



Shire of **Ngaanyatjarra**
ON A JOURNEY

ATTACHMENTS

**Audit, Risk and
Improvement Meeting
26 November 2025**

Attachments

Item No.	Title	Page No
8.1	Minutes of Audit and Risk Meeting held 26 March 2025	3
9.1	Annual Financial Report and Audit Report 2024/25	13
9.2	Financial Management, Risk Management, Internal Control and Legislative Compliance Review Report	62
9.3	Compliance Calendar	88



Shire of **Ngaanyatjaraku**
ON A JOURNEY

MINUTES

**Audit and Risk Committee
26 March 2025**

1:00pm

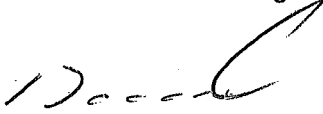
Notice Paper



SHIRE OF NGAANYATJARRAKU

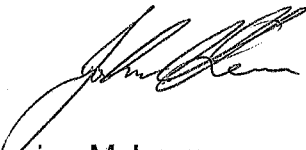
AUDIT AND RISK COMMITTEE MEETING

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit and Risk Committee Meeting



David Mosel
CHIEF EXECUTIVE OFFICER
27 March 2024

These minutes were confirmed by the Audit and Risk Committee as a true and correct record of proceedings of the Audit and Risk Committee Meeting held on 27 March 2024



Damian McLean
SHIRE PRESIDENT
26 March 2025

Order of Business

Contents

1	DECLARATION OF OPENING	3
2	ANNOUNCEMENT OF VISITORS.....	3
3	RECORD OF ATTENDANCE	3
3.1	PRESENT	3
	Attendees.....	3
3.2	APOLOGIES	3
3.3	APPROVED LEAVE OF ABSENCE.....	3
4	PUBLIC QUESTION TIME	3
4.1	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	3
4.2	PUBLIC QUESTION TIME.....	3
5	APPLICATIONS FOR LEAVE OF ABSENCE.....	3
6	DECLARATIONS BY MEMBERS.....	3
6.1	DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA	3
6.2	DECLARATIONS OF INTEREST.....	3
7	TERMS OF REFERENCE	5
8	CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING.....	5
8.1	MINUTES OF COMMITTEE MEETING HELD	5
9	AGENDA ITEMS	6
9.1	2023 COMPLIANCE AUDIT RETURN	6
10	NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION	9
11	CONFIDENTIAL MATTERS.....	9
12	NEXT MEETING.....	9
13	CLOSURE OF MEETING	9

1 DECLARATION OF OPENING

The Presiding Member declared the meeting open at 1.00 pm.

2 ANNOUNCEMENT OF VISITORS

The Presiding Member welcomed members of the public to the gallery.

3 RECORD OF ATTENDANCE

3.1 PRESENT

Attendees

Council:

Shire President	D McLean
Deputy Shire President	D Frazer
Councillors	J Porter
	P Thomas

Staff:

Chief Executive Officer	D Mosel
Executive Officer	T Baldock
Administration Coordinator	P O'Loughlin

Guests:

Judy Thompson – UHY Haines Norton

3.2 APOLOGIES

Cr J Frazer

3.3 APPROVED LEAVE OF ABSENCE

4 PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.2 PUBLIC QUESTION TIME

5 APPLICATIONS FOR LEAVE OF ABSENCE

6 DECLARATIONS BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to note:

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the meeting, or
- (b) At the meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest must not:

- (a) Preside at the part of the meeting relating to the matter, or
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68* or *Section 5.69* of the *Local Government Act 1995*.

NOTES ON DECLARING INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in the matter.

These notes are included in each agenda so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor, or a person closely associated with the Councillor and is capable of being measured in money terms. There are exceptions in the *Local Government Act 1995*, but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with no less than 10 members (i.e. sporting, social, religious, etc), and the Councillor is not a holder of office of profit or a guarantor and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of that Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt, declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the extent of the interest, and Council carries a motion under *Section 5.68 (1)(b)(ii)* of the *Local Government Act 1995*; or

- 6.2 Where the Minister allows the Councillor to participate in under *Section 5.69 (3)* of the *Local Government Act 1995*, with or without conditions.

Declarations of Interest provided:

- No declaration of Interest provided

7 TERMS OF REFERENCE

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (Section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistant to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint an person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (Audit) Regulations 1996).

8 CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

8.1 MINUTES OF COMMITTEE MEETING HELD

Voting Required

Simple Majority

Committee Resolution and Officer Recommendation

Moved: Cr J Porter

Seconded: Cr P Thomas

That the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 27 March 2024 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (as circulated and available on the Shires official website) be confirmed as a true and accurate record.

Carried 4/0

Voting For: Cr D McLean, Cr D Frazer, Cr J Porter, Cr P Thomas

9 AGENDA ITEMS

9.1 2023 COMPLIANCE AUDIT RETURN

FILE REFERENCE:	FM.02
AUTHORS NAME AND POSITION:	David Mosel Chief Executive Officer
DATE REPORT WRITTEN:	20 March 2025
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial, proximity, or impartiality interests in the proposal.

Summary

To provide the Audit and Risk Committee and Council with the Compliance Audit Return (CAR) for the period 1 January to 31 December 2024. Following Council endorsement, the CAR is to be certified and submitted to the Department of Local Government, Sport, and Cultural Industries (DLGSC) by 31 March 2025.

Background

The CAR is provided by the Department in a prescribed form approved by the Minister and is to be completed annually by each local government.

The 2024 CAR questions were provided by the DLGSC in late December 2024. This year, the CAR questions were reviewed and prepared by Shire officers. Completion of the CAR was performed through analysing responses to information requests with Shire officers and inspection of various documents and records including:

- Minute books
- Tender register
- Extracts from the Financial Interest and Return Register
- Complaints Register
- Delegations Register
- Council's Website

The areas of questioning in the 2024 CAR are in alignment with legislative requirements and are focused on key areas of potential non-compliance and areas affected by regulatory change.

The CAR is a tool for Council to monitor how the Shire is functioning in regard to compliance with the *Local Government Act 1995* and provides for the Audit and Risk Committee to report to Council any cases of non-compliance or where full compliance is not achieved.

The Audit and Risk Committee reviewed the CAR at its meeting held 26 March 2025 and resolved to receive the responses as presented and recommend for Council adoption of the 2024 CAR as well as authorisation for the Shire President and Chief Executive Officer to sign the CAR for submission to DLGSC.

Comment

For 2023, there were 94 questions over 11 disciplines. For the 2024 CAR, there are 91 questions over 11 disciplines relating to the prescribed statutory requirements in regulation 13 of the *Local Government (Audit) Regulations 1996*.

The CAR is required to be presented to Council for adoption before its submission to the Department of Local Government, Sport, and Community Industries by 31 March 2024.

Where improvements to address the matters have been, or are being implemented, these are also noted along with any improvement opportunities to systems and processes which were identified through the completion of the CAR. These improvements may assist the Shire in its risk management activities and endeavours towards continual improvement of administrative and compliance functions.

Statutory Environment

Local Government (Audit) Regulations 1996

Regulation 14 Compliance audits by local governments

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be –*
 - (a) *Presented to the council at a meeting of the council; and*
 - (b) *Adopted by the council; and*
 - (c) *Recorded in the minutes of the meeting at which it is adopted.*

Regulation 15 Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) *After the compliance audit return have been presented to the council in accordance with regulation 14(3) a certified copy of the return together with –*
 - (a) *A copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) *Any additional information explaining or qualifying the compliance audit, is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.*
- (2) *In this regulation –*
certified *in relation to a compliance audit return means signed by –*
 - (a) *The mayor or president; and*
 - (b) *The CEO.*

Local Government Act 1995

Section 7.13 Regulations as to audits

- (1) *Regulations make provisions as follows –*
 - (i) *Requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are –*

- (i) *Of a financial nature or not; or*
- (ii) *Under this Act or another written law*

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Plan for the Future 2021-2031

Goal 3 – Our Leadership: Showing the way for our communities.

Outcome 8 – A well-functioning organisation

Strategy 8.1 – Maintain corporate governance, responsibility, and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "medium" and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the recommendation.

Policy Implications

There are no known policy implications for this matter.

Attachments

9.1a – Compliance Audit Return 2024

Voting Requirement

Simple Majority

Committee Resolution and Officers Recommendation

Moved: Cr P Thomas

Seconded: Cr J Porter

That the Audit and Risk Committee:

- 1 Receive the Compliance Audit Return 2024 (Attachment 9.1a) of the Shire for the period 1 January to 31 December 2024;
- 2 Recommend the adoption of the Compliance Audit Return 2024 by Council; and
- 3 Recommend Council authorise the Shire President and Chief Executive Officer to sign the 2024 Compliance Audit Return for submission to the Department of Local Government, Sport, and Cultural Industries by 31 March 2025 in accordance with legislative requirements.

Carried 4/0

Voting For: Cr D McLean, Cr D Frazer, Cr J Porter, Cr P Thomas

10 NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION

Nil

11 CONFIDENTIAL MATTERS

Nil

12 NEXT MEETING

TBA at the Tjulyuru Cultural and Civic Centre, Warburton Community, commencing at 1.00pm

13 CLOSURE OF MEETING

There being no further business, the Presiding Member declared the meeting closed at 1.10pm.

Ms Caroline Spencer
Auditor General
Office of the Auditor General
7th Floor, Albert Facey House
469 Wellington Street
PERTH WA 6000

Dear Ms Spencer

REPRESENTATION LETTER IN RESPECT OF THE SHIRE OF NGAANYATJARRAKU' S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

This representation letter is provided in connection with your audit of the Shire of Ngaanyatjaraku's annual financial report for the year ended 30 June 2025 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2025 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

1. General

- (a) We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.
- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.
- (d) The prior period comparative information in the financial report has not been restated.
- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.
- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.
- (g) We have provided your auditors with:

- (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
 - (ii) Additional information that your auditors have requested for the purpose of the audit.
 - (iii) Unrestricted access to staff and councillors of the Shire from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations, and all known data or security breaches whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) No frauds or suspected frauds affecting the Shire involving:
- (i) management
 - (ii) employees who have significant roles in internal control; or
 - (iii) others where the fraud could have a material effect on the financial statements
- have occurred to the knowledge of management of the Shire.
- (m) To our knowledge no allegations of fraud or suspected fraud affecting the Shire's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

2. Fair value measurements and disclosures

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each revalued physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions and data used by management in determining fair values are appropriate and have been consistently applied.

Tjulyuru Cultural and Civic Centre
Warburton Community

PMB 87 via Kalgoorlie
Western Australia 6431

Phone: (08) 8956 7966

Fax: (08) 8956 7959

Email: mail@ngaanyatjaraku.wa.gov.au

www.ngaanyatjaraku.wa.gov.au

We confirm that the fair value disclosures in the financial report are complete and appropriate.

3. Going concern

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

4. Contingent liabilities

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

5. Commitments for capital expenditure

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital expenditure contracts carrying over at year end.

6. Contaminated sites

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the Shire that is known to be, or is suspected of being, contaminated. All provisions or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

7. Related entities

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to you if any of the Shire's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2025.

8. Related parties

We have disclosed to your auditors the identity of the Shire's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the Shire's key management personnel and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

9. Key management personnel compensation

We confirm the Shire's key management personnel have not received any other remuneration, consideration or in-kind benefit (except amounts being reimbursements for out-of-pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

10. Subsequent events

No matters or occurrences have come to our attention between the date of the financial report and the date of this letter which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of the Shire.

11. Internal control

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

12. Insurance

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

13. Risk management

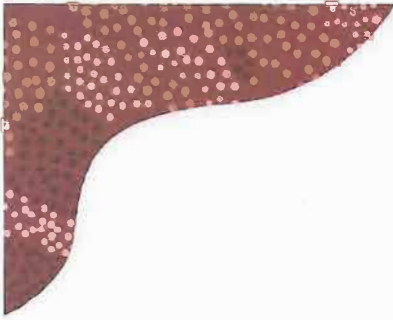
We confirm that we have established and maintained a risk management framework that is appropriate to the Shire.

14. Accounting misstatements

There are no uncorrected misstatements in the financial report.

15. Electronic presentation of the audited annual financial report and auditor's report

- (a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- (b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the Shire's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- (c) We have clearly differentiated between audited and unaudited information in the construction of Shire's website and understand the risk of potential misrepresentation in the absence of appropriate controls.



- (d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

16. Other (unaudited) information in the annual report

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.



Shire President

Name: Damian McLean

3 December 2025

~~3/11/2025~~

Date



Chief Executive Officer

Name: David Mosel

3 December 2025

Date



Shire of Ngaanyatjaraku

FINANCIAL REPORT

for the year ended 30 June 2025

Financial Report
for the year ended 30 June 2025

Contents	Page
Statement by CEO	2
Primary Financial Report	
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Notes to and forming part of the financial report	8
Independent auditor's report	39

Content Overview

The **Shire** of Ngaanyatjaraku conducts the operations of a local government with the following community vision:

The Shire of Ngaanyatjaraku - On a journey

Our Land - Looking after our Land
Our People - Looking after our People
Leadership - Showing the way for our Community

Principal place of business:
Great Central Road
Warburton Aboriginal Community
Western Australia

Financial Report

for the year ended 30 June 2025

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Statement by CEO

The accompanying financial report of the Shire of Ngaanyatjaraku have been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 03th day of December 2025



Chief Executive Officer

David Mosel

Statement of comprehensive income

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	18,2a	489,127	488,640	463,481
Grants, subsidies and contributions	2a	8,996,097	11,003,125	9,411,070
Fees and charges	2a	459,694	421,050	560,404
Interest revenue	2a	418,084	360,520	422,534
Other revenue	2a	779,658	50,206	113,462
		<u>11,142,660</u>	<u>12,323,541</u>	<u>10,970,951</u>
Expenses				
Employee costs	2b	(1,338,487)	(1,791,615)	(1,779,835)
Materials and contracts	2b	(4,577,105)	(1,839,905)	(3,324,312)
Utility charges	2b	(24,876)	(30,200)	(33,538)
Depreciation	9	(7,751,278)	(7,780,700)	(7,771,260)
Insurance	2b	(139,893)	(138,284)	(98,448)
Other expenditure	2b	(42,443)	(39,870)	(62,574)
		<u>(13,874,082)</u>	<u>(11,620,574)</u>	<u>(13,069,967)</u>
Operating result from continuing operations		<u>(2,731,422)</u>	<u>702,967</u>	<u>(2,099,016)</u>
Capital grants, subsidies and contributions	2a	1,203,120	1,117,368	2,194,805
Profit on asset disposals		32,025	48,365	71,144
		<u>1,235,145</u>	<u>1,165,733</u>	<u>2,265,949</u>
Net result for the period		<u>(1,496,277)</u>	<u>1,868,700</u>	<u>166,933</u>
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	—	—	—
Total other comprehensive income for the period		<u>—</u>	<u>—</u>	<u>—</u>
Total comprehensive income for the period		<u>(1,496,277)</u>	<u>1,868,700</u>	<u>166,933</u>

This statement is to be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	3	16,525,034	13,811,468
Trade and other receivables	5	335,331	1,017,079
Other financial assets	4a	—	446,838
Inventories	6	7,673	13,659
Total current assets		16,868,038	15,289,044
Non-current assets			
Other financial assets	4b	39,810	41,585
Property, plant and equipment	7	12,425,019	12,695,259
Infrastructure	8	172,568,813	176,442,826
Total non-current assets		185,033,642	189,179,670
Total assets		201,901,680	204,468,714
Liabilities			
Current liabilities			
Trade and other payables	10	362,903	1,416,125
Employee related provisions	12	84,008	107,544
Total current liabilities		446,911	1,523,669
Non-current liabilities			
Employee related provisions	12	22,694	16,693
Total non-current liabilities		22,694	16,693
Total liabilities		469,605	1,540,362
Net assets		201,432,075	202,928,352
Equity			
Retained surplus		72,148,005	73,644,282
Reserve accounts	20	8,293,678	8,293,678
Revaluation surplus	13	120,990,392	120,990,392
Total equity		201,432,075	202,928,352

This statement is to be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2025

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total Equity \$
Balance as at 1 July 2023		73,691,780	8,079,247	120,990,392	202,761,419
Restated balance as at 1 July		73,691,780	8,079,247	120,990,392	202,761,419
Comprehensive income for the period					
Net result for the period		166,933	—	—	166,933
Total comprehensive income for the period		166,933	—	—	166,933
Transfers from reserve accounts	20	(214,431)	—	—	(214,431)
Transfers to reserve accounts	20	—	214,431	—	214,431
Balance as at 30 June 2024		73,644,282	8,293,678	120,990,392	202,928,352
Balance as at 1 July 2024		73,644,282	8,293,678	120,990,392	202,928,352
Comprehensive income for the period					
Net result for the period		(1,496,277)	—	—	(1,496,277)
Total comprehensive income for the period		(1,496,277)	—	—	(1,496,277)
Transfers from reserve accounts	20	—	—	—	—
Transfers to reserve accounts	20	—	—	—	—
Balance as at 30 June 2025		72,148,005	8,293,678	120,990,392	201,432,075

This statement is to be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2025

	Note	2025 Actual \$	2024 Actual \$
Cash flows from operating activities			
Receipts			
Rates		490,419	453,832
Grants, subsidies and contributions		8,996,097	7,967,534
Fees and charges		459,694	560,404
Interest revenue		418,084	422,534
Goods and services tax received		843,093	1,164,676
Other revenue		1,452,841	116,166
Total receipts		12,660,228	10,685,146
Payments			
Employee costs		(1,356,605)	(1,955,245)
Materials and contracts		(5,619,901)	(2,290,684)
Utility charges		(24,876)	(33,538)
Insurance paid		(139,893)	(98,448)
Goods and services tax paid		(832,357)	(1,177,216)
Other expenditure		(49,763)	(52,041)
Total payments		(8,023,395)	(5,607,172)
Net cash provided by operating activities	14b	4,636,833	5,077,974
Cash flows from investing activities			
Payments			
Payments for financial assets at amortised cost		446,838	—
Payments for purchase of property, plant & equipment	7a	(146,947)	(154,435)
Payments for construction of infrastructure	8a	(3,490,093)	(7,957,656)
Receipts			
Proceeds from capital grants, subsidies and contributions		1,203,120	2,194,805
Proceeds from financial assets at amortised cost		1,775	67,335
Proceeds from sale of property, plant & equipment		62,040	135,355
Net cash (used in) investing activities		(1,923,267)	(5,714,596)
Net increase /(decrease) in cash held		2,713,566	(636,622)
Cash at beginning of year		13,811,468	14,448,090
Cash and cash equivalents at the end of the year	3	16,525,034	13,811,468

This statement is to be read in conjunction with the accompanying notes.

Statement of financial activity

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	18	489,127	489,225	463,481
Grants, subsidies and contributions		8,996,097	6,202,137	9,411,070
Fees and charges		459,694	685,550	560,404
Interest revenue		418,084	360,250	422,534
Other revenue		779,658	50,206	113,462
Profit on asset disposals		32,025	48,365	71,144
		11,174,685	7,835,733	11,042,095
Expenditure from operating activities				
Employee costs		(1,338,487)	(2,218,569)	(1,779,835)
Materials and contracts		(4,513,133)	(8,116,393)	(3,324,312)
Utility charges		(24,876)	(30,200)	(33,538)
Depreciation		(7,751,278)	(7,780,700)	(7,771,260)
Insurance		(139,893)	(138,079)	(98,448)
Other expenditure		(42,443)	(231,470)	(62,574)
		(13,810,110)	(18,515,411)	(13,069,967)
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	19	7,727,029	7,780,700	7,715,322
Amount attributable to operating activities		5,091,604	(2,898,978)	5,687,450
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,203,120	1,117,368	2,194,805
Proceeds from disposal of assets		62,040	135,000	135,355
		1,265,160	1,252,368	2,330,160
Outflows from investing activities				
Acquisition of property, plant and equipment	7a	(210,919)	(1,018,666)	(154,435)
Acquisition of infrastructure	8a	(3,490,093)	(1,417,559)	(7,957,656)
		(3,701,012)	(2,436,225)	(8,112,091)
Amount attributable to investing activities		(2,435,852)	(1,183,857)	(5,781,931)
FINANCING ACTIVITIES				
Outflows from financing activities				
Transfers to reserve accounts	20	—	—	(214,431)
		—	—	(214,431)
Amount attributable to financing activities		—	—	(214,431)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	19	5,471,697	4,131,785	5,780,609
Amount attributable to operating activities		5,091,604	(2,947,928)	5,687,450
Amount attributable to investing activities		(2,435,852)	(1,183,857)	(5,781,931)
Amount attributable to financing activities		—	—	(214,431)
Surplus/(deficit) after imposition of general rates	19	8,127,449	—	5,471,697

This statement is to be read in conjunction with the accompanying notes.

Notes to and forming part of the financial report for the year ended 30 June 2025

Index of Notes to the financial report

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	11
Note 3	Cash and cash equivalents	15
Note 4	Other financial assets	16
Note 5	Trade and other receivables	17
Note 6	Inventories	18
Note 7	Property, plant and equipment	19
Note 8	Infrastructure	22
Note 9	Fixed assets	24
Note 10	Trade and other payables	27
Note 11	Other liabilities	28
Note 12	Employee related provisions	29
Note 13	Revaluation surplus	30
Note 14	Restrictions over financial assets	31
Note 15	Related party transactions	32
Note 16	Events occurring after the end of the reporting period	33
Note 17	Other Material Accounting Policies	34

Information required by legislation

Note 18	Rating information	36
Note 19	Determination of surplus or deficit	37
Note 20	Reserve accounts	38

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 1. Basis of preparation

The financial report of the Shire which is a Class 3/4 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board except for disclosure requirements of:

- AASB 7 *Financial Instruments Disclosures*
- AASB 16 *Leases paragraph 58*
- AASB 101 *Presentation of Financial Statements paragraph 61*
- AASB 107 *Statement of Cash Flows paragraphs 43 and 45*
- AASB 116 *Property, Plant and Equipment paragraph 79*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets paragraph 85*
- AASB 140 *Investment Property paragraph 75(f)*
- AASB 1052 *Disaggregated Disclosures paragraph 11*
- AASB 1054 *Australian Additional Disclosures paragraph 16*

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Local Government (Financial Management) Regulations 1996 • AASB 2021-7c Amendments to Australian Accounting Standards provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial

assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
- Property, plant and equipment - note 7
- Infrastructure - note 8
- Expected credit losses on financial assets - note 5
- Impairment losses of non-financial assets - note 7 and 8
- Measurement of employee benefits - note 12

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 33 of the financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 1. Basis of preparation (continued)

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- *AASB 2014-10 Amendments to Australian Accounting Standards-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards -Classification of Liabilities as Current or Non-current*
- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-5 Amendments to Australian Accounting Standards -Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards -Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - sale of stock	Retail stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
For the year ended 30 June 2025					
Rates	—	—	489,127	—	489,127
Grants, subsidies and contributions	1,252,993	7,728,559	—	14,545	8,996,097
Fees and charges	459,426	—	—	268	459,694
Interest revenue	—	—	—	418,084	418,084
Other revenue	779,952	—	—	(294)	779,658
Capital grants, subsidies and contributions	—	1,203,120	—	—	1,203,120
Total	2,492,371	8,931,679	489,127	432,603	12,345,780

For the year ended 30 June 2024

Rates	—	—	463,482	—	463,482
Grants, subsidies and contributions	1,280,000	8,131,070	—	—	9,411,070
Fees and charges	384,991	—	175,412	1	560,404
Interest revenue	—	—	257	422,277	422,534
Other revenue	25,304	—	2,607	85,551	113,462

Notes to and forming part of the financial report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Nature	Contracts with customers	Capital grant/ contributions	Statutory requirements	Other	Total
Capital grants, subsidies and contributions	—	2,194,806	—	—	2,194,806
Total	1,690,295	10,325,876	641,758	507,829	13,165,758

Notes to and forming part of the financial report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Interest revenue			
Interest on reserve account	320,183	–	312,490
Trade and other receivables overdue interest	3,146	–	257
Other interest revenue	94,755	360,520	109,787
Total interest earnings	418,084	360,520	422,534

Fees and charges

Governance	30	250	–
Health	–	300	–
Education and welfare	–	–	130,080
Housing	246,836	191,000	194,510
Community amenities	32,491	32,000	31,958
Recreation and culture	165,528	180,000	175,413
Economic services	14,541	17,500	28,443
Other property and services	268	–	–
	459,694	421,050	560,404

(b) Expenses

Auditors remuneration

- Audit of the annual financial report	32,004	32,000	34,300
- Other services – grant acquittals	4,611	–	–
Total Auditors remuneration	36,615	32,000	34,300

Material & Contractors	4,505,248	1,576,435	3,227,438
Other	35,242	231,470	62,574
Total	4,577,105	1,839,905	3,324,312

Employee costs

Employee benefit costs	–	–	–
Wages and salaries	1,065,775	1,603,611	1,531,527
Superannuation	106,000	159,923	133,494
Workers' compensation insurance	58,603	57,632	60,030
Other employee costs	112,457	137,250	261,617
less: Capitalised costs	(4,348)	(166,801)	(206,833)
	1,338,487	1,791,615	1,779,835

Notes to and forming part of the financial report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(b) Expenses (continued)

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Utility charges			
Office Maintenance/Operations	4,680	10,000	10,047
EYC Building Maintenance / Operations	2,857	3,200	2,812
Staff Housing Operations	11,627	15,000	15,554
Other Housing - Operations	4,137	2,000	—
Cafe Maintenance	378	—	100
Shop Maintenance	297	—	1,273
Gallery Maintenance	900	—	3,752
Total	24,876	30,200	33,538
Insurance			
Insurance and licences	139,893	138,284	98,448
Total	139,893	138,284	98,448
Other expenditure			
Sundry expenses	42,443	39,870	62,574
Total Other expenditure	42,443	39,870	62,574

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 3. Cash and cash equivalents

	Note	2025 \$	2024 \$
Cash at bank and on hand		16,525,034	13,811,468
Total cash and cash equivalents	14a	16,525,034	13,811,468
Held as			
- Unrestricted cash and cash equivalents		8,231,356	5,964,628
- Restricted cash and cash equivalents	14a	8,293,678	7,846,840
Total		16,525,034	13,811,468

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions.

Restrictions are specified in an agreement, contract or legislation.

This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 4. Other financial assets

	Note	2025 \$	2024 \$
(a) Current assets			
Financial assets at amortised cost		–	446,838
Total current financial assets		–	446,838
Held as			
- Restricted other financial assets at amortised cost	14a	–	446,838
Total		–	446,838
(b) Non current assets			
Financial assets at fair value through profit or loss		39,810	41,585
Total non-current financial assets		39,810	41,585
Financial assets at fair value through profit or loss			
Units in Local Government House Trust		39,810	41,585
		39,810	41,585
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		40,745	40,745
Units in Local Government House Trust - closing balance		40,745	40,745

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at a mortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierachy (see Note 17 (i)) due to the observable market rates.)

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise as fair value gains and losses through profit or loss.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 5. Trade and other receivables

	2025 \$	2024 \$
Current		
Rates and statutory receivables	13,728	11,557
Trade receivables	291,182	964,365
GST receivable	30,421	41,157
	<u>335,331</u>	<u>1,017,079</u>

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade and other receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other Receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial..

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 6. Inventories

	2025 \$	2024 \$
Current		
Fuel and materials	7,673	13,659
Total current inventories	7,673	13,659

The following movements in inventories occurred during the year:

Balance at beginning of year	13,659	25,107
Inventories expensed during the year	(5,986)	(11,448)
Balance at end of year	7,673	13,659

MATERIAL ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 7. Property, plant and equipment

(a) Movements in balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Note	Assets not subject to operating lease - Buildings non-specialised \$	Total Property \$	Plant and equipment Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
Measurement basis						
Balance at 1 July 2023		12,339,865	12,339,865	45,067	603,410	12,988,342
Additions		—	—	—	154,434	154,434
Disposals		—	—	—	(64,210)	(64,210)
Revaluation increments transferred to revaluation surplus		—	—	—	—	—
Depreciation	9	(251,833)	(251,833)	(14,525)	(116,949)	(383,307)
Transfers		—	—	—	—	—
Balance at 30 June 2024		12,088,032	12,088,032	30,542	576,685	12,695,259
Comprises:						
Gross balance amount at 30 June 2024		12,591,698	12,591,698	110,351	987,050	13,689,099
Accumulated depreciation at 30 June 2024		(503,666)	(503,666)	(79,809)	(410,365)	(993,840)
Other Movement		—	—	—	—	—
Balance at 30 June 2024	7b	12,088,032	12,088,032	30,542	576,685	12,695,259
Balance at 1 July 2024		12,088,032	12,088,032	30,542	576,685	12,695,259
Additions		—	—	20,691	126,256	146,947
Disposals		—	—	—	(30,015)	(30,015)
Revaluation increments transferred to revaluation surplus		—	—	—	—	—
Depreciation	9	(251,834)	(251,834)	(9,279)	(97,443)	(358,556)
Transfers		—	—	—	(28,616)	(28,616)
Balance at 30 June 2025		11,836,198	11,836,198	41,954	546,867	12,425,019

Comprises:

Notes to and forming part of the financial report
for the year ended 30 June 2025

Note 7. Property, plant and equipment (continued)

		Assets not subject to operating lease - Buildings non-specialised	Total Property	Plant and equipment Furniture and equipment	Plant and equipment	Total property, plant and equipment
	Note	\$	\$	\$	\$	\$
Gross balance amount at 30 June 2025		12,591,698	12,591,698	131,042	858,613	13,581,353
Accumulated depreciation at 30 June 2025		(755,500)	(755,500)	(89,088)	(311,746)	(1,156,334)
Other Movement		—	—	—	—	—
Balance at 30 June 2025	7b	11,836,198	11,836,198	41,954	546,867	12,425,019

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 7. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date				
Land and buildings				
Buildings - non-specialised	Cost Approach Using Current Replacement Cost	Management Valuation	June 2022	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

Asset class	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(ii) Cost				
Furniture and equipment	N/A	Cost	Not applicable	N/A
Plant and equipment	N/A	Cost	Not applicable	N/A

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 8. Infrastructure

(a) Movements in balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Note	Infrastructure roads \$	Other infrastructure - recreation \$	Other Infrastructure \$	Work in progress \$	Total infrastructure \$
Balance as at 1 July 2023		175,105,674	443,813	323,636	—	175,873,123
Additions *		—	—	—	7,957,656	7,957,656
(Disposals)		—	—	—	—	—
Depreciation	9	(7,361,574)	(12,651)	(13,728)	—	(7,387,953)
Transfers		—	—	—	—	—
Balance at 30 June 2024		167,744,100	431,162	309,908	7,957,656	176,442,826
Comprises:						
Gross balance amount at 30 June 2024		235,387,277	621,676	372,964	7,957,656	244,339,573
Accumulated depreciation at 30 June 2024		(67,643,177)	(190,514)	(63,056)	—	(67,896,747)
Balance at 30 June 2024		167,744,100	431,162	309,908	7,957,656	176,442,826
Balance as at 1 July 2024		167,744,100	431,162	309,908	7,957,656	176,442,826
Additions *		3,425,313	—	—	64,780	3,490,093
(Disposals)		—	—	—	—	—
Depreciation	9	(7,361,574)	(12,652)	(18,496)	—	(7,392,722)
Transfers		7,957,656	—	28,616	(7,957,656)	28,616
Balance at 30 June 2025		171,765,495	418,510	320,028	64,780	172,568,813
Comprises:						
Gross balance amount at 30 June 2025		246,770,246	621,676	401,580	64,780	247,858,282
Accumulated depreciation at 30 June 2025		(75,004,751)	(203,166)	(81,552)	—	(75,289,469)
Balance at 30 June 2025		171,765,495	418,510	320,028	64,780	172,568,813

(*) Asset additions included non-cash additions. Refer to note 20(c).

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 8. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	Level 3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure - recreation	Level 3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure	Level 3	Cost Approach Using Current Replacement Cost	Management Valuation	June 2023	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of infrastructure using level 3 inputs.

Notes to and forming part of the financial report

for the year ended 30 June 2025

Note 9. Fixed assets

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Depreciation				
Buildings - non-specialised	7a	251,834	252,250	251,833
Furniture and equipment	7a	9,279	14,500	14,525
Plant and equipment	7a	97,443	119,000	116,949
Infrastructure - roads	8a	7,361,574	7,371,000	7,361,574
Infrastructure - other	8a	18,496	13,000	13,728
Infrastructure - Recreation		12,652	10,950	12,651
Total depreciation		7,751,278	7,780,700	7,771,260

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 9. Fixed assets (continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes

buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 9. Fixed assets (continued)

recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 10. Trade and other payables

	2025	2024
	\$	\$
Current		
Sundry creditors	120,609	1,169,391
Prepaid rates	6,290	2,827
Accrued payroll liabilities	28,654	29,237
Accrued Expenses	48,803	56,417
Other payables	158,547	158,253
Total current trade and other payables	362,903	1,416,125

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Notes to and forming part of the financial report

for the year ended 30 June 2025

Note 11. Other liabilities

	2025 \$	2024 \$
Reconciliation of changes in contract liabilities		
Opening balance	—	496,792
Revenue from contracts with customers included as a contract liability at the start of the period	—	(496,792)
	—	—

MATERIAL ACCOUNTING POLICIES

Contract Liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 18(i)) due to the unobservable inputs, including own credit risk.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 12. Employee related provisions

	2025 \$	2024 \$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	39,272	68,317
Long service leave	37,481	35,124
Other employee leave provision	7,255	4,103
	84,008	107,544
Total current employee related provisions	84,008	107,544
Non-current provisions		
Employee benefit provisions		
Long service leave	22,694	16,693
	22,694	16,693
Total non-current employee related provisions	22,694	16,693
Total employee related provisions	106,702	124,237

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Notes to and forming part of the financial report

for the year ended 30 June 2025

Note 13. Revaluation surplus

	2025	2025	2025		2025	2024	2024	2024		2024
	Opening	Revaluation	Revaluation	Total Movement on	Closing Balance	Opening Balance	Revaluation	Revaluation	Total Movement on	Closing Balance
	Balance	Increment	(Decrement)	Revaluation			Increment	(Decrement)	Revaluation	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - specialised	9,954,056	—	—	—	9,954,056	9,954,056	—	—	—	9,954,056
Revaluation surplus - Plant and equipment	190,407	—	—	—	190,407	190,407	—	—	—	190,407
Revaluation surplus - Infrastructure - roads	110,845,929	—	—	—	110,845,929	110,845,929	—	—	—	110,845,929
	120,990,392	—	—	—	120,990,392	120,990,392	—	—	—	120,990,392

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 14. Restrictions over financial assets

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
(a) Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	8,293,678	8,293,678	7,846,840
- Financial assets at amortised cost	4	—	—	446,838
		<u>8,293,678</u>	<u>8,293,678</u>	<u>8,293,678</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	20	8,293,678	8,293,678	8,293,678
Total restricted financial assets		<u>8,293,678</u>	<u>8,293,678</u>	<u>8,293,678</u>

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		(1,496,277)	(10,728,629)	166,933
Non-cash items:				
Depreciation/amortisation		7,751,278	7,790,700	7,771,260
(Profit)/loss on sale of asset		(32,025)	(48,365)	(71,144)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		681,748	—	(968,137)
(Increase)/decrease in inventories		5,986	—	11,448
Increase/(decrease) in trade and other payables		(1,053,222)	—	1,024,299
Increase/(decrease) in employee related provisions		(17,535)	(5,583)	(165,088)
Increase/(decrease) in other liabilities		—	—	(496,792)
Capital grants, subsidies and contributions		(1,203,120)	—	(2,194,805)
Net cash provided by/(used in) operating activities		<u>4,636,833</u>	<u>(2,991,877)</u>	<u>5,077,974</u>

	2025 Actual \$	2024 Actual \$
Undrawn borrowing facilities credit standby arrangements		
Credit card limit	10,000	30,000
Credit card balance at balance date	8,949	3,945
Total amount of credit unused	<u>18,949</u>	<u>33,945</u>

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 15. Related party transactions

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
(a) Council Member Remuneration				
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
President's annual allowance		6,500	6,500	6,000
President's meeting attendance fees		5,830	6,350	5,735
President's travel and accommodation expenses		451	4,200	697
Total		12,781	17,050	12,432
Deputy President's annual allowance		2,000	2,000	1,375
Deputy President's meeting attendance fees		2,340	3,380	3,625
Deputy President's travel and accommodation expenses		—	1,200	—
Total		4,340	6,580	5,000
All other council member's meeting attendance fees		5,980	10,140	8,365
All other council member's travel and accommodation expenses		—	3,600	—
Total		5,980	13,740	8,365
Total	15c	23,101	37,370	25,797

	Note	2025 Actual \$	2024 Actual \$
--	------	----------------------	----------------------

(b) Key management personnel

Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits		413,153	630,853
Post-employment benefits		43,982	50,037
Employee - other long-term benefits		—	15,172
Council member costs	15a	23,101	25,797
Total		480,236	721,859

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 15. Related party transactions (continued)

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

Related parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 16(a) and 16(b).

ii. Other Related Parties

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

Note 16. Events occurring after the end of the reporting period

The Shire of Ngaanyatjaraku has no subsequent events to report.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 17. Other Material Accounting Policies

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 17. Other Material Accounting Policies (continued)

or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards, the Shire's assets are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. *AASB 116 Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 18. Rating information

Rate type	Basis of valuation	Rate in \$	Number of properties	2024/25 Actual Rateable value \$	2024/25 Actual Rate revenue \$	2024/25 Actual Interim rates \$	2024/25 Actual Back rates \$	2024/25 Actual Total revenue \$	2024/25 Budget rate revenue \$	2024/25 Budget interim rate \$	2024/25 Budget back rate \$	2024/25 Budget total revenue \$	2023/24 Actual Total revenue \$
(a) General Rates													
Rate Description													
Mining Tenaments	Unimproved valuation	0.21230	38	–	488,619	(6,086)	–	481,218	487,325	–	–	487,325	464,086
Total general rates			38	–	488,619	(6,086)	–	481,218	487,325	–	–	487,325	464,086
Minimum payment													
Mining Tenaments	Unimproved valuation	263.00	5	–	–	–	6,594	7,909	1,315	–	–	1,315	(605)
Total minimum payments			5	–	–	–	6,594	7,909	1,315	–	–	1,315	(605)
Total general rates and minimum payments			43	–	488,619	(6,086)	6,594	489,127	488,640	–	–	488,640	463,481
Total rates								489,127				488,640	463,481

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

(*) Rateable Value at time of raising of rate.

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 19. Determination of surplus or deficit

		2024/25	2024/25	2023/24
		30 June 2025	Budget	30 June 2024
		Carried Forward	Carried Forward	Carried Forward
	Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(32,025)	(48,365)	(71,144)
Add: Depreciation	9	7,751,278	7,780,700	7,771,260
Non-cash movements in non-current assets and liabilities:				
Financial assets at amortised cost		1,775	—	(840)
Employee benefit provisions		6,001	—	16,046
Non-cash amounts excluded from operating activities		7,727,029	7,732,335	7,715,322
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	20	(8,293,678)	(8,490,582)	(8,293,678)
Total adjustments to net current assets		(8,293,678)	(8,490,582)	(8,293,678)
Net current assets used in the Statement of Financial Activity				
Total current assets		16,868,038	—	15,289,044
Less: Total current liabilities		(446,911)	—	(1,523,669)
Less: Total adjustments to net current assets		(8,293,678)	(8,490,582)	(8,293,678)
Surplus or deficit after imposition of general rates		8,127,449	(8,490,582)	5,471,697

Notes to and forming part of the financial report for the year ended 30 June 2025

Note 20. Reserve accounts

	2025 Opening Balance Actual \$	2025 Transfer to Actual \$	2025 Transfer (from) Actual \$	2025 Closing Balance Actual \$	2025 Opening Balance Budget \$	2025 Transfer to Budget \$	2025 Transfer (from) Budget \$	2025 Closing Balance Budget \$	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$
Restricted by council												
(a) Employee Entitlement Reserve	333,206	—	—	333,206	324,523	—	—	324,523	324,523	8,683	—	333,206
(b) Asset Replacement, Acquisition and Development Reserve	6,990,740	—	—	6,990,740	7,219,900	—	—	7,219,900	6,808,565	182,175	—	6,990,740
(c) Cultural Centre Reserve	297,225	—	—	297,225	289,480	—	—	289,480	289,480	7,745	—	297,225
(d) Strategic Reserve	672,507	—	—	672,507	656,679	—	—	656,679	656,679	15,828	—	672,507
	8,293,678	—	—	8,293,678	8,490,582	—	—	8,490,582	8,079,247	214,431	—	8,293,678

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Purpose of the reserve
(a) Employee Entitlement Reserve	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
(b) Asset Replacement, Acquisition and Development Reserve	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural Centre Reserve	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjaraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.
(d) Strategic Reserve	To provide for the reduction of financial risk of unanticipated events in the occurrence of a natural disaster. To provide for strategic actions in support of identified activities that cannot be funded in the one budget period. To provide for the capacity to take-up unanticipated strategic opportunities.

Financial Report
for the year ended 30 June 2025

Independent auditor's report

Insert Independent Auditor's Report here



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Shire of Ngaanyatjarraku

To the Council of the Shire of Ngaanyatjarraku

Opinion

I have audited the financial report of the Shire of Ngaanyatjarraku (Shire) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Ngaanyatjaraku for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Mahmoud Salahat
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 December 2025



Our Ref: F21/65

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Damien McLean
President
Shire of Ngaanyatjaraku

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

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

Email: mail@ngaanyatjaraku.wa.gov.au

Dear President

**SHIRE OF NGAANYATJARRAKU
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the CEO and the Minister for Local Government, as required by the Act.

The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management control issues

The result of the audit was satisfactory. Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. It is possible that irregularities and deficiencies may have occurred and not been identified as a result of our audit.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 12 September 2025. This date will be reported in our local government sector audit results report to be tabled in Parliament. I am providing this date for completeness of our Office's procedural fairness process.

If you have any queries in relation to this date, please contact me on 6557 7559 within 14 days of the date of this letter. If we do not hear from you, we will take this as confirmation of the date.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'MS', with a large, sweeping horizontal stroke underneath.

Mahmoud Salahat
Acting Senior Director
Financial Audit
4 December 2025

Attach



D

K

DRY / KIRKNESS

SHIRE OF NGAANYATJARRAKU

FINANCIAL MANAGEMENT, RISK
MANAGEMENT, INTERNAL CONTROL AND
LEGISLATIVE COMPLIANCE REVIEW REPORT

30 September 2025

Accounting / Audit & Assurance /
Bookkeeping / Self-Managed
Superannuation Funds

Table of Contents

1.1	Background	3
1.2	Scope and Methodology	3
1.2.1	Risk Management, Legislative Compliance and Internal Controls Review	4
1.2.2	Financial Management Review	6
	Outcomes	8
1.2.1	Risk Management, Legislative Compliance and Internal Controls Review	8
1.2.2	Financial Management Review	8
	Appendix A: Recommended Improvements.....	10
	Appendix B: List of Policies, Procedures, Plans and Documents covered by this review	23

DISCLAIMER

This report is provided in accordance with the agreed upon procedures engagement letter dated 8 May 2025 and is subject to its terms and conditions.

Our work was limited to that described in this report and was performed in accordance with ASRS 4400 as issued by AUASB. It did not constitute an examination or a review in accordance with generally accepted auditing standards or assurance standards. Accordingly, we provide no opinion or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this review, except to the extent specified in this report.

Our work was based only on the information made available up to the date of the review. Accordingly, changes in circumstances after this date or the availability of other information could affect our findings.

This report is intended solely for Shire of Ngaanyatjaraku's internal use and benefit and may not be relied on by any other party. We accept no liability or responsibility to any other party who gains access to this report.

1.1 Background

As outlined in our engagement letter dated 8 May 2025, we have been engaged to perform the following procedures in order for the Chief Executive Officer (CEO) to satisfy the requirements of Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996* and Regulation 17 of the *Local Government (Audit) Regulations 1996*:

- (a) Review the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation.
- (b) Review the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management, risk management and internal controls by performing system walkthroughs, enquiry, inspection, and observation.

Our review covered the period 1 July 2024 to 30 April 2025 in relation to financial management controls and we performed our procedures in July 2025.

The Shire of Ngaanyatjaraku is a local government based in Western Australia. The Shire is governed by five (5) Councilors responsible for planning and making decisions on policies and developments affecting the area.

At the time of the review, the Shire employed approximately eight (8) staff to implement the Council's decisions, running its day-to-day operations and providing a range of programs and services for the community.

1.2 Scope and Methodology

The objective of this review is to assess the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation and review the appropriateness and effectiveness of the Town's system and procedures in relation to risk management, internal control and financial management systems by performing system walkthroughs, enquiry, inspection and observation.

The scope included review of the policies, procedures and plans in the areas and cycles described in Appendix B to this report.

1.2.1 Risk Management Scope:

- Review risk management systems and operating risks;
- Review business continuity plan;
- Assess the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, with regard to;
 - potential non-compliance with legislation, regulations and standards and local government's policies;
 - important accounting judgements or estimates that prove to be wrong;
 - litigation and claims;
 - misconduct, fraud and theft;
 - significant business risks, recognizing responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government.
- Review risk reports identifying key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assess the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover;
- Review the effectiveness of the local government's internal control system with management and the internal and external auditors;
- Assess whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more a high degree of risk;
- Assess the local government's procurement framework and whether these policies and procedures are being applied;
- Ascertain whether fraud and misconduct risks have been identified, analyzed, evaluated, an appropriate treatment plan has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

Risk Management Methodology:

- Conduct interviews with key personnel involved in the risk management process;
- Review policies, frameworks and plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- Determine whether the Risk Management principles are in accordance with AS/NZS ISO 31000:2018;
- Review insurance policies to assess the adequacy of insurance cover; and
- Report on the appropriateness and the effectiveness of the current systems and procedures.

Internal Controls Scope:

The following controls were reviewed:

- separation of roles and functions, processing and authorization;
- control of approval of documents, letters and financial records;
- comparison of internal data with other or external sources of information;
- limit of direct physical access to assets and records;
- control of computer applications and information system standards;
- limit access to make changes in data files and systems;
- regular maintenance and review of financial control accounts and trial balances;
- comparison and analysis of financial results with budgeted amounts;
- the arithmetical accuracy and content of records;
- report, review and approval of financial payments and reconciliations; and
- comparison of the result of physical cash and inventory counts with accounting records.

Internal Controls Methodology:

- Conduct interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- Performed walkthroughs of all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2023/24) or the strategic importance as noted in the Regulations or discussions from management;
- Obtained an understanding of the Shires IT operating systems and reviewed user access rights to determine whether appropriate segregation has been achieved;
- Report on the appropriateness and the effectiveness of the current systems and procedures.

Legislative Compliance Scope:

The following areas of the legislative compliance process was reviewed:

- Compliance with legislation and regulations;
- Annual Compliance Audit Return and reporting to Council the results of that review;
- Procedures for receiving and treating complaints, including confidential and anonymous employee complaints;
- Obtain assurance that adverse trends are identified and review management's plans to deal with these;
- Management disclosures in financial reports;
- Whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects and report compliance and ethics issues to the Audit Committee;
- Compliance frameworks dealing with relevant external legislation and regulatory requirements;
- Legislative and regulatory requirements imposed on Audit Committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

Legislative Compliance Methodology:

- Conduct interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- Reviewed key documents and plans to determine if the plans that are required by legislation are adopted and current.
- Report on the appropriateness and the effectiveness of the current systems and procedures.

1.2.2 Financial Management Review Scope:

As agreed, our examination covered the period 1 July 2024 to 30 April 2025. We examined the following financial systems and procedures of the Shire:

- Bank reconciliations and petty cash
- Trust funds
- Receipts and receivables
- Rates
- Fees and charges
- Purchases, payments and payables (Including Purchase Orders)
- Salaries and wages
- Credit card procedures
- Fixed Assets (Including acquisition and disposal of property)
- Cost and administration overhead allocations
- Minutes of meetings
- Budget

- Financial Reports
- Registers (including Annual and Primary Returns)
- Delegations
- Audit Committee
- Insurance
- Storage of documents/record keeping
- Plan for the future
- General compliance and other matters

Financial Management Review Methodology:

- Conduct interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- We compared this listing and the relevant areas covered by these policies to the Local Government Act and Regulations, in particular the Local Government (Financial Management) Regulations, as amended from time to time;
- We noted areas of concern, in particular where we identified a lack of documented policies and procedures, or where documented policies and procedures deviated from the requirements of the Regulations;
- We performed walkthroughs of all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2023/24) or the strategic importance as noted in the Regulations or discussions from management;
- From these walkthroughs we noted areas of concern for discussion with management. Areas of concern include any significant deviation from the documented framework, or where the current framework did not address key risk areas;
- From the work performed above, we prepared a draft report to identify specific key risk areas and potential improvement recommendations.

Outcomes

1.2.1 Risk Management, Legislative Compliance and Internal Controls Review

Risk Management

The Shire has adopted and implemented a Risk Management Framework based on AS/NZS ISO 31000:2018 Risk Management – Guidelines, setting out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. It is unknown when the Framework was adopted by Council but has been regularly reviewed since June 2020 with the last review on 28 June 2023.

The Shire’s risk management process is effective in identifying risks and improvements throughout the Shire’s key business areas. Therefore, most of our findings in relation to these areas are categorized as “Moderate” or “Minor” which indicates an acceptable level of risk management.

Internal Controls

The Shire has a number of policies and procedures documented and implemented over key financial areas. Considering the size, resources and operations of the Shire, the internal control framework, policies and procedures as described to us are appropriate for most areas of operations.

The Shire’s internal control process is appropriate and effective for all areas of operations which indicate a generally sound internal control environment.

Legislative Compliance

The Council has adopted various governance policies. The Executive Manager Governance and Compliance is responsible for ensuring that legislative requirements are met, a compliance calendar is used in this process. The Shire’s legislative compliance process is appropriate and effective for most areas of operations.

1.2.2 Financial Management Review

From the work performed during our review, we note that the financial management framework is generally in good order.

In particular, we found that all major controls in relation to financial controls for the receipting of monies, control over expenditure, revenue and record keeping are in place and functional. We have no findings in relation to these areas.


We have, however, identified some recommendations for improvements in relation to bank reconciliations, records management and asset management. Our findings in relation to these areas are categorized as “Moderate” or “Minor”, which indicate a generally good financial management framework.

Our detailed recommendations for improvement identified during our review can be found in Appendix A of this report.

These recommendations have been discussed with management and action plans to address these risks within acceptable timeframes were agreed on.

We would like to take this opportunity to thank all staff involved in this review for their courteous assistance, in particular David Mosel, Rachel King, Tania Baldock, Judy Thompson and the rest of the administration and finance team.

DRY KIRKNESS (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to read 'R Hall', with a stylized flourish at the end.

Robert Hall CA
Director

Date: 30 September 2025

APPENDIX A: RECOMMENDED IMPROVEMENTS

RISK RATINGS

The Ratings in this Appendix are based on the audit review 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).

Risk ratings have been assigned to issues raised in this report as follows:

Control is Inadequate	Extreme	Can be expected to occur in most circumstances; more than 75% chance of occurring; complex process with minimal checks & balances; impacting factors outside the control of the organisation. Those findings where there is potentially an extreme risk to the entity should the finding not be addressed by the entity promptly.
	Significant	Will probably occur in most circumstances; 50-75% chance of occurring; complex process with some checks & balances; impacting factors outside the control of the organisation. Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
	Moderate	Might occur at some time; 25 – 50% chance of occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organisation. Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
Control is Adequate	Minor	Could occur at some time; less than 25% chance of occurring; non-complex process &/or existence of checks and balances. Those findings that are not of primary concern but still warrant action being taken.

APPENDIX A: RECOMMENDED IMPROVEMENTS (DRY KIRKNESS (AUDIT) PTY LTD), 2025

	Area	Audit Findings/Comment	Rating	Implication	Recommendation	Management Comment
Financial Management Review Controls						
1.	Records Management	<p>The Shire has a Record Keeping Policy that was last reviewed in June 2023.</p> <p>The Recordkeeping Plan was last amended in October 2021 and approved by the State Record Commission in November 2021. The next review of the Recordkeeping Plan and report thereon to the State Record Commission is due by 16 November 2026.</p> <p>We note that the Shire currently lacks regular audits of its records management practices.</p>	Minor	<p>This may lead to unidentified compliance gaps and ineffective record keeping.</p> <p>Additionally, without audits, the transition to a new Electronic Data Records Management System ("EDRMS") may overlook critical control weaknesses.</p>	<p>We recommend that regular audits be undertaken internally of the Shire's records management practices to ensure any weaknesses are identified and rectified before transition to the new EDRMS.</p>	<p>Electronic Data Records Management System (EDRMS) Implementation</p> <p>The Shire is actively in the process of sourcing an Electronic Data Records Management System (EDRMS) to enhance and support its records management practices. Recognising the importance of maintaining robust controls, the Shire acknowledges that regular internal audits are essential. To address this, audit activities will be incorporated into the compliance calendar to ensure systematic review and timely identification of any issues prior to the transition to the new EDRMS.</p>
2.	Records Management	<p>We note that staff are briefed on their responsibilities on adherence to the recordkeeping policies and plan, however we note that there is no further training conducted on a regular basis to ensure ongoing staff compliance with evolving records management policies and systems.</p>	Minor	<p>The Shire's absence of regular refresher training with staff increases the risk of non-compliance with evolving records management policies and systems.</p>	<p>We recommend that regular training be provided to staff members responsible for record keeping ensuring compliance with evolving records management policies and systems.</p>	<p>To reinforce staff awareness and understanding of records management responsibilities, updates pertaining to records management will be integrated into fortnightly all-staff meetings. This regular inclusion ensures that employees are consistently reminded of their obligations and remain informed of any requirements related to</p>

						maintaining effective records management practices.
3.	Bank Reconciliations	<p>We note that bank accounts are reconciled monthly within 30 days of month end.</p> <p>The bank reconciliations are signed and dated by the preparer and reviewer.</p> <p>We noted that there was no evidence of review of the Premium bank account reconciliation for the month of August 2024.</p>	Moderate	Bank reconciliations are a fundamental internal control in accounting to ensure that there are no transactions that have been misstated. The timely preparation and review of bank reconciliations ensure that any misstatements are detected as soon as possible.	We recommend that management ensure that the review and authorisation of all bank reconciliation reports is evidenced either by physically printing and signing the reconciliation or a digital signature of the reconciliation by a senior employee of Council.	<p>During the 2023–24 financial year, the Shire experienced a temporary disruption in financial processing due to staffing changes. This led to an isolated instance where bank reconciliations were not completed within the expected timeframe. The issue has since been fully resolved, and corrective measures have been implemented to ensure ongoing compliance and operational continuity.</p> <p>We acknowledge the oversight and reaffirm our commitment to maintaining robust financial controls. To strengthen our processes and uphold transparency, the following measures have been adopted:</p> <ul style="list-style-type: none"> • Monthly Bank Reconciliations: All bank accounts are now reconciled on a monthly basis, within a reasonable timeframe following the close of each period. This ensures that financial records are accurate, complete, and audit-ready. • Daily Monitoring of Bank Accounts: As part of the receipting and cashflow management process, bank accounts are monitored daily. This allows for timely identification

						<p>of anomalies, improved cash forecasting, and enhanced responsiveness to financial risks.</p> <p>These enhancements align with best practice in local government financial management and support the Shire’s commitment to accountability, transparency, and continuous improvement.</p>
--	--	--	--	--	--	---

4.	Asset Management	<p>On review of the Fixed Assets Register maintained on the SynergySoft accounting system at 30 April 2025 we note the following:</p> <ol style="list-style-type: none"> 1. No additions or disposals is recorded for the 2025 financial year to date despite additions reported in the Cash Flow Statement within the March 2025 Monthly Financial Activity Statement presented to Council in April 2025 2. No Work in Progress is recorded despite Work in Progress reported in the 2024 Annual Financial Report and March 2025 Monthly Financial Activity Statement presented to Council in April 2025 with depreciation for the year to date 3. No depreciation is recorded for any asset <p>The Fixed Assets Register is only updated by management at year end and does not include the asset group Work In Progress.</p>	Moderate	<p>Depreciation is not calculated and recorded during the year resulting in the understatement of expenses and overstatement of asset values each month in the Monthly Financial Activity Statement presented to and adopted by Council.</p> <p>Without timely recognition of asset additions and asset disposals in the Fixed Assets Register in relation to Work In Progress assets, the depreciation expense may be misstated during the year, resulting in misstatement of the Monthly Financial Activity Statement presented to and adopted by Council.</p> <p>In addition, the Fixed Assets Register is also incomplete and not up to date during the year.</p>	<p>We recommend that management review the process for recognising asset additions and asset disposals in the Fixed Assets Register, to ensure that the Fixed Assets Register is kept up to date and the depreciation expense is correctly recognised during the year.</p> <p>We further recommend that the Fixed Assets Register is updated to include the Work In Progress asset group.</p>	<p>A discrepancy in asset processing was identified due to differing legislative requirements across Australian states. In other jurisdictions, end-of-year asset processing is permissible; however, in Western Australia, monthly processing is required.</p> <p>This variance led to an oversight, as our Accountant was unaware of the specific compliance obligations applicable within WA.</p> <p>To address this and ensure full transparency and compliance with local government financial reporting standards, the Shire has implemented the following procedural enhancements:</p> <ul style="list-style-type: none"> • Timely Asset Processing: All asset additions and disposals will now be recorded in the financial system during the month in which they occur. This ensures that asset movements are accurately reflected in monthly financial reports and aligns with best practice for audit readiness. • Monthly Depreciation Calculation: Depreciation will be calculated and applied as part of the end-of-month financial close process. This change ensures that asset values and
----	-------------------------	--	----------	---	---	--

					<p>associated expenses are consistently reported, providing Council with a more accurate financial position.</p> <ul style="list-style-type: none">• Work in Progress (WIP) Account Activation: A dedicated Work in Progress account has been established within SynergySoft to track capital projects and incomplete asset acquisitions. This allows for improved monitoring of asset development and ensures that assets are only capitalised once fully commissioned. <p>These changes reinforce our commitment to financial transparency, compliance with WA regulations, and continuous improvement in asset management practices. They also support the integrity of the monthly reports provided to Council and enhance the accuracy of our long-term financial planning.</p>
--	--	--	--	--	--

Risk Management Review Controls	
---------------------------------	--

<p>5.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Risk Management Policy</p> </div> <div style="width: 45%;"> <p>Risk Management Strategy</p> </div> </div>	<p>The Shire has substantially implemented its Risk Management Policy and Risk Management Strategy (2022) as evidenced by the structured and populated Risk Register (April 2023), which reflects the principles and processes outlined in the documents. Risks are clearly identified, rated using the defined matrix, and assigned responsible officers and treatment actions, consistent with ISO 31000:2018 and internal policy.</p> <p>On review of the Risk Management Strategy, we note the following:</p> <ul style="list-style-type: none"> No records of “Extreme” risks or formal escalation to CEO/Council—may suggest underreporting or conservative scoring Some risk treatments are vague (e.g., “monitoring”) without clear timelines or actions Lack of documented evidence of risk reviews or status updates in the Risk Register No audit trail showing communication or consultation with Council or Audit & Risk Committee. 	<p>Minor</p>	<p>Procedures in addressing risks are not sufficiently and completely documented according to the Risk Management Policy and Risk Management Strategy.</p>	<p>We recommend that the Shire improve documentation to clearly record timelines or actions in addressing risks, risk reviews or status updates in the Risk Register and communication or consultation with Council or Audit & Risk Committee.</p>	<p>To strengthen its risk management practices, the Shire will implement a process for quarterly review and updating of the Risk Register in collaboration with the CEO and relevant staff. Following these reviews, the updated Risk Register should be formally presented to the Council and the Audit & Risk Committee. Establishing a regular schedule for these actions will help ensure consistent reporting, effective monitoring, and comprehensive addressing of identified risks.</p>
---	--	--------------	--	--	---

6.	<p>Plan for the Future: Strategic Community Plan</p> <p>Corporate Business Plan</p>	<p>We reviewed the Plan for the Future: Strategic Community Plan and Corporate Business Plan and note that it is valid from 2021-2031 with a desktop review required in 2024.</p> <p>The Plan contains elements related to strategic risk, service delivery dependencies, staff resourcing, and infrastructure risks, which are acknowledged under “Strategic Risk Management” and within planning frameworks such as the IT Plan and Asset Management Plan. There is reference to the importance of continuing service delivery despite geographic and resource challenges, and to updating the IT and Asset Management Plans as part of organisational resilience.</p> <p>The Shire does not currently have a standalone or fully detailed Business Continuity Plan.</p>	Moderate	<p>The Plan for the Future: Strategic Community Plan and Corporate Business Plan does not fully meet the requirements of Regulation 17 or the DLGSC’s Risk Management 100 Guideline.</p> <p>While the Shire’s Plan touches on some elements relevant to business continuity (especially at the strategic level), it does not meet the structure or depth of the LGIS Business Continuity Plan template and is not a dedicated, functional Business Continuity Plan with clearly defined critical services, recovery priorities, assigned roles, and tested procedures, as required for best practice and Regulation 17 compliance.</p>	<p>To achieve compliance, the Shire should develop a formal Business Continuity Plan that identifies key services, defines disruption responses, assigns recovery roles, and includes procedures for testing and review.</p>	<p>We acknowledge the importance of maintaining up to date Intergrated Planning documents. In April 2025, the Shire engaged a consultant to review its Integrated Planning Documents, including the Strategic Community Plan and the Corporate Business Plan.</p> <p>To address this gap, the Shire initiated a structured review process that included Community Consultation and Council Consultation sessions held in July 2025, with a dedicated session following the Ordinary Council Meeting on 30 July 2025. These consultations provided valuable input from elected members and community stakeholders on the strategic direction and operational priorities of the Shire.</p> <p>As part of the consultant’s engagement, the Shire is now in the final stages of developing a number of Integrated Planning Documents, including a formal Business Continuity Plan.</p> <p>This process is expected to be finalised in 2025-26.</p>
----	---	--	----------	--	--	--

						<p>Risk Committee and Council, to ensure transparency and accountability.</p> <ul style="list-style-type: none"> Identify any new or emerging risks, particularly in financial governance, infrastructure, and service delivery, as highlighted in recent Council meetings and policy updates <p>This approach ensures that the Risk Register not only reflects current operational realities but also complies with internal policy expectations.</p>
9.	<p>Risk Register</p> <p>Fraud and Misconduct Risks</p>	<p>There is no evidence that fraud or misconduct risks have been formally analysed or evaluated in the Shire's Risk Register.</p> <p>The lack of documented risk ratings, existing controls, or treatment plans for these risks suggests they have not undergone the structured assessment process outlined in the Risk Management Strategy.</p>	Moderate	<p>The formal analysis and evaluation of fraud or misconduct risks is essential for effective monitoring and mitigation.</p>	<p>We recommend that fraud or misconduct risks are formally analysed and documented in the Shire's Risk Register by documenting risk ratings, existing controls and treatment plans.</p>	<p>The Shire will undertake a targeted enhancement of its Risk Register to formally incorporate fraud and misconduct risks. The review identified that while governance controls such as the Code of Conduct and audit processes are acknowledged in the Risk Management Strategy 2022, these risks have not been explicitly documented in the Risk Register, representing a gap in visibility and oversight</p> <p>To address this, the following actions will be implemented:</p> <ul style="list-style-type: none"> Formal Risk Identification: Fraud and misconduct risks will be clearly defined and categorised within the Risk Register. This includes risks related to collusion, forgery, misrepresentation, override of

					<p>internal controls, and misuse of Shire resources, as outlined in <u>Ngaanyatjarraku - Policy Manual 280623</u></p> <ul style="list-style-type: none">• Risk Rating and Assessment: Each identified risk will be assessed using the Shire’s approved Risk Matrix and Consequence Ratings from an Organisational Risk Profile and Reporting Tool. This will ensure consistency in evaluating likelihood and impact across financial, reputational, and compliance dimensions• Documentation of Existing Controls: Controls such as internal audit procedures, segregation of duties, fraud awareness training, and daily financial monitoring will be documented and assessed for effectiveness. These controls are referenced in both the Shire’s policy manual and the Auditor General’s <u>Report-20 Fraud-Risk-Management-Better-Practice-Guide</u>• Treatment Plans and Accountability: Where gaps are identified, treatment actions will be developed with clear responsibilities, timelines, and performance indicators. This includes escalation protocols for “Extreme” risks to the CEO and Council, as recommended in the findings
--	--	--	--	--	--

						<ul style="list-style-type: none">• Transparency and Oversight: All updates will be communicated to the Audit & Risk Committee and documented to ensure an audit trail of decision-making and risk management activities. This aligns with the governance expectations outlined in recent Council agendas and audit correspondence . <p>This initiative reflects the Shire’s commitment to proactive risk management, ethical governance, and continuous improvement in internal controls.</p>
--	--	--	--	--	--	--

APPENDIX B:

LIST OF POLICIES, PROCEDURES, PLANS AND DOCUMENTS COVERED BY THIS REVIEW

Shire Polices	Shire Plans	Shire Procedures and Documents
Legislative Compliance Policy	Workforce Plan	Payroll Procedure
Internal Control Policy	Plan for the Future: Strategic Community Plan & Corporate Business Plan	Creditor Procedure
Risk Management Policy	Strategic Resources Plan (Integrated Long Term Financial & Asset Management Plan)	Rates Procedure
Fraud Control Policy	Business Plan for Major Trading Undertaking	Trust Procedure
Policy Manual	Risk Management Strategy	Council Members Committee Members & Candidates Code of Conduct
Purchasing/Procurement Policy	Strategic IT Plan	Employee Code of Conduct
Financial Governance Policy	IT Disaster Recovery Plan	Register of Financial Interest
Corporate Credit Cards Policy	Record Keeping Plan	Risk Register
Long-Term Financial Planning	Waste Management Plan	Register of Delegations
Asset Management Policy		Tender Register & Contracts Register
Cash Reserves Policy		Records Management Procedure
Information Technology Systems and Internet Usage Policy		Annual Compliance Return
Rating Policy		Freedom of Information Statement
Records Management Policy		Register of Gifts



Accounting / Audit & Assurance /
Bookkeeping / Self-Managed
Superannuation Funds

Dry Kirkness

Ground Floor,
50 Colin Street
West Perth, WA 6005

P 08 9481 1118

F 08 9481 5153

E dk@drykirkness.com.au

W drykirkness.com.au

Shire of Ngaanyatjaraku - Legislative Compliance Calendar

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	Comments
	Monthly Activities					
	Monthly Financial Report Statement of financial activity reporting on the revenue and expenditure..	Local Government Act 1995	s.6.4 FM.Reg.34	Monthly	DCS	Completed as required
	Business Activity Statement - submit to ATO	Australian Tax Office		Monthly	DCS	Completed as required
	Corporate Business Plan - Qtrly update to council	Local Government Act 1995	5.56	Quarterly - April, July, October, January	DGS	Currently being reviewed
	Financial Interests Register Remove Primary and Annual Returns of persons who are no longer Designated Employees.	Local Government Act 1995	s.5.88(3)(4)	6 monthly	DGS	Completed as required
	Annual Activities					
	Performance Review - CEO and staff	Local Government Act 1995	s5.38	Annual	CEO	All staff reviews completed to date.
	Fire Break Notices - Local Public Notice	Bush Fires Act 1954	s33	Annual	Finance Manager	
	ESL Reconciliation Report	FESA Authority of WA Act 1998	Part 6A Div 5	Monthly	Finance Manager	Not applicable monthly to NG, Annually October
	Authorised Officers - Purchasing and Requisitions, review listings and processes. .	Local Government (Financial Management) Regs 1996	Reg.5	Annual	Governance Manager	Completed as required.
	Delegated Authority - Review and confirm employees with delegated authority	Local Government Act 1995	s5.44	Annual	Governance Manager	Completed as required.
	Maintain Complaints Register - regarding breaches of the Act.	Local Government Act 1995	s5.121(1)	Annual	Governance Manager	Completed as required.
	Update Gift Register	Local Government Act 1995	s5.62(2) Reg.34B	Annual	Governance Manager	Completed as required.
	Primary Returns - for all new designated employee's.	Local Government Act 1995	s.5.75	Annual or as required	Governance Manager	Completed as required.
	Audit Regulation 17 Review.	Local Government Act 1995	Audit.Reg. 17(1)(c)	Triennial	CEO/Finance Manager	Review Completed in October 2025
	Financial Management Regulation 5 Review.	Local Government Act 1995	FM.Reg.5	Triennial	CEO/Finance Manager	Review Completed in October 2025
	Policy Manual - review policy	Local Government Act 1995		4 - yearly	CEO & Governance Manager	Completed as required.
	Disability Access and Inclusion Plan Review	Disability Services Act 1993	s29(7)	5 - yearly	Governance Manager	Completed as required.

Shire of Ngaanyatjaraku - Legislative Compliance Calendar

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	Comments
	Record Keeping Plan - Review and submit to Records Commissioner	State Records Act 2000	s28	5 - yearly	Governance Manager	Currently under review.
	January - Take Action					
Jan	Revaluation of Assets - Plant and Equipment	Local Government Act 1995	FM.Reg.17A(4)	5 - yearly	Finance Manager	Completed as required.
Jan	Revaluation of Assets - Land, Buildings and Infrastructure	Local Government Act 1995	FM.Reg.17A(4)	5 - yearly	Finance Manager	Completed as required.
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	February - Take Action					
Feb	Nil					
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	March - Take Action					
Mar	Compliance Audit Return (CAR) Complete the CAR for consideration via Audit Committee.	Local Government Act 1995	s.7.13(1)(i) Audit.Reg. 13, 14 and 15	Annual Due: 31 March	CEO/Governance Manager	Completed as required.
Mar	Mid-Year Budget Review (MYBR) Between 1 January and 31 March in each financial year, a review of the annual budget is to be carried out.	Local Government Act 1995	FM Reg.33A(1) (2A) (2) (3)	Annual	Finance Manager	Completed as required.
Mar						
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	April - Take Action					
Apr	Complete Compliance Audit Return - Action Plan	n/a	n/a	Annual	CEO/Governance Manager	No items to Action from review
Apr	Strategic Community Plan - Review Review to be completed in April after community consultation, in order to inform Annual Budget.	Local Government Act 1995	s.5.56 Admin.Reg.19C	Biennial	CEO	Currently under review
	May- Take Action					

Shire of Ngaanyatjaraku - Legislative Compliance Calendar

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	Comments
May	Local Laws published on website - confirm that a consolidated version of each of the LGs Local Laws is published on the LGs website. NOTE - 'Consolidated version' means the principle local law has been updated to include the effect of each amendment local law.	n/a	n/a	Annual	Governance Manager	Completed as required
	June - Take Action					
June	Financial Reporting - Material Variances		s.6.4 FM.Reg.34(5)	Annual	Finance Manager	Completed as required
June	FOI Annual Statistical Data - Response to Information Commissioner		s.111(3)	Annual	Governance Manager	Completed as required
June	Review ICT Policies and Procedures			Annual		Completed as required
	July - Take Action					
Jul	Annual Returns	Local Government Act 1995	s.5.76(1)	Annual	Governance Manager	Completed as required
	August - Take Action					
Aug	Food Act and Public Health Act reporting -		s.121(1) s.22(1)	Annual	EHO/CEO	Completed as required
Aug	Annual Returns - Elected Members and Designated Employees to provide an Annual Return by no later than 31 August CEO's Annual Return must be lodged with the President / Mayor.	Local Government Act 1995	s.5.76(1)	Annual	Governance Manager	Completed as required
	September - Take Action					
	Nil					
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	
	October - Take Action					
Oct	Internal Control Review	Local Government Act 1995	Audit.Reg. 17(1)(b)	Triennial	CEO/Finance Manager	Completed and presented to November 2025 Audit, Risk and Improvement Committee
Oct	Legislative Compliance Review	Local Government Act 1995	Audit.Reg. 17(1)(b)	Triennial	CEO/Finance Manager	Completed and presented to November 2025 Audit, Risk and Improvement Committee
Oct	Financial Management Systems and Procedures Review	Local Government Act 1995	FM.Reg.5(2)(c)	Triennial	CEO/Finance Manager	Completed and presented to November 2025 Audit, Risk and Improvement Committee
Oct	Risk Management Review	Local Government Act 1995	Audit. Reg. 17 (1) (a)	Triennial	CEO/Finance Manager	Completed and presented to November 2025 Audit, Risk and Improvement Committee
	December - Take Action					
Nov	Policy for Continuing Professional Development Review	Local Government Act 1995	s.5.128(5)	Annual	Governance Manager	To be reviewed at December Ordinary Council meeting.