds completed - Retaining walls completed - Avon Waste Engaged re transfer of waste - Mogumber to be completed: 25/26



Shire of Victoria Plains: June Quarter 2025

E3 Priority A Water Supply	1. Develop a water strategy 2. Secure standpipes 3. Upgrade Piawaning Desalination Plant (Filtration System) 4. Improve bore maintenance 5. Take over management of Gillingarra Bore Note: June 2025. Remains at Moderate Risk due to finalising draft water strategy and pending GSRC Agreement	1 2 3 4 5	1 = A 2 = A 3 = A 4 = A 5 = A	MWS/CDO/CEO	31/12/24	MWS	- CWSP grant to assist fund water strategy successful. Amended Draft Strategy received March 2025 - New filtration system and bore for Piawaning Desalination Plant commissioned Aug 24 - CWSP grant for Parker Rd and Gouge Rd Tanks successful. Works commenced April 2025 - Supreme Court action completed re management of Gillingarra Bore on the back of a Deed between Shire and Peter Kelly et al - Agreement with GSRC being finalised
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Shire of Victoria Plains: June Quarter 2025

E4 Priority A Energy Transition – Grevillea and Wandoo Windfarms	- CEO and Council to develop rapport with Green Wind Renewables (Grevillea and Wandoo Wind Farms): - Planning - Road Impacts - Community Engagement - Upgrade of SWIS - Victoria Plains and Moora to be on the same page: - Developer Contributions - Planning process - CEO to ensure strategic plans, compliance plans are in place and up to date - CEO's Time Note: June 2025 – No change to Risk Profile	1 2 3	1 = A 2 = A 3 = A	CEO/MWS/EHO/TP	30/06/30	CEO	- CEO to formalise GWR Management Plan: - Community Benefit Fund - Accommodation - Public Relations Strategy – In place with Market Creations - CEO has implemented further additional support resources and revised the structure for Reg Services
E5 Priority A Caravel Copper Mine	- CEO to continue engagement with Caravel - EHO to monitor environmental assessments - ASO to monitor change in mining advice and licensing - Wongan Ballidu and Vic Plains CEOs to meet from August 2025 Note: June 2025 - Regular engagement and development of a Management Plan by CEO keeps risk at the Moderate Level	1 2 3 4	1 = A 2 = A 3 = A 4 = A	CEO	30/07/24	CEO	- Environmental Assessment deferred to Q1 2026 - CEO implemented management plan April 2025. First report to Council was May 2025 with further reports to be done quarterly

Shire of Victoria Plains: June Quarter 2025



E6 Priority A Corella Management	1. Rescope AROC deliverables 2. Appoint ESO to lead project 3. ESO to facilitate roll out local strategies (CLAP) Note: • June 2025 – No change to risk rating	1 2 3	1 = A 2 = A 3 = A	ESO	30/07/24	CEO	• Shire Plan to be implemented by Dec 2025 • Workshop held in May to identify final strategies • ESO role abolished. Tasks will be overseen by Principal, Reg Services
E7 Yued Ranger Program	1. CEO and CDO to meet YAC quarterly 2. CDO to develop engagement profile re joint events and programs Note: • June 2025: Moderate Risk	1 2	1 = A 2 = A	CDO/ESO	30/07/24	CDO	• Yued CEO met with CEO and Harriet in early July to look at Calingiri projects including housing • Council to receive a briefing from DPLH on Heritage Agreements 30/07/25



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E8 Priority A Energy Transition State Coal Transition Target 2030	1. President and CEO to participate on WALGA Large Scale Energy Renewable Working Group 2. President and CEO to participate regarding national programs, events, workshops and briefings 3. CEO, Council to meet with PoweringWA 4. CEO time required Note: New risk June 2025. Although an Extreme Risk, active participation by the President and CEO puts it at the Moderate Level	1 2	1 = A 2 = A		Ongoing		- WALGA membership in place - WALGA Community Benefits and Engagement Guide released - President and CEO part of Wheatbelt Renewables Alliance developing a joint submission to PoweringWA Draft Community Benefit Guidelines - President and CEO to attend Regional Leaders Summit in Newcastle (NSW) 5/6 August 2025 - CEO has implemented further additional support resources and revised the structure for Reg Services
F1 Priority A Mogumber Yarrowindah Rd	1. CEO and MWS to present to WSFN Steering Committee re delays 2. CEO, MWS and Engineer to revisit in May 2023 specification for works Note: Matter is completed and can be removed September Quarter	1 2	1 = A 2 = A	CEO	31/03/24	Contracted Project Manager	- Final Section for Mogumber Yarrowindah Rd Completed - No WSFN for 25/26



Shire of Victoria Plains: June Quarter 2025

F2 Priority A Calingiri NN Intersection	- CEO and MWS to present to WSFN Steering Committee and seek funding as a priority project - Amend land purchase agreement to meet expectations re fencing and drainage - MWS to undertake works as per project plan - CEO to negotiate early release of funds first half of 2024 Note: June 2025 Project is complete. Despite cost overruns \$277K (Major Risk Level). Project is now complete and is low risk		1 = A 2 = A 3 = A 4 = A	CEO/MWS	31/03/24	Contracted Project Manager	- Settlement re McCusker Block required - Road closures to be finalised - Has increased Shire 24/25 deficit by \$277,000
F3 Priority A AGRN962	- MWS to work with DFES to confirm roads that will be funded Note: - December submission rejected. - March 2025 action was "Risk to be Evaluated;" - Risk will be Major due to refusal of funding - President and CEO met with NEMA Coordinator General to reopen AGRN 962. Brendan Moon will discuss possibility of reopening AGRN962 with DFES Commissioner		1 = A	MWS	30/06/23	MWS	- President and CEO meet with NEMA Coordinator General to reopen AGRN 962 - Refusal of funding by DFES has contributed to 24/25 Deficit of \$945,000



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F4 Priority A Staff Housing	- Build two houses – Loan required \$1M - Seek GROH rentals in Calingiri (2 properties) - Update Staff Housing Plan - Participate in AROC Key Worker Housing project including Edmond Street Key Worker Housing - See funding that also will assist with the Calingiri Transient Workforce Accommodation Note: July 2024. Priority changed from B to A Due date changed to 30 June 2026 to reflect funding guidelines March 2025: HSP CEI Approved – Civil and Headworks = \$4.5M Transitioned from High to Extreme. May need to repackage risk: Edmond Street Concept Plan: - Residential Subdivision - Short Stay Accommodation Build Two Houses	1 2 3 4 5	1 = A 2 = A 3 = A 4 = A 5 = A	CEO	30/06/26	CEO	- CEO met with CEO Tourism Council WA re RAC and Discovery Parks as developers of Calingiri Short Term Accommodation Facility. Project to small for their investment - Project Plan brainstormed
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F5 Priority A Asset Management Plan not followed	- Update AMP to include linkages to: - Road Hierarchy - Plant Replacement Program - Bridge Maintenance Program - Drainage Program - Vegetation Program - Document RAV Network - Footpath Program etc - Sewerage Program - Establish Building Maintenance Program - Engage consultant to help make effective use of AMP Note: 1. June 2025 – Remains Moderate Risk as key actions are in hand	1 2 3	1 = A 2 = A 3 = A	CEO	31/03/25	SMT	Continue with Ben Symonds to assist roll out the 6 strategies
F6 Priority A Dr Maurice Walsh	- Activate insurance policy re s.97A claim - Activate insurance claim re underpayment of salary Note: - July 2024. New Risk - Risk transitioned from Moderate to Low. LGIS picks up costs	1 2	1 = A 2 = A	CEO	31/12/24	Council	Hearing held in June 2025 to determine if the offer of \$25,000 was accepted by Dr Walsh. Waiting on Magistrates ruling
H1 Priority B Physical/Mental Health Injury	- Support WHS Committee - Provide quarterly mental health training/initiatives - Provide EAP - Implement emergency evacuation procedures - Improve communication/engagement Note: June 2025 No Change	1 2 3 4 5	1 = A 2 = A 3 = A 4 = A 5 = A	CEO	8/01/24	Payroll	- WHS Committee meets quarterly - Mental health workshops/initiatives in place - EAP in place - Evacuation procedures in place - Staff quarterly newsletter in place and regular staff meetings at all levels



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H2 Priority A Tier 1 WHS Action Plan	1. Risk Coordinator developing Action Plan 2. Roll out Action Plan from December 2024 Note: June 2025: No change	1 2	1 = A 2 = A	CEO	24/10/24	Admin/WHS Officer	- Tier 1 Assessment completed 15/10/24. Many requirements met. Some key gaps to be set out in the Action Plan - Action Plan received
P1 Priority B Shire's CCTV	1. Identify suitable company to undertake review 2. Develop CCTV management plan Note: June 2025 No Change	1 2	1 = A 2 = A	CoSO/CESM	30/06/24	CESM	- Sapio engaged to undertake project. Project halted with resignation of CoSO in June 2023. CEO reactivated with CESM 9/1/24 - Scope of works confirmed August 24 - ESO preparing RFQ for May 2025
P2 Priority A Shire MOUs	1. Engage 150 Squared to assist 2. Review roadblocks regarding rollout of MOUs Note: Matter is completed and can be removed from Risk Register September 2025 Quarter	1 2	1 = A 2 = A	CEO/CDO	31/03/24	CDO	All MOUs in place
R1 Priority A Dog Attack response	1. Investigate implementation of on-call (after hours) service 2. Flowchart regarding after hours contacts and support required Note: Matter is completed and can be removed from the Risk Register September 2025	1 2	1 = A 2 = A	CEO	30/06/23	PA	Well Done (after hours contact) implemented Prior to Christmas 2023

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R2 Priority A Communication Strategy not followed	1. Communication Team in place including action plan based on communication strategy 2. Improve website, Facebook and Newsletter 3. Implement afterhours support 4. Upload OCM videos to website Note: Matter is completed. Remove from Risk Register September Quarter	1 2 3 4	1 = A 2 = A 3 = A 4 = A	CEO	15/01/24	PA	- Communication Team meets bi-monthly - Website, Facebook and Newsletter upgraded - Welll Done after hours in place - Videos of council meetings in place
S1 Priority A Power Outages	1. Office Admin generator is maintained and tested on a regular basis 2. Depot generator is maintained and tested on a regular basis 3. Emergency Services generator is maintained and tested on a regular basis	1 2 3	1 = A 2 = A 3 = A	MWS	Ongoing	MWS	- Working satisfactorily. - Automatic start up to be budgeted 25/26
S2 Priority A Interruption to ICT	1. Ensure there is ongoing cyber security training in place 2. Maintain and update business continuity plan	1 2	1 = A 2 = A	DCEO	Ongoing	DCEO	Working satisfactorily
S3 Priority A Water supply interrupted	1. Contact plumber or bore specialist 2. Contact Water Corporation, Moora 3. Secure access to toilets 4. Secure access to water supplies (bottled water) 5. Secure access to alternate water for ovals etc Note: Matter completed. Remove from Risk Register September 2025	1 2 3 4 5	1 = A 2 = A 3 = A 4 = A 5 = A	MWS, PBus, CEO	Ongoing	MWS	Working satisfactorily



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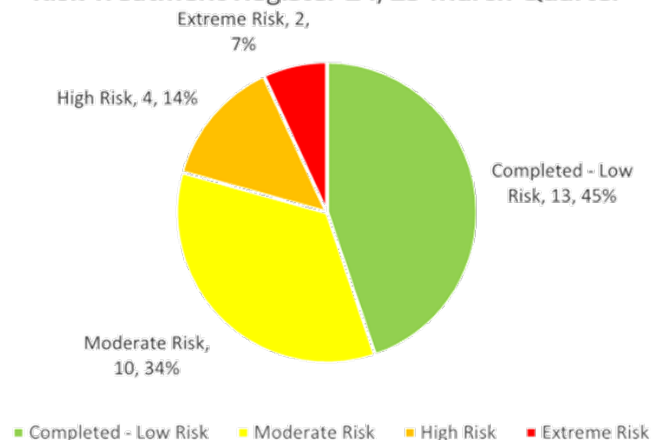
S4 Priority A Develop a Disaster Recovery Plan	The disaster recovery plan (DRP) is to include a set of detailed, documented guidelines that outline the Shire's critical assets and explains how the Shire will respond to unplanned incidents e.g. cyber attacks, system failures, power outages, natural disasters, equipment failures, or infrastructure disasters. More specifically, the disaster recovery plan will measure how capable the Shire's ability is to restore IT infrastructure functionality and access to critical data, regardless of the disaster event. The DRP should identify the responsibilities of staff within the Shire, outline the step-by-step instructions for the disaster recovery process, and create plans to mitigate and reduce the impact of the incident so that the Shire can resume basic operations. Note: 1. June 2025 – Deferral continued due to pressing key objectives	1	1 = A	DCEO	30/06/25	SMT	To commence November 2024
S5 Priority B Bendigo Bank BPay	1. Install Bendigo BPay subject to Wallis Computing Services assessment Note: Matter is completed. Remove from Risk Register September 2025 Quarter	1	1 = A	DCEO	31/08/24	DCEO	Implemented for issue of Rates. Working well as at September 2024
S6 Priority B Building Applications	1. Evaluate Shire of Chittering service for three months Note: Matter is completed. Remove from Risk Register September 2025 Quarter	1	1 = A	PBSu/EHO	31/10/24	EHO	In place

Flag	
Low	Green
Moderate	Yellow
High	Orange
Extreme	Red

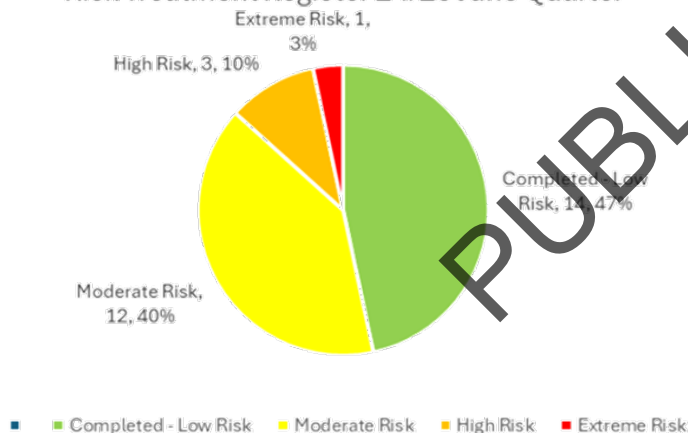


Shire of Victoria Plains: June Quarter 2025

Risk Treatment Register 24/25 March Quarter



Risk Treatment Register 24/25 June Quarter



Executive Summary

The Shire's Corporate Risk treatment improved from the March Quarter to the June Quarter. In particular:

- Extreme risks reduced from 7% to 3% due to Complaints Committee (C2) now having a Council appointed Chair and The Office of the Inspector to be implemented 25/26;
- High Risks reduced from 14% to 10% due to completion of the Calingiri NN Intersection (F2)
- Moderate Risks have increased from 34% - 40% due to:
 - F8 - New Risk re the Energy Transition. Advocacy has kept this at Moderate Impact
 - C2 - Complaints Committee transitioning from Extreme as management actions have improved
- Low risks increased from 45% to 47% due to the completion of the Calingiri NN Intersection (F2).
- Risks increased from 29 to 30. However, from the September Quarter, 8 risks will be removed as those matters are now completed, no longer relevant.

Many of the other risks continue to improve which means the Shire's corporate risk treatment is also improving at the same time.

Matters for Further Consideration (Ongoing Review)

The Disaster Recovery Plan (S4) is yet to commence. SMT did look to get this underway in November 2024.

We also may need to consider the engagement of a Manager Community and Regulatory Services to assist manage the development of the Shire.

The ESA Inauguration has not been included in the Risk Register

Sean Fletcher
CEO

Shire of Victoria Plains: June Quarter 2025



Risk assessment and acceptance criteria (part three)

Measures of Consequence							
Type	Health	Financial Impact	Service Interruptions	Compliance	Reputation	Property	Environmental
Insignificant (1)	Near miss / minor first aid injuries	Less than \$10,000	No material service interruption	No noticeable regulatory or statutory impact. Threat of litigation. No effect on contract performance. Some temporary non-compliances.	Unsubstantiated, low impact, no media involvement Example Gossip, Facebook item seen by limited persons	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries / Lost time injury <30 Days	\$10,000 - \$50,000	Short term temporary interruption – backlog cleared (< 1 day)	Single minor litigation. Requires formal meeting with contracted party where concern is raised.	Substantiated, low impact, low news profile Example Local paper / Industry news article, Facebook item seen by multiple groups	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries / Lost time injury >30 Days	\$50,000 to \$250,000	Medium term temporary interruption – backlog cleared by additional resources (< 1 week)	Short term non-compliance but with no significant regulatory requirements imposed. Single moderate litigation or numerous minor litigations.	Substantiated, public embarrassment, moderate impact, moderate news profile. Example State-wide paper, TV News story.	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies

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Major (4)	Long-term disability / multiple injuries	\$250,001 to \$1,000,000	Prolonged interruption of services – additional resources; performance affected (< 1 month)	Non-compliance results in termination of service or imposed penalties. Single major litigation.	Substantiated, public embarrassment, high impact, high news profile, Third Party actions Example Australia wide news stories, Regulatory / Political commentary involvement	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	>\$1,000,000	Indeterminate prolonged interruption of services – non-performance (> 1 month)	Non-compliance results in litigation, criminal charges or significant damages or penalties. Numerous major litigations / class action.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, Third Party actions Example World wide news, Focused articles (e.g. 60 minutes). Regulatory / Political oversight and involvement.	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances (>90% chance)	More than once per year
4	Likely	The event will probably occur in most circumstances(>50% chance)	At least once per year
3	Possible	The event should occur at some time(20% chance)	At least once in 3 years
2	Unlikely	The event could occur at some time(<10% chance)	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances(<5% chance)	Less than once in 15 years

Shire of Victoria Plains: June Quarter 2025



Risk Matrix						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Supervisor / Team Leader
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Service Manager (e.g. MFA, MWS, PBus, CESM)
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Executive Team (SMT)
EXTREME	Unacceptable	Risk generally not acceptable	CEO & Council

Shire of Victoria Plains: June Quarter 2025



Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.

PUBLIC AGENDA

7.6 Controls, Systems and Procedures (policy considerations, procedural considerations)

7.6.1 OAG Report - Managing the use of Purchasing Cards

File Reference	
Report Date	18 July 2025
Applicant/Proponent	OAG
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Auditor General report on purchasing cards

PURPOSE

To inform the Audit Committee of the tabled Auditor General report on purchasing cards in local government and any action that has or will be taken to address its recommendations.

BACKGROUND

At the end of April 2025 an LG alert was provided to the CEO from DLGSC informing that in June 2024, the Auditor General tabled a report in Parliament on Local Government Management of Purchasing Cards based on audit of three local governments of varying sizes.

The report provided recommendations to help mitigate risks associated with purchasing cards and a better practice guide for the sector advising that local government CEOs should:

- review the report recommendations and better practice guidance.
- assess whether policy and procedures for the management and reporting of purchasing cards are required.
- inform their Audit Committee of the tabled Auditor General report and any action that has or will be taken to address its recommendations.

COMMENT

The report advises an effective control environment for purchasing cards should include:

- controls to prevent misuse and errors. These controls establish requirements up-front, and before a purchase is made.
- Examples include clear policies and procedures, delegations to purchase, preset card limits and appropriate card authorisation and destruction processes.

- controls to detect errors and misuse after a purchase is made. These include processes to review and approve purchases, and the monitoring, reporting and oversight of card use.

The report concluded that the three audited entities had varying controls in place to manage the issue, use and cancellation of their purchasing cards, but weak implementation and control gaps meant their controls were only partly effective.

This could lead to the increased the likelihood of cards being inadvertently or deliberately misused, which can cause loss of public money and specifically:

- There was inadequate policy guidance on what each entity considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink.

In addition, purchases were not always adequately reviewed and approved in a timely manner.

- The operational need for a purchasing card was not always established, cardholder obligations and responsibilities were not made clear, and cards were not promptly returned and destroyed when no longer needed.
- A lack of oversight and monitoring of control effectiveness meant entities were missing opportunities to identify and promptly address the risks of card misuse and financial loss.

Although the audit found poor management of some important controls relating to purchasing cards, transaction sample testing did not find clear evidence that cardholders misused public money, in part because the audited entities had no policy guidance on what is allowable and reasonable card use and expenditure.

The full report can be found at attachment 1.

In the Shire of Victoria Plains case in context of the findings and indicative best practice, management is of the view that:

Issue:

- There is an operational need.
- transactions are covered by the shires purchasing policy and;
- obligations are communicated through the CEO's issuance of delegations instructions.

Use:

- Cards have transactional limits and in line with organisational hierarchy.
- Cardholders are required to acquit their transactions monthly and receive second sign off by their supervisor, in the CEO's case, the Shire President.
- Where staff are approved to use managements purchasing card, additional approval forms are required to be completed for authorisation (on-line, internet etc).
- Repayment of personal purchases in error are ascertained through the two step review process.

Cancellation:

- Is managed through the off boarding checklist process.

Oversight:

- Transactions are included in the monthly accounts for payment list
- Reviews undertaken monthly through review of accounts for payment before presentation to council.
- Purchasing policy reviewed periodically.
- Other aspects not necessarily applicable to small shires (e.g. management is aware of the number of cards issued and whether they are active)

Where improvement could be made is in;

- Policy guidance on what is considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink.
- Ensure cardholder receives training on procedures and requirements as part of on boarding which may include a sign off acknowledgement this training has been received.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

STATUTORY CONTEXT

Local Governments (Financial Management) Regulations 1996, regulation 11(1)a.

Local Government Act 1995 section 6.5(a).

Local Government Act 1995 sections 2.7(2)(a) and (b).

Local Government (Financial Management) Regulations 1996, regulation 13A.

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance		
	We have sound financial management policies and attract external funding to help achieve our goals		
	Councillors attend training and feel supported in their role		
	Council is supported by a skilled team		

Strategic Priority 4.3 of sound financial management policies is essential to ensure compliance, reduce risk and highlight areas for improvement.

Delegation

Nil

Policy Implications

Section 3 – Financial Management.

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring any recommendations from the audit are implemented will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Committee **RECEIVES** the Auditor General report on purchasing cards in local government and recommends to council the inclusion of:

1. Policy guidance on what is considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink into the purchasing policy.
2. CEO ensures cardholders receives training on procedures and requirements as part of on boarding which may include a sign off acknowledgement this training has been received.



Report 19: 2023-24 | 12 June 2024

PERFORMANCE AUDIT

Local Government Management of Purchasing Cards



Office of the Auditor General
Western Australia

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(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for
those with visual impairment.

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ISSN: 2200-1913 (print)
ISSN: 2200-1921 (online)

The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Image credit: shutterstock.com/Suradech Prapairat

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Local Government Management of Purchasing Cards

Report 19: 2023-24
12 June 2024

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PUBLIC AGENDA



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

LOCAL GOVERNMENT MANAGEMENT OF PURCHASING CARDS

This report has been prepared for submission to Parliament under the provisions of sections 24 and 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed whether three regional local government entities effectively managed the issue, use and cancellation of purchasing cards.

I wish to acknowledge the entities' staff for their cooperation with this audit.

A handwritten signature in black ink, appearing to read 'C Spencer'.

Caroline Spencer
Auditor General
12 June 2024

PUBLIC AGENDA

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Auditor General's overview

Purchasing cards offer benefits for local government entities by streamlining purchasing activities. However, these benefits come with the risk of misuse and loss of public money if the purchasing cards are not effectively managed.

In this audit, we looked at the management of purchasing cards at three regional entities. While we found poor management of some important controls, we did not find clear evidence that cardholders misused public money, in part because the entities did not have policy guidance to underpin allowable and reasonable use.

This audit follows on from our 2018 audit of local government entities' use of credit cards¹, which found generally satisfactory controls but noted shortcomings of varying significance in policies and procedures. In addition, our *Local Government 2021-22 - Financial Audit Results*² report found 20 entities with credit card anomalies.

For a more comprehensive review of purchasing cards, this audit looked beyond the use of credit cards and included other cards such as store cards. In reviewing each entity's controls, we did not apply a 'one size fits all' approach as the diversity of the sector means some very small entities, with few cardholders, may not need the same controls as larger entities with more cardholders.

I encourage the sector to use our better practice guidance in Appendix 1 - it contains considerations to help mitigate the risks associated with the use of purchasing cards and for creating an effective control environment.

I thank the staff at each audited entity for their cooperation and assistance in completing this work, and strongly encourage all local government entities to assess their own policies and management of purchasing cards against the focus areas of this audit.



¹ Office of the Auditor General, [Controls Over Corporate Credit Cards](#), OAG website, 9 May 2018.

² Office of the Auditor General, [Local Government 2021-22 Financial Audit Results](#), OAG website, 23 August 2023.

Executive summary

Introduction

The audit assessed whether three regional local government entities (City of Albany, City of Kalgoorlie-Boulder and Shire of Murchison) effectively managed the issue, use and cancellation of purchasing cards. We last audited this topic in the local government sector in 2018³.

In conducting the audit, we considered the requirements of the *Local Government Act 1995* (LG Act) and associated regulations, guidelines issued by the Department of Local Government, Sport and Cultural Industries (DLGSC) and our better practice guidance in Appendix 1.

Background

Purchasing cards represent an approved line of credit and are a well-established part of modern purchasing systems. They include corporate credit cards, store cards⁴, fuel cards and taxi cards. These cards provide entities with a cost effective, convenient and timely way to pay for goods and services of low value.

Local government entities need to have effective controls, appropriate to their size and risk, to prevent and detect inadvertent or deliberate misuse of their purchasing cards and meet their legislated responsibilities around the allocation of finances. This includes being able to demonstrate that purchases meet a business need and meet the expectations of ratepayers in the responsible use of public money. Improper, wasteful or unauthorised purchases that are not identified and resolved can result in financial loss to the entity.

The *Local Government Act 1995* (LG Act) and associated regulations require:

- entities to develop procedures for the payment of accounts to ensure there is effective security for, and properly authorised use of purchasing cards⁵.
- the CEO to keep proper accounts and records in accordance with regulations⁶
- the council to oversee allocation of the local government's finances and resources and determine policies⁷
- entities to provide information about each purchasing card transaction in a payment listing to council and in council minutes to increase transparency, accountability and council oversight of incidental spending⁸.

An effective control environment for purchasing cards should include:

- controls to prevent misuse and errors. These controls establish requirements up-front, and before a purchase is made. Examples include clear policies and procedures,

³ Office of the Auditor General, [Controls Over Corporate Credit Cards](#), OAG website, 9 May 2018.

⁴ Australian Securities and Investments Commission, [store card](#), Moneysmart.gov.au, n.d., accessed 29 April 2024.

⁵ Local Governments (Financial Management) Regulations 1996, regulation 11(1)a.

⁶ *Local Government Act 1995* section 6.5(a).

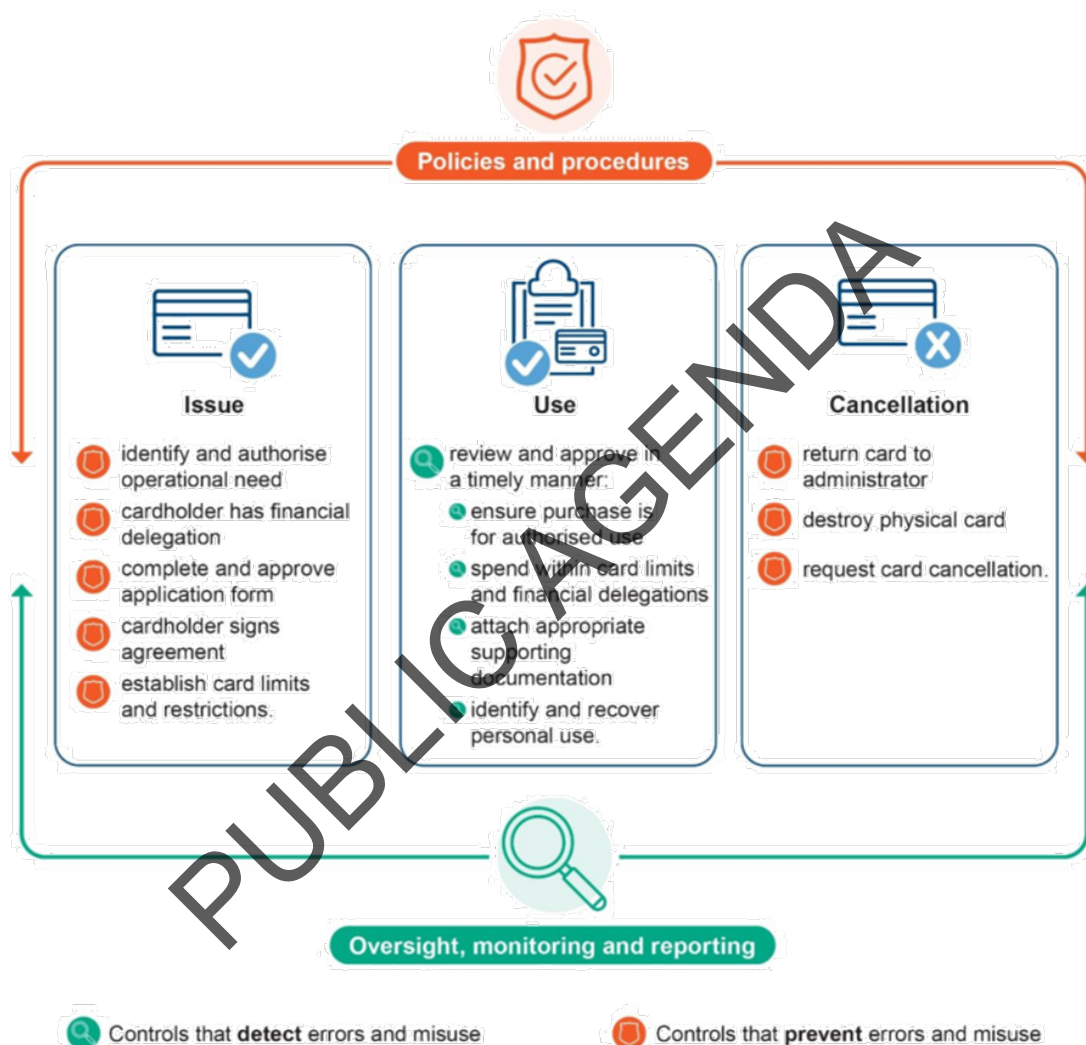
⁷ *Local Government Act 1995* sections 2.7(2)(a) and (b).

⁸ Local Government (Financial Management) Regulations 1996, regulation 13A took effect from 1 September 2023.

delegations to purchase, preset card limits and appropriate card authorisation and destruction processes.

- controls to detect errors and misuse after a purchase is made. These include processes to review and approve purchases, and the monitoring, reporting and oversight of card use.

Figure 1 provides an overview of the key components of purchasing card management, highlighting the controls we assessed during the audit and our better practice guidance (Appendix 1).



Source: OAG

Figure 1: Overview of the key components in purchasing card management and controls

The DLGSC provides the sector with broad guidance on the management of purchasing cards and changes in legislation through accounting and operational guidelines, circulars, alert bulletins and monthly webinars.

Conclusion

The three audited entities had varying controls in place to manage the issue, use and cancellation of their purchasing cards, but weak implementation and control gaps meant their controls were only partly effective.

Appropriately, the entities only issued cards to staff who had delegations to purchase and cardholders generally provided receipts to support their purchases. These controls help entities to meet their legislated responsibilities and ratepayers' expectations around the responsible use of public money.

However, we found gaps and weaknesses in all areas of purchasing card management that increase the likelihood of cards being inadvertently or deliberately misused, which can cause loss of public money:

- There was inadequate policy guidance on what each entity considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink. In addition, purchases were not always adequately reviewed and approved in a timely manner.
- The operational need for a purchasing card was not always established, cardholder obligations and responsibilities were not made clear, and cards were not promptly returned and destroyed when no longer needed.
- A lack of oversight and monitoring of control effectiveness meant entities were missing opportunities to identify and promptly address the risks of card misuse and financial loss.

Although our audit found poor management of some important controls relating to purchasing cards, our transaction sample testing did not find clear evidence that cardholders misused public money, in part because the audited entities had no policy guidance on what is allowable and reasonable card use and expenditure.

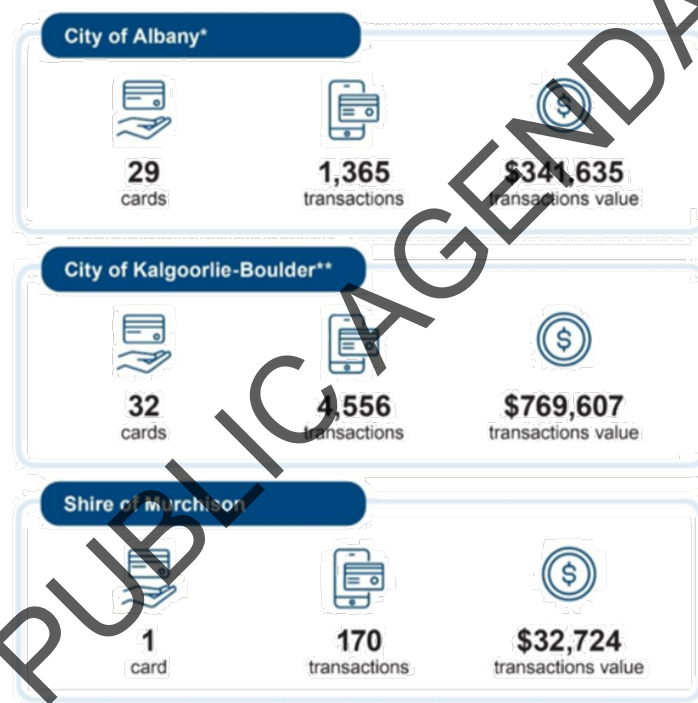
Findings

Controls over the use of purchasing cards were partly effective

We found cardholders generally provided receipts for their purchases and had appropriate delegations to purchase. However, we identified control weaknesses of varying significance across the three audited entities which increased the likelihood of unreasonable or unauthorised purchases. Detailed findings were provided to each of the audited entities.

Entities need to develop clear policy guidance on what is allowable and reasonable business expenditure, regardless of the payment mechanism, and improve card expenditure review and approval processes to prevent and detect inadvertent or deliberate misuse.

The three entities varied in the number of cards issued and the number of purchases over the audit period (Figure 2). All were using their purchasing cards to make low value purchases with most transactions being for items less than \$500.



Source: OAG based on information provided by each entity

* City of Albany: 5 credit cards (1,018 transactions and \$318,543) and 24 store cards (347 transactions and \$23,092).

** City of Kalgoorlie-Boulder: 30 credit cards (4,434 transactions and \$759,181) and 2 store cards (122 transactions and \$10,426).

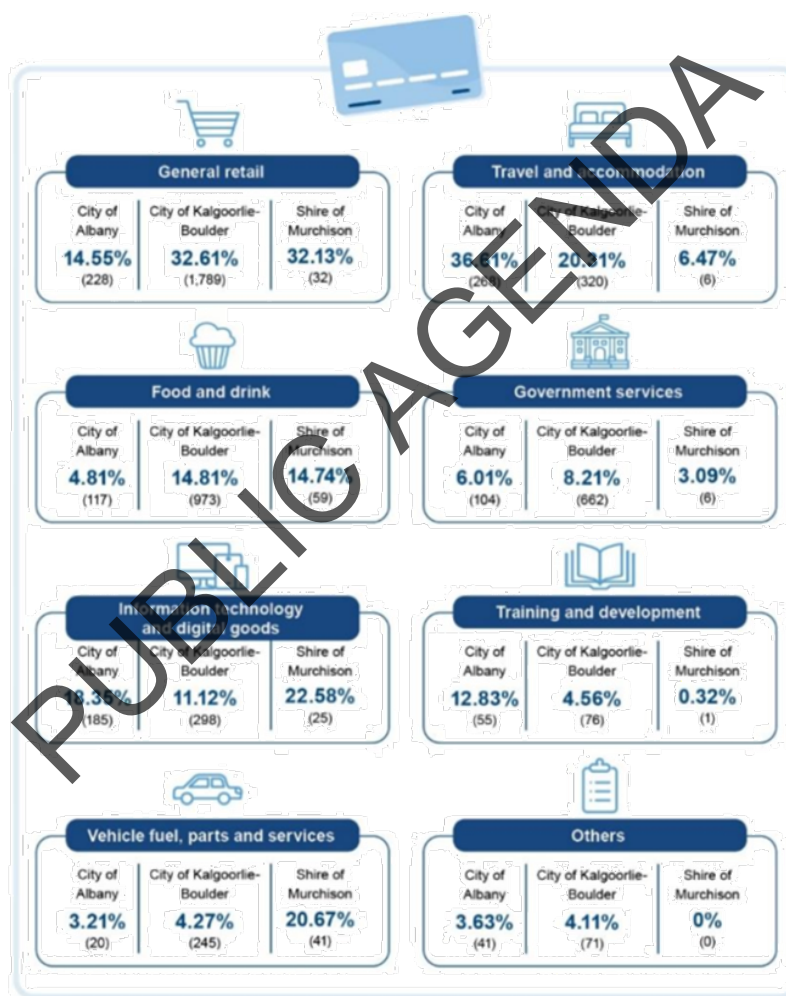
Figure 2: Key purchasing card statistics for 1 November 2022 to 31 December 2023

Our analysis found card purchases generally fell into the following categories:

- general retail (e.g. industrial and construction supplies, hardware and equipment, and office supplies and printing)

- travel and accommodation
- food and drink purchases
- government services (e.g. postal services, licenses, registrations and permits)
- information technology and digital goods
- training and development
- vehicle fuel, parts and services
- others.

We further analysed credit card purchases, which made up most of the purchases over the audit period.⁹ Figure 3 shows the percentage spend and the number of purchases in each category by entity.



Source: OAG based on credit card information provided by each entity

Figure 3: Purchase categories for 1 November 2022 to 31 December 2023

⁹ Credit card purchases were allocated using standard merchant information. Store card purchases were not analysed as merchant categories were not readily available.

Inadequate policy guidance on allowable and reasonable business use

None of the three audited entities had adequate policy guidance for staff on what they considered was allowable and reasonable business expenditure. The entities regularly purchased air fares, accommodation and food and drink¹⁰ (including alcohol) in the absence of any guidance around what was allowable and reasonable.

Policies are an important preventive control designed to assist staff in their decisions prior to them making a purchase and reduce instances of unreasonable and excessive spending. The community has a right to expect that public money will be spent carefully and only for legitimate business purposes. The following case study provides examples of purchases we identified where, in the absence of clear policy guidance, we queried if the spending was reasonable.

Case study 1: Reasonableness of business use

Air travel

- One entity spent \$6,302 for its CEO to fly business class interstate. The entity's current policy only allows business class air fares for elected members and there is no policy to guide allowable and reasonable expenditure on staff air travel.

Food and drink

- An entity purchased alcohol including 24 bottles of wine, 12 bottles of champagne and 15 cartons of beer and cider (\$1,290) and dessert (\$900) for a 'staff celebration'.
- An entity spent \$726 on 'reward and recognition catering' that included \$394 for alcohol and beverages (including five bottles of wine) and \$332 for food.
- An entity paid \$260 for food for a workshop. The approved receipt detailed the purchase of 'raw oysters'.

Supporting documentation did not show who and how many people attended, or the business purpose of the events, so the necessity and reasonableness of expenditure could not be clearly demonstrated.

We also found that none of the entities had documented processes or timeframes to recover money when cards were used to pay for personal items. Corporate purchasing cards should not be used to purchase personal items under any circumstances, even when the cardholder plans to reimburse the entity. If purchases cannot be clearly split into personal and business components at the time of purchase, a better approach is to pay with a personal account and then seek a reimbursement from the entity for the business component.

Entities need to have processes in place to promptly recover the cost of personal purchases to prevent loss of public money.

Case study 2 highlights examples where a purchasing card was used for personal use and an entity failed to promptly recover the money:

¹⁰ DLGSC Operational Guideline, *Use of Corporate Credit Cards*, requires local government entities to establish strict guidelines for expenditure on entertainment.

Case study 2: Personal use

An entity used a purchasing card to pay for the air travel of a staff member's partner who was not travelling in a business capacity. There was a considerable lapse of time (118 days after the transaction) before repayment of the partner's travel costs.

Inadequate review and approval of purchases

The audited entities did not always adequately review and approve purchasing card transactions. We identified:

- none of the entities complied with their own policy and procedures on the review and approval of purchases. For example, staff who were not authorised were approving purchases and purchases were not reviewed within specified timeframes
- CEO purchases approved by a Mayor despite Mayors' having no established administrative authority (City of Albany)
- purchases were approved by a subordinate of the cardholder (City of Kalgoorlie-Boulder).

To ensure expenditure represents allowable and reasonable business use, a direct manager¹¹ who is aware of the cardholder's role and purchasing requirements should conduct a timely review and approval of the purchases. This reduces the likelihood of unreasonable, inappropriate or unauthorised transactions going undetected.

We also found:

- card sharing while the cardholder was absent from the office (Shire of Murchison). This increases the likelihood of unauthorised or fraudulent purchases and makes it difficult to identify the purchaser
- collection of personal reward scheme points on business purchases that were not identified nor reported as part of the approval process (City of Albany and City of Kalgoorlie-Boulder). A risk exists with reward schemes that cardholders may make purchases through a particular supplier to gain a personal advantage.

The following case study is an example of approval timeframes set in the entity's policy and procedures that were not met.

Case study 3: Management approval exceeded timeframes

One entity's corporate policy and procedures require all purchases to be approved by a supervisor/manager within specified timeframes.

We found significant delays in the approval of card purchases during our audit.

- 63% were approved outside of the policy timeframes and included:
 - A significant number of purchases that were only approved in December 2023, after we initiated our audit, through three bulk approval actions. Some of these were for purchases spanning back 10 months to March 2023. The bulk approvals suggest very little actual scrutiny of necessity and reasonableness of expenditure.

¹¹ In the case of the CEO, the chief finance officer (or equivalent) or a suitably senior staff member.

- Significant delays in approval with delays of up to 218 days.

Entities need to promptly review and approve purchases to ensure the expenditure represents allowable and reasonable business use and to detect inadvertent and deliberate misuse.

Controls over the issue and cancellation of cards were partly effective and require improvement

The three audited entities' management of the issue and cancellation of purchasing cards were only partly effective. New cardholders had the necessary financial delegations to purchase, and purchasing card policies were made available to cardholders. However, we identified the following control weaknesses:

- policies and procedures were missing key elements including an application process to approve eligibility and need for a card, and a cardholder agreement form outlining cardholder legal obligations and responsibilities (Shire of Murchison and City of Kalgoorlie-Boulder)
- no management approval of applications to ensure cards are issued to approved staff and spending limits are based on operational need (City of Albany)
- delays of around one and two months in cancelling cards when staff exit the entity (City of Kalgoorlie-Boulder and City of Albany) which can lead to continued card use and unnecessary card administration fees
- purchasing card registers were missing key information such as an acknowledgement of card return and date of card destruction (City of Albany and City of Kalgoorlie-Boulder).

There is an increased likelihood of inadvertent or deliberate misuse and financial loss to entities when cards are not appropriately issued and cancelled.

Lack of appropriate oversight of purchasing card controls

Payment listings provided by the three audited entities to their councils generally met legislated requirements. However, we identified instances where the included descriptions were vague or inaccurate and could have better identified the expenditure to facilitate proper scrutiny.

None of the audited entities had appropriate management oversight of purchasing card control effectiveness. The entities informed us card administrators and line managers did not monitor controls to issue, use and cancel cards or report on shortcomings to management. Regular monitoring would assist entities to identify control gaps and address weaknesses in a timely manner. We noted during the audit that the City of Kalgoorlie-Boulder does have some insight into control effectiveness, but this is limited as it only reviews one month's card use by one randomly selected cardholder as part of its monthly executive meetings.

Case study 4 provides examples that illustrate the need for management oversight over control effectiveness. Our better practice guidance in Appendix 1 provides entities with a range of oversight activities to consider.

Case study 4: Lack of management oversight

We found the following examples where a lack of management oversight limited entities' ability to identify and improve controls:

- Several 'top-up' payments were made in the monthly card statement period as cardholders exceeded their monthly limits. Regular monitoring and reporting may have identified a need to reassess card limits based on operational need. Transactions may be declined and service delivery disrupted when credit limits are exceeded.
- A staff member had stored their entity's card information in a personal online accommodation account, resulting in personal use. The entity recovered the money but did not consider if control improvements were needed to prevent further occurrences.

We found the audited entities had reviewed their financial management systems and procedures at least every three years as required by legislation¹². While these included a limited review of purchasing card procedures, they did not provide ongoing confirmation that purchasing card controls are appropriate or effective. Oversight should be enhanced by other regular monitoring and reporting activities.

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¹² Local Government (Financial Management) Regulations 1996, regulation 5(2)c.

Recommendations

The three audited entities, as relevant, should:

1. develop and implement clear policy guidance for staff on what is allowable and reasonable business use expenditure on items such as travel and food and drink
2. have suitable controls in place to manage the issue and timely cancellation of purchasing cards
3. review and approve purchasing card transactions in a timely manner
4. keep proper records of the review and approvals of purchasing card transactions and card cancellations
5. include sufficient accurate detail in council papers to allow purchasing card expenditure to be appropriately scrutinised
6. regularly monitor and report on purchasing card controls to allow management to oversee usage and control effectiveness. The results of reviews should be documented and retained.

In accordance with section 7.12A of the *Local Government Act 1995*, the three audited local government entities should prepare a report on any matters identified as significant to them for submission to the Minister for Local Government within three months of this report being tabled in Parliament, and within 14 days of submission publish it on their website.

PUBLIC AGENDA

Response from the City of Albany

The City of Albany accepts the recommendations and learnings contained in the performance audit. While the audit did not find clear evidence that cardholders misused public money, the City recognises the importance of continuous improvement in the management of its purchasing cards. The City has begun addressing the audit's findings.

Response from the City of Kalgoorlie-Boulder

The City of Kalgoorlie-Boulder has already begun reviewing and updating internal control processes and updated staff training in the use of cards within the City to ensure that processes and systems for the management cards are in line with best practice.

Response from the Shire of Murchison

The audit review of credit card use and overall recommendations for administrative improvements is welcome and as indicated in the Murchison Shire's responses will be actioned as a matter of course.

In context the Shire is very small and has only one credit card which has historically been assigned to the Chief Executive Officer when he or she commences employment. Whilst there has been no documentation on the actual purpose and operational use, the card has always been predominately used as a corporate card, which the CEO is responsible for, rather than for the CEO's work-related use. This form of usage is essential operationally as from time to time some organisations will only accept credit card payments rather than through the formal purchasing order / account payable system.

Whilst on the surface allowing others to use the credit card increases the risk of unauthorised or fraudulent transactions, the smallness of the organisation with only three in the administrative area other than the CEO, and normal checks and posting of transactions means that there is minimal risk of this actually occurring. Future improved documented policy and procedures will assist in demonstrating this situation.

Council's current policy and operational practices also requires credit card transactions to be authorised by the Chief Executive Officer as card holder and checked by an independent Financial Accountant. Details of credit card transactions are included in the list of payments presented to Council for each Council Meeting and as required included the resolution whereby Council have accepted the payment listing. Councillors are well experienced and familiar with the operations of the Shire, which by and large are relatively straight forward, and regularly ask questions and seek clarification.

Audit focus and scope

The focus of this audit was to assess whether three regional local government entities effectively manage the issue, use and cancellation of purchasing cards.

Our criteria were:

- Are there effective controls over the issue and cancellation of purchasing cards?
- Are there effective controls over the use of purchasing cards?

The City of Albany, City of Kalgoorlie-Boulder and Shire of Murchison were included in the audit.

The audit reviewed the issue, use and cancellation practices of each entity over the period of 1 November 2022 to 31 December 2023.

We visited each entity and assessed their policies and procedures against legislative requirements, DLGSC operational guidelines and our better practice guidance in Appendix 1. At each entity, we also assessed a sample of CEO purchasing card transactions and whether there was adequate independent review of CEO use.

This was an independent audit, conducted under section 18 of the *Auditor General Act 2006*, in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other ethical requirements related to assurance engagements. Performance audits focus primarily on the effective management of entity programs and activities including compliance with legislative and other requirements. The approximate cost of undertaking the audit and reporting was \$300,000.

PUBLIC AGENDA

Appendix 1: Better practice guidance

Local government entities need to have purchasing card policies and procedures that are up to date and accessible to staff. These policies and procedures should include key controls for the issue, use and cancellation of purchasing cards and be regularly reviewed.

The table lists requirements for effective purchasing card management, which guided our audit. It is not intended to be an exhaustive list.

Purchasing card management	Outcome	What we expect to see
 Issue	Cardholder eligibility and operational need is established, an application is appropriately approved and the cardholder is made aware of their legal obligations and responsibilities	- cardholder has appropriate financial delegation to incur expenditure. Delegations should also be set for certain types of expenditure - an application form is appropriately approved - card limits are based on cardholders need - cardholder and their manager signs agreement that clearly sets out legal obligations and responsibilities and the purposes for which a card may or may not be used - cardholder acknowledges that they understand and will comply with purchasing card policy and procedures - cardholder receives training on procedures and requirements - card administrator updates the purchasing card register with key cardholder information
 Use	Purchases are for business use, and are properly reviewed and approved in accordance with the purchasing card policies and procedures	- purchases should be within the transaction and card limits. They should not be split to circumvent these limits - entity sets out appropriate delegations for approval of expenditure - timely review and approval of transactions: <u>cardholder</u>: reviews statements to ensure accuracy of reported purchases, attaches adequate supporting documentation, codes purchases and provides sufficient details to identify the purchase <u>cardholder's direct manager</u>¹³: reviews and approves purchases to ensure appropriate business use, consistency with cardholder's role and responsibilities, and compliance with policies and guidelines - review and approval processes have adequate documentation - processes to repay any personal purchases - guidance for purchases where cards are not physically present such as online telephone and internet purchases

¹³ In the case of the CEO, the chief finance officer (or equivalent) or a suitably senior staff member.

Purchasing card management	Outcome	What we expect to see
		- treatment of reward schemes and loyalty programs as purchasing cards should not be used to gain a personal benefit - procedures for when a cardholder is on leave to ensure card security
 Cancellation	Timely cancellation of purchasing cards to prevent unauthorised purchases and unnecessary card fees	- immediate cancellation once a cardholder exits or has a change in employment requirements - cardholder returns card to the administrator - cards should be destroyed, and evidence of destruction recorded - administrator enters cancellation and destruction information in cardholder register
 Oversight	Regular monitoring and reporting to provide management with insights into use and the effectiveness of controls and to address shortcomings in a timely manner Evidence of reviews should be retained	Examples of monitoring and reporting include: - Continuously: - disclose information about each purchasing card transaction in a payments listing to council and in council minutes - record instances of personal use, inappropriate use, and disputed and fraudulent transactions. Take corrective action when required - assess the timeliness of reviews and approvals by cardholders and managers, and act when timeframes are not met - provide reports to managers on usage within their areas to assess operational need - reinforce requirements to cardholders and approvers - Annually: - identify inactive or under-used cards that may require cancellation - review appropriateness of transaction and card limits - audit and update purchasing card registers - review relevance and effectiveness of policies and procedures as part of an annual risk assessment - Periodically: - sample test transactions for appropriate business use and compliance with policies and procedures - analyse usage and supplier patterns to inform procurement practices - review purchasing card policy against operational guidelines and better practice principles

Purchasing card management	Outcome	What we expect to see
		○ review the appropriateness and effectiveness of financial management systems and procedures as required by legislation

Source: OAG

PUBLIC AGENDA

Auditor General's 2023-24 reports

Number	Title	Date tabled
19	Local Government Management of Purchasing Cards	12 June 2024
18	Local Government 2022-23 – Financial Audit Results	6 June 2024
17	Local Government IT Disaster Recovery Planning	31 May 2024
16	Local Government 2022-23 – Information Systems Audit Results	27 May 2024
15	State Government Advertising	15 May 2024
14	State Government 2022-23 – Information Systems Audit	12 April 2024
13	Provision of Supplementary Information to the Standing Committee on Estimates and Financial Operations – Opinions on Ministerial Notifications	5 April 2024
12	Digital Identity and Access Management – Better Practice Guide	28 March 2024
11	Funding for Community Sport and Recreation	21 March 2024
10	State Government 2022-23 – Financial Audit Results	20 December 2023
9	Implementation of the Essential Eight Cyber Security Controls	6 December 2023
8	Electricity Generation and Retail Corporation (Synergy)	8 November 2023
7	Management of the Road Trauma Trust Account	17 October 2023
6	2023 Transparency Report: Major Projects	2 October 2023
5	Triple Zero	22 September 2023
4	Staff Exit Controls for Government Trading Enterprises	13 September 2023
3	Local Government 2021-22 – Financial Audit Results	23 August 2023
2	Electricity Generation and Retail Corporation (Synergy)	9 August 2023
1	Requisitioning of COVID-19 Hotels	9 August 2023

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for Western Australia

7.7 Matters of Compliance

7.7.1 OAG Report - Financial Audit Results for Local Government 2023-24

File Reference	
Report Date	18 July 2025
Applicant/Proponent	OAG
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Auditor General report on Financial Audit Results for Local Government 2023-24

PURPOSE

To inform the Audit Committee of the published Auditor General report on Financial Audit Results for Local Government 2023-24.

BACKGROUND

At the end of April 2025 the Auditor General published the report on Financial Audit Results for Local Government 2023-24. This was summarised and presented to council at the May 25 briefing session, the formalities now provided to the Audit Committee.

COMMENT

The report contained a number of recommendations of which the Shire of Victoria Plains was compliant in:

- Streamline in the audit process – submitted good quality, CEO signed financial reports by the 30 September.
- Reporting and Accounting for Fixed Assets.
- Quality and Revision of Financial Reports – one final version is submitted to the auditors from which they provide their review for adjustments and then it is completed.

One area that will not be resolved and therefore continue to be on management reports is that of unallocated monies, hence reduced management letter findings cannot be achieved.

The Shire of Victoria Plains achieved all requirements, listed as entity 114 on page 31 – Appendix 1: Status and Timeliness of audits.

The full report is provided at attachment 1.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

STATUTORY CONTEXT

Local Government Act 1995.

Local Government (Audit) Regulations 1996.

CORPORATE CONTEXT**Strategic Business Plan/Corporate Business Plan**

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance		
	We have sound financial management policies and attract external funding to help achieve our goals		
	Councillors attend training and feel supported in their role		
	Council is supported by a skilled team		

Strategic Priority 4.3 of external audits confirms the shire is full compliant with audit requirements..

Delegation

Nil

Policy Implications

Section 3 – Financial Management.

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring any recommendations from the audit are implemented will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Committee **RECEIVES** the Auditor General report of Financial Audit Results for Local Government 2023-24.

PUBLIC AGENDA



Report 12: 2024-25 | 24 April 2025

FINANCIAL AUDIT RESULTS

Local Government 2023-24

PUBLIC AGENDA



**Office of the Auditor General
for Western Australia**

Audit team:

Grant Robinson
Kellie Tonich
Tamara McCarthy
Financial Audit and Information Systems Audit teams

National Relay Service TTY: 133 677
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for
those with visual impairment.

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ISSN: 2200-1913 (print)
ISSN: 2200-1921 (online)

The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Image credit: shutterstock.com/Stephen.I.Parsons

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Local Government 2023-24 – Financial Audit Results

Report 12: 2024-25
24 April 2025

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PUBLIC AGENDA



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

LOCAL GOVERNMENT 2023-24 – FINANCIAL AUDIT RESULTS

This report has been prepared for submission to Parliament under the provisions of sections 24 and 25 of the *Auditor General Act 2006*.

The report summarises the final results of our annual audits of 135 of 147 local government entities for the year ended 30 June 2024.

I wish to acknowledge the assistance provided by the councils, chief executive officers, finance officers and others, including my staff and contract audit firms, throughout the financial audit program and in finalising this report.

A handwritten signature in blue ink that reads "Labuschagne".

Sandra Labuschagne
Acting Auditor General
24 April 2025

PUBLIC AGENDA

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Report overview

2023-24 was our third year auditing the entire local government sector and we continue to see the impact of the hard work put in by the sector and our audit teams. For 2023-24, 91.8% of audit opinions, covering 135 of 147 local government entities, were signed by 31 December 2024 (2023: 89%). We are in a good position to provide a holistic view of the sector, again earlier than we did last year. There were 12 entities' audits outstanding at 31 December 2024 which are not included in this report. These entities encountered various challenges in providing us with information to enable their audits to be finalised.

An area of improvement in 2023-24 was a reduction in the number of qualified audit opinions from 12 entities in 2022-23 to six entities this year. The reduction was partially driven by legislative relief around valuations of infrastructure and property, plant and equipment. The overall number of financial management findings also decreased by 29%, from 718 issues to 512. We commend entities for the ongoing improvements and the Department of Local Government, Sport and Cultural Industries (DLGSC) in its actions to support the sector. The Office will continue to offer support and input where appropriate.

Another area of improvement was timeliness. However, while timeliness has improved year on year, we continue to see a bottleneck of audit sign-offs in December. We also still experience multiple financial statement versions submitted for audit and high error rates in those versions. These challenges further contribute to increased audit effort and costs, and delay audits.

Most emphasis of matter (EoM) paragraphs this year were due to fixing prior year errors. Eight of 18 EoM paragraphs related to restatement of prior year fixed asset or infrastructure balances, many where assets were not previously recognised in the accounting records and financial report. The restatement of prior year numbers requires both local government staff and Office staff (including contractor audit firms) to re-examine previously audited numbers.

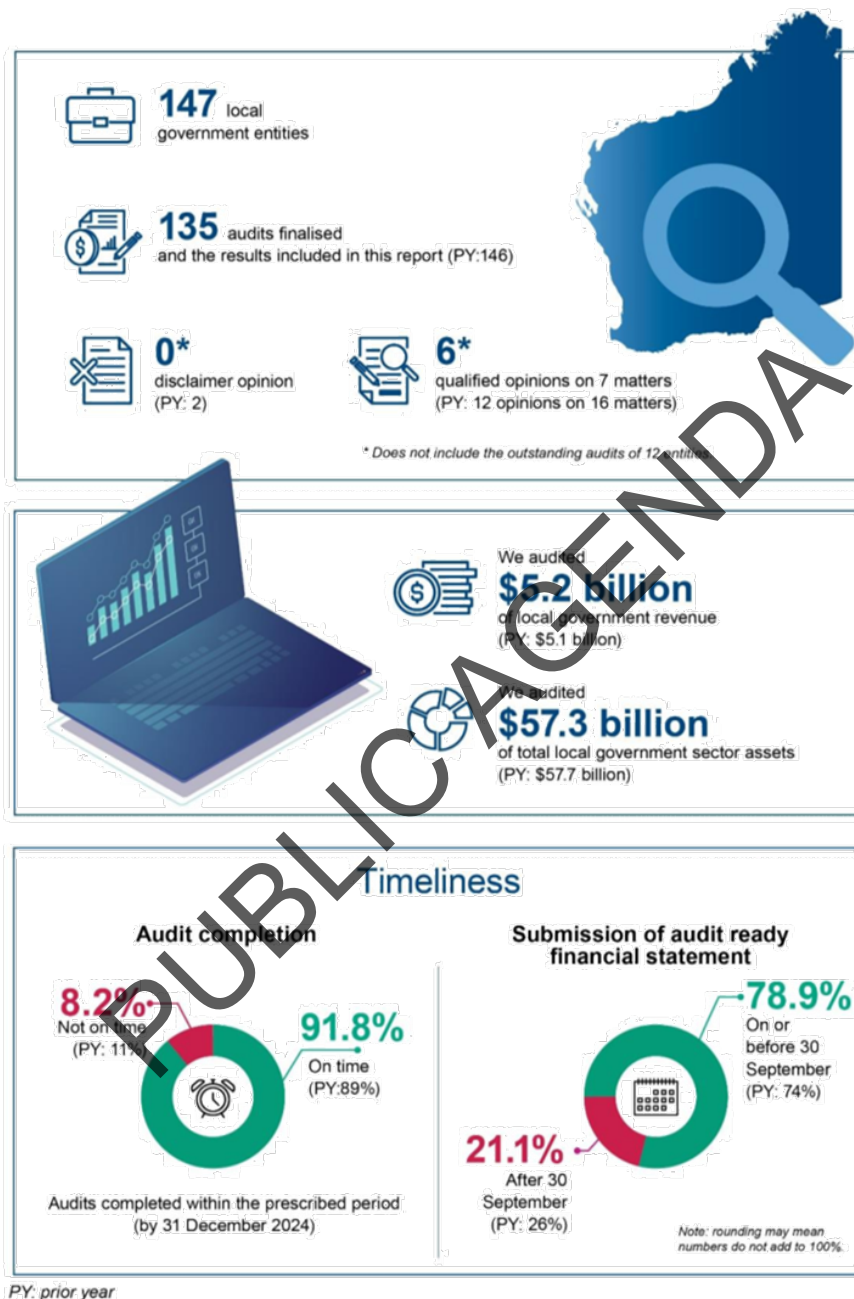
Pleasingly, information systems control issues have also reduced by 25% compared to 2022-23. A full analysis of these results is contained within the *Local Government 2023-24 – Information Systems Audit Results*¹ report.

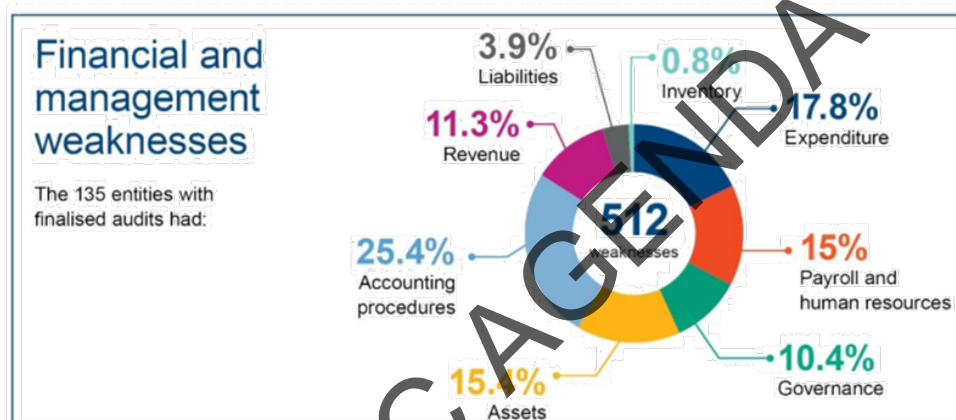
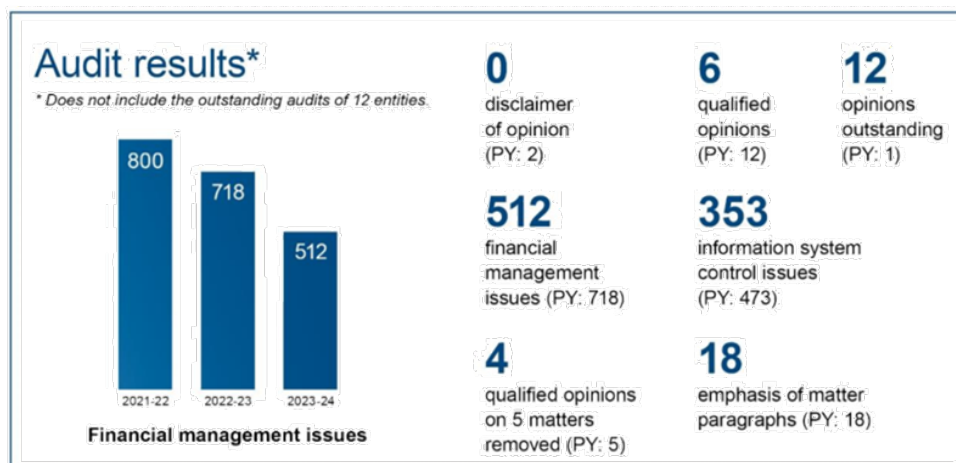
DLGSC and entities are encouraged to consider the recommendations included in this report, and draw on our better practice guides, to streamline the financial reporting and auditing processes. It is pleasing to see the significant progress made by entities this year and we hope to see this momentum maintained for the 2024-25 season.

¹ Office of the Auditor General, [Local Government 2023-24 - Information Systems Audit Results](#), OAG, 11 April 2025.

2023-24 local government reporting cycle at a glance

This report contains our findings from the annual financial audits of the local government entities whose audits were completed by 31 December 2024.





Recommendations

To streamline the audit process:

Entities should:

- a. submit good quality, reviewed and CEO-signed financial reports for audit no later than 30 September. Our expectation is that CEO certification means management is satisfied the financial report is a complete and accurate record of their entity's finances and all numbers and disclosures are supported by underlying work papers. Supporting work papers and reconciliations should be available by this date (page 12)
- b. evaluate the significance of errors and decide if they need to be adjusted. Analyse the root cause for the errors (page 13)
- c. communicate delays to financial report submission early to minimise disruptions and facilitate resource allocation. Flexibility may be required from entities when rescheduling their audit (page 16)
- d. evaluate opportunities to submit financial reports earlier for audit (page 15)
- e. refer to our Audit Readiness Tool which contains checklists to assist in preparation for audit (page 16).

The Department of Local Government, Sport and Cultural Industries (DLGSC) should:

- f. consider further opportunities to reduce financial report disclosure requirements to provide further relief to entities, without compromising the needs of users of the financial report. This recommendation is reoccurring from our *Local Government 2022-23 – Financial Audit Results* report (page 24).

DLGSC response:

DLGSC recognises the importance of this consideration and is committed to continuous review and monitoring for opportunities to streamline and simplify reporting processes. This approach ensures that the necessary information is captured efficiently, while minimising the effort required from entities and the auditor. By regularly evaluating and refining our reporting requirements, DLGSC aims to maintain a balance between thoroughness and ease of use.

To improve reporting and accounting for fixed assets:

Entities should:

- g. conduct asset counts to support the completeness and accuracy of asset records (page 23).

DLGSC should:

- h. finalise their valuations guide and release this to improve consistency and reliability of valuations across the sector. This recommendation is reoccurring from our *Local Government 2022-23 – Financial Audit Results* report (page 22).

DLGSC response:

After consultation with other jurisdictions, the DLGSC is finalising a comprehensive guide to assist entities in revaluing non-financial assets. This guide aims to enhance the consistency and reliability of asset valuations. It will encompass key topics such as valuation

methodologies, scope of works and assumptions used in the valuation process as outlined and is scheduled for completion by 30 June 2025.

To reduce management letter findings:

Entities should:

- i. alert OAG audit engagement leaders to new processes or systems, any issues encountered during the year, or any area of concern or technical accounting determinations (page 16).

DLGSC should:

- j. consider providing guidance for entities around commercial operations and consider if regulatory change is warranted (page 22)
- k. develop guidance on how to disclose and account for prior period errors (page 23)
- l. develop WA guidance on rehabilitation provision accounting. This recommendation is recurring from our *Local Government 2022-23 - Financial Audit Results* report (page 23).

DLGSC response:

DLGSC will consider as part of any further local government reforms the potential to streamline regulation in the setting of fees and charges for local governments and regional subsidiaries to reflect modern commercial management. Regulatory changes are however ultimately decisions for the Minister for Local Government and in respect of the *Local Government Act 1995*, the Cabinet.

DLGSC will consider if existing guides on accounting for rehabilitation provisions can be localised for Western Australian specific legislation.

DLGSC acknowledges the challenges that accounting for prior period errors can present to local governments. DLGSC will assist by providing affected local governments with examples for previous prior period error corrections of a similar nature. However, the best approach is for the local government to provide early advice to the auditor on their need to report a prior period error.

Review of the 2023-24 financial year

Introduction

Our financial audits focus on ensuring the accuracy of an entity's annual financial statements. This report summarises the results of the financial audits of local government entities (entities) for the year ended 30 June 2024. It includes the results for the 135 of 147 entities' audits that we completed by 31 December 2024 (Appendix 1), with the remaining 12 entities' results to be tabled in Parliament once their audits are completed. Appendix 1 also includes statistics of results by local government band to enable entities to contextualise their own results.

Summary of audit opinions

For the financial year ending 30 June 2024, we issued clear opinions for 129 entities by 31 December 2024 and six audit opinions were qualified. We included 18 emphasis of matter (EoM) paragraphs in the auditor's reports of 18 entities and one audit opinion with a material uncertainty of going concern.

Audit year	2022-23	2023-24
Number of entities subject to OAG audit	147	147
Number of entity audits included in results report	137	135
Number of entity audits included in updated statistics ²	146 ²	N/A
Clear (unqualified) audit opinions	132 ²	129
Qualified opinions	12 ²	6
Disclaimer of opinion	2 ²	0
Material uncertainty related to going concern	1	1
Emphasis of matter paragraphs	18 ²	18

Source: OAG

Table 1: Audit results for the past two years

No disclaimed opinion yet for 2023-24

Of the 135 entities audits signed by 31 December 2024, we issued no disclaimers of opinion. This status may change as we finalise the remaining outstanding audits.

Issuing a disclaimer of opinion is the most serious audit outcome. In 2022-23, we issued two disclaimers of opinion, the City of Nedlands which was reported in our *Local Government 2022-23 - Financial Audit Results* report and the Shire of Halls Creek which was completed after the cut-off date of that report³. A disclaimer of opinion is issued when there is insufficient evidence to form an opinion and the effect is pervasive through the financial report.

² Updated statistics as per Appendix 10 of tabled report on OAG website, *Universities and TAFEs 2023 - Financial Audit Results*, 5 December 2024.

³ The opinion for the Shire of Halls Creek was included with updated statistics as per Appendix 10 of tabled report on OAG website, *Universities and TAFEs 2023 - Financial Audit Results*, 5 December 2024.

Six qualified opinions

So far for 2023-24, six entities received qualified opinions, covering seven qualification matters (Appendix 4) representing a decrease in the number of qualified entities from 2022-23 where we qualified the audit opinions of 12 entities, covering 16 qualification matters.

All seven qualification matters related to assets: one for biological assets and six for infrastructure assets. Five of the qualification matters related to the comparability of balances due to prior year qualifications. One included a qualification of the current and prior year asset values as the entity was unable to sufficiently determine the existence of their assets in 2022-23 or 2023-24. The other qualification matter related to insufficient evidence to support the existence of biological assets.

Additional audit work is required in the year following a qualification to determine if the qualification needs to remain or if it can be removed. We expect five of the 2023-24 qualifications to be cleared in the 2025 financial year as the qualified comparative balances will no longer be reported.

Emphasis of matter paragraphs

In 2023-24, we included 18 EoM (Appendix 6) paragraphs in 18 entity auditors' reports which is on par with the 18 EoM paragraphs included in 17 reports the prior year. We anticipate this number to increase as the outstanding 12 audits are finalised. This year EoM paragraphs directed the readers' attention to:

- restatements of comparative figures or balances to correct prior period errors, largely related to property and infrastructure assets (2023-24: 14 entities) (2022-23: 13 entities)
- events occurring after balance date (2023-24: 2 entities) (2022-23: 3 entities)
- the basis of accounting used by the entity (2023-24: 1 entity) (2022-23: 1 entity)
- legal determination pending (2023-24: 1 entity) (2022-23: 1 entity).

The increase in entities with prior period errors in their financial reports is of concern. These errors largely relate to found assets, which are owned assets that had not been appropriately recognised in the accounting records and financial report. To reduce the risk of such errors, entities should review their processes and controls to ensure their asset records appropriately capture all assets.

It is commendable that entities proactively find and correct prior period errors; however, it raises serious concerns around historical accounting records and increases audit risk. Additionally, errors cause delays and increase audit effort as prior year numbers need to be re-audited and additional disclosure notes must be reported and verified.

Five prior period errors were a result of gifted assets not being recognised in the accounting records of entities at the time they were received. It is important that when entities receive assets, regardless of the amount they have paid for them, that they are appropriately recognised in entity accounting records and at the appropriate value.

A full description of EOM paragraphs is included in Appendix 6.

Material uncertainty related to going concern

Under Australian Auditing Standards, we consider whether events or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern.

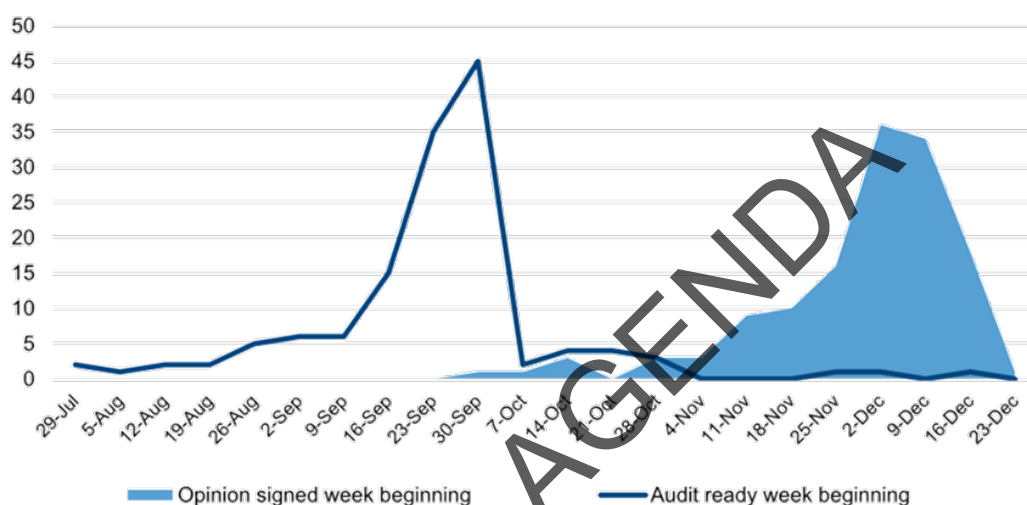
In 2023-24, this applied to the Resource Recovery Group (Group). The going concern issue arose due to the majority of member councils withdrawing from the Group. This material

uncertainty was first included in the Group's audit report for 2022-23. This was not reported in our 2022-23 results report as the audit was finalised after the cut-off date for that report.

Appropriate disclosures were included in the Group's financial report about this matter and our auditor's report draws readers' attention to these disclosures, an extract of this is included in Appendix 7.

Quality and timeliness of financial reporting

We aim to finalise all audits early enough for entities to meet their legislated timeframes for adopting their annual reports. Appendix 1 outlines the date we issued each entities' 2023-24 auditor's report and our assessment of their audit readiness. Of the 122 entities which provided financial statements by 30 September 2024, we considered 116 to be audit ready.



Source: OAG

Figure 1: Audit ready financial report submitted for audit vs. audit completion dates by week beginning

Issues with quality of financial reports

The quality of financial reports and supporting documentation directly impacts audit timelines. For 2023-24, we continued to see issues resulting from a lack of quality review processes. This included high numbers of financial report versions, a large number of audit reports with EoM paragraphs due to prior period restatements and a significant number of audit errors.

Revisions to financial reports

Multiple financial report versions impact the cost of financial reporting. On average four versions of the financial report (2022-23: five versions) were provided by each entity for 2023-24. One entity submitted 16 versions. Each new version requires time to review and verify the changes, and increases the risks around version control.

To improve the quality of financial reports provided to audit and reduce the number of versions provided, we request financial reports go through an internal review and certification process prior to being submitted for audit. This process is to ensure the financial report has been interrogated and stress-tested internally, with the expectation that errors or other anomalies are identified early and corrected by the entity before the audit starts.

A rigorous review process enables CEOs to be comfortable with the report submitted and prepared to sign as final. In 2023-24, 117 entities provided us with statements certified by the

CEO at the commencement of the audit. Of the remaining entities, five were signed by the CFO or equivalent and 13 entities did not have any certification prior to submission for audit.

Entities should also have their financial report reviewed by council prior to providing for audit. Where councillors have not reviewed the financial report prior to audit sign-off there can be a situation whereby councillors are unhappy with disclosures in the report or want changes. This is evidenced in Case study 1.

Case study 1: Councillors not shown financial report prior to audit sign-off



A local government entity had their audit completed and signed in mid-December. The following week we received a request to amend the audited financial report due to council's dissatisfaction with a disclosure.

While minor disclosure amendments are simple in theory, any amendment to an audited annual report requires significant audit effort. Our audit opinion would have to be recalled and re-issued, amended disclosures would need to be re-audited and we have to re-perform subsequent event reviews as required by the auditing standards. This can quickly add up to an expensive exercise with minimal benefit to ratepayers. When this was conveyed, along with the likely timeline for actioning the changes, the entity elected not to go ahead with the amendments.

To avoid similar situations, entities should ensure the council, either in full or via delegated authority to the audit committee, is comfortable with the financial report prior to it being submitted for audit. This should form part of the pre-audit review of the financial report. Without a comprehensive review process there is an increased risk that the financial report is not audit ready.

Financial report errors

Errors coupled with multiple financial report versions are indicators of the quality of financial operations.

At 31 entities (2023: 34) we found no errors. For the other 104 entities, we identified 377 errors, 257 of which entities corrected (adjusted) in the final financial report and 120 remained uncorrected (Table 2). We expect the numbers of errors to increase once the remaining audits are finalised. There was a decrease in both the total number and total value of errors from the prior year and when compared with both the previous year's totals.

Year	Adjusted errors			Unadjusted errors			Total errors	
	No. of entities	No. of errors	Value	No. of entities	No. of errors	Value	No. of errors	Value
2023-24	104	257	\$355,842,684	54	120	\$54,998,088	377	\$410,840,772
2022-23	100	285	\$1,125,288,333	59	104	\$69,157,705	389	\$1,194,446,038
2021-22	91	335	\$1,613,529,048	58	132	\$50,668,884	467	\$1,664,197,932

Source: OAG

Table 2: Adjusted and unadjusted errors for entities

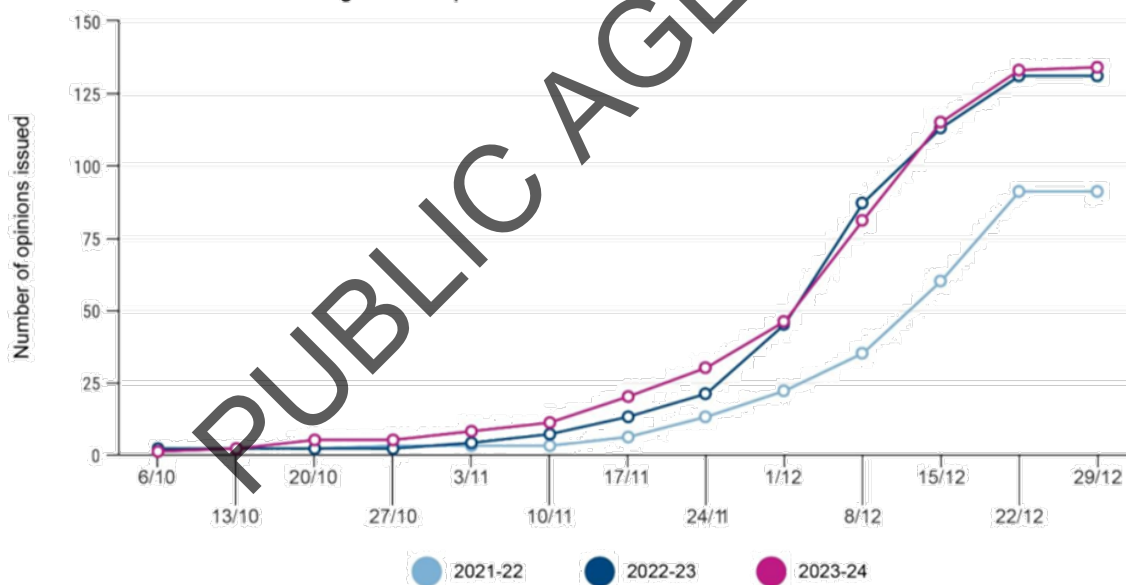
We identify errors based on evidence found during our audit. Material errors require correction to (in most cases) avoid qualification; for smaller errors, entities can choose whether or not to adjust.

We inform management and those charged with governance of all errors other than those that are clearly trivial. By hearing about them, the entity can identify potential risk areas or other matters impacting their financial reporting. Entities should consider carefully whether they make adjustments for errors that are not material. Smaller errors have no real impact on the financial report but require time to process and validate. All errors, but particularly those which are adjusted by the entity, increase the time and cost of financial reporting and of the audit. At one entity we noted 15 errors, it adjusted 13, but only five were material in total. Entities need to get the balance right in terms of the overall objective of the financial report.

Timeliness

OAG hard line initiative factor in improved timely reporting

This was the second year we invoked our hard line initiative. The initiative focuses on improving the quality and timeliness of financial reports and associated working papers that entities provide for audit. The continued support from the sector meant we were able to issue 91.8% of entities' audit opinions prior to 31 December 2024 (89.1% to 31 December 2023 for 2022-23). Entities have continued to work hard to prepare for their audits and provide more timely information. Figure 2 illustrates the completion of audits across the three years where we have had responsibility for all local government audits. It clearly shows the impact of the hard-line initiative in moving the completion of audits earlier.

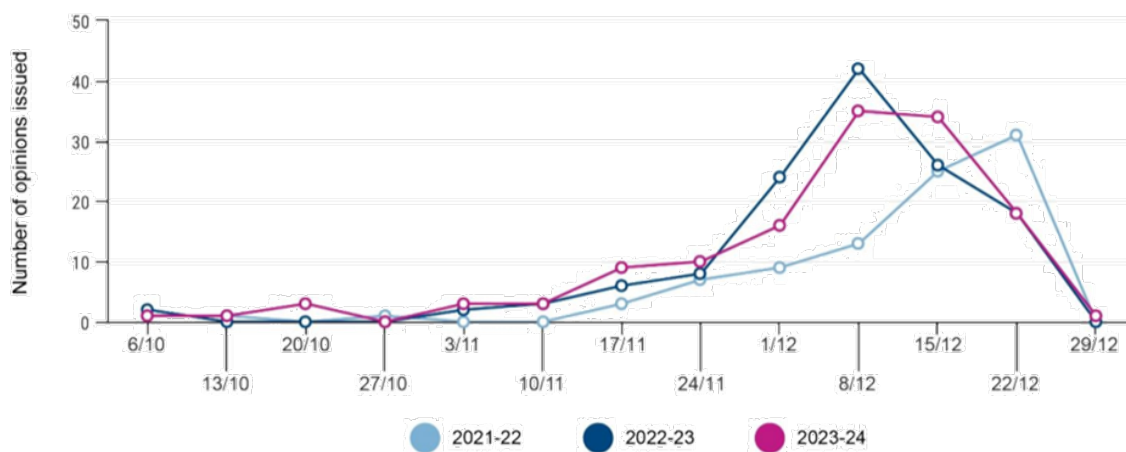


Source: OAG

Figure 2: Cumulative opinions issued in 2022, 2023 and 2024 by date

Audit bottleneck

There is a significant bottleneck in December. The majority of opinions are issued in December – 60.5% in 2023-24 and 63.9% in 2022-23 (Figure 2) with a substantial spike in the number of opinions issued per week (Figure 3). We issued more opinions in the second half of December 2024 than in 2023, 52 opinions in 2023-24 as opposed to 44 opinions in 2022-23.



Source: OAG

Figure 3: Opinions issued per week in 2022, 2023 and 2024

Despite only 78.9% (116 entities) of the sector being audit ready by 30 September 2024, we completed 91.8% of the sectors audits on time. The 19 entities included in this report that submitted their financial reports late added to the December bottleneck. Entities need to further improve their audit readiness as early preparation may enable audits to be brought forward. It also creates a buffer so audits with unexpected delays or newfound issues may still be completed within mandated timeframes.

Another factor in the bottleneck is entities viewing 30 September as the initial submission date for their financial report rather than treating it as the final date they can provide their financial report. Entities should focus on bringing forward their financial reporting processes to enable submission of their financial report as early as possible. Case study 2 illustrates what can be achieved when entities are audit ready ahead of 30 September.

Figures 1, 2 and 3 illustrate the time pressure point for finalising audits and how critical it is to meet agreed timelines. We need to work with the sector to bring work forward, wherever possible, to reduce the bottleneck and peak in workload.

Case study 2: Entity provided a complete financial report ahead of the statutory deadline



The Shire of Denmark had their financial report audit ready on 6 September 2024, more than three weeks ahead of the statutory deadline. This allowed the audit team to complete the audit and issue the opinion on 18 October 2024.

The Shire had completed internal review processes prior to submitting their report for audit that had been certified by the CEO on submission. The internal review process was thorough and meant that we were able to provide a clean audit opinion on the second version of their financial report with the Shire having no adjusted or unadjusted errors.

Having their audit completed by mid-October meant the Shire was reporting timely data to their ratepayers and other stakeholders, and allowed ample time to meet their statutory reporting deadlines before the end of the calendar year.

Reduction in requests for submission extension of financial report to auditor

Entities can apply to DLGSC prior to the legislated deadline of 30 September for an extension to submit their financial report for audit. There was a 37% reduction in the number of extensions this year, with 17 entities requesting extensions (Appendix 2), down from 27 entities in 2022-23. Entities need to advise us early if they are seeking an extension so we can work with them to minimise any adverse impact on the scheduling of their audit.

Extensions impact the timeliness of reporting. There can be legitimate reasons for one-off extensions; however, repeat extensions can be symptomatic of other underlying problems where early intervention is critical to prevent these from escalating. It is acknowledged that in July and August of each year, a time which should be primarily focused on preparation of the financial report, entities have competing priorities. On top of their business-as-usual work, entities are required to prepare and adopt their annual budget for the year by 31 August. This work is often completed by the same staff that would prepare the financial report.

Of the 17 entities given extensions, one entity received an extension to December 2024 and three obtained extensions into early 2025. These heavily extended deadlines meant it was impossible for these financial reports to be audited by the statutory deadline of 31 December 2024. Of the 12 entities that did not have their audits completed by 31 December 2024, nine had received an extension.

Audits finalised after 31 December 2024 and those that are still in progress

The twelve audits that were not finalised prior to 31 December 2024 encountered numerous challenges (Appendix 3).

Generally, audits in progress share some of the following themes:

- **Data integrity and system changeovers:** information to support the trial balance and financial report disclosures was not readily available, including appropriate data validation for those entities which had changed financial systems during the year. We encourage entities to review our better practice guides⁴ to better understand audit information requirements.
- **Key staff availability:** positions were vacated during the audit or have been vacant for some time. When key staff resign prior to or during the audit process, often no one is left at the entity who can assist with audit queries or provide the necessary information.
- **Difficulty closing out technical reporting matters:** some entities lacked the expertise required to adequately manage complex financial reporting. Technical matters such as business purchases, found assets and additional work required to clear prior year opinion modifications were too often left to the audit teams to resolve.
- **Incomplete valuations:** valuations are not readily available or we have concerns with their accuracy and/or completeness.

For those audits still in progress, we expect to issue further qualified opinions or opinions that include an EoM paragraph. We also expect the number of financial control findings to increase.

⁴ Office of the Auditor General, [Audit Readiness – Better Practice Guide](#), OAG, 30 June 2023 and Office of the Auditor General, [Western Australian Public Sector Financial Statements – Better Practice Guide](#), OAG, 14 June 2021.

Best practice entities

We rate entities on their financial reporting practices which is measured against the following criteria:

- timeliness of CEO-certified financial report
- quality of financial report (financial statements and notes)
- quality of working papers that support the financial report
- management resolution of accounting matters
- key staff availability during the audit
- number and significance of management letter findings
- clear opinion with no EoM or other audit report modifications.

We congratulate the entities we rated as the top 20 achievers for 2023-24.

Best practice top 20 entities	
• City of Albany* • Town of Bassendean • Shire of Beverley* • Shire of Brookton* • Shire of Chapman Valley • Shire of Christmas Island • Shire of Cue* • Shire of Dardanup* • Shire of Denmark* • Shire of Dumbleyung*	• Shire of Esperance* • Shire of Exmouth • Shire of Irwin* • Shire of Lake Grace • Shire of Menzies • Shire of Mundaring • Shire of Murray • Shire of Perenjori* • Shire of Three Springs* • City of Vincent

Source: OAG

* Indicates entities which received best practice in the 2022-23 report.

Table 3: Best practice entities for 2023-24

Certifications

Since November 2024⁵, we completed 14 certifications on Roads to Recovery Program, Local Roads and Community Infrastructure Program, and Deferred Pensioner Claim. All of these were clear certification opinions. Appendix 8 includes a full listing of certifications issued.

Control weaknesses

Control environment

We reported a total of 865 control findings in 2023-24 which is a reduction from the prior year (1,191 control findings). These are made up of 512 financial management issues (2022-23: 718) and 353 information system (IS) control issues (2022-23: 473).

An entity's control environment includes the governance and management functions and the attitudes, awareness and day-to-day actions that contribute to the internal control practices of

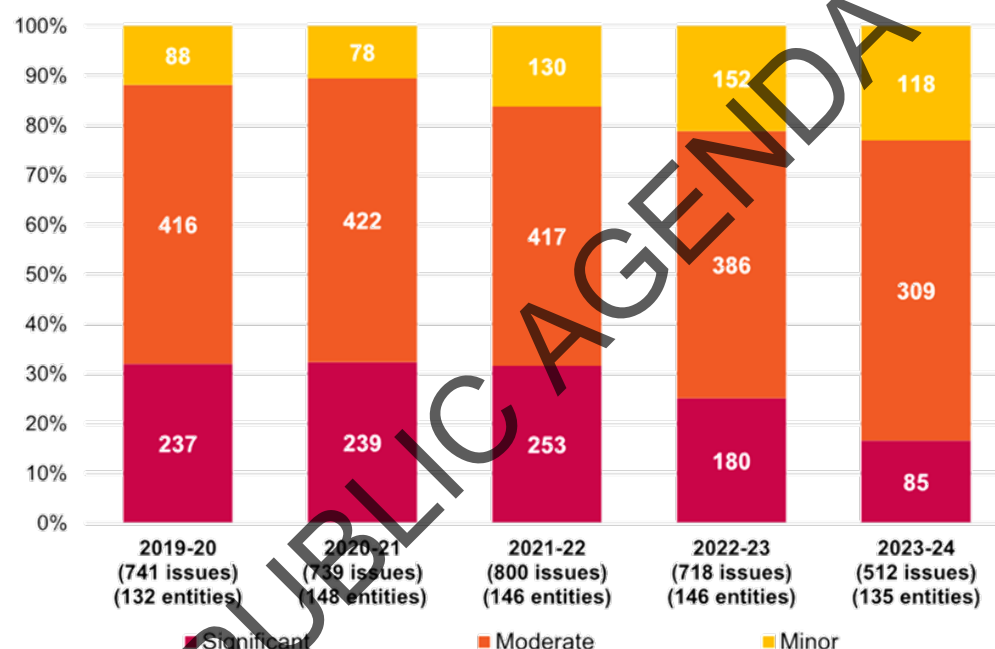
⁵ Certifications prior to November 2024 have been included in previously tabled financial audit results reports, most recently within the *Universities and TAFEs 2023 - Financial Audit Results* report tabled on 5 December 2024.

importance to the entity. A control environment with adequate systems, processes and people reduces the risk of error and fraud, and provides assurance to management, council and auditors that financial reports are materially correct. We assess each entity's control environment during our risk assessment procedures. We report details of weaknesses in the environment to entities. The main themes of these weaknesses are discussed in further detail below. We reported in detail the IS control findings in a separate report to Parliament⁶.

Financial management controls

We alerted 119 entities to 512 financial management control weaknesses across our three risk categories (Figure 4) compared with 718 weakness reported to 132 entities in 2023. The total number of findings is tracking lower than in recent years. These numbers will increase once the 12 outstanding entities are finalised; however, we don't expect the increase in number of findings to be greater than that reported in 2022-23. Importantly, the number of significant issues raised continued on a downward trend in 2023-24.

Definitions of our finding risk ratings can be found at Appendix 10.



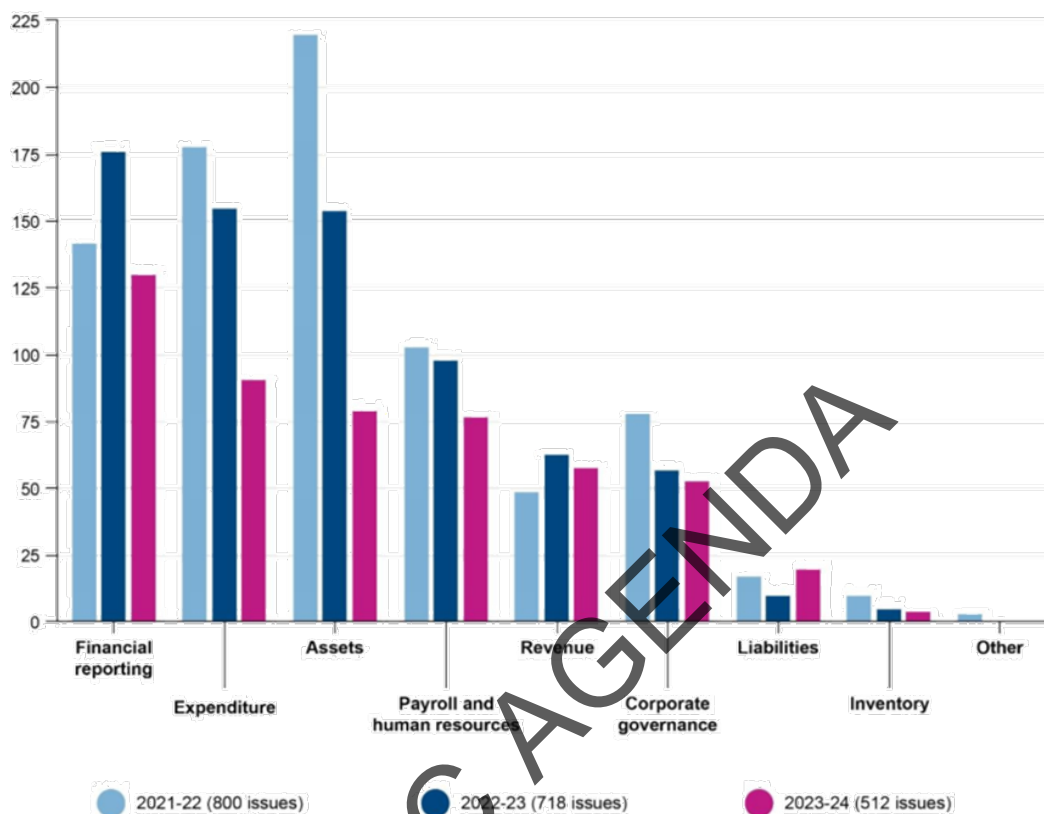
Source: OAG

Note: number of entities is the total number of entities audited by OAG for that year.

Figure 4: Proportion of control weaknesses reported to management in each risk category and comparative ratings of the control weaknesses

⁶ Office of the Auditor General, [Local Government 2023-24 - Information Systems Audit Results](#), OAG, 11 April 2025.

As can be seen in Figure 5, financial reporting has become the largest area of concern. There has been a large drop in assets management issues this can be attributed in part to regulatory relief for the sector and in part to the work entities have done to clear some of their longstanding issues.



Source: OAG

Figure 5: Financial management control issues reported to entities

Financial reporting

We raised 130 (2022-23: 176) issues at 67 (2022-23: 80) entities relating to their financial reporting procedures. Of the 130 issues, 38 were unresolved from the prior year and 28 were rated as significant.

Twenty-one per cent of issues (28 issues) related to bank reconciliations. We found reconciliations were not being performed or not being performed in a timely manner, not being reviewed and reconciling items being long outstanding. Bank reconciliations are a key financial management control and without a good reconciliation process financial reports are prone to errors and fraud may go undetected.

Fifteen per cent of issues (20 issues) related to general ledger reconciliations (not of a bank nature) and journal entries. Where balances in the finance system are not regularly reconciled to sub-systems there is an increased risk of errors in financial reporting. While accounting journal entries are a standard practice at all entities, they are a high-risk area from an auditor's perspective, as adjustments can change previously approved and posted transactions. Key controls over journal entries include segregation between journal posters and approvers, and appropriate review processes. Without these controls there is an increased risk of errors within the financial report and an increased risk of fraud. Generally these findings can be easy to correct with the implementation of regular reconciliation and

review processes and journal entry controls. We look forward to the results of the 2024-25 audit to see if these findings have been corrected.

The financial report submitted to audit should be supported by reconciliations and working papers of a high quality. Entities should document the procedures for producing the financial report to ensure business continuity in the event of staff changes. The financial report should be reviewed by the CEO and council or the audit committee to ensure its quality. Following this, the CEO should sign the financial report and submit it for audit. Further guidance for entities is available in our better practice guides accessible on our website⁷.

Expenditure

We reported 91 expenditure weaknesses to 57 entities in 2023-24, compared with 155 issues to 76 entities in 2022-23. Of these 91 weaknesses, 22 were unresolved from the prior year and 10 were rated as significant.

As was the case in previous years we found instances of purchase orders raised after the invoice date and entities not seeking enough quotes. Seeking an appropriate number of quotes is an important control in ensuring value for money. Purchases made without authorised purchase orders increase the risk of unauthorised spending. These issues made up 49.5% (45 findings) of our expenditure findings.

Credit card controls accounted for 23% (21 issues) of the findings. We found credit card policies that were outdated or not complied with, transactions not being appropriately reviewed or approved, and instances where invoices were paid which were not in the name of the entity. Our recent performance audit report, *Local Government Management of Purchasing Cards*⁸, contains insights about entities credit card usage and where controls can be strengthened in this area.

Poor procurement practices increase the risk of fraud. It also increases the risk that entities may not be obtaining the best value for money. Entities need fit for purpose controls and processes that operate effectively to help mitigate against procurement risks.

Asset management

We identified 79 findings at 50 entities compared with 154 findings at 84 entities in 2022-23. Of the 79 findings, 24 were prior year findings which have not been resolved and 24 were rated as significant. In 2022-23, most findings related to entities not revaluing their assets with sufficient regularity; however, in 2023-24 this is no longer the most prevalent issue. The reason for this is regulatory relief for entities around the regularity with which valuations need to occur, reducing from annual reviews to being every five years. We do anticipate that in revaluation years the number of asset management findings will increase.

In 2023-24, most asset management findings related to depreciation and reconciliations (19 issues each). Asset reconciliations are vitally important to ensure the asset records are appropriately recognised in the financial system as without appropriate reconciliation processes ownership status of assets can be difficult to ascertain or owned assets can be lost from records. Depreciation impacts on both asset carrying amounts and expenditure. Where assets are not depreciated or depreciation rates are inappropriate, reported asset carrying amounts will not be correct.

Due to the value of assets owned by most entities (namely property and infrastructure), anomalies in any one or more of the above factors can easily lead to qualifications of audit

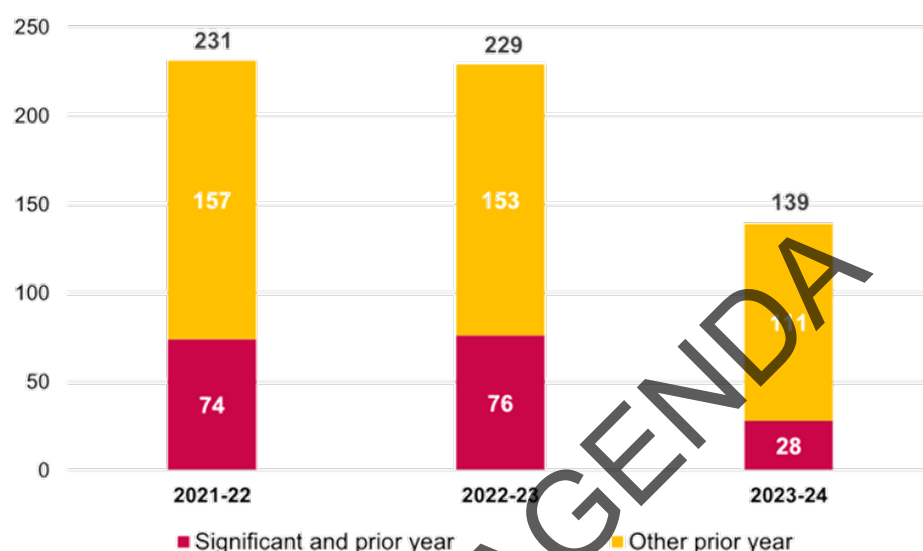
⁷ Office of the Auditor General, *Audit Readiness – Better Practice Guide*, OAG website, 30 June 2023 and Office of the Auditor General, *Western Australian Public Sector Financial Statements – Better Practice Guide*, OAG website, 14 June 2021.

⁸ Office of the Auditor General, *Local Government Management of Purchasing Cards*, OAG website, 12 June 2024.

opinions. It is important that entities remain alert to these issues and ensure their assets are appropriately valued, depreciated and reconciled each year.

Findings unresolved from prior year

For 2023-24, 139 financial management control findings raised across 67 entities (2022-23: 229 findings across 87 entities) remain unresolved from prior years. This represents 27% (2022-23: 34%) of all current year findings. Of these, 20% (28 issues, 2022-23: 76 issues representing 33%) are significant, requiring urgent action.



Source: OAG

Figure 6: Prior year issues per year

The carry over findings mainly relate to financial reporting, assets and payroll. Common themes were:

- reconciliations were not performed regularly for assets and other balance sheet items
- poor procurement practices, including around the purchase of assets
- employees with excessive annual leave balances, considered to be balances larger than 8 weeks, represent a large liability to their employer. Findings also related to the accuracy and completeness of employee leave balances.

It is unfortunate that these issues remain outstanding. Issues add to audit time and costs. Entities need to prioritise fixing these issues.

Information system controls

By 31 December 2024 we had reported 353 information system control weaknesses to 87 entities compared with 473 issues at 76 entities in 2023-24. This represents a significant improvement across the sector since our previous years' audit.

The number of significant findings also fell; however, half of them were unresolved issues from the prior year. Information and cyber security continue to be the area of highest concern. It was encouraging to see entities on a journey to implement better practice cyber security controls, which will help them address audit findings.

Computer controls included in information systems form part of the entity's control environment. The auditing standards require us to assess each entity's control environment inclusive of computer controls as part of risk assessment procedures. Entities rely on information systems to deliver a wide range of services. These are essential to processing and storing data and producing financial reports. We assess the general computer controls to determine if entities' computer controls effectively support the preparation of financial reports, delivery of key services, and the confidentiality, integrity and availability of information systems.

We reported in detail the IS control findings in a separate report to Parliament⁹.

Continuous improvement opportunities

There are opportunities for entities and DLGSC to work together to address some areas of accounting and reporting complexity that continues to be challenging for entities. We found entities with commercial operations could provide greater clarity around their operations. Entities found assets previously owned (usually gifted by developers) but had not been previously included in their financial reports, and we found the revaluation and recognition of certain assets continues to be an area of inconsistency across the sector. We continue to see entities requiring support with accounting for their rehabilitation provisions and the impact of outsourcing on financial reporting capacity in the regions. These major areas for improvement are discussed in further detail below.

Commercial operations

The *Local Government Act 1995* (the Act) prescribes the accounting for and presentation of fees and charges. However, the prescripts for fees and charges are not suited to pricing mechanism for commercial operations. For example, the Act has conditions that entities must adhere to in the pricing of goods, and changes to prices. Prices are to be included in the budget, requiring an absolute majority of council to approve changes and every time prices need to change, the entity must give notice to the local public of the intention to change prices. For commercial operations which require regular price and product changes, this is not practical. Examples of such commercial operations include general stores, airports, accommodation facilities, post offices or golf pro shops. We also think it is important that the nature of these transactions are reflected as sales of goods and services as that is their true nature. DLGSC should consider if this part of the Act needs to be reviewed or if entities could benefit from guidance on the accounting treatment and disclosure expected for commercial operations.

Fixed assets

Valuations

As part of our recommendations last year, we suggested DLGSC provide guidance on valuations. DLGSC is still in the process of developing a guide to assist entities when revaluing assets. We understand the guide will cover topics such as valuation methodologies, scope of works and assumptions used in the valuation process. As such, the guide is an important tool to help entities improve their processes and increase the consistency of judgements and decisions around the assumptions driving valuation outcomes, making the valuations more reliable. DLGSC advised the guide had been shared with other jurisdictions in Australia for their input and feedback before finalisation, which is expected to be before 30 June 2025. This guide will be especially important for years when entities are required to revalue their assets (currently every five years) which typically results in increased audit findings on assets.

⁹ Office of the Auditor General, [Local Government 2023-24 - Information Systems Audit Results](#), OAG, 11 April 2025.

Recognition of assets

Last year we reported on the inconsistent accounting for crossovers, turf and shrubbery across the sector and recommended DLGSC provide some guidance in this area. There is no technical right or wrong accounting treatment so we have continued to accept the treatment entities have disclosed in their annual report. We still consider the sector could benefit from clear guidance from DLGSC on the accounting treatment for these items to ensure consistency across the sector. DLGSC initially included guidance on accounting for crossovers, turf, garden/trees in the Non-Financial Asset Valuation Guidelines. However, in consultation with this Office in October 2024, it was suggested that DLGSC consider further consultation with other jurisdictions on these, and that it may be best to include it in a later version. DLGSC advises that subject to further review, the section of the guidelines on specific asset types, specifically shrubbery (including trees) and crossovers, is to be considered in the next iteration.

Found assets

An area of concern for 2023-24 was assets found in the current year that related to previous years, these were largely responsible for the increase in prior year restatements for 2023-24 as compared to 2022-23. These assets generally related to assets gifted to entities by developers as part of subdivisions. Entities need to ensure that any gifted assets are entered into both their financial records and asset register, at appropriate values in the financial year that they are received. Entities need to conduct regular asset counts and verifications, to ensure that all their owned assets are recorded in the asset register.

Some entities outsource the counting and verification process to their valuers, while others carry out the work themselves. Without surety on the completeness of asset records the true value of assets owned by an entity cannot be ascertained or audited.

Errors

For 2023-24, we had a slight increase in the number of EoM paragraphs relating to prior period errors. Entities that find material errors relating to previous years, such as found assets, are required to amend this and disclose a prior period error. Material prior period errors can also arise via many other means. These errors require specific considerations and disclosures to be made, as prescribed in AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, which are often complex. Additionally, due to the rarity of such disclosures, entity staff may not have previous experience with such disclosures. We recommend entities liaise with us early, allowing us to review the proposed approach and draft disclosures and provide feedback earlier in the audit process. We also welcome any guidance from DLGSC via example disclosures and the process to follow to guide entities.

Rehabilitation provisions

Accounting for rehabilitation provisions is complex. Some entities lack the technical accounting capability to calculate and account for their rehabilitation provisions. In the absence of guidance on the recognition and ongoing measurement of rehabilitation provisions, we are often required to provide significant guidance to entities who simply do not understand the technical accounting aspects. LG Professionals has stepped in to assist in this area with a practical accounting guide presentation as part of their March 2025 conference. The presentation was based on a guide developed by the Queensland branch of the Local Government Finance Professionals. The DLGSC should consider if these existing guides can be localised to consider Western Australian specific legislation.

Differential reporting and reduced disclosure requirements

As a result of DLGSC simplifying financial reporting requirements in 2022-23 we have noted a decrease in audit findings on assets. The simplification of reporting requirements is consistent with what our Office has been advocating for and reporting on for some time. The change meant smaller entities are no longer required to comply with various disclosure requirements.

DLGSC removed the requirements for all entities to report information in their financial reports on fees and charges, discounts and some other items. A list of amendments is available on the DLGSC website¹⁰. DLGSC also moved some financial report disclosure requirements to annual report only disclosures, so these are not audited. All were important contributions to reduce the financial reporting burden on entities.

The role of outsourcing in financial reporting

We continue to see entities outsource areas of their finance operating function to accounting firms. The outsourced work includes all areas of financial reporting, including preparation of reports, accounting policies, business valuations and everyday accounting such as preparation of monthly reconciliations and reporting to council. Outsourcing can be beneficial, as it allows entities to tap into a specialist skill set and helps overcome their resource constraints.

There are downsides of outsourcing. Our teams often find management are not sufficiently informed on their own accounting policies or areas of judgement within their financial report. Further, where outsourcing agreements do not include a transfer of knowledge to entity staff, there is a missed opportunity for local government staff development and upskilling. Audit teams are often left to conduct the audit with the assistance of the outsourced financial report provider with minimal entity involvement.

The key to a successful outsourcing arrangement is a strong management presence to connect the service providers, audit teams, operations and council. Early engagement, planning and close contract management are vital. Responsibility to provide information for audit rests with entities, this cannot be outsourced. Effective oversight ensures a smoother process with no surprises. It also contributes to lower audit costs and more timely reporting.

Accounting standard changes

There are changes to AASB 13 *Fair Value Measurement* impacting entities in 2024-25 for the first time. These changes are significant for the sector. The updated standard confirms an asset's current use is presumed to be the highest and best use unless its sale or an alternative use is highly probable¹¹. Valuations of restricted use land should therefore generally discount the value of the land for the current use restrictions in place.

The updated AASB 13 also clarifies the costs to be considered when measuring fair value under the cost approach, which is frequently used to value infrastructure (e.g. roads) as these are not actively bought and sold in an open marketplace. The standard confirms 'once-off' costs, such as professional and project management fees, should be included in the calculation of replacement cost when it is reasonable to do so. The changes help ensure consistency in the measurement of fair value for not-for-profit public sector entities.

¹⁰ Department of Local Government, Sport and Cultural Industries, [Local Government Regulations Amendment Regulations 2023](#), DLGSC website, 13 July 2023.

¹¹ To be highly probable, the alternative use needs to be physically possible, legally permissible and financially feasible. This also requires that management must be committed to the alternative use with an implementation plan in place and relevant approvals for change in use of the asset.

As previously indicated, DLGSC is currently working on a valuation guide which should include these requirements. In the interim, the DLGSC released a LG Alert in July 2023¹² addressing the changes required by AASB 13.

The role of outsourcing in delivering OAG audits

The outsourcing of audits is critical to the operation of our office. It has many benefits including to meet periods of peak demand and provide access to specialist skills found in the private sector. Outsourcing is common practice across jurisdictions, both within and outside Australia. It also allows us a unique opportunity to benchmark our audit quality and efficiency with private audit firms.

We maintain oversight of our contract audit firms, reviewing their audit files including key audit judgements to maintain a high level of quality and consistency across the sector. We also engage with entities throughout the audit process including attending key meetings. Entity opinions are signed by our office and are included as part of our whole of sector reporting, such as this report.

The number of audits we outsource has increased in recent years. This is due in part to a tight labour market which makes it difficult to attract and retain audit talent. This year we outsourced additional audits to increase capacity while we rolled out our new methodology and audit tool across all of our audits. For 2023-24, we outsourced 92% of local government entities. Over the next five years we plan to progressively increase the number of local government sector audits we conduct in-house to reach our outsourcing target of 80%.

Future audits

With the growing prevalence and availability of AI (artificial intelligence) and analytics tools, we are investigating new tools and techniques to assist with our audits. We approach these opportunities in a balanced way to gain benefits with minimal risk.

Our internal Strategic Business Intelligence team is working in unison with our audit teams to trial new techniques and products. Successful trials will be considered for rollout across our audits in future years. Before we implement the use of AI or AI based audit tools, we consider the implications on data integrity and data security, continuing to ensure any data we receive from entities is securely dealt with.

We expect to gain efficiencies in this space to assist with containing audit costs. We will share our insights with the sector as they arise.

For AI to be used by entities, there must be an understanding of what will be generated by it and how that information is planned to be used (e.g. for key decision making). If the use of AI will be generating or influencing information we ultimately need to audit, an appropriate evidential and auditable trail will need to be retained. There are also relevant security of information aspects to consider. We recommend entities liaise with the OAG, preferably before using AI, to clarify planned use, controls instituted around its use, implications for the entity and the audit process.

Timely communication of audit fees

In late 2023 we deferred the completion of tenders for outsourced audits to enable us to focus on outstanding local government financial audits. This was important to enable us to sign-off as many entities audit reports as possible by the end of 2023. We acknowledge the unintended consequence of this decision was significantly delayed timing of our 2023-24

¹² Department of Local Government, Sport and Cultural Industries, [Fair Value Measurement of Non-Financial Assets for local governments](#), DLGSC website, 23 July 2023.

indicative fee notifications that did not give entities sufficient time to implement initiatives to mitigate the impact of the increases. In hindsight we realise we should have communicated to entities the timing of fee communication as well as anticipated fee impact earlier.

In September 2024, the Auditor General, accompanied by various OAG representatives, appeared before the Legislative Council's Standing Committee on Estimates and Financial Operations (EFOC) on the matter of audit fees and other aspects of OAG operations. EFOC took this opportunity to express concerns raised on various matters regarding local government audit fees¹³. This was an important exercise in accountability for the Auditor General and OAG.

This process provided us with valuable feedback and highlighted the need for timeliness and additional transparency with our fee communication. In response we developed an infographic¹⁴ (Appendix 11) on how we set and benchmark our audit fees.

We are committed to completing our tender processes in December each year and complete our audit risk assessment analysis at the completion of each year's audit with the intention to have the fee setting process finalised by 31 March each year.

As a cost recovery agency, our audit fee revenue must cover any difference between our appropriation funding from Parliament and the costs of running our office, therefore with increased costs we must increase our audit fees.

Audit fees reflect a variety of cost drivers:

- labour market pressures across the auditing profession as well as the public sector
- increasing audit contractor fees
- changes in auditing and accounting standards leading to increased audit effort
- audit readiness and ability of entity staff to handle audit queries
- complexity of issues being encountered at entities
- inflationary impact on general expenses including IT, travel and other supplies.

We are committed to driving efficiencies in our processes wherever possible. For our contract audits we use market pressures of tendering to encourage competitive audit fees, and we are seeking efficiencies through tightly focussed audit planning using our new audit methodology for in-house audits. However, we do anticipate cost pressures to continue in the near to medium term.

¹³ A broadcast of this consultation is available on the Parliament of Western Australia website, [Estimates and Financial Operations Committee Consultation with the Auditor General](#), 23 November 2022.

¹⁴ Office of the Auditor General, [Information on local government fees](#), OAG website, December 2024.

Appendix 1: Status and timeliness of audits

Type of audit opinion	
Clear (unmodified)	
Clear opinion with emphasis of matter or matter of significance paragraph	
Material uncertainty related to going concern	
Qualified or a disclaimer of opinion	
Qualified opinion with an emphasis of matter or matter of significance paragraph	 

Financial report timeliness – audit ready submissions*	
Received financial report by statutory deadline of 30 September 2024 and assessed audit ready	
Received an extension from DLGSC to the statutory deadline and met this extension with audit ready financial report	
Extension or statutory deadline was not met with audit ready financial report	

* Financial report initially provided may not be of a quality that is audit ready. The icon in the table below reflects the date we assessed the financial report as audit ready.

Entities listed in alphabetical order with opinion type, opinion date and audit ready financial report submission status.

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report*
1	Bunbury-Harvey Regional Council	Other		05/12/2024	
2	Catalina Regional Council	Other		30/09/2024	
3	City of Albany	1		11/12/2024	
4	City of Armadale	1		13/12/2024	
5	City of Bayswater	1		02/12/2024	
6	City of Belmont	1		28/11/2024	
7	City of Bunbury	1		19/11/2024	
8	City of Busselton	1		08/11/2024	
9	City of Canning	1		06/12/2024	
10	City of Cockburn	1		05/12/2024	

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report*
11	City of Fremantle	1	✓	03/12/2024	📄
12	City of Gosnells	1	✓	04/12/2024	📄
13	City of Joondalup	1	✓	19/11/2024	📄
14	City of Kalamunda	2	✓	08/11/2024	📄
15	City of Kalgoorlie-Boulder	1	✓	10/12/2024	📄
16	City of Karratha	1	✓	13/12/2024	📄
17	City of Kwinana	1	✓	04/12/2024	📄
18	City of Mandurah	1	✓	10/12/2024	📄
19	City of Melville	1	✓	04/12/2024	📄
20	City of Perth	1	✓	28/11/2024	📄
21	City of Rockingham	1	✓	29/10/2024	📄
22	City of South Perth	2	✓	12/11/2024	📄
23	City of Stirling	1	✓	17/12/2024	📄
24	City of Subiaco	2	✓	13/11/2024	📄
25	City of Swan	1	✓	19/11/2024	📄
26	City of Vincent	2	✓	18/11/2024	📄
27	City of Wanneroo	1	✓	26/11/2024	📄
28	Eastern Metropolitan Regional Council	Other	✓	09/10/2024	📄
29	Mindarie Regional Council	Other	✓	14/11/2024	📄
30	Murchison Regional Vermin Council	Other	✓	18/12/2024	📄
31	Resource Recovery Group	Other	✓	25/11/2024	📄
32	Rivers Regional Council	Other	✓	11/12/2024	📄
33	Shire of Ashburton	2	✓	06/12/2024	📄
34	Shire of Augusta-Margaret River	2	✓	12/11/2024	📄
35	Shire of Beverley	4	✓	01/11/2024	📄
36	Shire of Boddington	4	✓	06/12/2024	📄
37	Shire of Boyup Brook	4	✗	19/12/2024	📄

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report*
38	Shire of Brookton	4	✓	09/12/2024	🗓️
39	Shire of Broome	2	✓	09/12/2024	🗓️
40	Shire of Broomehill-Tambellup	4	✓	12/12/2024	🗓️
41	Shire of Bruce Rock	4	✓	18/12/2024	🗓️
42	Shire of Capel	3	✓	29/11/2024	🗓️
43	Shire of Carnamah	4	✓	09/12/2024	🗓️
44	Shire of Carnarvon	2	✓	11/12/2024	🗓️
45	Shire of Chapman Valley	4	✓	10/12/2024	🗓️
46	Shire of Chittering	3	✓	11/12/2024	🗓️
47	Shire of Christmas Island	3	✓	02/12/2024	🗓️
48	Shire of Cocos (Keeling) Islands	4	✓	23/12/2024	🗓️
49	Shire of Coorow	4	✓	05/12/2024	🗓️
50	Shire of Corrigin	4	✓	18/12/2024	🗓️
51	Shire of Cranbrook	4	✓	16/10/2024	🗓️
52	Shire of Cuballing	4	✓	13/12/2024	🗓️
53	Shire of Cue	4	✓	04/12/2024	🗓️
54	Shire of Cunderdin	4	✓	05/12/2024	🗓️
55	Shire of Dalwallinu	3	✓	21/11/2024	🗓️
56	Shire of Dandaragan	3	✓	09/12/2024	🗓️
57	Shire of Dardanup	3	✓	15/11/2024	🗓️
58	Shire of Denmark	3	✓	18/10/2024	🗓️
59	Shire of Derby-West Kimberley	2	✓	12/12/2024	🗓️
60	Shire of Donnybrook Balingup	3	✓	20/11/2024	🗓️
61	Shire of Dowerin	4	✓	14/11/2024	🗓️
62	Shire of Dumbleyung	4	✓	28/11/2024	🗓️
63	Shire of East Pilbara	2	✓	10/12/2024	🗓️
64	Shire of Esperance	2	✓	31/10/2024	🗓️

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report*
65	Shire of Exmouth	3	✓	27/11/2024	🟢
66	Shire of Gingin	3	✓	20/11/2024	🟢
67	Shire of Gnowangerup	4	✓	15/11/2024	🔴
68	Shire of Goomalling	4	✗	12/12/2024	🟢
69	Shire of Harvey	2	✓	28/11/2024	🟢
70	Shire of Irwin	3	✓	19/12/2024	🟢
71	Shire of Jerramungup	4	✓	15/11/2024	🟢
72	Shire of Katanning	3	✓	17/12/2024	🟢
73	Shire of Kellerberrin	4	✓	05/12/2024	🟢
74	Shire of Kent	4	✗ ✓	16/12/2024	🟢
75	Shire of Kojonup	3	✓	20/12/2024	🔴
76	Shire of Kondinin	4	✓	06/12/2024	🟢
77	Shire of Koorda	4	✓	28/11/2024	🟢
78	Shire of Kulin	4	✓	06/12/2024	🟢
79	Shire of Lake Grace	4	✓	02/12/2024	🟢
80	Shire of Laverton	3	✓	06/12/2024	🟢
81	Shire of Leonora	3	✓	05/12/2024	🟢
82	Shire of Manjimup	2	✓	20/11/2024	🟢
83	Shire of Meekatharra	3	✓	04/12/2024	🔴
84	Shire of Menzies	4	✓	06/11/2024	🟢
85	Shire of Merredin	3	✓	05/12/2024	🔴
86	Shire of Mingenew	4	✓	06/12/2024	🟢
87	Shire of Moora	3	✓	19/12/2024	🔴
88	Shire of Morawa	4	✓	02/12/2024	🔴
89	Shire of Mount Magnet	4	✗ ✓	25/11/2024	🟢
90	Shire of Mount Marshall	4	✓	11/12/2024	🟢
91	Shire of Mukinbudin	4	✓	18/12/2024	🔴

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report*
92	Shire of Mundaring	2	✓	02/12/2024	📄
93	Shire of Murchison	4	✓	28/11/2024	📄
94	Shire of Murray	2	✓	04/12/2024	📄
95	Shire of Narembeen	4	✓	05/12/2024	📄
96	Shire of Narrogin	3	✓	22/11/2024	📄
97	Shire of Ngaanyatjaraku	4	✓	10/12/2024	📄
98	Shire of Northam	2	✓	04/12/2024	📄
99	Shire of Northampton	3	✓	13/12/2024	📄
100	Shire of Nungarin	4	✓	11/12/2024	📄
101	Shire of Peppermint Grove	4	✓	29/11/2024	📄
102	Shire of Perenjori	4	✓	05/12/2024	📄
103	Shire of Pingelly	4	✓	27/11/2024	📄
104	Shire of Plantagenet	3	✓	11/12/2024	📄
105	Shire of Quairading	4	✓	04/12/2024	📄
106	Shire of Ravensthorpe	3	✓	09/12/2024	📄
107	Shire of Sandstone	4	✓	17/12/2024	📄
108	Shire of Serpentine-Jarrahdale	2	✓	18/12/2024	📄
109	Shire of Shark Bay	4	✓	13/12/2024	📄
110	Shire of Tammin	4	✓	12/12/2024	📄
111	Shire of Three Springs	4	✓	05/12/2024	📄
112	Shire of Trayning	4	✓	13/12/2024	📄
113	Shire of Upper Gascoyne	4	✓	19/12/2024	📄
114	Shire of Victoria Plains	4	✓	28/12/2024	📄
115	Shire of Wagin	4	✓	18/11/2024	📄
116	Shire of Wandering	4	✓	11/12/2024	📄
117	Shire of Waroona	3	✓	02/12/2024	📄
118	Shire of West Arthur	4	✓	06/12/2024	📄

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report*
119	Shire of Westonia	4	✗	18/12/2024	✗
120	Shire of Williams	4	✓	5/12/2024	✓
121	Shire of Wiluna	4	✓	17/12/2024	✓
122	Shire of Wongan-Ballidu	4	✓	29/11/2024	✗
123	Shire of Woodanilling	4	✓	11/11/2024	✓
124	Shire of Wyalkatchem	4	✓	25/11/2024	✗
125	Shire of Wyndham-East Kimberley	2	✓	6/12/2024	✓
126	Shire of Yilgarn	3	✓	13/12/2024	✓
127	Shire of York	3	✓	13/12/2024	✓
128	Town of Bassendean	3	✓	11/12/2024	✓
129	Town of Cambridge	2	✓	18/12/2024	✗
130	Town of Claremont	3	✓	09/12/2024	✓
131	Town of East Fremantle	3	✓	06/12/2024	✓
132	Town of Mosman Park	3	✓	09/12/2024	✓
133	Town of Port Hedland	1	✗	16/12/2024	✓
134	Town of Victoria Park	2	✓	11/12/2024	✓
135	Western Metropolitan Regional Council	Other	✓	18/10/2024	✓

Source: OAG

Opinion type by entity band allocations

Band of entity	Number of entities	Opinions issued	Clean opinions	Qualifications or other modifications	Opinions including EoM paragraphs
Band 1	23 (23)	22 (23)	21 (22)	1 (1)	4 (6)
Band 2	21 (21)	20 (21)	20 (20)	0 (1)	4 (4)
Band 3	35 (35)	29 (35)	29 (31)	0 (4)	4 (3)
Band 4	60 (60)	56 (59)	51 (51)	5 (8)	5 (3)
Other (e.g. councils)	8 (8)	8 (8)	7 (7)	1 (1)	1 (1)
Total	147 (147)	135 (146)	128 (131)	7 (15)	18 (17)

Source: OAG

Notes: 2022-23 numbers included in brackets.

Appendix 2: Entities who received an extension from DLGSC to submit their financial report after the 30 September legislated deadline

Entity	Extension date
City of Nedlands	9 December 2024
Shire of Bridgetown-Greenbushes	31 October 2024
Shire of Collie	31 October 2024 31 March 2025
Shire of Donnybrook Balingup	31 October 2024
Shire of Dundas	23 October 2024
Shire of Gnowangerup	18 October 2024
City of Greater Geraldton	31 January 2025
Shire of Halls Creek	28 February 2025
Shire of Kojonup	31 October 2024
Shire of Merredin	14 October 2024
Shire of Narrogin	21 October 2024
Shire of Northampton	25 October 2024
Shire of Quairading	4 October 2024
Shire of Toodyay	31 October 2024
Shire of Wickpin	11 October 2024
Shire of Wongan-Ballidu	18 October 2024
Town of Cottesloe	31 October 2024

Source: DLGSC

Appendix 3: Outstanding audits at 31 December 2024¹⁵

Entity	Balance date	Reason for delay
City of Greater Geraldton	30 June 2024	The City changed their financial system during the year and due to data migration complexities the City requested an extension to 31 January 2025 from DLGSC to submit their financial report. The audit was completed on 28 March 2025.
City of Nedlands	30 June 2024	The City requested an extension from DLGSC to provide their financial report to the auditors on 9 December 2024. This was due to time needed to address the matters giving rise to the disclaimer of opinion in 2022-23. We are expecting to sign this audit in the first half of 2025.
Shire of Bridgetown-Greenbushes	30 June 2024	The Shire had staffing issues which meant that although they produced financial statements, certain areas were found to be incorrect. The audit was put on pause to enable these areas to be corrected. The audit was completed on 4 April 2025.
Shire of Collie	30 June 2024	The Shire had staffing issues which meant they were unable to produce financial statements by 30 September 2024. Consequently the Shire requested an extension from DLGSC to provide their financial report to the auditors on 31 December 2024. We are expecting to sign this audit in the first half of 2025.
Shire of Coolgardie	30 June 2024	The Shire requested the audit be put on pause until early 2025 to provide them time to provide outstanding audit information. This extension was due to staff changes at the executive level and to allow the Shire to address other urgent operational matters. The audit has recommenced with expected sign-off in May 2025.
Shire of Dundas	30 June 2024	The audit was delayed due to challenges related to the acquisition of a local business during the financial year and staffing issues due to the remote location. The audit was completed on 9 April 2025.
Shire of Halls Creek	30 June 2024	The 2023 audit was not completed until late April 2024. The Shire obtained an extension for provision of the financial report to 28 February 2025 and met this deadline. The 2024 audit has since commenced.
Shire of Nannup	30 June 2024	Our audit of the revaluation completed during the year identified that some assets were missed. The Shire chose to arrange for a new valuation resulting in a need to pause the audit while this occurred. The audit was completed on 4 February 2025.
Shire of Toodyay	30 June 2024	As evidenced in the previous three audits, the Shire continued to lack the ability to undertake and provide the required information for audit purposes in a timely manner, causing significant audit delays. The audit is expected to be completed in the first half of 2025.

¹⁵ Date of report cut-off.

Entity	Balance date	Reason for delay
Shire of Wickepin	30 June 2024	On review of the infrastructure revaluation completed during the year it was noted that an asset class was missed. The Shire requested the audit be put on pause while they arranged a new valuation. The audit was completed on 14 February 2025.
Shire of Yalgoo	30 June 2023 and 30 June 2024	These audits have been delayed due in part to the 30 June 2022 audit only being completed in May 2024. There have been continued delays in the provision of outstanding audit information required from management to finalise the audits of both years. These audits are expected to be signed off in the first half of 2025.
Town of Cottesloe	30 June 2024	On review of a fair value valuation, there were queries around a 2022/23 valuation which required the Town to revert to their valuer, requiring the audit be put on pause until January 2025 to facilitate this. The audit was completed on 14 February 2025.

Source: OAG

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Appendix 4: 2023-24 Qualified opinions

Entity	Details of qualification
Shire of Boyup Brook	Biological assets We were unable to obtain sufficient and appropriate audit evidence for biological assets, as disclosed in note 7 in the financial statements, as the Shire did not provide us with adequate information to support the year-end stocktake of biological assets or the movements of biological assets during the year. We could not confirm biological assets by alternative means. Consequently, we were unable to determine whether any adjustments to the biological assets reported at a carrying value of \$158,702 or the net result for 30 June 2024 were necessary.
Shire of Goomalling	Infrastructure The opinion in the prior year was qualified because infrastructure asset classes of roads, drainage and footpaths as disclosed in note 8(a) of the financial report as at 30 June 2023 with the carrying values of \$40,811,938, \$2,153,484 and \$770,060 respectively, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.
Shire of Kent	Infrastructure The opinion in the prior year was qualified because other infrastructure assets as disclosed in note 9(a) of the financial report as at 30 June 2023 with a carrying value of \$4,867,091 had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.
Shire of Mount Magnet	Infrastructure The opinion in the prior year was qualified because other infrastructure asset classes of parks and gardens, aerodromes and other reported at the carrying values of \$862,215, \$2,787,963 and \$4,584,744 respectively as at 30 June 2023, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures in note 9 of the financial report.
Shire of Westonia	Infrastructure The opinion in the prior year was qualified because Infrastructure assets as disclosed in note 9(a) of the financial report as at 30 June 2023 with a carrying value of \$43,562,879 had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.
Town of Port Hedland	Infrastructure assets valuations The Town did not recognise 670 (2023:797) infrastructure assets with a value of \$17,371,521 (2023: \$25,112,117) in accordance with the Regulation 17A(2)(a) of the Local Government Financial Management Regulations 1996, as these assets could not be located due to weaknesses in the asset management system. The assets were instead adjusted to a nil carrying value while still being in use and accounted for in the asset register. We were unable to determine the impact on the net carrying amount of infrastructure assets and the consequential impact on retained earnings, revaluation reserves, depreciation and net surplus

Entity	Details of qualification
	for the year, as it is impracticable to do so. In addition, the opinion in the prior year was qualified because drainage and other infrastructure assets, reported at a carrying value of \$33,243,203 and \$47,582,860 as at 30 June 2023 respectively in note 9 to the financial statements, were not all revalued as required by the regulations. The Town was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures. Investment property The opinion in the prior year was qualified because investment property as disclosed in note 12 of the financial report as at 30 June 2023 with the carrying value of \$45,027,262 had not been revalued as required by the regulations. The Town was unable to correct these prior year figures in the current year. Consequently, The opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Source: OAG

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Appendix 5: Prior year qualifications and disclaimers removed in 2023-24

Entity	Details of qualification or disclaimer
Shire of Katanning	Qualification - Infrastructure Infrastructure amounting to \$159,205,524 in the statement of financial position as at 30 June 2023 has not been revalued with sufficient regularity, as required by Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 since 2017-18. Consequently, we were unable to determine the extent to which the carrying amount of Infrastructure is misstated, as it was impracticable to do so. Additionally, we are unable to determine whether there may be any consequential impact on the revaluation surplus as at 30 June 2023. Qualification - Buildings The buildings depreciation expense of \$1,016,090 reported in note 7(a) of the financial report for year ended 30 June 2023 did not reflect the expected pattern of the future economic benefits of these assets. The Shire did not update rates of depreciation for the year ended 30 June 2023. If the Shire had updated the rates, buildings depreciation would have increased by \$1,259,134. Buildings and retained surplus at 30 June 2023 would have decreased by \$1,259,134 and the net result for the period would have decreased by \$1,259,134.
Shire of Plantagenet	Qualification - Other Infrastructure and Parks and Oval – Comparability of Prior Period Figures The opinion in the prior year was qualified because the Shire did not value the 71 newly identified assets included under other infrastructure and parks and ovals at fair value in accordance with Regulation 17A(2)(a) of the Local Government (Financial Management) Regulations 1996. Other infrastructure and infrastructure - parks and ovals balances were reported in note 9(a) of the financial report at \$16,954,536 and \$6,792,411 respectively as at 30 June 2022. The Shire was unable to make the appropriate corrections for these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures in note 9(a) of the financial report.
Shire of Wiluna	Qualification - Airport and Other Infrastructure Assets We qualified the revaluations of the Shire's airport and other infrastructure assets stated at \$5,353,146 and \$2,284,337 respectively in the prior year because they were not supported with appropriate and complete accounting records. The Shire has not made the appropriate corrections for these prior year figures in the current year. Consequently, the opinion on the current year financial report is modified because of the possible effect of this matter on the comparability of the current period's airport and Infrastructure figures in note 9 (a) and the corresponding figures of the financial report.
Shire of Woodanilling	Qualification - Building assets We qualified building assets stated at \$4,942,954 in the prior year because the Shire had not revalued its building assets with sufficient regularity or in accordance with Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996. The Shire has not made the appropriate corrections for this prior year figure in the current year. Consequently, the opinion on the current year financial report is modified because of the possible effect of this matter on the comparability of the current period's building asset figure in note 9 and the corresponding figure of the financial report.

Source: OAG

Appendix 6: Emphasis of matter paragraphs included in auditor reports

Entity	Description of EoM paragraphs	Brief explanation
City of Kalgoorlie-Boulder	Restatement of comparative balances We draw attention to note 33 to the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The City conducted a comprehensive review of their land asset holdings and identified 36 lots of Crown land which had incorrectly been measured at fair value since 2022.
City of Kwinana	Restatement of comparative balances We draw attention to note 31 to the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The City identified \$12.5 million of developer contributed assets which had not been previously recognised in prior years.
City of Melville	Events occurring after the end of the reporting period We draw attention to note 21 to the financial report, which states that, following the end of the financial year ended 30 June 2024, the Council has resolved to extend the City's withdrawal from Resource Recovery Group by six months to 31 December 2025. The opinion is not modified in respect of this matter.	On 21 November 2023, the City resolved to withdraw from the Resource Recovery Group and all associated projects, effective 1 July 2025. On 17 September 2024, the City resolved to extend the withdrawal date to 31 December 2025.
City of Wanneroo	Restatement of comparative balances We draw attention to note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The restatements relate to developer contribution plans, which had not been accounted for correctly.
Rivers Regional Council	Basis of accounting We draw attention to note 1 of the financial report, which discloses that the Council has decided to wind up Rivers Regional Council. Consequently, the financial report has been prepared on a liquidation basis. The opinion is not modified in respect of this matter.	The Council has decided to wind up Rivers Regional Council. Consequently, the financial report has been prepared on a liquidation basis as required under Accounting Standards. Accordingly, all assets and liabilities in the 2023-24 financial report have been classified as current.
Shire of Broome	Restatement of comparative balances We draw attention to note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Shire reviewed the accounting treatment of contributions from developers and noted certain projects and contribution types which should have been recognised as revenue in previous financial years.

Entity	Description of EoM paragraphs	Brief explanation
Shire of Katanning	Restatement of comparative balances We draw attention to note 26 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The 2022-23 financial report was qualified as infrastructure had not been revalued in line with regulatory timeframes and the buildings and depreciation charges were not accurately recognised. These matters were corrected in the 2023-24 and restated the 2022-23 financial report to accurately reflect the valuations.
Shire of Kent	Restatement of comparative balances We draw attention to note 28 to the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Shire had incorrectly recognised fees collected on behalf of another agency as revenue and related payments as expenditure. The 2022-23 comparative balances were restated in the financial report to correct this.
Shire of Mingenew	Restatement of comparative balances We draw attention to note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Shire had incorrectly recognised fees collected on behalf of another agency as revenue and related payments as expenditure. The 2022-23 comparative balances in the financial report were restated to correct this.
Shire of Moora	Restatement of comparative balances We draw attention to note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	In 2022-23, the Shire acquired the land, building and infrastructure of the Moora Tennis Clubhouse in exchange of support of its operation. The assets were not recognised in the financial report at that time. An external valuation has now been obtained, and a correction was processed with 2022-23 balances being restated in the financial report in the current year. The Shire also received a fire truck from the Department of Fire and Emergency Services on 31 March 2022 as a grant at zero cost. The asset and related income was not recognised in 2022. A correction was processed, and the 2022-

Entity	Description of EoM paragraphs	Brief explanation
		23 balances have been restated in the 2023-24 financial report.
Shire of Morawa	Restatement of comparative balances We draw attention to note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Shire had incorrectly recognised fees collected on behalf of another agency as revenue and related payments as expenditure in their financial report. The 2022-23 comparative balances were restated in the 2023-24 financial report to correct this.
Shire of Mount Magnet	Trade and other receivables We draw attention to note 5 of the financial report which describes an amount of \$766,793 in the Shire's rates and statutory receivables that is subject to Supreme Court determination. The opinion is not modified in respect of this matter.	Some of the Shire's reported rate revenue and receivables includes amounts which were objected by a rate payer. The objection was upheld by the State Administrative Tribunal and is now subject to a Supreme Court determination. The Shire recognised these amounts in their financial report as they were confident at the time that the determination when made, would be made in the Shire's favour.
Shire of Sandstone	Restatement of comparative balances We draw attention to note 25 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Shire had incorrectly recorded trust funds as shire monies. These balances were restated in the 2022-23 comparatives in the 2023-24 financial report.
Shire of Serpentine-Jarrahdale	Restatement of comparative balances We draw attention to note 34 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	Infrastructure assets previously gifted to the Shire as part of land subdivisions had not been recognised in the financial report. During the 2023-24 year the Shire has investigated and identified the assets they believe to have been missed and these have been subsequently recognised in the financial report.
Shire of Yilgarn	Restatement of comparative balances We draw attention to note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as	Subsequent to a revaluation in 2021-22, infrastructure assets had been moved to different categories and depreciation inconsistently applied. This

Entity	Description of EoM paragraphs	Brief explanation
	comparatives in this financial report. The opinion is not modified in respect of this matter.	\$293,542 error was found and corrected in the \$457 million infrastructure balance in the 2023-24 financial report.
Town of Cambridge	Restatement of comparative balances We draw attention to note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Town conducted a review of their asset data and identified infrastructure assets which were not included in the 2022-23 revaluation. An updated valuation was received and the 2022-23 balances have been restated the 2023-24 financial report.
Town of East Fremantle	Events occurring after the end of the reporting period - adjusting event We draw attention to note 23 to the financial report, which states that, following the end of the financial year ended 30 June 2024, a deed of settlement and release was executed between the Council and the Resource Recovery Group (RRG) with respect to the Town's withdrawal from the RRG and provided the Town a full release from any further obligations in exchange for a settlement sum. The opinion is not modified in respect of this matter.	On 20 June 2023 the Town resolved to withdraw from the Resource Recovery Group and all associated projects, effective 1 July 2024. A deed of settlement was executed on 22 August 2024 to release the Town from its interest in and obligations to the Resource Recovery Group.
Town of Victoria Park	Restatement of comparative balances We draw attention to note 30 to the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. The opinion is not modified in respect of this matter.	The Town identified capital works projects that resulted in new and upgraded assets which had not been added to the fixed asset register when the project was completed. Additionally, there were prior year balances in the Town's works-in-progress account that were no longer considered capital in nature and required to be expensed. The 2022-23 figures were restated in the 2023-24 financial report.

Source: OAG

Appendix 7: Material uncertainty related to going concern

Entity	Details of material uncertainty
Resource Recovery Group	Material Uncertainty Related to Going Concern I draw attention to note 1 in the financial report, which indicates that the Group incurred a net loss of \$2.48 million during the year ended 30 June 2024 and that the Council has commenced a restructuring process. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The audit opinion is not modified in respect of this matter.

Source: OAG

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Appendix 8: Local government certifications issued since November 2024

Certifications issued for 2023-24

Entity and opinion	Opinion issued
City of Bayswater Local Roads and Community Infrastructure Program	19 December 2024
City of Busselton Local Roads and Community Infrastructure Program Roads to Recovery Funding Pensioner Deferments	5 February 2025 13 December 2024 4 December 2024
City of Gosnells Pensioner Deferments	25 November 2024
City of Joondalup Pensioner Deferments	22 November 2024
City of South Perth Pensioner Deferments	29 November 2024
City of Vincent Pensioner Deferments	2 December 2024
Town of East Fremantle Pensioner Deferments	19 December 2024

Source: OAG

Outstanding certifications issued from 2021-22

Entity and opinion	Opinion issued
Shire of Derby-West Kimberley Local Roads and Community Infrastructure Program	13 December 2024
Shire of Quairading Local Roads and Community Infrastructure Program	08 April 2025
Shire of York Roads to Recovery Funding	19 December 2024
Town of Port Hedland Roads to Recovery Funding	11 April 2025

Source: OAG

Outstanding certifications issued from 2019-20

Entity and opinion	Opinion issued
Town of Port Hedland Roads to Recovery Funding	11 April 2025

Source: OAG

The cut-off date for this appendix is 15 April 2025.

Appendix 9: Other local government opinions issued since 31 December 2024

Entity	Opinion issued
City of Greater Geraldton	28 March 2025
Shire of Bridgetown-Greenbushes	4 April 2025
Shire of Dundas	9 April 2025
Shire of Nannup	4 February 2025
Shire of Wickepin	14 February 2025
Town of Cottesloe	14 February 2025

Source: OAG

Note: the cut-off date for this appendix is 15 April 2025.

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Appendix 10: Opinion and management letter definitions

In the auditor's report we include the audit opinion on the annual financial report and any other matters that, in our judgement, need to be highlighted. This year the Auditor General has issued the following types of opinions:

1. **clear opinion:** indicates satisfactory financial controls. The financial report is based on proper accounts, complies with relevant legislation and accounting standards, and fairly represents performance and financial position
2. **clear opinion with an EoM:** draws attention to a matter disclosed in the financial report to aid the readers understanding but does not result in a qualified opinion
3. **qualified opinion:** given when the audit identifies materially misleading information, inadequate controls or conflicts with the financial reporting frameworks.
4. **disclaimer of opinion:** the most serious audit outcome, issued when the auditor is unable to form an opinion due to insufficient evidence to form an opinion after all reasonable efforts.
5. We report weaknesses in the control environment to the CEO, mayor, president or chairperson and the Minister for Local Government. Findings will be rated as significant, moderate or minor. We also indicate if the finding has the potential to impact the audit opinion and if it relates to the prior year and remains unresolved. Both quantitative and qualitative aspects guide our ratings.

Risk category	Audit impact	Management action required
Significant	Findings where there is potentially a significant risk to the entity should it not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.	Priority or urgent action by management to correct the material misstatement in the financial report to avoid a qualified opinion or for control risks, implement a detailed action plan as soon as possible, within one to two months.
Moderate	Findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.	Control weaknesses of sufficient concern to warrant action being taken as soon as practicable, within three to six months. If not addressed promptly, they may escalate to significant or high risk.
Minor	Those findings that are not of primary concern but still warrant action being taken.	Management to implement an action plan within six to 12 months to improve existing process or internal control.

Source: OAG

We give management the opportunity to review our audit findings and provide comments prior to completion of the audit. Each control finding is documented in a management letter which identifies weakness, implications for the entity, risk category and a recommended improvement action.

Appendix 11: Information on local government fees and OAG tender procurement process

What you get for your fees

Auditor's report

- ✓ High quality, independent financial audit opinion
- ✓ Fully compliant with auditing standards
- ✓ Entity specific findings and recommendations
- ✓ Comparable and consistent for LGs
- ✓ Annual LG sector results reports
- ✓ Provides assurance to Council, ratepayers and Parliament.

Capability development

- ✓ Financial statement preparation guidance
- ✓ Online audit readiness tool
- ✓ Liaison – WALGA, LG Professionals, DLGSC – meetings, webinars and presentations
- ✓ Advocacy on changes to financial governance practices, legislation and standards resulting in cost savings.

Funded by Parliament

- ✓ Performance audits
- ✓ Information systems audits (application audits)
- ✓ Better practice guidance, e.g.
 - Physical Security of Server Assets
 - Management of Credit Cards
 - Fraud Risk Management
- ✓ Audit Committee Chair forum

How much have fees changed?

Audit report delivery year 2024-25

Band	Average fee	Median fee	Average increase	Average increase	Median increase	Median increase	Range
1	\$116,690	\$108,600	\$14,290	15%	\$12,910	10%	\$79,690 - \$166,702
2	\$85,276	\$94,600	\$9,571	15%	\$9,500	10%	\$40,500 - \$150,200
3	\$56,890	\$48,000	\$8,935	21%	\$8,410	21%	\$29,000 - \$78,350
4	\$41,962	\$39,500	\$8,247	26%	\$8,385		\$23,000 - \$75,300
Regional Councils	\$48,275	\$32,850	\$4,731	14%	\$3,775	10%	\$3,200 - \$137,500

How do we compare?

Cost to deliver LG audit reports

Year	WA average	National average
2022-23	\$62,750	\$69,619
2023-24	\$71,240	\$91,252

Why have fees changed?

92% of LG audits are contracted and two thirds of those are affected by increased prices from Contract Audit Firms (CAFs) in 2024.

Two-thirds of sector affected in 2024

CAF extensions

- CAF extension quotes received (years 4 and 5 of existing contracts)*

Increase range	Increase range	Average	Median
2% - 116%	\$500 - \$51,593	38%	59%

- CAF extension quotes accepted by OAG*

Increase range	Increase range	Average	Median
2% - 48%	\$500 - \$35,969	25%	27%

CAF tenders (approach to market after 5 years)

Range	Range	Average	Median
(20%) - 97%	(\$7,500) - \$23,111	23%	19%

* Increase from prior year.

What are we doing about audit fees?

 - ✓ Market testing every 3-5 years, approaching up to 10 CAFs per LG
 - ✓ Rejecting and retendering unacceptable CAF increases
 - ✓ Gaining efficiencies with new OAG audit tool and methodology
 - ✓ Continuing advocacy for streamlined reporting and minimising compliance duplication
 - ✓ Better consulting with entities as part of the extension quote and tender process
 - ✓ Providing earlier advice on indicative fees
 - ✓ Seeking to bring more audits in-house as labour constraints ease
 - ✓ Continuing to seek feedback from WALGA, LG Professionals, LGs and Parliament on what we can do better.

Factors affecting all audits

 - ✓ Changes in auditing standards, including IT risks
 - ✓ Professional wage inflation.
 - ✓ Fuller cost recovery (direct + overhead costs)
 - ✓ Levels of audit effort related to audit readiness and complexity.

Source: OAG



Understanding the OAG tender procurement process

- 21 audit firms on pre-accredited list, eligibility assessed on capability to audit small, medium, large, complex entities. 16 firms are currently actively engaged with OAG.
- For each audit, we prepare an information pack and typically invite between 5 and 10 contract audit firms (CAFs) to submit tenders.
- CAFs submit tender incorporating qualitative and quantitative considerations - including their understanding of the entity, audit risks, resources/skill mix, timing and cost.
- Convene tender evaluation panel of 2 senior OAG staff.
- Each panel member independently evaluates submissions for qualitative aspects first.
- Assess qualitative and quantitative factors of each CAF's tender submission to support a recommendation.
- Recommendations may be moderated to manage risks of firm capacity and OAG over-reliance across entire audit portfolio.
- AAG-FA and Deputy make recommendations to AG who has final approval.
- Typically award initial contract for 3 years, with up to 2 year extension option.
- If no tender submissions are received for an entity, we have the option to put the audit back out to tender and invite different firms, or appoint a firm directly under the Auditor General Act.



Understanding the OAG contract procurement extension process

- Seek quote from CAFs for up to 2 years following the conclusion of their initial 3 year term.
- OAG engagement leader assesses quote for reasonableness.
- If deemed reasonable then accept, may seek entity input.
- If not reasonable, audit is re-tendered.
- If audit is re-tendered, entity to be notified and commence tender process.

Pre-accredited Contract Audit Firms (CAFs)

BDO Audit (WA) Pty Ltd	William Buck (WA) Pty Ltd	AMD Audit & Assurance Pty Ltd
Deloitte	Crowe	HLB Mann Judd
Ernst & Young	Stantons International	Lincolns
Grant Thornton Australia Ltd	Pitcher Partners BA & A Pty Ltd	Macri Partners
KPMG	Nexia Perth Audit Services Pty Ltd	Armada Audit Services Pty Ltd
Price Waterhouse Coopers	Moore Australia Audit (WA)	Francis A Jones
RSM Australia Pty Ltd	Dry Kirkness	SW Audit

Source: OAG

Auditor General's 2024-25 reports

Number	Title	Date tabled
12	Local Government 2023-24 – Financial Audit Results	24 April 2025
11	Local Government 2023-24 – Information Systems Audit Results	11 April 2025
10	Fraud Risks in the WA Greyhound Racing Association	11 April 2025
9	Child Protection Case Management System – Assist	21 March 2025
8	Universities and TAFEs 2023 – Financial Audit Results	5 December 2024
7	WA Student Assistance Payment – Controls Review	27 November 2024
6	Provision of Additional Information to the Standing Committee on Estimates and Financial Operations – Opinions on Ministerial Notifications	22 November 2024
5	Implementation of the Aboriginal Procurement Policy	21 November 2024
4	Quality and Utilisation of Emergency Department Data	20 November 2024
3	Management of State Agreements	30 October 2024
2	Legislative Reform Priorities and Timeframes – Opinion on Ministerial Notification	19 August 2024
1	Supplier Master Files – Better Practice Guide	1 August 2024

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Office of the Auditor General
for Western Australia

7.7.2 Matters of Compliance

File Reference	
Report Date	22 July 2025
Applicant/Proponent	SoVP
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Candice Watson – PA to the CEO
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	
Attachments	Nil

PURPOSE

That the Audit Committee accepts the update regarding the Shire's Compliance Calendar.

BACKGROUND

The Compliance Calendar is reset during December each year and updated to reflect the matters of compliance for the year.

Since January 2025, the Shire has renewed its paid subscription to Attain and has been using the software effectively

COMMENT

The update regarding the compliance actions is as follows:

Between March 2025 and July 2025 there were 37 compliance actions undertaken.

This does not include the detailed actions for the budget or annual financial statements:

There are currently 2 actions overdue.

1. Annual performance reviews, there has been trouble locating a previously completed review, this review may need to be re done if this cannot be located. Then this can be marked as complete.
2. Local public health plans, A local government must prepare a public health plan every year. We were waiting on the health departments state plan (Improving Health and Wellbeing) the production of the local health indices, we have received both and will develop a plan in the coming month.

Some of the completed actions include:

1. Delegations register - Review
2. Local Heritage Survey
3. Public Access to information - Audit
4. Completion of the CAR 2024
5. DAIP - Review

One of the key upcoming tasks in the compliance calendar is the election process. Attain will help streamline the timeline and ensure all related tasks remain on track.

Attain has significantly enhanced the management of the compliance calendar. Automated reminders are sent each Monday morning for upcoming tasks, and the user-friendly interface has greatly improved the efficiency of task completion compared to previous compliance calendar systems

The overall completion rate was 94.6%

CONSULTATION

CEO

STATUTORY CONTEXT

Audit Regulations – Regulation 17

17. CEO to review certain systems and procedures:

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

The Compliance Calendar reflects r.17(1)(c) – legislative compliance.

CORPORATE CONTEXT**Strategic Community Plan and Corporate Business Plan**

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

The Audit Committee has a key role to play in assisting Council and the CEO regarding the effectiveness of the Shire's controls regarding compliance through the compliance calendar.

Delegation

Nil

Policy Implications

Nil

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Compliance Managing compliance is a key pillar regarding the function of the Shire	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Likely (4) At least once per year	High (16)	Currently, the risk is acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring as follows: Staff review monthly, Audit Committee advised quarterly. Is also a CEO KPI	CEO (officers) & Council and Audit Committee advised monthly, quarterly, annually will ensure risk is reduced from high to low

FINANCIAL IMPLICATIONS

Budgeted yearly subscription to Attain.

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Committee **ACCEPTS** the update regarding the Shire's compliance calendar.

PUBLIC AGENDA

7.8 Integrated Planning and Reporting

7.8.1 Annual Review of the Corporate Business Plan 2024 - 2025

File Reference	
Report Date	10 July 2025
Applicant/Proponent	Mr Sean Fletcher, CEO
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. CBP Key Work Plan 2024 2025 2. Presentation Annual Review of CBP

PURPOSE

To update the Audit Committee on the outcomes of the annual review of the corporate business plan for 2024/25 and the proposed strategic actions for 2025/26.

BACKGROUND

The Key Work Action Plan (Attachment 1) that underpins the CBP, tracked 32 actions for 2024/2025. Each key action has an activity applied to it for the quarter, except if it is a completed action. Some activities were ongoing or spanned two or more quarters.

Council along with senior staff, conducted the annual review of the Corporate Business Plan (Implementation Plan) on 21 July 2025.

At the Annual Review, the actions undertaken for 24/25 were examined and the proposed actions for 25/26 confirmed. It should be noted that 25/26 represents the last year of the current CBP. A new CBP will be developed when the Major Review of the development of the new Council Plan is undertaken in the first half of 2026.

The outcomes of the Review are presented to the Audit Committee for today's meeting.

COMMENT

In terms of tasks undertaken, the majority were progressed to the required level. This is reflected in diagrams 1, 2 and 3, including the Dashboard for 2024/2025:

Where Did We End Up 24/25?

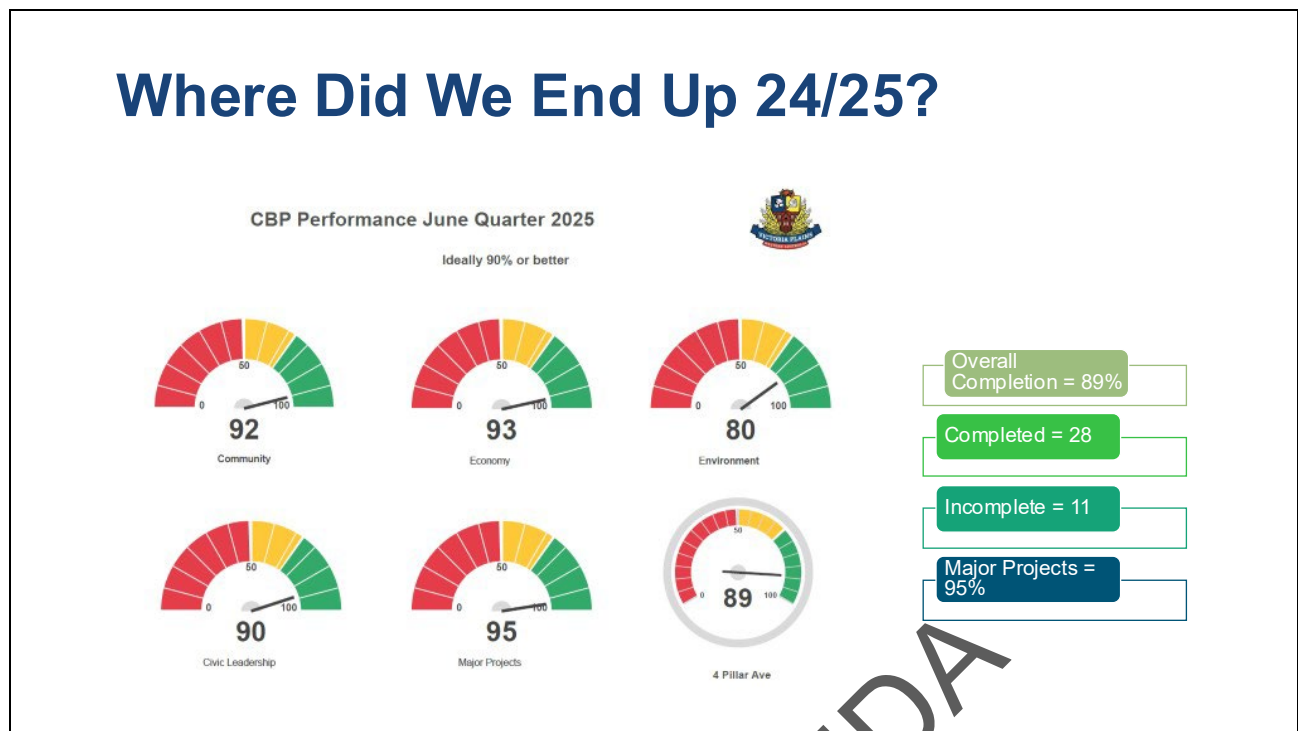


Diagram 1 – Key Work Plan Dashboard 2024/25

The Dashboard in Diagram 1 confirms that the Shire has continued to deliver its strategic priorities at a high level.

Our Key Achievements 24/25

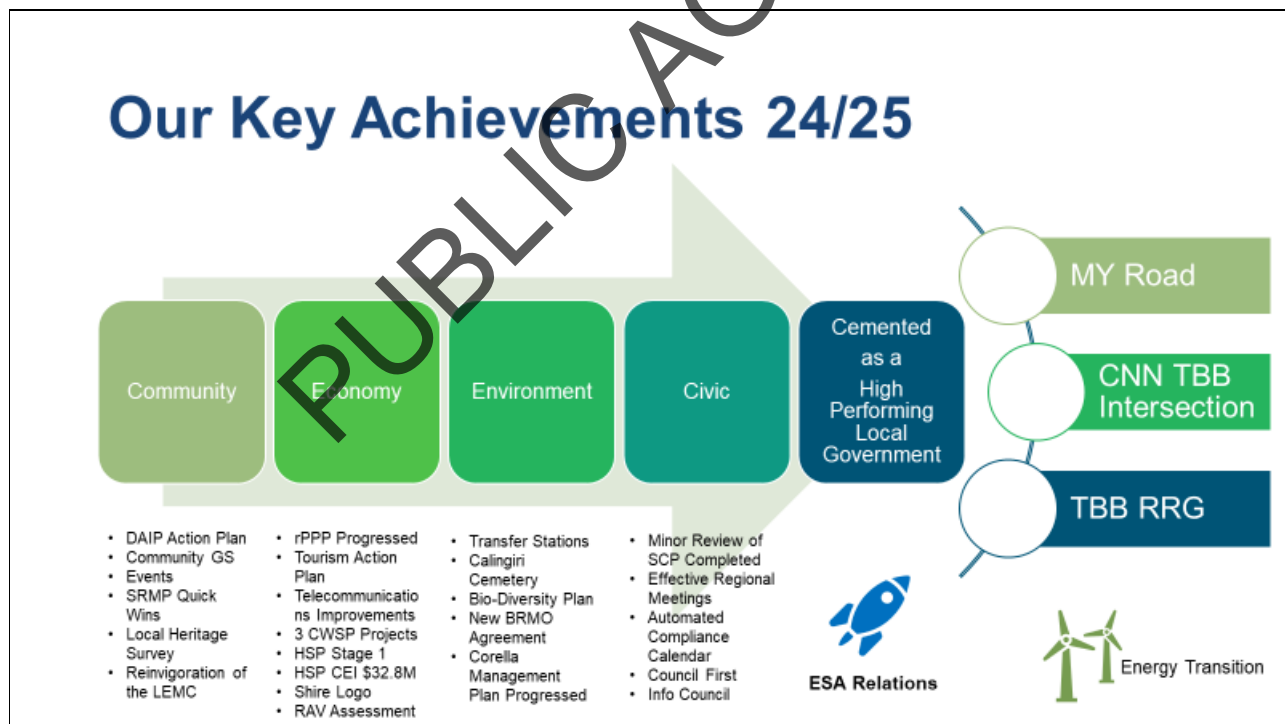


Diagram 2 – Overview of Key Achievements for 2024/25

My staff overall have, once more, put in an amazing effort to deliver the level of outcomes achieved for 24/25. As in previous years, I cannot thank them enough for their professional endeavour, their commitment to the organisation and the communities across the Shire.

Why? – The Road Blocks



Diagram 3 – Overview of the Roadblocks that impacted on closing out some of the actions.

Regarding the actions that were not completed, the majority were in the home straight i.e. they sat at 75% or better. The reasons for delays regarding the delivery of these outcomes are summarised in Diagram 3. As discussed the Intersection Project overrun was \$271,258 (Arc Infrastructure re the rail crossing and subsequent re-surveying and sculpting of the road approaches to it).

Shire's Direction 2025/26

During the last nine months, the Shire has been impacted by four key developments that will continue to impact for many years to come. Each one of these key impacts will see the Shire's economy diversify over the next 30 years or more.



Diagram 4 – The Four Key Impacts 2025/26 Onwards

The Shire is heavily invested in the four key impacts or projects in Diagram 4. The Shire is the group leader regarding the Wheatbelt Regional Housing Initiative, which has seen a group of ten local governments receive \$32.8M in funding from the Commonwealth Government under the Housing Support Program. Victoria Plains allocation under this grant is \$4.5M.

The Shire has been working with Green Wind Renewables regarding the proposed Grevillea and Wandoo windfarms. It is important to note that these projects are subject to State policy and if requested by Greenwind, the State Significant Pathway process.

The Shire is also a key player regarding advocating for fair and equitable treatment for its communities under the Energy Transition regarding large scale renewable projects. This has involved not only participating in the development of a local government guide to advocate for community benefits from large scale renewable projects but also lobbying for the development of mandated State planning policy to do the same.

The Shire supports the expansion of the European Space Agency site at New Norcia. To this extent, the Shire has advocated for funding to develop Stage One of tourism facilities at the ESA ground station i.e. \$350,000 to develop parking facilities and a viewing pod. The Shire will also assist with Stage 2 funding to help develop an effective entry into the ground station. Stage 3 of the visitor experience will involve the development of an education and visitor centre.

The Shire is also working though issues that the proposed Carvel Copper Mine will have regarding the wider district. This includes the advent of the water source from the Gillingarra Bore Field and responding to the State government's assessment of this project. Mining matters and activities are managed by the State, not the Shire.

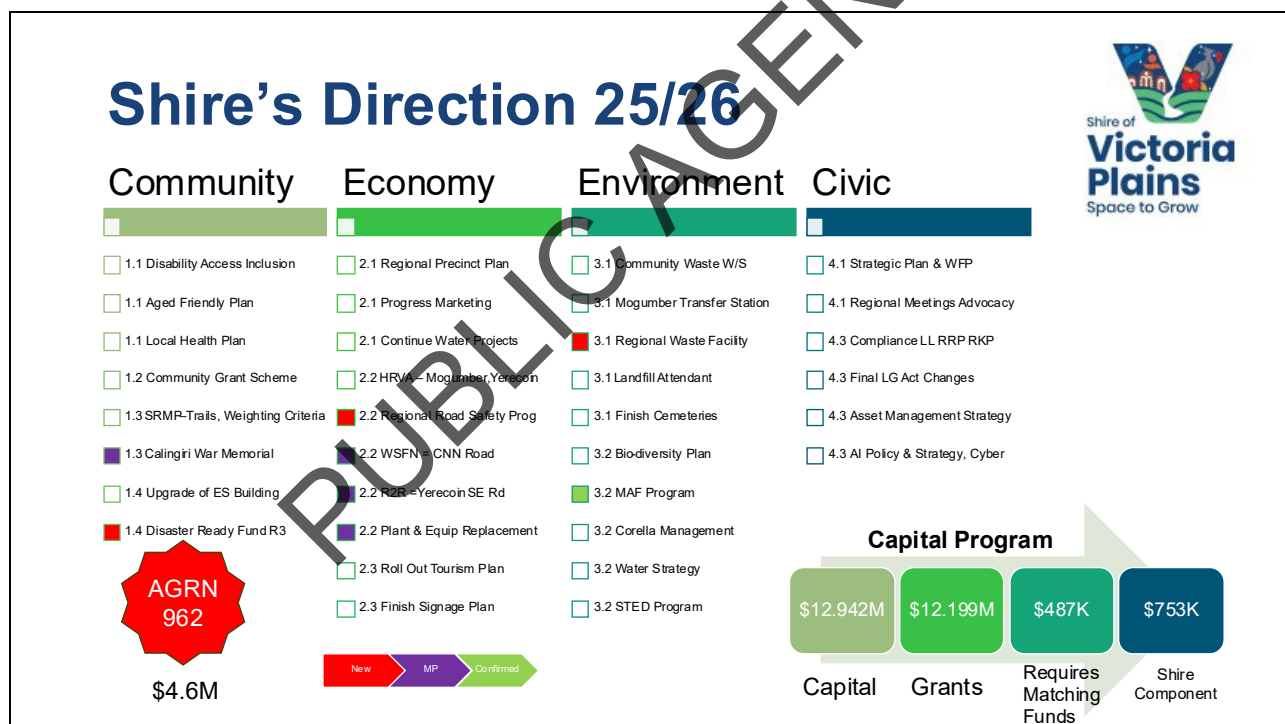


Diagram 5 – Overview of Key Actions 2025/26

Apart from these four key impacts, the Shire will continue to deliver on the key actions summarised in Diagram 5. There are three new key actions (denoted by red squares):

- Disaster Ready Fund Round 3. The Shire is applying for funding to help it prepare for future fires including plant and equipment and funding to implement better access to water for fire fighting purposes, including at Mogumber;
- Regional Road Safety Program. The Shire at the request of Main Roads WA submitted a request for funding under the Regional Road Safety Program. This funding will see the Toodyay Bindi Bindi Road improved from the Bolgart Shire boundary through to the

Goomalling Road turn off at Calingiri and also improvements to the Piawaning Waddington Road;

- Regional Waste Facility. The Shire has commenced advocating for a regional waste facility to assist it and other local governments in the region plan for waste management in future years. All local governments throughout the region have landfills that are nearing the end of their useful life and must transition to waste transfer stations.

The Shire has met with, and asked, the Coordinator General of the National Emergency Management Agency to discuss with the State the reopening of AGRN962 flood damage funding. If this request is successful, the funding of \$4.6M will be in addition to the 25/26 Capital Program of \$15.4M.

The boxes denoted by purple are key road projects that are funded under current arrangements and will be part of the major projects (MP) for 25/26. The green box confirms successful funding that the Shire has been approved for ahead of 25/26 i.e. the Mitigation Activity Fund.

The Shire will continue to roll out key community support plans regarding disability access, aged friendly strategies and the new local health plan. It will also start rolling out the key activities under the Strategic Recreation Management Plan (SRMP) once it has developed the required project weighting criteria and apply for Walk Trail Funding. Improvements to the Shire of Victoria Plains War Memorial will also be undertaken.

From an economic perspective, the Shire will continue to seek regional precinct funding, progress water projects and roll out the Tourism Action Plan.

Unfortunately, the planned Regional Road Group funded works to progress improvements to the Toodyay Bindi Bindi Rd (Calingiri to Yerecoin) will be deferred to 26/27. This will save the Shire \$275,000 in 25/26. However, the \$3.2M 100% funded Regional Road Safety Program is a welcome substitute regarding the Toodyay Bindi Bindi Rd (Toodyay Boundary to the Calingiri/Goomalling Rd turnoff) and the Wongan Hills Waddington Rd. The proposed HRVA vehicle parking bay upgrade for Calingiri has been deferred.

The Yerecoin vehicle parking bay will be completed and a gravel bay installed on the Mogumber Yarawindah Rd. The Plant and Equipment Replacement Program is continuing although the planned changeover of the Roller and one of the Graders will be deferred.

Under the Environment Pillar, the Shire will continue improvements at the cemeteries and progress corella management initiatives. The Animal Pound has been deferred 12 months (26/27). Under Civic Leadership, the Shire will commence its AI journey and better prepare against cyber attacks.

CONSULTATION

Key Officers Working Group 10 July 2025

STATUTORY CONTEXT

Local Government (Administration) Regulations 1996

19DA. Corporate business plans, requirements for (Act s. 5.56)

(4) A local government is to review the current corporate business plan for its district every year.

Integrated Planning and Reporting – Framework and Guidelines

Apart from the Annual Report providing progress towards the achievement of the four-yearly Shire priorities as established through the Corporate Business Plan (Intermediate Standard), the Departmental IPR Guidelines require that as a minimum, a quarterly review is conducted on the status of the CBP for each year.

CORPORATE CONTEXT**Strategic Community Plan/Corporate Business Plan**

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP		
4.1 Forward planning and implementation of plans to achieve community priorities	Performance against targets are regularly reported to the community	
	We attend meetings of key local and regional organisations to jointly plan for our community	
	Demonstrated progress towards achievement of the Corporate Business Plan	

Delegation

Nil

Policy Implications**Other Corporate Document**

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Reputation and Compliance Not adhering to the Corporate Business Plan and hence the Strategic Community Plan	Major (4) Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Unlikely (2) The event could occur at some time - -10 years	Moderate (8)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring Adequate: The Shire continues to ensure that the CBP Quarterly Review is available publicly through a report to Council each quarter.	CEO to ensure all staff undertake and follow CBP. Elected Members have undertaken further training in IPR requirements. The above will, ensure that the appropriate manager can assess the risk and correct it accordingly through quarterly reporting. This will ensure that the risk is low

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Committee advises the Council that it **SUPPORTS** the outcomes of the annual review of the Shire's Corporate Business Plan:

1. Noting that, in accordance with Regulation 19DA (4) of the *Local Government (Administration) Regulations 1996*, the Shire has **COMPLETED** the annual review of the Shire's Corporate Business Plan for 2024/2025 (Attachment 1).
2. **SUPPORTS** the CEO's Key Work Plan which lists the strategic actions to be achieved under the Corporate Business Plan for 2025/2026 as follows regarding Diagram 4 and Diagram 5A and 5B:

Shire's Direction

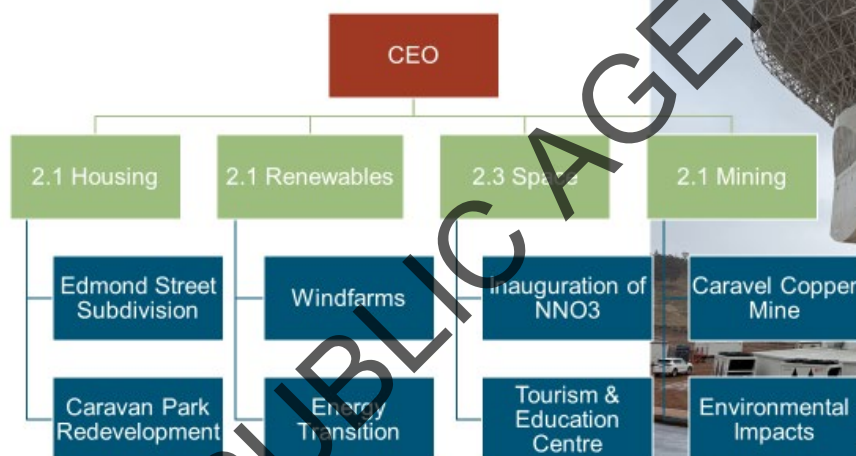


Diagram 4 – Attachment 2

Shire's Direction 25/26



Community Economy



Diagram 5A – Attachment 2

Shire's Direction 25/26



Environment Civic

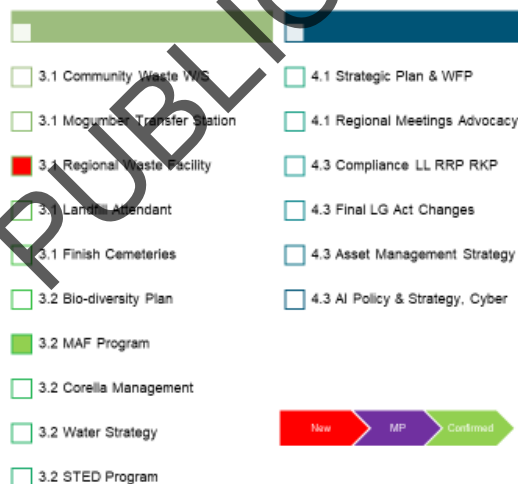


Diagram 5B – Attachment 2

Shire of Victoria Plains Key Work Plan June 2025

Action	Assigned To	Cost \$	Comment	Start	End	Dur	%	2024					2025							
								Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1. Community				1/7/24	30/6/25	257	92													
1.1 Healthy, Connected and Safe Communities				1/8/24	30/6/25	234	78													
a. Implement DAIP Action Plan	EHO/CDO	0	• Ensuring events are accessible and inclusive • All information is provided across multiple platforms	1/8/24	26/6/25	234	100													
c. Review Aged Friendly Community Plan	CDO	0	• Seniors Ref Group - Un • Survey instead 25/26	1/9/24	26/6/25	212	71													
e. Implement Public Health Plan	EHO/CDO	0	• EHO attended 1st State Workshop March 2025 • Living Well in the Wheatbelt released at York Zone meeting June	1/1/25	30/6/25	129	50													
1.2 Inclusive Community Activities, Events & Initiatives				1/7/24	26/6/25	257	100													
c. Community Grants Scheme for Volunteer Groups	CDO	40,000	• 24/25 awarded 24/07/24 • 25/26 Closed 15/06/25	1/7/24	26/6/25	257	100													
1.3 Recreational, Social & Heritage Spaces are Safe/Activated				1/7/24	26/6/25	257	90													
a. SRMP Quick Wins (Funded by LRCI 4)	DCEO	140,000	Approved 24/07/24	1/7/24	26/6/25	257	75													
a. Close out the implementation of the SRMP	DCEO	20,000		1/10/24	27/3/25	126	100													
c. Implement Local Heritage Survey	CDO	0	• Adopted May 2025	1/7/24	26/6/25	257	100													
1.4 Support EM Services Planning, Risk Mitigation, Res & Rec				1/7/24	26/6/25	257	100													
a. Active Leadership & Participation in LEMC	EMO	0	• Joint LEMC successful	1/7/24	26/6/25	257	100													
b. Plan & Deliver Emergency Service Facility Upgrades	CESM	0	• CEO & EDT met YAC CEO 3/7. Continue 25/26 • CESM has identified design. Continue 25/26	1/7/24	26/6/25	257	100													

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
1. COMMUNITY	
1.1 Healthy, connected and safe communities	Achieve and update the Disability Access Inclusion Plan Achieve and update the Aged Friendly Community Plan Maintain and extend the footpath network Achievement towards our Public Health Plan
1.2 Inclusive community activities, events and initiatives	Well attended local events and activities Volunteers and community groups feel supported Community Development Officer jointly plans and works with local groups We increase the number and diversity of sport, recreation, learning and cultural events
1.3 Recreational, social and heritage spaces are safe and are activated	Sport and recreation facilities are planned, maintained and developed in a coordinated manner, aligned with community need Shire owned community buildings and places of interest are well maintained and used
1.4 Support emergency services planning, risk mitigation, response and recovery	We collaboratively plan service delivery and respond to emergency situations (LEMC) Emergency service volunteers are supported and the community understands how to respond to emergencies / natural disasters

Prepared by	Sean Fletcher
Position	CEO
Date	10 July 2025
Version	0725



Action	Assigned To	Cost \$	Comment	Start	End	Dur	%	2024						2025					
								Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2. Economy				7/1/24	6/30/25	257	93												
2.1 Support the Diverse Industry Across the Shire				7/1/24	6/30/25	257	99												
a. Develop & Implement Precinct Plans - Refer 2.1.b	CEO	260,000	rPPP application submitted then withdrawn - resubmit July 2025	7/1/24	6/30/25	257	100												
b. Implement Economic Development Strategy - includes, tourism plan, precinct planning, industrial lot development and marketing plan	CEO EDO		Economic Development Plan actions on track	7/1/24	6/30/25	257	100												
c. Forward Plan for Industrial Lots - Refer 2.1.b	EDO		• Prelim scope developed with JD re C, B and M • Position Paper 25/26	1/1/25	6/30/25	129	100												
d. Facilitate Expansion of Telecommunications Network	CEO EDO		NBN Upgrade - Calingiri	7/1/24	6/30/25	257	100												
e. Review Town Planning Scheme	TP		Not required	11/1/24	6/30/25	169	100												
f. Develop and Implement a Marketing Plan - Refer 2.1.b	CEO EDO		• State Advocacy Document • Commonwealth 25/26	10/1/24	6/30/25	191	100												
g. Securing Consistent Supply of Water Across Shire	MWS EHO	230,000	1/8/24 CWSP three projects approved: \$179,885	7/1/24	6/30/25	257	95												
h. Maintain and Upgrade Shire Housing Stock	CEO	1,567,000	• HSP CEI confirmed 24/5 • CEO & SP met HSP 24/6	7/1/24	6/30/25	257	100												
g. Advocate for Power Reliability Across the Shire	CEO EDO		• SP & DCEO = Minister Sanderson's Forum • Draft Benefits Guide issued 9 July 2025 • SP & CEO participating in PoweringWA Review	10/1/24	6/30/25	191	100												
2.2 Safe & Eff Transport Network Enables Economic Growth				7/1/24	6/30/25	192	83												
f. RAV Network Assessment is Undertaken	ENG	10,000	Received Jan 2025	8/1/24	3/31/25	169	100												
g. Safe and Clean Truck Bays & Roadside Parking	MWS	80,000	• Y = ARC approved • Y = Fencing gravel 25/26 • C = ARC approved • MY = Gravel Rest Area	7/1/24	3/31/25	192	80												
2.3 Visitors Have a Positive Experience				7/1/24	6/30/25	257	91												
e. Review and Enhance Caravan Parks	CEO MWS	1,400,000	• Bolgart = Power/water bollards installed • Calingiri = rPPP	7/1/24	6/30/25	257	100												
g. Implement Townscape, Visitor & Signage Plan	MWS CDO	41,000	• LRCI 4 carried forward. Signs ordered • Logo adopted March OCM	10/1/24	4/30/25	148	75												

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
2. ECONOMY			
2.1 We understand traditional and emerging industries across the Shire	Townsite amenities are welcoming and attractive		
	Our population increases		
	Reduction in the number of mobile black spots across the Shire		
	Demonstrated progress with stakeholders for the permanent supply of water to the town of Mogumber		
	We are business friendly and industrial land is utilised		
	We can attract and retain staff because we maintain and increase our housing stock		
	Communities and opportunities are promoted by the Shire		
	We forward plan for emerging industries		
2.2 Safe and efficient transport network enables economic growth	Local benefits are delivered through our active participation in the Wheatbelt Secondary Freight Network		
	Safe and well maintained connection to Great Northern Hwy		
	Road plant and equipment enables achievement of the 10yr Road Plan		
	Less impact on our roads due to extreme weather events and increased vehicle tonnage (road engineering, stormwater management)		

2.3 Visitors have a positive experience across our communities	Our parks and community spaces are green, tidy and accessible Visitors receive timely and accurate information about attractions and amenities Clean, accessible and modern public toilets Caravan Parks are attractive, expanded and well utilised
--	--

Action	Assigned To	Cost \$	Comment	Start	End	Dur	%	2024						2025						
								Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
3. Environment				7/1/24	6/30/25	257	80													
3.1 Maintain a High Standard of EH & Waste Services				7/1/24	6/30/25	257	81													
c. Complete Transfer Stations	MWS EHO	135,000	● Sheds in place: C, B, M ● Retaining walls = C, B, M = 25/26 ● Service commence Oct 25/26	7/1/24	12/31/24	128	92													
d. Forward Plan the Aesthetics of our Cemeteries	MWS RO	20,000	● Calingiri Shelter - LRC14 ● Site pegged. C fwd 25/26	7/1/24	6/30/25	257	75													
3.2 Conservation of Our Natural Environment				7/1/24	6/30/25	257	78													
a. Promotion & Management of Invasive Species Programs				7/1/24	6/30/25	257	43													
Rollout Bio-diversity Plan	ESO	0	● Draft advertised May/June ● No feedback received ● Establish Bio-diversity Committee 25/26	7/1/24	6/30/25	257	75													
Implement Invasive Species Actions	ESO EHO	0	Uncertainty re shared ESO role caused delays	10/1/24	6/30/25	191	0													
b. Prepare and Manage Nature Reserves to Reduce BFRisk				10/1/24	6/30/25	191	100													
Close Out MAF 23/24	MWS CESM BRMO	169,000	Mogumber completed late Nov 24	10/1/24	6/30/25	191	100													
Implement MAF Pilot Program Year 1 (of 3)	MWS CESM BRMO	250,000	● Finalised Jan 25 = \$69,000 ● New BRMO Agreement signed. \$94,000 approved	10/1/24	6/30/25	191	100													
c. Animal Control Program is Reviewed Annually				7/1/24	6/30/25	257	100													
Implement Animal Pound	MWS	39,350	Grant unsuccessful	7/1/24	6/30/25	257	100													
Continue Corella Management Program	ESO	10,000	● Ministerial assistance = No ● Draft plan for CoVP	7/1/24	6/30/25	257	100													
d. Develop & Implement Water Strategy	MWS CDO CEO	105,765	● Returned to consultant seeking improvements ● Carry forward 25/26	7/1/24	6/30/25	257	75													

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
3. ENVIRONMENT			
3.1 Maintain a high standard of environmental health and waste services		Community satisfaction with waste management services and sites	
		Compliance with environmental health legislation	
3.2 Conservation of our natural environment and resources		Responsive and a high standard of Ranger services	
		Nature reserves in our control are managed and protected	
		Shire water resources are efficient, equitable and we advocate for improvements in the network	

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. COMMUNITY LEADERSHIP			
4.1 Forward planning and implementation of plans to achieve community priorities		Performance against targets are regularly reported to the community	
		We attend meetings of key local and regional organisations to jointly plan for our community	
		Demonstrated progress towards achievement of the Corporate Business Plan	
4.2 Shire communication is regular, clear and transparent		Residents and community groups believe they are being listened to and fairly treated	
		Positive feedback through our customer survey	
		Council and Staff work closely with the community to successfully achieve projects or outcomes that deliver upon priorities	
4.3 Proactive and well governed Shire		External audits and reviews confirm compliance	
		We have sound financial management policies and attract external funding to help achieve our goals	
		Councilors attend training and feel supported in their role	
		Council is supported by a skilled team	

Action	Assigned To	Cost \$	Comment	Start	End	Dur	%	2024					2025				
								Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
4. Civic Leadership				7/1/24	6/30/25	257	90										
4.1 Forward Planning & Implementation of Plans				7/1/24	6/30/25	257	100										
a. Desktop Review of SCP (Includes all Plans)	CEO	0	Minor Review completed.	9/1/24	12/31/24	83	100										
b. Active Participation in AROC & Zone Meetings	CEO Pres Crs	10,000	AROC: July, Sep, Nov, Feb, Apr, June RWC: July, Apr Zone: August, Nov, Feb, Apr, June RRG: Sep, Apr	7/1/24	6/30/25	257	100										
4.2 Shire Communication is Clear & Transparent				7/1/24	4/28/25	212	68										
a. Implement the New Community Engagement Model	CEO	0	Waiting on Regulations	7/1/24	4/28/25	212	60										
b. Implement the CEO/Council Communication Strategy	CEO	0	•DLGSC issued draft for for comment •CEO has prepared briefing	7/1/24	4/28/25	212	75										
4.3 Proactive & Well Governed Shire				7/1/24	3/31/25	192	100										
a. Implement Automated Compliance Calendar	CEO PA	0	Attain includes Primary/ Annual Returns, RPD, Compliance Calendar & Delegations. Fin 20/08/24	7/1/24	8/31/24	45	100										
b.Finish Implementation of Asset Management Strategy	CEO	0	•AM Strategy received •Roll out from October	7/1/24	3/31/25	192	100										
f. Invest in New IT Operating System				7/1/24	12/31/24	128	100										
Implement Agenda Minute Software	CSO	0	Implemented September	7/1/24	9/30/24	66	100										
Close out the Implementation of Council First	DCEO	0	Financials 1/08/23; Rates 5/08/24	7/1/24	12/31/24	128	100										

Risk Management	
Purpose	To ensure that relevant risks and opportunities have been identified, assessed, and mitigated as part of any decision or action.
Guiding Principles	Based on the best available information Clarifies uncertainty Facilitates continual improvement and enhancement of the organisation Integral part of organisational processes Informs decision making Systematic, structured, and timely Tailored to suit all environment types Takes human and cultural factors into account Transparent and adaptive to all areas of risk
Key Inputs	Governance Compliance Calendar Officer Reports Risk Reporting Framework Audit Report
Reviewed	Risk Management and Governance falls on all levels of the organisation including Council, Committees of Council, the Management Team, Staff and Persons who perform functions or deliver services on behalf of the Shire. Council is responsible for ensuring that Council strategy and Shire operations through the CEO are managed within an effective risk management framework. Key processes and tools include: - Regulation 17 review every 3 years; - Risk Management profiling tool, reviewed quarterly; - The Audit Committee, working with the CEO is responsible for reviewing the Risk exposure of the Shire and recommending to Council the acceptable level of risk tolerance.
How Reported	Audit Committee meeting minutes Risk section of ordinary Council meeting items

Resource Management - Integrating Assets, Finance, and Workforce Planning	
Purpose	To use our people and resources to protect and enhance our infrastructure and natural environment and to deliver Shire services in a financially sustainable manner
Guiding Principles	Demonstrated compliance Enhanced community consultation Improved management of risk Improved social responsibility Skilled and motivated workforce Sustainable financial performance Well informed investment decisions
Key Inputs	Asset condition data Community service level expectations Long Term Financial Plan Technical and quality requirements
Reviewed	Annually to update financial modelling using current data Major review of the LTFP every 4 years
Reported	Annual Report Asset Ratios Plant Replacement and Utilisation reporting Financial and strategic implications of Ordinary Meeting of Council items

Community Engagement	
Purpose	To share information, gather views and opinions, develop options, build consensus, and make effective decisions that consider stakeholder input.
Guiding Principles	Taken from IAP2 drivers of contemporary engagement practice: 21. Based on the belief that those who are affected by a decision have the right to be involved in the decision-making process 22. Communicates to participants how their input impacts the decision 23. Includes the promise that the public's contribution will influence the decision 24. Provides participants with the information they need to participate in a meaningful way 25. Promotes sustainable decisions by recognising and communicating the needs and interests of all participants including decision makers 26. Seeks out and facilitates the involvement of those potentially affected by or interested in a decision 27. Seeks input from participants in designing how they participate
Key Inputs	Community Engagement Policy: Various engagement techniques that are identified for each engagement activity such as community and stakeholder workshops, surveys, social media, face to face interviews, submissions, pop up engagement hubs
Reviewed	By utilising feedback received to inform the decision-making process
Reported	Strategic Plan Reference section of ordinary meeting of Council items Integrated Strategic Plan reports Summary of key engagement activities in the Annual Report Community Engagement Policy Reviews Communications Strategy Report

	Task	Assigned To	Cost \$	Comment	Start	End	Dur	%	2024						2025										
									Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul				
	Major Projects and Key Costs Part 1				7/1/24	6/30/25	257	95																	
1	LRCI 4				7/1/24	6/30/25	257	75																	
1.1	SRMP Quick Wins	DCEO	140,000	Adopted 24/07/24	7/1/24	6/30/25	257	75																	
1.2	Other Activities	Various	241,412	Adopted 24/07/24	7/1/24	6/30/25	257	75																	
2	Calingiri New Norcia Rd Intersection Realignment	CEO MWS	470,000	● Seal completed ● Subdivision approved	7/1/24	6/30/25	257	100																	
3	Wheatbelt Secondary Freight Network				7/1/24	1/31/25	151	100																	
3.1	Mogumber Yarawindah Rd - Final	MWS	1,580,937		7/1/24	1/31/25	151	100																	
3.2	Calingiri New Norcia Rd - Geo Tech	MWS	159,093	● Report completed ● Vegetation works Sep/Oct	7/1/24	12/31/24	128	100																	
4	Roads to Recovery Program - Toodyay Bindi Bindi SB	MWS	606,474	Program uploaded by DCEO	7/1/24	3/31/25	199	100																	
5	Regional Road Group				7/1/24	1/31/25	151	100																	
5.1	Toodyay Bindi Bindi Rd 0.3 - 2.36	MWS	1,080,000	Completed March	7/1/24	1/31/25	151	100																	
6	Plant Replacement & Equipment Program	MWS	1,162,000		7/1/24	6/30/25	257	100																	
7	Water Security Program - See 2.1.g				7/1/24	6/30/25	257	86																	
7.1	Piawaning ROP	MWS	24,444	Commissioned 01/08/24	7/1/24	8/31/24	45	100																	
7.2	Gillingarra New Tanks	MWS		Funding pending	7/1/24	6/30/25	257	75																	
7.3	Calingiri - Gouge Rd/Parker Rd Bore	MWS	130,000	Finished June	7/1/24	6/30/25	257	95																	
8	E-Waste Transfer Stations - See 3.1.c				7/1/24	10/31/24	88	92																	
8.1	Calingiri	MWS	25,236		7/1/24	10/31/24	88	100																	
8.2	Bolgart	MWS	25,236		7/1/24	10/31/24	88	100																	
8.3	Mogumber	MWS	25,235	Shed completed	7/1/24	10/31/24	88	75																	
9	Mobile Water Tanks (Trucks) - Design	MWS	15,400		7/1/24	6/30/25	257	100																	
10	Major Projects and Key Costs Part 2				7/1/24	6/30/25	257	99																	

SRMP					
INITIATIVE / ACTIVITY	LINK TO SRMP	TIMEFRAME	LRCI \$	CAP \$	OP \$
New cricket pitch at Mogumber	4.2	24-25	15,000	15,000	
Replace / Maintain lighting at Calingiri Sportsground	3.1	24-25	77,000	77,000	
Installation of wifi / starlink at Calingiri Sportsground	3.1	24-25	5,000	5,000	5,000
Hockey Goals	3.1		8,000	8,000	
Netball Scoreboard	3.1		5,000	5,000	
Redevelop tennis court next to Calingiri club to basketball, volleyball, cricket, football, netball, hockey training	4.1	24-25	15,000	15,000	
Refurbish Basketball and Stakepark at Bolgart without excessive spend	4.2 / 5.0	24-25	5,000	5,000	
Playground Equipment - Calingiri			10,000	10,000	
TOTAL SRMP			140,000	135,000	5,000
OTHER ACTIVITIES			LRCI \$	CAP \$	OP \$
Admin Office Carpark			35,000	35,000	
Cemetery Shelter - Calingiri			20,000	20,000	
Mogumber Hall Toilets			60,000	60,000	
Mogumber Hall Locks			10,000	10,000	
Bolgart Refuse Site Monitoring Bore			30,000	30,000	
Depot Carpark			15,000	15,000	
Bolgart Caravan Park			10,000	10,000	
Calingiri Caravan Park			10,000	10,000	
Signage			41,412	-	41,412
Yerecoin Obelisk 100th			10,000	10,000	
TOTAL OTHER ACTIVITIES			241,412	200,000	41,412
TOTAL LRCI PH 4 PROGRAM			381,412	335,000	46,412

Transport			
Single Axle Trailer Set with Pump - ITIY210		19,950	20,000
Single Axle Trailer set up Pump - ITCB938		19,950	20,000
Kubota Track Loader		184,450	178,000
Hino 9T Tip Truck - VP42		286,551	290,000
Hino 300 Series 617 Service Truck - VP48		162,044	165,000
Howard Porter DFD45R Drop Deck Trailer		41,645	40,000
Bobcat Trailer Single Axle Semi		46,000	46,000
Depot Utility		62,372	68,000
Tandem Dolly		41,645	40,000

	Task	Assigned To	Cost \$	Comment	Start	End	Dur	%	2024						2025						
									Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	Major Projects and Key Costs Part 2				7/1/24	6/30/25	257	98													
1	WMP - Landfill Transfer Stations - See 3.1.c				7/1/24	12/31/24	128	75													
1.1	Refer to E-Waste Transfer Stations	MWS	15,000	Retaining completed C, B	7/1/24	12/31/24	128	75													
2	Animal Control Program				7/1/24	6/30/25	257	100													
2.1	Animal Pound - See 3.2.c		39,350	Grant unsuccessful	7/1/24	6/30/25	257	100													
2.2	Corella Management. See 3.2.c		10,000		7/1/24	6/30/25	257	100													
3	Key Worker Housing Project - See 2.1.h	CEO	1,567,000	HSP - CEI confirmed 9/01	7/1/24	6/30/25	257	100													
4	Calingiri Short Stay & Caravan Park - See 2.3.e	CEO	1,400,000	HSP - CEI confirmed 9/01	7/1/24	6/30/25	257	100													
5	Waste Management Plans				7/1/24	6/30/25	257	98													
5.1	Regional Waste Facility Position Paper	EHO		Draft issued. Finalise 25/26	7/1/24	12/31/24	128	75													
5.2	Review of AROC Strategic Waste Plan	CEO EHO		Consultant appointed	7/1/24	6/30/25	257	100													
6	Local Heritage Survey - See 1.3.b	CDO			7/1/24	6/30/25	257	100													
7	AGRN 962	MWS DCEO	500,000	• SP & CEO met with Brenda Moon 27/7 • Cfwd 25/26	7/1/24	6/30/25	257	100													
8	Walk Trails Strategy	CDO		Seeking WBN Funding	8/1/24	6/30/25	234	100													
9	Tourism Plan - See 2.3.c. Forms part of 2.1.b	EDO	10,000		10/1/24	6/30/25	191	100													
10	Review Shire Branding. Refer 2.1.f re Marketing Plan	CEO PA CDO	15,000	Adopted March OCM	9/1/24	6/30/25	212	100													
11	Improvements to Shire Depot	MWS	10,000	Planning	1/1/25	6/30/25	129	100													
12	IT Refresh	DCEO	71,000		7/1/24	6/30/25	257	100													
13	Loan Repayments				7/1/24	6/30/25	257	100													
13.1	Loan 83 Calingiri Football Club - SS	DCEO	28,799		7/1/24	6/30/25	257	100													
13.2	Loan 84 Piawaning Water Supply	DCEO	19,877		7/1/24	6/30/25	257	100													
13.3	Loan 85 Grader & Roller	DCEO	40,938		7/1/24	6/30/25	257	100													
13.4	Loan 87 Plant Replacement	DCEO	249,327		7/1/24	6/30/25	257	100													
13.5	Reserves	DCEO	880,659		7/1/24	6/30/25	257	100													

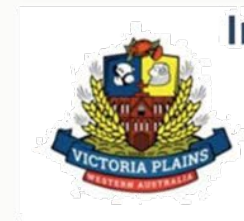
9. CASH BACKED RESERVES						
	Opening Balance					Adopted Budget
Reserves restricted by Council	01 Jul 24	Transfers from	Interest Received	Transfer to		30 Jun 25
	\$	\$	\$	\$		\$
Employee Entitlements	4,682	-	186	8,000		12,868
Plant	296,712	(280,000)	11,775	95,285		123,772
Housing	148,953	-	5,911	-		154,864
Sewerage Scheme - Calingiri	51,712	-	2,052	-		53,764
Refuse Site	265,511	-	10,537	-		276,048
Building Maintenance	66,948	-	2,657	-		69,605
Infrastructure	96,924	-	3,846	-		100,770
Gym Equipment	7,750	-	308	-		8,058
Sewerage Scheme - Yerecoin	22,102	-	877	-		22,979
Shire Grants Reserve	-	(100,000)	-	150,000		50,000
Unallocated Monies	7,628	-	303	-		7,931
Total Reserves	968,922	(380,000)	38,452	253,285		880,659



Annual Review - CBP

Outcomes for 2025/2026

Adopted: OCM 30 July 2025



Integrated Strategic Plan

2022 - 2032

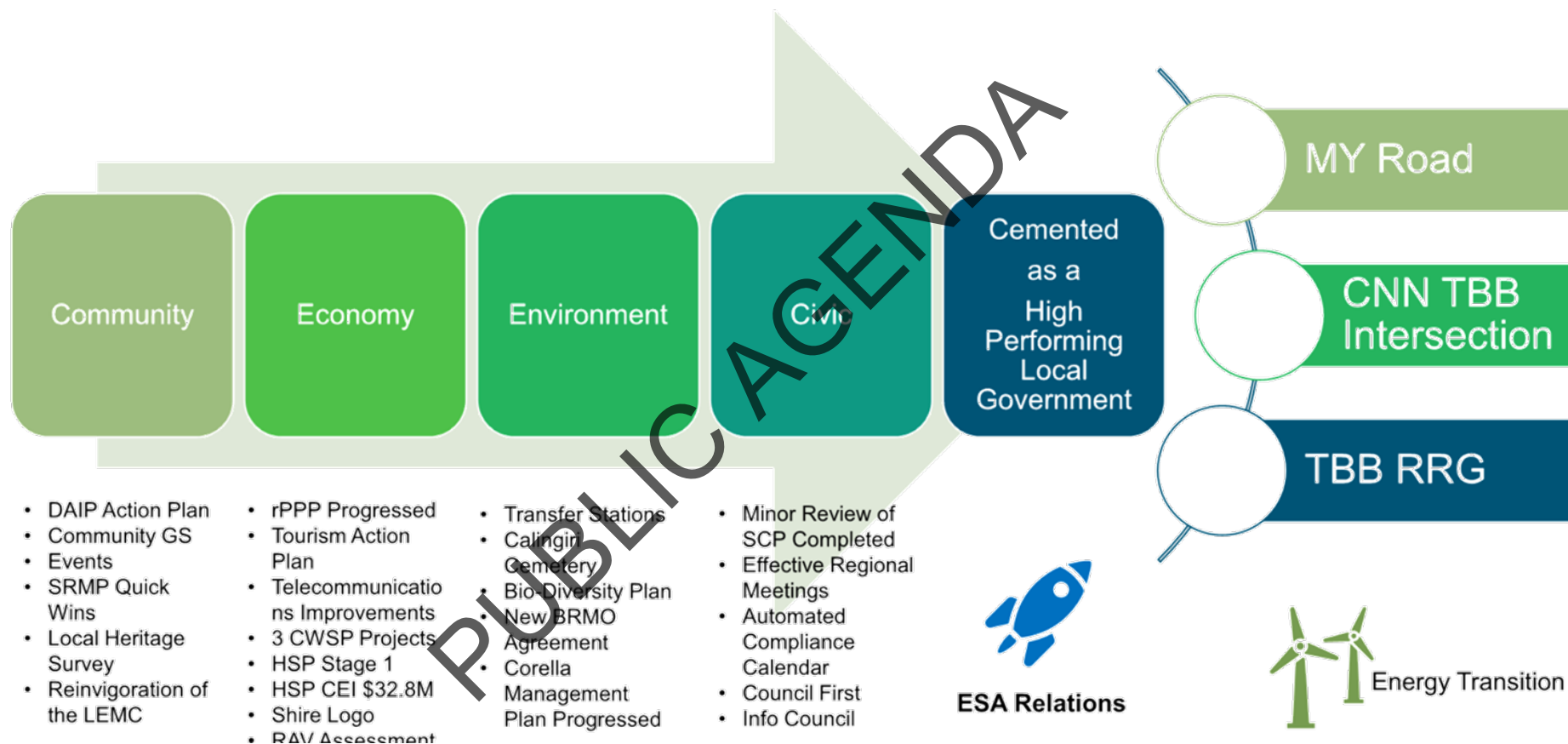
www.victoriaplains.wa.gov.au



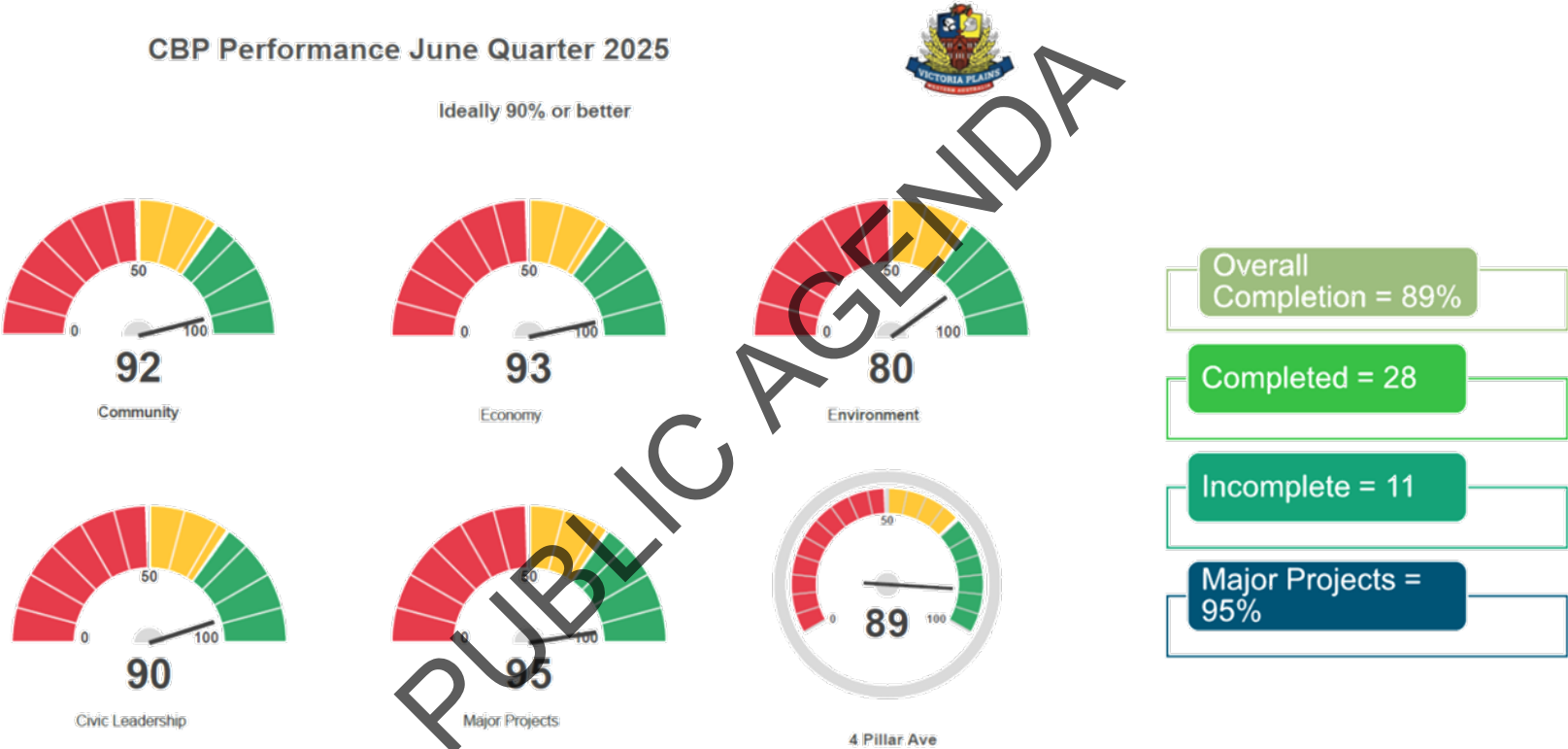
25/26 Final Year of 4 Year Plan

- In the first half of 2026 there will be a major review of the SCP = Council Plan (8 Years)
- There will be a new CBP for 26/27 – 29/30
- The new CBP will be framed as it is now:
 - Implementation of Community Priorities
 - Key Work Plan for staff to action
- There will be four key factors throughout the new CBP:
 - Housing
 - Renewables
 - Space
 - Mining

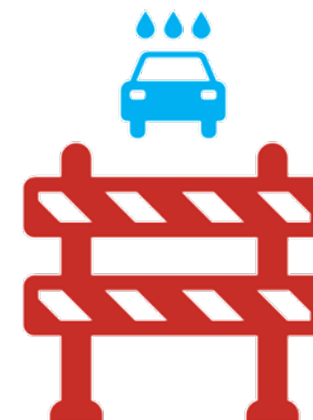
Our Key Achievements 24/25



Where Did We End Up 24/25?



Why? – The Road Blocks

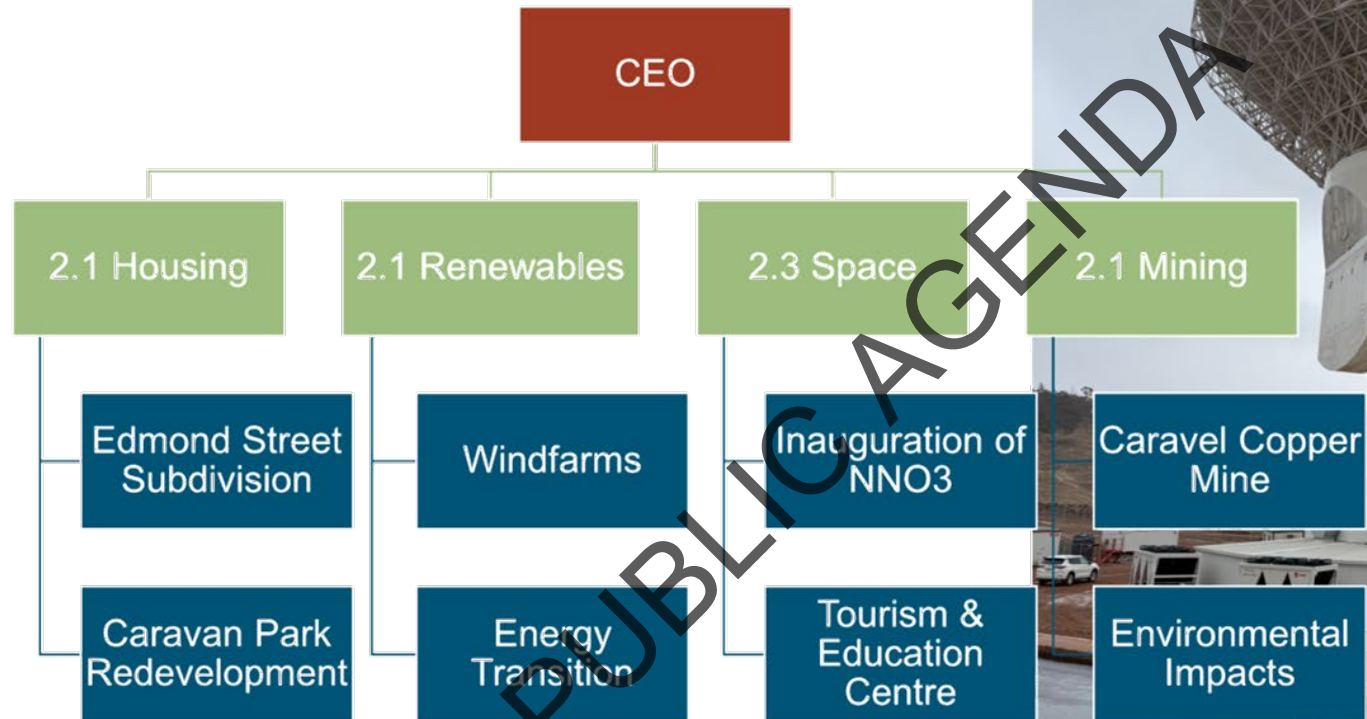


Minor Review Outcomes - SCP

The Minor Review of the Integrated Strategic Plan (SCP) confirmed the following:

1. The Strategic Community Plan is, overall, still fit for purpose
2. However, there are some matters that will need to be addressed through recognising the need for their inclusion as part of the Major Review:
 - a. A specific success factor regarding young people:
 - I. Children (Up to Age 14)
 - II. Youth (Age 15 – 24)
 - b. Modifying the success factor regarding the permanent supply of water to the town of Mogumber to one that encapsulates the outcomes of the Water Strategy
 - c. Reframing of the success factor regarding staff housing (key worker housing)
 - d. Consideration of the impact/solution regarding key developments for emerging industries:
 - I. Mining
 - II. The Energy Transition
 - III. Space Capability
 - e. Creating a specific focus regarding a Regional Waste Facility

Shire's Direction



Shire's Direction 25/26



Community



- ☐ 1.1 Disability Access Inclusion
- ☐ 1.1 Aged Friendly Plan
- ☐ 1.1 Local Health Plan
- ☐ 1.2 Community Grant Scheme
- ☐ 1.3 SRMP–Trails, Weighting Criteria
- ☒ 1.3 Calingiri War Memorial
- ☐ 1.4 Upgrade of ES Building
- ☒ 1.4 Disaster Ready Fund R3



\$4.6M

Economy



- ☐ 2.1 Regional Precinct Plan
- ☐ 2.1 Progress Marketing
- ☐ 2.1 Continue Water Projects
- ☐ 2.2 HRVA – Mogumber, Yerecoin
- ☒ 2.2 Regional Road Safety Prog
- ☒ 2.2 WSFN = CNN Road
- ☒ 2.2 R2R = Yerecoin SE Rd
- ☒ 2.2 Plant & Equip Replacement
- ☐ 2.3 Roll Out Tourism Plan
- ☐ 2.3 Finish Signage Plan



Environment



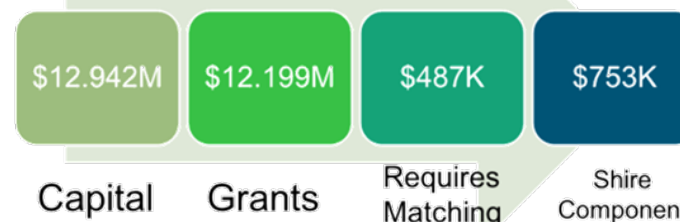
- ☐ 3.1 Community Waste W/S
- ☐ 3.1 Mogumber Transfer Station
- ☒ 3.1 Regional Waste Facility
- ☐ 3.1 Landfill Attendant
- ☐ 3.1 Finish Cemeteries
- ☐ 3.2 Bio-diversity Plan
- ☒ 3.2 MAF Program
- ☐ 3.2 Corella Management
- ☐ 3.2 Water Strategy
- ☐ 3.2 STED Program

Civic



- ☐ 4.1 Strategic Plan & WFP
- ☐ 4.1 Regional Meetings Advocacy
- ☐ 4.3 Compliance LL RRP RKP
- ☐ 4.3 Final LG Act Changes
- ☐ 4.3 Asset Management Strategy
- ☐ 4.3 AI Policy & Strategy, Cyber

Capital Program



Shire's Direction 25/26



Community

Economy



☐ 1.1 Disability Access Inclusion

☐ 2.1 Regional Precinct Plan

☐ 1.1 Aged Friendly Plan

☐ 2.1 Progress Marketing

☐ 1.1 Local Health Plan

☐ 2.1 Continue Water Projects

☐ 1.2 Community Grant Scheme

☐ 2.2 HRVA – Mogumber, Yerecoin

☐ 1.3 SRMP–Trails, Weighting Criteria

☒ 2.2 Regional Road Safety Prog

☒ 1.3 Calingiri War Memorial

☒ 2.2 WSFN = CNN Road

☐ 1.4 Upgrade of ES Building

☒ 2.2 R2R = Yerecoin SE Rd

☒ 1.4 Disaster Ready Fund R3

☒ 2.2 Plant & Equip Replacement

☐ 2.3 Roll Out Tourism Plan

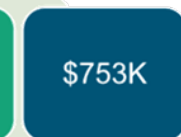
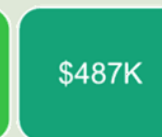
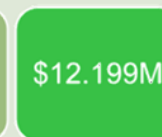
☐ 2.3 Finish Signage Plan



\$4.6M



Capital Program



Capital

Grants

Requires
Matching
Funds

Shire
Component

Shire's Direction 25/26



Environment

Civic



- ☐

3.1 Community Waste W/S
- ☐

3.1 Mogumber Transfer Station
- ☒

3.1 Regional Waste Facility
- ☐

3.1 Landfill Attendant
- ☐

3.1 Finish Cemeteries
- ☐

3.2 Bio-diversity Plan
- ☒

3.2 MAF Program
- ☐

3.2 Corella Management
- ☐

3.2 Water Strategy
- ☐

3.2 STED Program

☐

4.1 Strategic Plan & WFP

☐

4.1 Regional Meetings Advocacy

☐

4.3 Compliance LL RRP RKP

☐

4.3 Final LG Act Changes

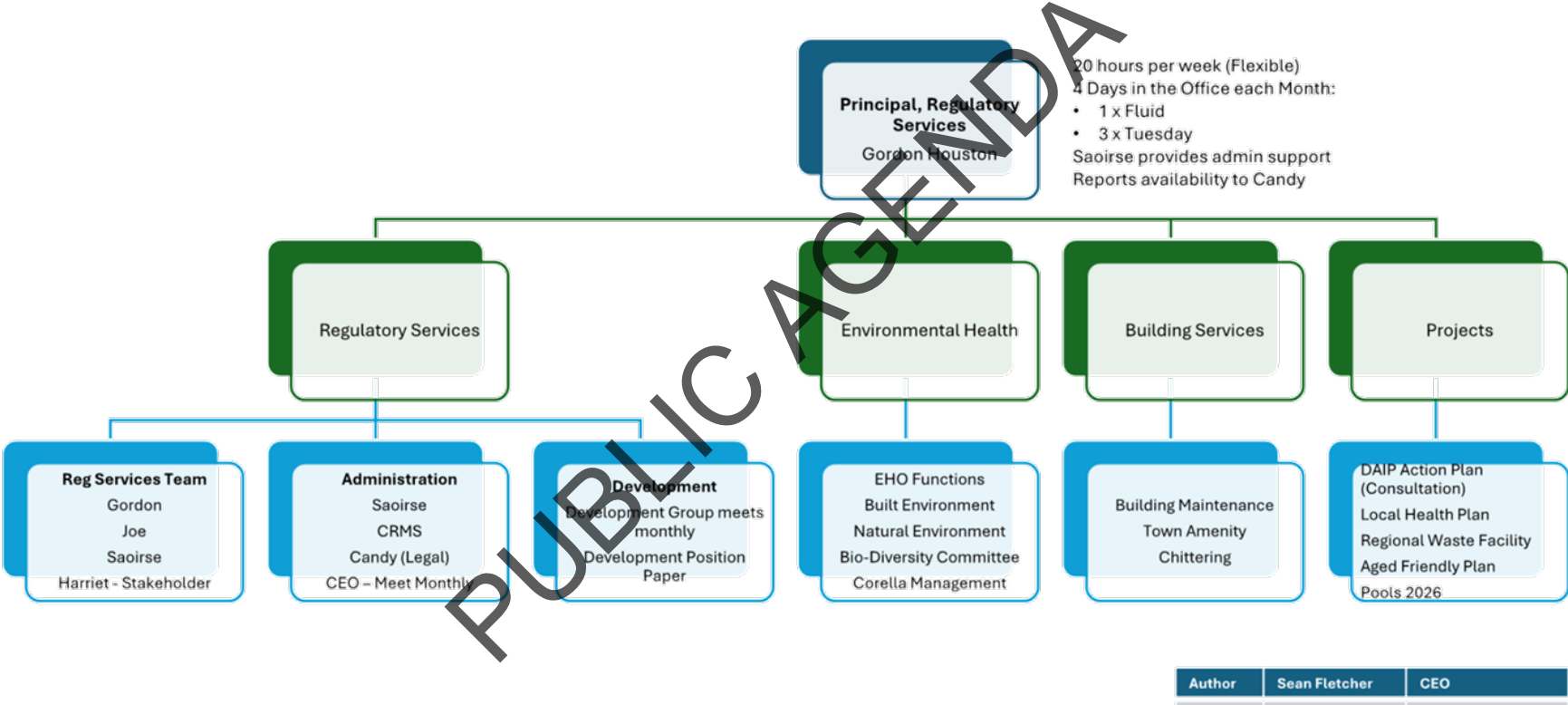
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4.3 Asset Management Strategy

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4.3 AI Policy & Strategy, Cyber

Regulatory Services: From 8 July 2025



7.9 Training and Development (Elected Member Training, Committee Member Training and Staff training)

Nil

7.10 Status Report

Nil

8 CLOSURE OF MEETING

PUBLIC AGENDA