



Attachments

9.1 MANAGER OF PLANNING AND ASSETS

- 9.1.1 *Letter Requesting Deferral or Revocation of Council Resolution – Proposed Sale of Lot 6, Cottle Way - Mr Gregory Gleeson - 10 December 2025.*

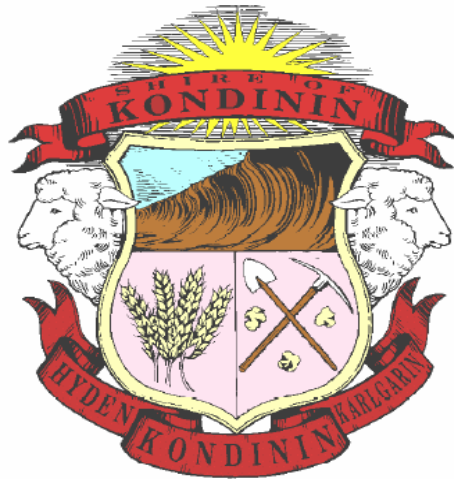
9.2 MANAGER OF CORPORATE SERVICES

- 9.2.1 List of Accounts 1/11/2025 to 30/11/2025
- 9.2.2 Monthly Financial Report for the period ended 30 November 2025
- 9.2.3 Shire of Kondinin – Audited Annual Financial Report 2024-2025
Shire of Kondinin – Independent Audit Report – 2024-2025
Shire of Kondinin – Draft Annual Report – 2024-2025

9.6 COMMITTEE ITEMS

- 9.6.1 Confirmed Meeting Minutes – ARIC – 10 December 2025
Attachment Portfolio – ARIC – 10 December 2025.
Functional Checklists

**9.6.1 Confirmed Meeting Minutes – ARIC – 10 December
2025
Attachment Portfolio – ARIC – 10 December 2025.
Functional Checklists**



SHIRE OF KONDININ
AUDIT, RISK & IMPROVEMENT COMMITTEE

MEETING MINUTES
AUDIT, RISK & IMPROVEMENT COMMITTEE

Wednesday 10 December 2025

11 Gordon Street, KONDININ WA 6367 Tel (08) 98891006 Fax (08) 98891197
All communications to be addressed to the Chief Executive Officer
Email: ceo@kondinin.wa.gov.au

Order of Business

1. DECLARATION OF OPENING

The Presiding Member welcomed those present and declared the meeting open at 10.06am.

2. RECORD OF ATTENDANCE / APOLOGIES

MEMBERS:

Independent Presiding Member:	Mrs. Catherine Mayfield
Independent Deputy Presiding Member:	Mrs. Tracey Utley
Council member	Cr B Gangell
Council member	Cr D Pool

STAFF:

Chief Executive Officer Mr B Wright
Manager Corporate Services Mr V Bugna

APOLOGIES:

Cr M James

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

3.1 Minutes of Audit Committee Meeting – 19th March 2025

RECOMMENDATION:

Moved: Cr Gangell Seconded: Cr Pool
That the minutes of the Audit Committee Meeting held on 19th March 2025 are received and noted.

For: Chair Mayfield, D/Chair Utle, Cr Gangell, Cr Pool

Against: Nil

Carried: 4/0

4. ARIC TERMS OF REFERENCE & ANNUAL WORKPLAN

Author: Bruce Wright – Chief Executive Officer

Authorising Officer: Bruce Wright – Chief Executive Officer

Date: 4 December 2025

Disclosure of Interest: Nil

Date:	7 December 2020
Disclosure of Interest:	Nil
Attachments:	1. Terms of Reference – Audit Risk & Improvement Committee 2. Draft Annual Workplan – Audit Risk & Improvement Committee

OFFICER'S RECOMMENDATION:

Moved: D/Chair Utley Seconded: Cr Gangell

That the Audit Committee receives, endorses and approves the:

1. Terms of Reference for the Shire of Kondinin Audit, Risk & Improvement Committee.
2. Draft Annual Workplan for the Shire of Kondinin Audit, Risk & Improvement Committee.

For: Chair Mayfield, D/Chair Uteley, Cr Gangell, Cr Pool

Against: Nil

Carried: 4/0

SUMMARY

The purpose of this report is to present the Terms of Reference (ToR) for the Audit and Risk Committee (ARIC) and to introduce the Draft Annual Workplan for consideration and endorsement.

The ToR and Workplan have been developed to ensure full compliance with the *Local Government Act 1995*, *Local Government (Audit) Regulations 1996*, and recognised best practice principles for public-sector audit and risk governance.

BACKGROUND

Under the provisions of Section 7.1A of the Local Government Act 1995, the local government is empowered to establish an Audit Committee. The Local Government (Audit) Regulations 1996 outline the statutory responsibilities of the Audit Committee, including but not limited to:

- Reg. 16 - Functions of the Audit Committee.
- Reg. 17 - CEO review of risk management, internal control and legislative compliance.
- Reg. 17A - Financial management systems and procedures review.
- Reg. 5 - Financial management responsibilities.

In addition, the Local Government Amendment Act 2023 (yet to be implemented) introduced significant governance reforms, strengthening requirements relating to the:

- Transparency of financial and performance reporting
- Oversight of audit and risk functions
- Enhanced accountability measures for CEO performance and reporting
- Improved community access to information
- More consistent compliance across the sector

These reforms further elevate the strategic importance of the Audit and Risk Committee as a key governance mechanism supporting Council in meeting its enhanced obligations under the amended legislation.

Contemporary audit and risk committees also support broader governance responsibilities, including enterprise risk management, internal audit, integrity frameworks, fraud and corruption prevention, and business continuity.

The Terms of Reference establish the role, authority, responsibilities and operating framework of the Committee. Key components include, but are not limited to:

- Purpose of the Committee
- Responsibilities
- Authority
- Membership & Meetings
- Reporting

The proposed Annual Workplan ensures that the Committee discharges all statutory functions while adopting a structured and proactive approach to overseeing audit, risk and governance activities.

COMMENT

The Terms of Reference and draft Annual Workplan establish a strong governance foundation for the Committee; that ensures compliance with legislative requirements while adopting best practice in audit and risk oversight. The adoption of the Terms of Reference and Annual Work Plan will enhance transparency, strengthen internal controls, and support continuous improvement across the Shire.

STATUTORY REQUIREMENTS

Section 7.1A of the Local Government Act 1995
Regulation 5, 16, 17 & 17A Local Government (Audit) Regulations 1996

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

This action supports the following sections of the Shire's Strategic Community Plan 2022-2032:
*"Goal 4: Civic Leadership
We are a compliant and resourced Local Government"*

5. ADOPTION OF AUDITED ANNUAL FINANCIAL REPORT 2024/25

Author: V Bugna, Manager Corporate Services
Authorising Officer: B Wright, Chief Executive Officer
Date: 4th December 2025
Disclosure of Interest: Nil
Attachments:
1. Shire of Kondinin – Annual Financial Report 2025 (Audited)
2. OAG's Independent Auditor's Report 2025
3. MOORE, Contractor Auditor – Audit Concluding Report
4. Findings Identified During the Final Audit
5. Findings Identified During the Interim Audit

OFFICER'S RECOMMENDATION:

Moved: Cr Pool

Seconded: Cr Gangell

That the Audit Committee receives and endorses the:

1. Shire of Kondinin - Audited Annual Financial Report for the year ended 30 June 2025;
2. Auditor General Independent Audit Report for the year ended 30 June 2025;
3. Audit Concluding Report for the year ended 30 June 2025;
4. Final Management Letter Attachment – Findings Identified During the Final Audit; and
5. Interim Management Letter Attachment – Findings Identified During the Interim Audit.

For: Chair Mayfield, D/Chair Utley, Cr Gangell, Cr Pool
Against: Nil

Carried: 4/0

SUMMARY

To present to the Audit, Risk and Improvement Committee the Shire of Kondinin's audited Annual Financial Report for the year ended 30 June 2025.

BACKGROUND

The Office of the Auditor General (OAG) and MOORE Australia, auditors have completed their audits of the Shire's financial statements for the financial year ended 30 June 2025. Following their audits, the auditors have concluded that the Shire's annual financial report gives a true and fair representation of the Shire's financial records.

The Shire's audited Annual Financial Report for the year ended 2025 and the Auditor General Independent opinion 2025 on the report are shown as attachments 1 and 2.

COMMENT

The Shire of Kondinin has again received an unqualified or "clean" audit opinion from the Office of the Auditor General (OAG).

MOORE Australia, OAG's contractor auditor provided the Shire with an Audit Concluding Report containing Significant and Accounting Issues and Other Key Matters as part of their audit procedures. A copy of this report is shown as attachment 3.

The Management Letters issued by the auditors include findings identified during the interim and final audits of which mostly IT security and compliance in nature. Management provided comments with target completion dates to resolve those issues. Copies of the reports are shown as attachments 4 and 5.

STATUTORY REQUIREMENTS

Section 6.4 Local Government Act 1995 Financial Report

Section 5.54 Local Government Act 1995 Acceptance of Annual Reports

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

This action supports the following sections of the Shire's Strategic Community Plan 2022-2032:

"Goal 4: Civic Leadership

We are a compliant and resourced Local Government"

6. GENERAL BUSINESS

Schedule of Meetings:

February, 2026 – Tuesday 10th, 9am. Schedule of meetings to be discussed during the February 2026 meeting.

Reporting Themes:

*Budget report
Business continuity plan
Risk controls
Cyber risk assessments*

Chair requested that the CEO is to develop a draft reporting document.

Internal Checklists:

In lieu of retention of an external auditor. Endorsed by the Committee for quarterly reporting.

7. CLOSURE

Being no further business, the meeting was closed at 10.49am.



Attachments
Audit, Risk & Improvement Committee
10 December 2025

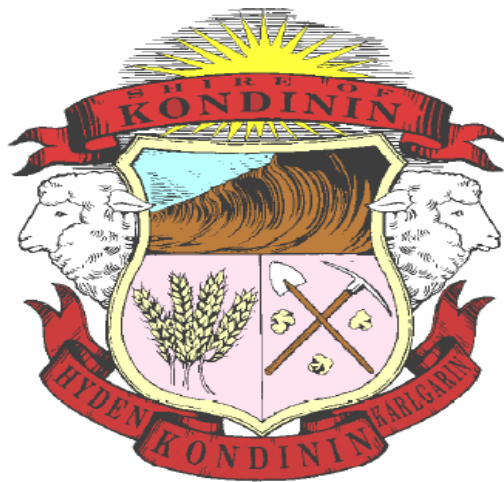
4. CHIEF EXECUTIVE OFFICER

- 4.1 Terms of Reference – Audit, Risk & Improvement Committee
- 4.2 Draft Annual Workplan – Audit, Risk & Improvement Committee

5. MANAGER CORPORATE SERVICES

- 5.1 Shire of Kondinin – Annual Financial Report 2025 (Audited)
- 5.2 Office of the Auditor General – Independent Auditors Report – 2025
- 5.3 Moore – Contractor Auditor – Audit Concluding Report
- 5.4 Findings Identified during the Final Audit
- 5.5 Findings Identified during the Interim Audit

4.1 Terms of Reference – Audit, Risk & Improvement Committee



SHIRE OF KONDININ

AUDIT, RISK & IMPROVEMENT COMMITTEE

Terms of Reference

Audit, Risk & Improvement Committee

Terms of Reference

1. Purpose

The Audit, Risk & Improvement Committee (“the Committee”) is a formally appointed standing committee of the Council. Its purpose is to provide independent assurance and advice to the Council and Senior Management on:

- The integrity of the Shire’s financial and performance reporting,
- The effectiveness of its risk management and internal control environment,
- Legislative compliance and governance frameworks,
- The effectiveness of internal and external audit functions, and
- Continuous improvement in systems, processes and controls.

The Committee supports the Council in fulfilling its oversight responsibilities under the Local Government Act and regulations.

2. Legislative & Policy Basis

The Committee is established under:

- Section 5.8 of the Local Government Act 1995 (WA) (establishment of committees).
- Section 7.1B of the Act (establishment of Audit, Risk & Improvement Committees following the 2024 amendments).
- The Local Government (Audit) Regulations 1996.
- The *principles* contained within the Department of Local Government and Communities (2013) operational guideline “The appointment, function and responsibilities of audit committees”.
- The Council’s relevant policies.

The Committee’s operations will align with the reforms introduced in the 2024 Amendment Act (notably the requirement for an independent presiding member, separate deputy etc).

3. Objectives

The key objectives of the Committee are to:

1. Assist the Council in overseeing the accuracy, integrity and timeliness of the Local Government’s financial, performance and sustainability reporting.
2. Provide oversight of the Local Government’s enterprise risk management framework, internal control systems, and legislative compliance.
3. Review the scope, performance and independence of the internal audit function and external auditors, and monitor management’s implementation of audit recommendations.

4. Promote continuous improvement in governance, efficiency, effectiveness and accountability of the Local Government's operations.
5. Facilitate communication among Council, Senior Management, internal auditors and external auditors regarding key governance, risk and control issues.

4. Membership

1. The Committee shall consist of at least three (3) members appointed by the Council.
2. The presiding member (Chair) will be an independent person (i.e., not a Councillor of the Shire, nor a member of another Local Government or supplier to the Shire).
3. The Deputy presiding member will also be independent.
4. The remaining members may include Councillors and/or external persons with relevant skills and experience in finance, risk management, audit or governance.
5. The Chief Executive Officer (CEO) and Manager Corporate Services (MCS) will provide advisory support to the Committee.
6. The CEO and MCS are not members of the Committee and may not appoint a proxy to the Committee.
7. Terms of appointment will be for a period of two (2) years with staggered renewal to maintain continuity of the Committee.
8. The Committee may invite Senior Officers, internal auditors or other external advisors to attend meetings, but they shall be non-voting.
9. The Local Government will ensure adequate administrative support for the Committee (secretariat, agenda, minutes).

5. Roles & Responsibilities

The Committee will perform the following functions. Unless otherwise delegated, these are advisory functions to the Council and Senior Management.

5.1 Financial Reporting & Oversight

- Review and recommend to Council the appointment, reappointment or removal of the external auditor.
- Review with the external auditor the audit plan, scope, materiality and timetable.
- Review the audited financial statements and performance statements, including significant accounting judgements, adjustments and qualifications, and recommend to Council their adoption.
- Monitor management's responses to audit issues and recommendations.
- Review reports and data provided to Council on financial sustainability, key ratios and trends (as applicable).

5.2 Risk Management & Internal Controls

- Review the Local Government's enterprise risk management framework, including risk appetite, risk profile, reporting, mitigation strategies, and monitoring.
- Review major risk exposures (financial, operational, strategic, compliance, reputation) and internal control implementation.
- Review the adequacy of the internal control environment (for example, policies, delegations, asset security, fraud and misconduct controls).
- Oversee business continuity and disaster recovery planning and testing.
- Monitor compliance with legislative requirements and ethical standards, including the annual Compliance Audit Return.
- Receive management reports on incidents of non-compliance, fraud, misconduct or corruption and monitor remedial actions.

5.3 Internal Audit & Continuous Improvement

- Review and endorse the internal audit charter, annual internal audit plan and proposed audit scope, ensuring alignment with risk priorities.
- Review internal audit reports, monitor management responses, track implementation of audit recommendations.
- Monitor the performance, resources, independence and effectiveness of the internal audit function.
- Promote continuous improvement in systems, processes and governance mechanisms, and identify opportunities for efficiency and value-for-money improvements.

5.4 External Audit & Assurance

- Liaise with the external auditor regarding governance, accountability, audit strategy and key findings.
- Review external audit reports and management letters and monitor management's action plan.
- Ensure transparent reporting to Council on audit outcomes, material issues and remedial actions.

5.5 Reporting & Improvement

- Provide advice to Council on governance, risk, control and improvement matters.
- Provide an annual summary report to Council outlining the Committee's activities, key observations, recommendations and improvements.
- Report to Council as appropriate, any serious matters such as suspected fraud, material control failures or significant risks.
- Promote a culture of continuous improvement in the Shire's governance, risk and assurance frameworks.

6. Authority and Delegations

- The Committee is authorised to access relevant information, records, and personnel (via the CEO) for the purpose of fulfilling its role.
- The Committee may request any officer or auditor to attend meetings and provide information or explanation.
- The powers and duties delegated to the Committee by the Council must comply with Section 7.1C of the Act, which limits delegated authority to those powers under Part 7 or as prescribed.
- The Committee does not have executive management functions, cannot direct operations, and does not replace management's responsibility.
- The Committee may make recommendations to Council, but decision-making remains with the Council (or CEO where delegated).
- Where required, the Committee may engage external advisors, subject to budget and Council approval.

7. Meetings

- The Committee will meet at least four (4) times per year, or more frequently if required.
- A quorum shall be a simple majority of the appointed members. Decisions of the Committee shall be by simple majority.
- The Chair (presiding member) will convene meetings and work with the CEO to set agendas.
- Minutes will be prepared and submitted to the Council at the next ordinary meeting.
- Meetings may be closed to the public if required per Council's meeting procedures and the Act; however, transparency is encouraged subject to the confidentiality of audit or risk matters.
- Committee members must declare conflicts of interest and comply with the Council's Code of Conduct.

8. Reporting to Council

- Following each Committee meeting, the Committee will provide a summary of key issues, findings and recommendations to the Council (via the CEO).
- The Committee will prepare an annual report to Council that includes:
 - Statement of how it has fulfilled its terms of reference,
 - Summary of internal audit and external audit activity,
 - Overview of significant risk issues and controls,
 - Recommendations for improvement, and
 - Any proposed amendments to the Terms of Reference.
- The Committee shall escalate to Council any matters that require urgent attention, such as major control breakdowns, material financial concerns, or significant non-compliance.

9. Review of Terms of Reference

- These Terms of Reference will be reviewed annually by the Committee, with any recommended changes submitted to Council for approval.
- The first review shall take place at the inaugural Audit, Risk and Improvement Committee meeting.
- Thereafter, a review will occur within twelve (12) months of the Committee's establishment and after each local government election cycle.

10. Confidentiality

Committee members must treat all information obtained through the Committee as confidential unless agreed otherwise by Council.

11. References

- Local Government Act 1995 (WA)
- Local Government Amendment Act 2024 (WA)
- Local Government (Audit) Regulations 1996
- Department of Local Government Operational Guideline (2013): The appointment, function and responsibilities of audit committees
- Better Practice Guide for Audit Committees in the Western Australian Public Sector
- Council's Risk Management Policy, Internal Audit Charter and other relevant policies (as applicable and amended)

Document Control			
Business Unit	Office of the CEO		
Review Frequency	Annual	Next Due	October, 2026
Version	Decision	Date	Reference
1	Draft	29 October 2025	

4.2 Draft Annual Workplan – Audit, Risk & Improvement Committee



Shire of Kondinin – Audit, Risk & Improvement Committee - Workplan

Quarter 2 (October – December)

Focus Areas: Terms of Reference, Induction, External Audit Results, Mid-Year Risk and Control Assurance, Legislative Compliance.

Functional Area	Description
Financial Reporting & Audit	<ul style="list-style-type: none">Review the OAG Audit Report and Management Letter.Review management responses and timelines for corrective actions.Ensure the audit report is included in the Annual Report and recommend adoption to Council.
Risk Management	<ul style="list-style-type: none">Review midyear progress on strategic and operational risk mitigation plans.Deep-dive focus session on one major risk category (e.g., cybersecurity, procurement fraud, asset management).Examine insurance coverage adequacy.
Internal Audit	<ul style="list-style-type: none">Review completed internal audit reports (e.g., procurement compliance, payroll, asset management).Approve and monitor management remediation plans.Review internal audit performance against plan.
Compliance & Governance	<ul style="list-style-type: none">Review Regulation 17 internal control, risk management and legislative compliance framework requirements (every three years minimum; annual monitoring recommended).Review findings from any State Government integrity investigations or Ombudsman reports relevant to the sector.Review procurement compliance, tender register and sole-supplier justification controls.
Improvement & Performance Monitoring	<ul style="list-style-type: none">Review progress on governance and process improvement initiatives.Assess outcomes of recent improvement projects or council-wide service reviews.

Quarter 3 (January – March)

Focus Areas: Midyear financial review, business continuity, internal audit deep dive, procurement health.

Functional Area	Description
Financial Reporting & Audit	<ul style="list-style-type: none">Review outcomes of the Mid-Year Budget Review and financial health indicators.Consider updated financial forecasts and sustainability analysis (ratios, long-term financial plan impacts).Review any emerging financial risks (revenue, grants, capital delivery constraints).
Risk Management	<ul style="list-style-type: none">Review Business Continuity Plan (BCP) testing outcomes and contingency arrangements.Review risk controls relating to fraud and corruption prevention.Ensure cyber risk assessments are current and IT controls are effective.



Shire of Kondinin – Audit, Risk & Improvement Committee - Workplan

Internal Audit	<ul style="list-style-type: none"> Detailed review of high-risk audits conducted this quarter (e.g., Procurement & Contract Management, IT controls). Review status of audit recommendations (internal and external).
Compliance & Governance	<ul style="list-style-type: none"> Review progress towards completion of the Annual Compliance Audit Return (CAR). Review central records management performance (State Records Act obligations). Review policy compliance gaps and recommend policy renewals.
Improvement & Performance Monitoring	<ul style="list-style-type: none"> Review continuous improvement projects, including digitisation, asset management maturity, contract management reform. Identify improvement focus areas for next year's audit program.

Quarter 4 (April – June)

Focus Areas: CAR review, next-year planning, strategic risk refresh, annual reporting alignment

Functional Area	Description
Financial Reporting & Audit	<ul style="list-style-type: none"> Review unaudited end-of-year financial position and major variances. Review financial management controls and end-of-year closing preparations. Review external auditor's interim management letter.
Risk Management	<ul style="list-style-type: none"> Undertake annual comprehensive review of the Risk Management Framework (Reg 17). Review the Operational Risk Register and test effectiveness of treatment plans. Review key risk areas for the upcoming FY and recommend new focus areas.
Internal Audit	<ul style="list-style-type: none"> End-of-year review of internal audit plan delivery and performance. Approve the proposed Internal Audit Plan for the next FY. Conduct closed session with external auditors if applicable.
Compliance & Governance	<ul style="list-style-type: none"> Review and recommend the Compliance Audit Return (CAR) to Council. Review fraud and corruption control plan maturity. Review governance frameworks: delegations, policies, code of conduct, integrated planning and reporting (IPR).
Improvement & Performance Monitoring	<ul style="list-style-type: none"> Review annual summary of improvement initiatives and their impact. Confirm recommendations for inclusion in the CEO's performance KPIs and organisational improvement plans. Review Committee Terms of Reference and recommend updates to Council.

Quarter 1 (July – September)

Focus Areas: Annual risk reset, compliance planning, financial statements preparation



Shire of Kondinin – Audit, Risk & Improvement Committee - Workplan

Functional Area	Description
Financial Reporting & Audit	<ul style="list-style-type: none">• Review draft Annual Financial Statements for the previous FY.• Review management's judgement areas, accounting treatments, and significant movements.• Endorse the statements for sign-off by the CEO and submission to the OAG.• Review progress and findings from interim OAG audit.• Track implementation of prior-year external audit recommendations.
Risk Management	<ul style="list-style-type: none">• Review and endorse the Annual Risk Management Plan for the new FY.• Review the risk appetite statement and recommend amendments to Council if needed.• Review the Strategic Risk Register, including emerging risks (cybersecurity, climate, workforce).• Confirm effectiveness of business continuity planning and disaster recovery arrangements.
Internal Audit	<ul style="list-style-type: none">• Approve the three-year Internal Audit Plan (rolling) and detailed yearly plan.• Review internal audit resource requirements, independence, and performance.• Review internal audit reports completed in Q4 of previous FY.
Compliance & Governance	<ul style="list-style-type: none">• Endorse the Annual Compliance Calendar for statutory obligations (DLGSC, LG Act, WHS, procurement).• Review delegations of authority for completeness.• Review gifts, conflicts of interest, and ethical conduct control mechanisms.
Improvement & Performance Monitoring	<ul style="list-style-type: none">• Review quarterly KPI report for key governance, compliance, and risk functions.• Consider strategic improvement opportunities.

**5.1 Shire of Kondinin – Annual Financial Report 2025
(Audited)**



SHIRE OF KONDININ

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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

The Shire of Kondinin is dedicated to provide the community services and facilities to meet the needs of the community members and enable them to enjoy a pleasant and healthy way of life.

Principal Place of Business:
11 Gordon Street
KONDININ WA 6367

SHIRE OF KONDININ

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 Kondinin has 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

3RD

day of

DECEMBER

2025

CEO

Bruce Wright

Name of CEO

SHIRE OF KONDININ
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a), 26(a)	3,726,232	3,690,386	3,575,612
Grants, subsidies and contributions	2(a)	2,325,194	726,580	3,035,406
Fees and charges	2(a)	1,100,697	1,187,100	1,413,014
Interest revenue	2(a)	302,758	326,611	328,161
Other revenue	2(a)	682,185	256,893	333,646
		8,137,066	6,187,570	8,685,839
Expenses				
Employee costs	2(b)	(2,375,167)	(2,409,525)	(2,211,401)
Materials and contracts		(2,570,569)	(3,167,743)	(2,192,976)
Utility charges		(390,233)	(380,000)	(374,987)
Depreciation	8(a), 9(a)	(10,094,607)	(9,791,833)	(9,699,050)
Finance costs		(198,654)	(201,634)	(106,679)
Insurance		(302,794)	(307,069)	(282,800)
Other expenditure	2(b)	(221,100)	(272,861)	(283,290)
		(16,153,125)	(16,530,665)	(15,151,183)
		(8,016,058)	(10,343,095)	(6,465,344)
Capital grants, subsidies and contributions	2(a)	4,016,191	3,816,845	4,296,128
Profit on asset disposals		70,202	42,613	122,517
Loss on asset disposals		(9,472)	(15,125)	0
Share of result in associate	23	(24,424)	0	23,778
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(2,663)	0	1,261
		4,049,835	3,844,333	4,443,684
Net Result for the period		(3,966,224)	(6,498,762)	(2,021,660)
Other comprehensive income for the period				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(3,966,224)	(6,498,762)	(2,021,660)

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

SHIRE OF KONDININ
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	NOTE	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	8,726,574	10,052,744
Trade and other receivables	5	495,766	309,557
Other financial assets	4(a)	108,410	103,970
Inventories	6	7,148	26,481
Other assets	7	77,954	66,009
TOTAL CURRENT ASSETS		9,415,853	10,558,761
NON-CURRENT ASSETS			
Trade and other receivables	5	0	581
Other financial assets	4(b)	862,768	973,841
Investment in associate	23	41,553	65,977
Property, plant and equipment	8(a)	32,829,643	31,624,887
Infrastructure	9(a)	226,935,082	230,311,609
TOTAL NON-CURRENT ASSETS		260,669,046	262,976,895
TOTAL ASSETS		270,084,898	273,535,656
CURRENT LIABILITIES			
Trade and other payables	12	1,658,151	755,736
Capital grant/contributions liabilities	13	0	120,356
Borrowings	14	271,390	260,029
Employee related provisions	15	485,162	501,221
TOTAL CURRENT LIABILITIES		2,414,703	1,637,342
NON-CURRENT LIABILITIES			
Borrowings	14	3,418,983	3,690,373
Employee related provisions	15	87,111	77,616
TOTAL NON-CURRENT LIABILITIES		3,506,094	3,767,989
TOTAL LIABILITIES		5,920,797	5,405,331
NET ASSETS		264,164,101	268,130,325
EQUITY			
Retained surplus		26,018,619	30,808,538
Reserves accounts	29	4,479,351	3,655,656
Revaluation surplus	16	233,666,131	233,666,131
TOTAL EQUITY		264,164,101	268,130,325

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

SHIRE OF KONDININ
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		33,084,815	3,401,039	233,666,131	270,151,985
Comprehensive income for the period					
Net Result for the period		(2,021,660)	0	0	(2,021,660)
Total comprehensive income for the period		(2,021,660)	0	0	(2,021,660)
Transfer from reserve accounts	29	320,000	(320,000)	0	0
Transfer to reserve accounts	29	(574,617)	574,617	0	0
Balance as at 30 June 2024		30,808,538	3,655,656	233,666,131	268,130,325
Comprehensive income for the period					
Net Result for the period		(3,966,224)	0	0	(3,966,224)
Total comprehensive income for the period		(3,966,224)	0	0	(3,966,224)
Transfer from reserve accounts	29	75,000	(75,000)	0	0
Transfer to reserve accounts	29	(898,695)	898,695	0	0
Balance as at 30 June 2025		26,018,619	4,479,351	233,666,131	264,164,101

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

SHIRE OF KONDININ
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,688,927	3,618,020
Grants, subsidies and contributions		2,325,194	2,531,094
Fees and charges		1,067,955	1,449,227
Interest revenue		302,758	328,161
Goods and services tax received		590,653	502,631
Other revenue		336,220	333,647
		8,311,707	8,762,780
Payments			
Employee costs		(2,363,134)	(2,242,337)
Materials and contracts		(1,897,512)	(2,149,944)
Utility charges		(390,233)	(374,987)
Finance costs		(198,654)	(106,679)
Insurance paid		(302,794)	(282,800)
Goods and services tax paid		(719,204)	(455,157)
Other expenditure		(218,986)	(281,271)
		(6,090,515)	(5,893,175)
Net cash provided by operating activities		2,221,191	2,869,605
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(2,720,543)	(1,300,562)
Payments for construction of infrastructure	9(a)	(5,191,769)	(5,970,754)
Proceeds from capital grants, subsidies and contributions		4,124,838	4,296,128
Proceeds from financial assets at amortised cost - self supporting loans	28(a)	103,971	41,577
Proceeds from sale of property, plant & equipment		396,171	346,939
Net cash (used in) investment activities		(3,287,332)	(2,586,672)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	28(a)	(260,029)	(165,909)
Payments to community group - self supporting loans		0	(900,000)
Proceeds from new borrowings	28(a)	0	1,800,000
Net cash from/(used in) financing activities		(260,029)	734,091
Net increase/(decrease) in cash held		(1,326,170)	1,017,024
Cash at beginning of year		10,052,744	9,035,720
Cash and cash equivalents at the end of the year	3	8,726,574	10,052,744

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

SHIRE OF KONDININ
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	26(a)	3,668,865	3,635,386	3,521,338
Rates excluding general rates	26(a)	57,367	55,000	54,275
Grants, subsidies and contributions	2(a)	2,325,194	726,580	3,035,406
Fees and charges	2(a)	1,100,697	1,187,100	1,413,014
Interest revenue	2(a)	302,758	326,611	328,161
Other revenue		682,185	256,893	333,646
Profit on asset disposals		70,202	42,614	122,517
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(2,663)	0	1,261
Share of net profit of associates accounted for using the equity method	23(c)	(24,424)	0	23,778
		8,180,181	6,230,184	8,833,396
Expenditure from operating activities				
Employee costs		(2,375,167)	(2,409,525)	(2,211,401)
Materials and contracts		(2,570,569)	(3,167,743)	(2,192,976)
Utility charges		(390,233)	(380,000)	(374,987)
Depreciation		(10,094,607)	(9,791,833)	(9,699,050)
Finance costs		(198,654)	(201,634)	(106,679)
Insurance		(302,794)	(307,069)	(282,800)
Other expenditure		(221,100)	(272,861)	(283,290)
Movement in non-current asset		(18,500)	0	0
Loss on asset disposals		(9,472)	(15,125)	0
		(16,181,096)	(16,545,790)	(15,151,183)
Non-cash amounts excluded from operating activities	27(a)	9,743,575	9,764,344	9,532,585
Amount attributable to operating activities		1,742,660	(551,262)	3,214,798
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,016,191	3,816,845	4,296,128
Proceeds from disposal of assets		396,171	373,000	346,940
Proceeds from financial assets at amortised cost - self supporting loans	28(a)	103,971	103,970	41,577
		4,516,333	4,293,815	4,684,645
Outflows from investing activities				
Acquisition of property, plant and equipment		(2,720,543)	(4,516,133)	(1,300,562)
Acquisition of infrastructure	9(a)	(5,191,769)	(4,229,079)	(5,970,754)
		(7,912,312)	(8,745,212)	(7,271,316)
Amount attributable to investing activities		(3,395,979)	(4,451,397)	(2,586,671)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings		0	0	1,800,000
Transfers from reserve accounts	29	75,000	735,000	320,000
		75,000	735,000	2,120,000
Outflows from financing activities				
Repayment of borrowings	28(a)	(260,029)	(260,030)	(165,909)
Payment to Community Group - Self supporting loan		0	0	(900,000)
Transfers to reserve accounts	29	(898,695)	(894,135)	(574,617)
		(1,158,724)	(1,154,164)	(1,640,526)
Amount attributable to financing activities		(1,083,724)	(419,164)	479,474
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	27(b)	5,421,822	5,421,822	4,314,221
Amount attributable to operating activities		1,742,660	(551,262)	3,214,798
Amount attributable to investing activities		(3,395,979)	(4,451,397)	(2,586,671)
Amount attributable to financing activities		(1,083,724)	(419,164)	479,474
Surplus/(deficit) after imposition of general rates	27(b)	2,684,779	(0)	5,421,822

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

SHIRE OF KONDININ
FOR THE YEAR ENDED 30 JUNE 2025
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SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial report of the Shire of Kondinin which is a Class 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* provide that

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local governments 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 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 25

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. There is no trust monies in 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.

- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as current or Non-current
- 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
- AASB 2023-3 Amendments to Australian Accounting Standards
 - Disclosure off Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements

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 amendments may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

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 2024-4b Amendments to Australian Accounting Standards -
 - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards
 - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
 - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 Amendments to Australian Accounting Standards
 - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards
 - Annual Improvements Volume 11

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

Shire of Kondinin
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant 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 of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Fuel, sand and gravel	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 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.

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

For the year ended 30 June 2025

Nature	Contract with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,726,232	0	3,726,232
Grants, subsidies and contributions	17,560	0	0	2,307,634	2,325,194
Fees and charges	866,205	0	234,492	0	1,100,697
Interest revenue	0	0	29,967	272,791	302,758
Other revenue	334,092	0	0	348,093	682,185
Capital grants, subsidies and contributions	0	4,016,191	0	0	4,016,191
Total	1,217,857	4,016,191	3,990,691	2,928,518	12,153,257

For the year ended 30 June 2024

Nature	Contract with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,575,612	0	3,575,612
Grants, subsidies and contributions	67,552	0	0	2,967,854	3,035,406
Fees and charges	1,191,679	0	221,335	0	1,413,014
Interest revenue	0	0	37,440	290,721	328,161
Other revenue	322,984	0	0	10,662	333,646
Capital grants, subsidies and contributions	0	4,296,128	0	0	4,296,128
Total	1,582,215	4,296,128	3,834,388	3,269,237	12,981,968

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Interest revenue

	Note	2025 Actual \$	2024 Actual \$
Interest on reserve account funds		189,172	194,374
Trade and other receivables overdue interest	26(b)	29,967	37,441
Other interest earnings		83,619	96,347
		302,758	328,161

Fees and charges relating to rates receivable

Charges on instalment plan	26(b)	1,710	1,500
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The 2025 original budget estimate in relation to:
Charges on instalment plan was \$1,000.

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report		53,375	50,000
Other services - grant acquittals		6,000	6,000
		59,375	56,000

Employee Costs

Employee benefit costs		2,065,464	1,934,804
Other employee costs		309,703	276,597
		2,375,167	2,211,401

Other expenditure

Impairment losses on rates and statutory receivables		12,039	116,033
Impairment losses on receivables from contracts with customers		4,510	0
Sundry expenses		204,551	167,257
		221,100	283,290

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Note	2025	2024
	\$	\$
	3,949,398	4,682,610
	4,777,176	5,370,134
	8,726,574	10,052,744
	4,247,223	5,376,733
17	4,479,351	4,676,011
	8,726,574	10,052,744

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.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost

Self supporting loans receivable

Held as

- Unrestricted other financial assets at amortised cost

(b) Non-current assets

Other financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value decrement

Units in Local Government House Trust - closing balance

2025	2024
\$	\$
108,410	103,970
108,410	103,970
108,410	103,970
108,410	103,970
803,053	911,463
59,715	62,378
862,768	973,841
803,053	911,463
803,053	911,463
62,378	61,117
(2,663)	1,261
59,715	62,378

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 28(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

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 amortised 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 hierarchy (see Note 25(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 elected to recognise as fair value gains and losses through profit or loss.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

Current

	2025 \$	2024 \$
Rates and statutory receivables	193,064	350,612
Trade receivables	123,620	90,593
GST receivable	207,492	78,941
Allowance for credit losses of rates and statutory receivables	(23,900)	(206,364)
Allowance for credit losses of trade receivables	(4,510)	(4,224)
	495,766	309,557

Non-current

Rates and statutory receivables	0	581
	0	581

Disclosure of opening and closing balances related to contract with customers

Information about receivables from contract with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
Trade and other receivables from contracts with customers	123,620	90,593	89,278
Contract assets	7 63,868	0	0
Allowances for credit losses of trade receivables	5 (4,510)	(4,224)	(4,224)
Total trade and other receivables from contracts with customers	182,978	86,369	85,054

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 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 or for the construction of recognisable non financial assets 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.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

6. INVENTORIES

Current

Fuel and materials

	2025	2024
	\$	\$
	7,148	26,481
	7,148	26,481
	26,481	12,264
	(424,411)	(453,421)
	405,078	467,638
	7,148	26,481

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

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.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets

2025	2024
\$	\$
2,593	55,592
11,493	10,417
63,868	0
77,954	66,009

MATERIAL ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Contract assets

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. 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:

	Assets not subject to operating lease			Total Property			Plant and Equipment		Total property, plant and equipment \$	
	Note	Buildings		Land \$	Buildings \$	Work in progress \$	Total property \$	Furniture and equipment \$		Plant and equipment \$
		Land \$	Buildings \$							
Balance at 1 July 2023		1,152,000	27,591,001	1,152,000	27,591,001	0	28,743,001	224,365	3,034,345	32,001,710
Additions		25,108	201,228	25,108	201,228	5,295	231,631	14,820	1,054,111	1,300,562
Disposals		0	0	0	0	0	0	0	(224,422)	(224,422)
Depreciation		0	(861,523)	0	(861,523)	0	(861,523)	(33,896)	(557,545)	(1,452,964)
Balance at 30 June 2024		1,177,108	26,930,706	1,177,108	26,930,706	5,295	28,113,110	205,288	3,306,489	31,624,887
Comprises:										
Gross balance amount at 30 June 2024		1,177,108	27,811,949	1,177,108	27,811,949	5,295	28,994,352	351,136	5,018,735	34,364,224
Accumulated depreciation at 30 June 2024		0	(881,242)	0	(881,242)	0	(881,242)	(145,848)	(1,712,246)	(2,739,337)
Balance at 30 June 2024		1,177,108	26,930,707	1,177,108	26,930,707	5,295	28,113,110	205,288	3,306,489	31,624,887
Additions*		64,000	1,189,463	64,000	1,189,463	697,920	1,951,383	38,515	1,076,610	3,066,508
Disposals		0	0	0	0	0	0	0	(335,441)	(335,441)
Depreciation		0	(866,093)	0	(866,093)	0	(866,093)	(27,811)	(632,407)	(1,526,311)
Balance at 30 June 2025		1,241,108	27,254,077	1,241,108	27,254,077	703,215	29,198,400	215,992	3,415,251	32,829,643
Comprises:										
Gross balance amount at 30 June 2025		1,241,108	29,001,412	1,241,108	29,001,412	703,215	30,945,735	389,651	5,523,651	36,859,038
Accumulated depreciation at 30 June 2025		0	(1,747,335)	0	(1,747,335)	0	(1,747,335)	(173,659)	(2,108,400)	(4,029,394)
Balance at 30 June 2025		1,241,108	27,254,077	1,241,108	27,254,077	703,215	29,198,400	215,992	3,415,251	32,829,643

*During the year land (\$ 64,000) and buildings (\$ 281,985) were repossessed and transferred to the Shire for non-payment of outstanding rates mandated by the Local Government Act 1995 and passed by council resolution.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset Class	Note	Carrying amount 2025	Carrying amount 2024	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date								
Land and buildings								
Land - market value		1,241,108	1,177,108	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2023	Price per square metre
Total land	8(a)	1,241,108	1,177,108					
Buildings - non-specialised		8,507,920	6,973,314	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2023	Price per square metre
Buildings - specialised		18,746,157	19,957,393	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Total buildings	8(a)	27,254,077	26,930,707					

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.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. 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.

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	219,489,919	1,070,513	3,348,209	807,800	7,870,500	232,586,941
Additions	5,336,851	51,587	127,246	281,461	173,609	5,970,754
Depreciation (expense)	(7,733,446)	(55,667)	(96,612)	(30,193)	(330,168)	(8,246,086)
Balance at 30 June 2024	217,093,324	1,066,433	3,378,843	1,059,068	7,713,941	230,311,609
Comprises:						
Gross balance at 30 June 2024	224,826,770	1,122,099	3,475,455	1,089,261	8,044,109	238,557,694
Accumulated depreciation at 30 June 2024	(7,733,446)	(55,666)	(96,612)	(30,193)	(330,168)	(8,246,085)
Balance at 30 June 2024	217,093,324	1,066,433	3,378,843	1,059,068	7,713,941	230,311,609
Additions	4,574,026	16,096	0	49,221	552,426	5,191,769
Depreciation	(8,034,050)	(57,421)	(99,769)	(39,694)	(337,362)	(8,568,297)
Balance at 30 June 2025	213,633,300	1,025,108	3,279,074	1,068,595	7,929,005	226,935,082
Comprises:						
Gross balance at 30 June 2025	229,400,796	1,138,195	3,475,455	1,138,482	8,596,535	243,749,463
Accumulated depreciation at 30 June 2025	(15,767,496)	(113,087)	(196,381)	(69,887)	(667,530)	(16,814,381)
Balance at 30 June 2025	213,633,300	1,025,108	3,279,074	1,068,595	7,929,005	226,935,082

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. 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	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks and ovals	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

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 to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	20 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement seal	35 to 55 years
seal	
- bituminous seal	15 to 25 years
- asphalt surfaces	30 to 45 years
Gravel roads	
formation	not depreciated
pavement	8 to 10 years
Footpaths - slab	20 to 50 years
Sewerage - piping	40 to 80 years
Water supply piping and drainage systems	60 to 80 years
Parks and ovals	10 to 40 years
Other infrastructure	8 to 50 years

Revision of useful lives of property, plant and equipment and infrastructure assets

The assets residual value and useful life of assets were reviewed and no change in the depreciation rate are required.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. 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 (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 being their reportable value.

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 for the purposes 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 at 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 these non-financial assets are impaired, the asset's carrying amount is written down immediately to its 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.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES

(a) Right-of-Use Assets - NIL

(b) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2025 Actual	2024 Actual
	\$	\$
	147,608	83,380
	147,675	83,380
	147,675	83,380
	147,675	83,380
	147,675	83,380
	738,375	416,900
	1,476,683	833,800
	93,232	83,997

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income

The Shire leases houses to staff, Department of Education (for School Principal) and WACHS (for Hospital staff) with rentals payable fortnightly. These leases are classified as operating lease as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The Shire houses are not considered investment property as they are leased for use in the supply of services to the community.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group typically enters into new operating leases and therefore will not immediately realise any reduction in the residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

MATERIAL ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

SHIRE OF KONDININ
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FOR THE YEAR ENDED 30 JUNE 2025

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued expenses

2025	2024
\$	\$
1,144,334	451,360
36,163	48,553
30,206	33,784
95,046	72,870
24,926	23,390
327,476	125,779
1,658,151	755,736

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.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG, GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

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.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

13. OTHER LIABILITIES

	2025 \$	2024 \$
Current		
Capital grant/contributions liabilities	0	120,356
	0	120,356
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	120,356	624,668
Additions	1,610,000	2,540,718
Revenue from contracts with customers included as a contract liability at the start of the period	(1,730,356)	(3,045,030)
	0	120,356
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	0	120,356
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	0	120,356

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent 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 obligation 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.

SHIRE OF KONDININ
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FOR THE YEAR ENDED 30 JUNE 2025

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		271,390	3,418,983	3,690,373	260,029	3,690,373	3,950,402
Total secured borrowings	28(a)	271,390	3,418,983	3,690,373	260,029	3,690,373	3,950,402

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Kondinin.

The Shire of Kondinin has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowings costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Details of individual borrowings required by regulations are provided at Note 28(a).

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave
Long service leave

Employee related other provisions

Employment on-costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employee related other provisions

Employment on-costs

Total non-current employee related provisions

Total employee related provisions

	2025 Actual	2024 Actual
	\$	\$
	213,370	264,079
	208,510	173,669
	421,880	437,747
	63,282	63,473
	63,282	63,473
	485,162	501,221
	75,749	67,787
	75,749	67,787
	11,362	9,829
	11,362	9,829
	87,111	77,616
	572,273	578,836

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on cost 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.

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.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. REVALUATION SURPLUS

	2025 Opening Balance	Total Movement on Revaluation	2025 Closing Balance	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus -Land - freehold land	144,159	0	144,159	144,159	0	144,159
Revaluation surplus -Buildings.	54,533,009	0	54,533,009	54,533,009	0	54,533,009
Revaluation surplus -Furniture and equipment	40,444	0	40,444	40,444	0	40,444
Revaluation surplus -Plant and equipment	1,897,724	0	1,897,724	1,897,724	0	1,897,724
Revaluation surplus -Infrastructure - roads	169,595,014	0	169,595,014	169,595,014	0	169,595,014
Revaluation surplus -Infrastructure - drainage	2,005,554	0	2,005,554	2,005,554	0	2,005,554
Revaluation surplus -Infrastructure - Parks and ovals	190,044	0	190,044	190,044	0	190,044
Revaluation surplus -Infrastructure - other	5,260,186	0	5,260,186	5,260,186	0	5,260,186
	233,666,131	0	233,666,131	233,666,131	0	233,666,131

SHIRE OF KONDININ
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17. RESTRICTIONS OVER FINANCIAL ASSETS

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

Note	2025 Actual \$	2024 Actual \$
3	4,479,351	4,676,011
29	4,479,351	3,655,655
13	0	120,356
28(c)	0	900,000
	4,479,351	4,676,011

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

Restricted reserve accounts

Capital grant liabilities

Unspent loans

Total restricted financial assets

18. Undrawn Borrowing Facilities

Credit Standby arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

250,000	250,000
0	0
25,000	20,000
(1,747)	(2,330)
273,253	267,670
271,390	260,029
3,418,983	3,690,373
3,690,373	3,950,402
NIL	900,000

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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19. CONTINGENT LIABILITIES

- (a) The Shire of Kondinin has no contingent liability as at 30 June 2025.

The liability has been recorded as part of the net assets of the RoeROC investment in associates in note 23.

- (b) Septic Pond - Wave Rock

As cited in the EHO Report on 23rd April 2024, the Liquid Effluent Pond off Wave Rock Road in Hyden became non-compliant.

Whereas the Shire of Kondinin is afforded the management of Reserve 28833 via a Management Order to use the Reserve for the purpose of Wildlife Park and Recreation and with the power to licence or lease the reserve for a period of 40 years from the date of the lease, the lease area does not include the septic pond when it was leased to the third parties.

Until Council determine that the Shire of Kondinin is partly responsible for the remediation costs of the pond, the Shire is unable to recognise a contingent liability.

20. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2025	2024
\$	\$
2,031,036	0
0	0
2,031,036	0

The current year capital expenditure commitments represent the signed contract with the following:

1. Stallion Homes for the construction of a Single dwelling at No. 39 (Lot 252) Replacholi Parade, Kondinin, and
2. A Corp for upgrade of the Kondinin Sports Pavilion.

SHIRE OF KONDININ
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21. RELATED PARTY TRANSACTIONS

(a) Elected Members Remuneration

	Note	2025 Actual	2025 Budget	2024 Actual
Fees, expenses and allowances to be paid or reimbursed to elected council members.		\$	\$	\$
President's annual allowance		12,000	12,000	12,000
Presidents's meeting attendance fees		4,280	5,340	6,020
President's annual allowance for ICT expenses		650	600	543
President's travel and accommodation expenses		676	3,000	2,767
		17,606	20,940	21,330
Deputy President's annual allowance		0	0	0
Deputy Presidents's meeting attendance fees		3,850	4,080	3,280
Deputy President's annual allowance for ICT expenses		650	600	543
Deputy President's travel and accommodation expenses		629	1,000	392
		5,129	5,680	4,215
All other members's meeting attendance fees		19,600	24,320	25,500
All other member's annual allowance for ICT expenses		3,902	3,200	3,256
All other member's travel and accommodation expenses		5,506	7,300	8,853
		29,007	34,820	37,609
	21(b)	51,742	61,440	63,154

(b) Key Management Personnel (KMP) Compensation

		2025 Actual	2024 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:		\$	\$
Short-term employee benefits		649,350	610,364
Post-employment benefits		90,795	83,742
Other long-term benefits		166,297	188,904
Council member costs	21(a)	51,742	63,154
		958,184	946,164

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

These amounts represent payment of members fees, expenses, allowances and reimbursements during the year.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS (continued)

(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.

In addition to KMP compensation above the following transactions occurred with related parties:

Purchase of goods
Purchase of services
Materials and contracts to Roe EHS

2025 Actual	2024 Actual
\$	\$
8,959	9,031
0	25,156
57,047	45,848

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 elected member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contracting services on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process. The contract involved earth moving for roadworks in the Shire, and amounted to \$25,156.

The previous and current years' purchase of goods were provided by a company controlled by a related party, a council member.

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.

iv. Associated entity accounted for under the equity method

The Shire is involved in associated arrangements with ROE Regional Organisation of Council (ROC)
See details of transactions in note 23.

v. Joint arrangement

The Shire is involved in joint arrangement with ROE Environment health Scheme (ROE EHS) - see details in Note 22.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Kondinin together with the Shires of Corrigin, Kulin, Narembeen and Lake Grace formed the Roe Environmental Health Scheme (Roe EHS). The Roe EHS was formed to manage the provision of environmental health service.

The Shire has 25.08% interest in Roe Environmental Health Services (Roe EHS).

The Shire's interest in the revenue and expenses have been included in the respective line items of the financial statements.

Statement of Comprehensive Income

	2025 Actual	2024 Actual
	\$	\$
Materials and contracts	(57,047)	(45,848)
Loss for the period	(57,047)	(45,848)

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Asset, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

23. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2025	2024
	2025	2024	Actual	Actual
Roe Regional Organisation of Council (RoeROC)	25.00%	25.00%	\$ 41,553	\$ 65,977
Total equity-accounted investments			41,553	65,977

(b) Share of investment in associates

The RoeROC was formed to manage the provision of a waste facility and to provide environmental health services across the four member Shires. The Shire of Kondinin has a 25% interest in the net assets of the RoeROC.

The Shire of Kondinin's share of RoeROC's net assets as at 30 June 2025 are based on the records for the RoeROC kept by the Shire of Corrigin, as follows:

Summarised statement of comprehensive income

Note	2025	2024
	Actual	Actual
	\$	\$
Revenue	22,069	32,000
Expenditure	(48,084)	(55,744)
Depreciation	(4,124)	(28,770)
Loss from continuing operations	(30,139)	(52,514)
Loss on disposal of non-current assets	(10,800)	0
Finance costs	(82,772)	0
Other comprehensive income	0	161,200
Total comprehensive income for the period	(123,711)	108,686

Summarised statement of financial position

Non-current assets	1,084,398	1,099,322
Total assets	1,084,398	1,099,322
Other current liabilities	241,122	247,252
Total current liabilities	241,122	247,252
Other non-current liabilities	677,062	588,161
Total non-current liabilities	677,062	588,161
Total liabilities	918,184	835,413

Net assets

Reconciliation to carrying amounts

Opening net assets 1 July	263,909	168,796
Change in members contributions	26,016	(13,533)
Profit/(Loss) for the period	(123,711)	(52,514)
Other comprehensive income	0	161,160
Closing net assets 1 July	166,214	263,909

Carrying amount at 1 July

	65,977	42,199
-Share of associates net profit/(loss) for the period	23(c) (30,928)	(13,128)
-Share of associates other comprehensive income	23(c) 0	40,300
Gross distribution of equity by associates	23(c) 6,504	(3,394)
Carrying amount at 30 June (Refer to Note 23(a))	41,553	65,977

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

(c) Share of associates net profit/(loss) for the period

Share of investment in RoeRoc (refer Note 23(b))

2025	2024
Actual	Actual
\$	\$
(24,424)	23,778
(24,424)	23,778

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

24. EVENTS OCCURRING AFTER THE END OF REPORTING PERIOD

There were no events occurring after the end of the reporting period.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

25. 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 Shire 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 Shire 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 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.

26. RATING INFORMATION

(a) General Rates

General Rates							
RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2024/25 Actual Rateable Value*	2024/25 Actual Revenue Rate	2024/25 Actual Interim Rates	2024/25 Budget Total Revenue
GRV - Residential	Gross rental valuation	0.130522	310	2,670,127	348,510	(2,475)	\$ 346,035
GRV - Mining	Gross rental valuation	0.262824	4	760,494	199,876	0	\$ 199,876
UV - Mining	Unimproved valuation	0.263342	123	3,942,119	1,038,125	(58,345)	\$ 979,780
UV - Rural	Unimproved valuation	0.009342	366	232,886,910	2,175,630	(517)	\$ 2,175,113
Total general rates		Minimum Payment	803	240,259,650	3,762,141	(61,337)	\$ 3,700,805
Minimum payment		\$					
GRV - Residential	Gross rental valuation	475	58	60,373	27,550	0	\$ 27,550
UV - Mining	Unimproved valuation	475	43	40,875	20,425	0	\$ 20,425
UV - Rural	Unimproved valuation	475	29	588,030	13,775	0	\$ 13,775
Total minimum payments			130	689,278	61,750	0	\$ 61,750
Total general rates and minimum payments			933	240,948,928	3,823,891	(61,337)	\$ 3,762,555
Ex-gratia Rates		Rate in \$					
Rural	Unimproved valuation	0.086835	2	660,650	57,367	0	\$ 57,367
Total amount raised from rates (excluding general rates)			2	660,650	57,367	0	\$ 57,367
Discounts							
Total rates							\$ (93,689) 3,726,232
Rates related information							
Rate instalment interest							2,885
Rates instalment plan charges							1,710
Rates overdue interest							27,082
Rates written off							194,503
							0

*Rateable Value at time of raising of rate.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

27. DETERMINATION OF SURPLUS OR DEFICIT

(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 *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
Add: Fair value adjustments to financial assets at fair value through profit or loss
Add: Fair value adjustments to investment in associate
Add: Loss on disposal of assets
Add: Depreciation
Non-cash movements in non-current assets and liabilities:
Repossession of land and buildings
Pensioner deferred rates
Employee benefit provisions
Other disposals

Non cash amounts excluded from operating activities

(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserve accounts
Less: Financial assets at amortised cost - self supporting loans
Add: Current liabilities not expected to be cleared at the end of the year
- Current portion of borrowings
- Employee benefit provisions

Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Total current assets
Less: Total current liabilities
Less: Total adjustments to net current assets

Surplus or deficit after imposition of general rates

Note	2024/25 (30 June 2025 Carried Forward) \$	2024/25 Budget (30 June 2025 Carried Forward) \$	2023/24 (30 June 2024 Carried Forward) \$
	(70,202)	(42,614)	(122,517)
4(b)	2,663	0	(1,261)
23(c)	24,424	0	(23,778)
	9,472	15,125	0
	10,094,607	9,791,833	9,699,050
8(a)	(345,965)	0	0
5	581	0	206
	9,495	0	(19,115)
	18,500	0	0
	9,743,575	9,764,344	9,532,585
29	(4,479,351)	(3,814,791)	(3,655,656)
4(a)	(108,410)	(103,970)	(103,970)
	271,390	271,390	260,029
	0	133,021	0
	(4,316,371)	(3,514,350)	(3,499,597)
	9,415,853	5,551,933	10,558,761
	(2,414,703)	(2,037,583)	(1,637,342)
	(4,316,371)	(3,514,350)	(3,499,597)
	2,684,779	0	5,421,822

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. BORROWINGS AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2023	New Loans During 2023-24	Principal at 30 June 2024	Principal Repayments During 2023-24	Principal at 30 June 2025	New Loans During 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$
WACHS Housing		0	900,000	900,000	0	873,567	0	(26,433)	873,567
Hyden Sewerage		438,099	0	407,821	(30,278)	375,923	0	(31,898)	375,923
Townsite Drainage		1,417,842	0	1,348,351	(69,291)	1,276,487	0	(71,864)	1,276,486
Kondinin Swimming Pool		303,561	0	278,797	(24,763)	252,934	0	(25,864)	252,933
Total		2,159,302	900,000	2,934,969	(124,332)	2,778,911	0	(156,060)	2,778,909
Self Supporting Loans									
Kondinin Community Rec Com'tee		10,774	0	0	(10,774)	0	0	0	0
Kondinin Community Rec Com'tee		0	900,000	900,000	0	827,776	0	(72,224)	827,776
Hyden Progress Association		146,236	0	115,433	(30,803)	83,686	0	(31,746)	83,686
Total Self Supporting Loans		157,010	900,000	1,015,433	(41,577)	911,462	0	(103,970)	911,462
Total Borrowings		2,316,312	1,800,000	3,950,402	(165,909)	3,690,373	0	(260,030)	3,690,371

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					\$	\$	\$
WACHS Housing	143	WATC*	5.21%	28/06/2044	(52,531)	(52,439)	(437)
Hyden Sewerage	139	WATC*	5.28%	22/03/2034	(23,381)	(24,977)	(25,219)
Townsite Drainage	142	WATC*	3.68%	11/10/2038	(57,563)	(59,419)	(60,678)
Kondinin Swimming Pool	136	WATC*	4.40%	14/01/2033	(13,317)	(13,278)	(14,672)
Total					(146,792)	(150,113)	(101,006)
Self Supporting Loans Finance Cost Payments							
Kondinin Community Rec Com'tee	131A	WATC*	4.20%	25/05/2024	0	0	(403)
Kondinin Community Rec Com'tee	141	WATC*	4.74%	28/06/2034	(47,996)	(47,745)	(236)
Hyden Progress Association	134A	WATC*	3.04%	14/11/2027	(3,867)	(3,777)	(5,035)
Total Self Supporting Loans Finance Cost Payments					(51,863)	(51,522)	(5,673)
Total Finance Cost Payments					(198,655)	(201,635)	(106,679)

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. BORROWINGS AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2024/25 - NIL

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 24	Borrowed During Year	Expended During Year	Unspent Balance 30 June 25
WACHS Housing	WATC*	28/06/2024	\$ 900,000	\$ 0	\$ (900,000)	\$ 0
			\$ 900,000	\$ 0	\$ (900,000)	\$ 0

* WA Treasury Corporation

(d) Lease Liabilities - NIL

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

29. RESERVE ACCOUNTS

Restricted by council

	2025 Opening Balance	2025 Actual to	2025 Actual Transfer (from)	2025 Actual Closing Balance	2025 Budget Opening Balance	2025 Budget Transfer to	2025 Budget Transfer (from)	2025 Budget Closing Balance	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance
(a) Plant Reserve	575,443	232,822	0	808,265	575,443	229,060	0	804,503	783,063	42,380	(250,000)	575,443
(b) Housing Reserve	530,445	228,627	0	759,072	530,445	226,787	(500,000)	257,232	503,000	27,445	0	530,445
(c) Employee Leave Reserve	452,096	62,063	0	514,159	452,096	62,831	0	514,927	429,760	22,336	0	452,096
(d) Tourism Development Reserve	155,383	27,252	0	182,635	155,383	27,370	(50,000)	132,753	157,255	48,128	(50,000)	155,383
(e) Water Infrastructure Reserve	55,766	2,545	0	58,311	55,766	2,816	0	58,582	53,094	2,672	0	55,766
(f) Community Bus Reserve	55,536	2,765	0	58,301	55,536	2,805	0	58,341	52,458	3,078	0	55,536
(g) Radio Reserve	27,247	1,356	0	28,603	27,247	1,376	0	28,624	25,737	1,510	0	27,247
(h) Landfill Reserve	135,059	6,163	0	141,222	135,059	6,821	0	141,880	37,438	97,621	0	135,059
(i) SJA Capital Upgrade Reserve	107,895	56,212	0	164,107	107,895	55,449	0	163,344	53,278	54,617	0	107,895
(j) Medical Services Reserve	64,735	3,228	0	67,963	64,735	3,269	0	68,004	80,637	4,098	(20,000)	64,735
(k) Hyden Recreation Centre Reserve	418,050	19,186	0	437,236	418,050	21,112	(110,000)	329,162	397,451	20,599	0	418,050
(l) Roads Reserve	326,729	15,435	(75,000)	267,164	326,729	16,500	(75,000)	268,229	311,051	15,678	0	326,729
(m) Hyden Discovery Centre Reserve	697,222	238,574	0	935,796	697,222	235,210	0	932,432	485,353	231,869	0	697,222
(n) Office Equipment Reserve	54,050	2,466	0	56,516	54,050	2,729	0	56,780	51,463	2,587	0	54,050
	3,655,656	898,695	(75,000)	4,479,351	3,655,656	894,135	(735,000)	3,814,791	3,401,039	574,617	(320,000)	3,655,656

All reserves are supported by cash and cash equivalents 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 account	Purpose of the reserve account
Restricted by council	
(a) Plant Reserve	Future expenditure for replacement of plant.
(b) Housing Reserve	To be used for the construction of new housing.
(c) Employee Leave Reserve	To be used to pay annual and long service leave liabilities.
(d) Tourism Development Reserve	To be used to ensure that the Wave Rock area is kept at a good standard.
(e) Water Infrastructure Reserve	For the purchase of water pumps and installation of standpipe controllers and storage tanks.
(f) Community Bus Reserve	To be used for the replacement of the community bus.
(g) Radio Reserve	To account for service charges raised.
(h) Landfill Reserve	Expenditure for future waste management the rehabilitation, redevelopment of Bendering refuse site.
(i) SJA Capital Upgrade Reserve	Contribution for sub-centre capital upgrades in Kondinin and Hyden
(j) Medical Services Reserve	To be used for the operational costs of Kondinin Medical Centre.
(k) Hyden Recreation Centre Reserve	To be used for the construction of recreation facilities at Hyden.
(l) Roads Reserve	To fund the Shire roadworks to supplement road grants received.
(m) Hyden Discovery Centre Reserve	To fund for the construction of discovery centre building located in Hyden.
(n) Office Equipment Reserve	To fund for the replacement of old office computers.

5.2 Office of the Auditor General – Independent Auditors Report – 2025



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Kondinin

To the Council of the Shire of Kondinin

Opinion

I have audited the financial report of the Shire of Kondinin (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 Kondinin 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.

Liang Wong
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2025

5.3 Moore – Contractor Auditor – Audit Concluding Report



AUDIT CONCLUDING REPORT

Shire of Kondinin

For the year ended
30 June 2025



27 November 2025

Shire of Kondinin
11 Gordon Street
Kondinin WA 6367

Moore Australia Audit

Level 15, Exchange Tower,
2 The Esplanade, Perth WA 6000
PO Box 5785, St Georges Terrace, WA 6831

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Dear Members of the Council, the Audit and Risk Committee and Management

AUDIT CONCLUDING REPORT – YEAR ENDED 30 JUNE 2025

We enclose our Audit Concluding Report in respect of the year ended 30 June 2025 which sets out the followings:

- Executive Summary
- Conclusions on Key Focus Areas
- Audit Adjustments
- Design and Implementation of Internal Controls (including IT General Controls)
- Other Key Matters

This report is intended solely for the use of the Members of the Council, Audit and Risk Committee and Management for the purpose of communicating matters of interest with regard to the audit (i.e. promote effective communication between the auditor and those charged with governance) and may not be used for any other purpose or disclosed to anyone else without our prior written consent.

We look forward to discussing this report with you.

Yours faithfully



Wen-Shien Chai
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)

Moore Australia Audit (WA) – ABN 16 874 357 907.

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Executive Summary

The key purpose of this report is to communicate the results of the audit with those charged with governance. We have performed an audit of the financial report of the Shire of Kondinin (the Shire) for the year ended 30 June 2025 in accordance with Australian Auditing Standards ('AAS') . We provide you with the following information in relation to the audit.

SCOPE

The purpose of our audit is to express an opinion as to whether the Shire's annual financial report:

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

OTHER REPORTING

We will also report to the Shire any material weaknesses in the systems of internal control and accounting, and provide recommendations on other significant matters which came to our attention during our audit.

AUDITOR RESPONSIBILITIES

The Office of the Auditor General (OAG) for Western Australia is responsible for the audit of the Shire, including determining the scope and extent of the audit and for the audit opinion expressed.

Moore Australia was engaged by the OAG to perform the audit of the Shire's annual financial report for the year ended 30 June 2025.

We request management and those charged with governance to review this document to ensure that they concur with the matters raised, and there are no further significant considerations or matters that could impact on the audit and the financial report.

AUDIT OPINION

We will recommend to the OAG to issue an unmodified audit opinion.

In order to finalise our audit, we require a copy of the signed financial report and representation letters.

Audit Key Focus Areas

Conclusions on Key Focus Areas

As part of our risk assessment, key focus areas were identified based on our understanding of the Shire and the local government sector to ensure audit focus on areas of highest risk. No additional focus areas have been identified during the course of the audit.

KEY FOCUS AREAS

MANAGEMENT
OVERRIDE OF
CONTROLS
AND FRAUD



VALUATION OF LAND
AND BUILDINGS &
INFRASTRUCTURE
ASSETS



APPROPRIATENESS
OF REVENUE
RECOGNITION



ACCOUNTING FOR
EMPLOYEE RELATED
PROVISIONS



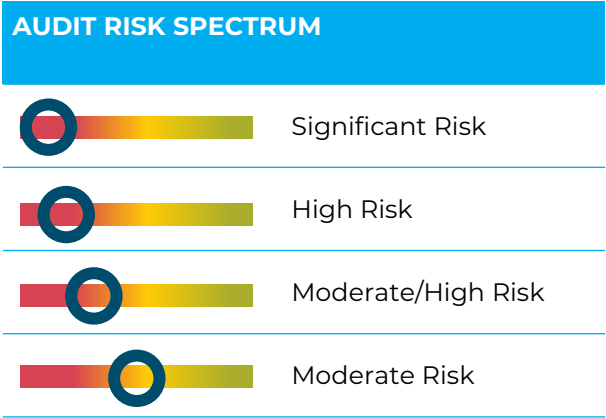
COMPLETENESS &
ACCURACY OF
LIABILITIES AND
EXPENSES




ADEQUACY OF MATERIAL
DISCLOSURES IN THE
FINANCIAL REPORT



Conclusions on Key Focus Areas




Conclusions on Key Focus Areas

RISK	DETAILS	WORK PERFORMED
<div>1. Management Override of Controls and Fraud</div> <div></div>	<p>Management is involved in day-to-day operations and monitoring of the Shire, which gives them the ability to manipulate accounting records and prepare fraudulent financial reports by overriding controls in place. Due to the unpredictable way in which such an override could occur, this leads to potential fraud risk and is always assessed as a significant risk.</p> <p>The primary responsibility for the prevention and detection of fraud rests with both those charged with governance and management. It is important that management, with the oversight of those charged with governance, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.</p>	<ul style="list-style-type: none">• Reviewed journal entries and other adjustments for evidence of possible material misstatements due to fraud;• Reviewed accounting estimates and application of accounting policies for evidence of bias or aggressive accounting practices;• For significant or unusual transactions, evaluated the business rationale (or lack thereof) for evidence of fraudulent financial reporting or misappropriation of assets;• Maintained professional skepticism throughout the audit; and• Enquired with management and those charged with governance if any fraud has taken place during the year.

AUDITORS CONCLUSION

Based on our audit procedures performed, we did not identify any instances of management override of controls. Therefore, we are satisfied that the risk of fraud from management override has been reduced to an acceptable level.

Conclusions on Key Focus Areas

RISK	DETAILS	WORK PERFORMED
2. Valuation of Land & Buildings and Infrastructure Assets 	<p>These are the biggest classes of non-financial assets reported in the Shire's statement of financial position where there is a mix of cost (for plant and equipment) and fair value (for land, buildings and infrastructure – revalued every 5 years) accounting involved.</p> <p>Land and buildings and infrastructure assets were last valued for the year ended 30 June 2023 respectively. As a result, no valuations are legislatively required to be performed during the year.</p> <p>There is a significant inherent risk given the nature of assets held and judgement applied in determining fair values, depreciation and impairment assessments.</p>	<ul style="list-style-type: none">• Reviewed and updated documented system procedures and performed walkthroughs of the fixed asset cycles to assess the design and implementation of internal controls;• Assessed accounting policies to ensure they were in accordance with AASB 116 <i>Property, Plant and Equipment</i>, AASB 13 <i>Fair Value Measurement</i> and AASB 136 <i>Impairment of Assets</i>;• Sample tested asset additions, disposals, and depreciations; and• Reviewed management's impairment assessment against the Shire's circumstances.

AUDITORS CONCLUSION

Based on our audit procedures performed, we are satisfied that valuation of land & buildings and infrastructure assets are reasonable and fairly stated as at 30 June 2025.

\$260mil

2025
property, plant and equipment
and infrastructure assets

\$262mil

2024
property, plant and equipment
and infrastructure assets


\$8mil

2025
additions

\$10mil

2025
depreciation expense

Conclusions on Key Focus Areas

RISK	DETAILS	WORK PERFORMED
<div>3. Appropriateness of Revenue Recognition</div> <div></div>	<p>Revenue is being recognised in accordance with AASB 15 <i>Revenue from Contracts with Customers</i> and AASB 1058 <i>Income of Not-for-Profit Entities</i>. The main revenue generating activities include rates, fees & charges and government grants & contributions.</p> <p>Significant judgement is required in recognising revenue according to the nature of the transactions as various funding agreements introduce inherent complexities. Given the different revenue streams and this inherent complexity, there is a risk that revenue may not be recognised as required.</p> <p>Revenue recognition is a presumed significant risk in accordance with the Auditing Standards, however this presumption was rebutted due to the nature of the Shire's operations.</p>	<ul style="list-style-type: none">Reviewed the appropriateness of the Shire's revenue recognition policies for each material revenue stream in accordance with AASB 15 and 1058;Reviewed and updated documented system procedures and performed walkthroughs of the revenue cycles to assess the design and implementation of internal controls;Conducted year end analytical review procedures for all revenue streams;On sample basis, tested revenue streams to supporting grant agreements, tax invoices and bank statement receipts; andOn sample basis, tested the recognition of contract liabilities to ensure proper accounting in accordance with AASB 15 and AASB 1058.

AUDITORS CONCLUSION

Based on our audit procedures performed, we are satisfied that revenue has been recognised appropriately for the year ended 30 June 2025.

\$2mil

2025
operating grants, subsidies and
contributions

\$4mil

2025
capital grants, subsidies and
contributions

\$4mil

2025
rates

\$1mil

2025
fees and charges

Conclusions on Key Focus Areas

RISK

4. Accounting for Employee Related Provisions



DETAILS

Provisions for employee benefits involve a degree of management estimation and uncertainty in the calculation in respect of present value inputs (inflation rates and discount factors), timing and probabilities of settlement.

WORK PERFORMED

- Agreed underlying employee information to signed employment contracts and approved leave documentation to confirm the validity and accuracy of employee entitlements;
- Reviewed management's underlying assumptions, inputs and calculation of employee related provisions to ensure they are in accordance with AASB 119 *Employee Benefits*; and
- Reviewed the disclosure of the provisions to ensure they are consistent with AASB 119 *Employee Benefits*.

AUDITORS CONCLUSION

Based on our audit procedures performed, we are satisfied that the provisions for annual leave and long service leave as at 30 June 2025 are reasonable and fairly stated.

\$572k

2025
employee related provisions


\$245k

2025
annual leave

\$327k

2025
long service leave

Conclusions on Key Focus Areas

RISK	DETAILS	WORK PERFORMED
<p>5. Completeness and Accuracy of Liabilities and Expenses</p> 	<p>There is an inherent risk that expenditure and corresponding liabilities, are not brought to account in the correct accounting period.</p> <p>Most of the Shire's expenses relates to employee costs, materials and contracts and depreciation.</p>	<ul style="list-style-type: none">• Reviewed and updated documented system procedures and performed walkthroughs of the expenditure cycles to assess the design and implementation of internal controls;• Reviewed post year-end bank statements up to the date of audit procedures and traced a sample of payments to supporting documentation—including tax invoices and payroll reports—to confirm that all material liabilities were appropriately recorded as at the reporting date;• Supporting documentation was traced to posted expenditure accounting transactions to check if transactions were recorded in the correct accounting year;• Ensured GST has been properly accounted for; and• Ensured classification of expenditure accounting transactions have been coded appropriately to its function and activities;

AUDITORS CONCLUSION


From the work performed, we are satisfied that transactions have been recognised in the correct accounting periods and therefore expenditure and liabilities are accurately recorded for the year ended 30 June 2025.

\$2mil
2025
trade and other payables

\$2mil
2025
employee costs

\$3mil
2025
materials and contracts

Conclusions on Key Focus Areas

RISK	DETAILS	WORK PERFORMED
6. Adequacy of Material Disclosures in the Financial Report 	<p>The Shire, as a class 4 local government, is required to disclose material information in relation to:</p> <ul style="list-style-type: none">• Auditor remuneration;• Contingent assets and liabilities;• Post balance date events;• Related party transactions (including Key management personnel compensation);• Capital commitments; and• Information required by legislation.	<ul style="list-style-type: none">• Reviewed the processes completed by the Shire to assess whether they are robust, and these disclosure requirements are addressed adequately; and• Reviewed of the system and records used by the Shire to ensure material disclosures are prepared based on proper records and accounts.

AUDITORS CONCLUSION

Based on our audit procedures performed, we are satisfied that appropriate and adequate disclosures have been made in the financial report. As at this date, we are not aware of any significant post balance date events that need to be disclosed.

Conclusions on Key Focus Areas

Particulars of the significant accounting issues which arose are included in this section of the report for further consideration, where appropriate, by those charged with governance.

1

ACCOUNTING POLICIES

The 30 June 2025 financial report has been prepared in accordance with Australian Accounting Standards and policies are consistent with those applied in the 30 June 2024 financial report.

The following change to the accounting policies were noted during the year:

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

The change to the accounting standards applies to the revaluation of land & buildings and infrastructure assets and requires valuers and management value assets based on the current use being presumed to be the highest and best and not the market approach, taking into account public sector restrictions.

We are not aware of any other material changes in accounting policies applied during the financial year.

Our audit procedures included a review of the accounting policies to ensure that they were consistently applied throughout the year.

2

JUDGEMENTAL MATTERS AND ESTIMATIONS

The preparation of the financial report requires the use of management judgements and accounting estimates or assumptions, which affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and contingent liabilities.

Certain estimates can be particularly sensitive because of their significance to the financial report and the possibility that actual future events affecting them may differ significantly from management's current assumptions and expectations.

Where necessary, we have challenged the judgements of management based on our examination of evidential matter relating to those estimates.

We are satisfied that the accounting estimates for the year are reasonable considering known circumstances. In our view a prudent approach has been adopted by management in applying judgements and in making estimates.

Audit Adjustments

Audit Adjustments

Australian Auditing Standards require us to accumulate all known and likely misstatements and audit adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The table below summarises all uncorrected misstatements to the financial report for the current and prior periods that affect the current period. For uncorrected misstatements, management has determined that their effects are immaterial, both individually and in aggregate, to the financial report taken as a whole. We concur with the determination of management.

UNADJUSTED DIFFERENCES

There are no unadjusted misstatements in the financial report.

ADJUSTED DIFFERENCE

Account	Nature	Debit (\$)	Credit (\$)
Asset revaluation surplus	Equity	345,965	
Sundry Income	Income		345,965
Being repossession of land and buildings which has been wrongly posted to asset revaluation surplus instead of sundry income.			

Design and Implementation of Internal Controls (including IT General Controls)

Design and Implementation of Internal Controls (including IT General Controls)

DETAILS

Auditors review the design and implementation of internal controls, including IT controls, to assess whether systems are effectively mitigating risks, safeguarding assets, and ensuring the reliability of financial reporting.

This evaluation helps determine whether controls are appropriately structured to prevent or detect errors and irregularities in a timely manner. IT controls, in particular, are critical in today's digital environment, as they underpin the integrity of automated processes and data security. By understanding how controls are designed and whether they have been properly implemented, auditors can form a basis for testing their operating effectiveness and provide assurance over the Shire's control environment.

WORK PERFORMED

We have reviewed the design and implementation of the key financial controls by documenting our understanding of the Shire's systems, performing tests of controls (Payroll and Procurement), and conducting walkthroughs.

In particular, targeted testing of controls included:

- Monthly account reconciliation preparation and independent review;
- Payroll transactions, in particular timesheet preparation and approval, signed employment contracts and pay run report approval processes; and
- Expenditure transactions to ensure compliance with the Shire's purchasing policy and alignment with procurement best practices.

We have also conducted a high-level IT General Controls review relating to:

- System Security and Access Control;

- Technology Framework;
- Service Management, Operations and Change Control;
- Security Governance and Reporting; and
- Security training.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial report and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire gained during our work to make comments and suggestions which, we hope, will be useful to you.

Design and Implementation of Internal Controls (including IT General Controls)

CURRENT PERIOD FINDINGS

We advise that the following findings have been noted during our interim and final audit:-

Final Audit (refer to details in the following pages)

- Sundry debtors reconciliation not performed regularly; and
- Excessive annual leave balance.

Interim Audit

- Quotation not complied with the purchasing policy (addressed).

PRIOR PERIOD FINDINGS

The previous period management letter had identified findings to be actioned by the Shire. Below is an update on

the findings based on our follow up during the current year audit:-

- Excessive annual leave (on-going);
- Lack of IT security plan (on-going);
- Lack of IT Risk register and periodic meetings for managing cybersecurity risks (on-going); and
- Inadequate IT system access management (on-going).

Management Letter Points

We are required to report to you any material weaknesses in the accounting and internal control systems identified during the audit.

These are summarised in the subsequent pages together with management comments. None of these issues raised have a bearing on the view of whether the financial report presents at true and fair view. Our audit work is designed primarily to enable us to express an opinion on the financial statements as a whole and cannot be relied upon to reveal all the weaknesses in the systems and internal controls.

RISK RATING	DEFINITION
H	Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly
M	Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
L	Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Final Management Letter Point

RISK	OBSERVATION	RISK RATING	IMPLICATION	RECOMMENDATION
Sundry debtors reconciliation not performed regularly	Reconciliation of the sundry debtors listing to the corresponding general ledger control account from March 2025 to May 2025 was only performed in September 2025	M	Reconciliations are a vital control for ensuring the completeness and accuracy of financial data within the general ledger from which financial statements are derived. The sundry debtors reconciliation is a crucial reconciliation for the Shire. Without this reconciliation being performed on a regular basis, there is an increased risk for fraud and or errors to go undetected and not be identified in a timely manner. This could result in significant variances at year-end.	The Shire should perform the sundry debtors reconciliation every month. This reconciliation should be reviewed by a senior officer independent of preparation and evidenced accordingly.

MANAGEMENT COMMENTS

The Accounts Receivable Officer has been reminded to print regularly the reconciled sundry debtors general ledger control and subsidiary ledger accounts and have them reviewed and signed off by Senior Officer before filing.

Final Management Letter Point

RISK	OBSERVATION	RISK RATING	IMPLICATION	RECOMMENDATION
Excessive annual leave balance	<p>During our testing on employee leave provisions, we noted that 1 employee had annual leave balances in excess of 8 weeks (25 days) at year end.</p> <p>The Local Government Industry Award 2010 deems an employee's leave accrual to be excessive if the employee has accrued more than 8 weeks.</p> <p>We note that the management have processes in place to identify and monitor staff that have accrued excessive annual leave balances and have taken appropriate action.</p> <p>Finding was first reported in the 2021 final management letter.</p>	M	<p>Excessive annual leave balances may have adverse effects on the Shire including:-</p> <ul style="list-style-type: none">• key staff not being rotated, a preventive control against fraud.• health and safety concerns with staff members not taking their annual leave entitlements; and• increase the Council's costs given salary rises and increments over time.	<p>The Shire should ensure that employees take leave in a timely manner and excessive leave balances are cleared in accordance with the Shire's policy.</p>

MANAGEMENT COMMENTS

This relates to a sole employee and the accumulated leave will be exhausted by January 2026.

Other Key Matters

Other Key Matters

INDEPENDENCE

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the Shire and other related parties, business relationships, employment relationships, and the provision of non-audit services.

We have assessed our audit independence at the planning stage and to the best of our knowledge and belief, we are of the opinion that each engagement team member and partners of all Moore network firms in Australia are not in contravention of the auditor independence and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities with the Code.

We have further considered the safeguards the Moore Australia network has in place, and we are not aware of any services being provided that would compromise our independence as external auditor.

AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD

As auditors, we obtain reasonable assurance that the financial report (taken as a whole) is free from material misstatements due to fraud or error.

Accordingly, certain procedures have been performed as part of our audit by way of enquiry, evaluation and review as required by the Australian Auditing Standards on fraud, ASA 240.

Based on representations obtained from management and the work performed, we are confident that the risk of fraud in relation to financial reporting and non-compliance with laws and regulations is low and we have not identified any reportable matters for your attention.

LIAISON WITH MANAGEMENT

We had no disagreements with management about significant audit, accounting or disclosures matters.

There was no correspondence between us and management relating to any significant audit and accounting issues during the year other than those discussed above.

We have not identified any errors or irregularities that would cause the financial report to contain a material misstatement and did not note any apparent illegal acts.

There were no difficulties encountered in dealing with management related to the performance of the audit.

CONFLICTS OF INTEREST

The firm is not aware of any existing or potential relationship, transactions or holdings that would compromise its objectivity in the conduct of the services provided. Should the possibility of a perceived or actual conflict arise the matter would be raised with the OAG and Shire immediately and activities suspended until the issue was resolved to your satisfaction.

Other Key Matters

RESPONSIBILITIES OF MANAGEMENT AND THE COUNCIL

Management is responsible for keeping proper accounts and records, preparation and fair presentation of the annual financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. Management is also responsible for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

The primary responsibility for the prevention, deterrence and detection of fraud remains with management and those charged with governance.

Under "Clarity" Australian Auditing Standards, as a precondition of accepting the engagement we are required to determine whether the financial reporting framework to be applied in the preparation of the Shire's financial report is acceptable.

Given that the financial report continues to be prepared as a general-purpose financial report in line with previous years and with no changes in terms of regulations or other issues that might impact the requirements of the report, as at the date of issuing this report we continue to consider this framework acceptable.

As part of the audit requirements, Management is to provide the auditor a written representation that:

- they have fulfilled their responsibility for the preparation of the financial report in accordance with the applicable and other statutory reporting requirements, including where relevant their fair presentation, as set out in the terms of the audit engagement;
- they have provided the auditor with all relevant information and access as agreed in the terms of the audit engagement;
- all transactions have been recorded and are reflected in the financial report; and
- (if any) significant representations made by management for which the auditor is relying on in forming the audit opinion.

Management representation letters have been provided for this matter.

CONFIDENTIALITY

This document is strictly confidential and although it has been made available to management and those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the Shire arising under our audit contract with the OAG.

The information contained in this document is confidential and cannot be conveyed to any party other than the party to which it is directed.

ABOUT MOORE AUSTRALIA

Moore Australia is a network of independent accounting, audit, tax and business advisory firms with offices across Australia. Our independent network enables us to share expertise, knowledge and best practice to ensure our clients receive the best advice and highest quality of services, wherever they do business in Australia. With over 550 people at offices around the country, you are sure to be find an advisor near you.

We have extensive experience in all sectors which are at the heart of the Australian economy, such as biotechnology, energy, mining and renewables, health and aged care, education, manufacturing, not-for-profit, property and construction, state and local government, retail, tourism and hospitality. We prize ourselves on delivering service lines which help clients thrive, including but not limited to audit and assurance, business advisory, taxation, corporate finance, governance and risk advisory.

At Moore Australia it's not about us. It's all about you. When it comes to providing personalized and commercially astute audit, accounting, tax and business advisory services, it simply can't be anything else.

MOORE INSIGHTS

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The digital transformation we are witnessing in manufacturing and distribution has been likened to a fourth industrial revolution.

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Artificial Intelligence (AI) has emerged as a game-changer for businesses. However, with great power comes great responsibility, and the adoption of AI brings a host of risks that need to be considered.

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WESTERN AUSTRALIA**

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We believe the information contained herein to be correct at the time of publication, but no responsibility for loss occasioned by any person acting or refraining from action as a result of the material in this document can be accepted by Moore or any of its associated concerns.



5.4 Findings Identified during the Final Audit

SHIRE OF KONDININ**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Sundry debtors reconciliation not performed regularly	No		✓		
2. Excessive annual leave balance	No			✓	✓

KEY TO RATINGS

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

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

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

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

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Sundry debtors reconciliation not performed regularly

Finding

Reconciliation of the sundry debtors listing to the corresponding general ledger control account from March 2025 to May 2025 was only performed in September 2025.

Rating: Moderate

Implication

Reconciliations are a vital control for ensuring the completeness and accuracy of financial data within the general ledger from which financial statements are derived. The sundry debtors reconciliation is a crucial reconciliation for the Shire. Without this reconciliation being performed on a regular basis, there is an increased risk for fraud and or errors to go undetected and not be identified in a timely manner. This could result in significant variances at year-end.

Recommendation

The Shire should perform the sundry debtors reconciliation every month. This reconciliation should be reviewed by a senior officer independent of preparation and evidenced accordingly.

Management comment

The Accounts Receivable Officer has been reminded to print regularly the reconciled sundry debtors general ledger control and subsidiary ledger accounts and have them reviewed and signed off by Senior Officer before filing.

Responsible person: Manager Corporate Services

Completion date: 30/11/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. Excessive annual leave balance

Finding

During our testing of employee leave provisions, we noted that one employee had annual leave balances in excess of 8 weeks (25 days) at year end.

The Local Government Industry Award 2010 deems an employee's leave accrual to be excessive if the employee has accrued more than 8 weeks.

We note that the management have processes in place to identify and monitor staff that have accrued excessive annual leave balances and have taken appropriate action.

Finding was first reported in the 2021 final management letter.

Rating: Moderate (2024: Moderate)

Implication

Excessive annual leave balances may have adverse effects on the Shire including

- key staff not being rotated, a preventive control against fraud.
- health and safety concerns with staff members not taking their annual leave entitlements; and
- increase the Council's costs given salary rises and increments over time.

Recommendation

The Shire should ensure that employees take leave in a timely manner and excessive leave balances are cleared in accordance with the Shire's policy

Management comment

This relates to a sole employee and the accumulated leave will be exhausted by January 2026.

Responsible person: Chief Executive Officer

Completion date: 31/01/2026

5.5 Findings Identified during the Interim Audit

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

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Quotation not complied with the purchasing policy	No		✓		
2. Lack of IT Security Plans	No		✓		✓
3. Lack of IT Risk register and periodic meetings for managing cybersecurity risks	No		✓		✓
4. No IT change management process in place	No		✓		✓
5. No risk register	No		✓		✓
6. Inadequate IT system access management	No		✓		✓
7. Absence of IT and security related training	No			✓	✓

KEY TO RATINGS

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

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

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

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

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1. Quotation not complied with the purchasing policy

Finding

We noted one instance of purchases (out of 9 samples tested) where the appropriate number of quotes was not requested as required by the Shire's purchasing policy.

Rating: Moderate

Implication

If purchases are made without complying with the purchasing policy, there is an increased risk of favouritism of suppliers as the Shire may not be obtaining the best value for money for intended goods purchased or services.

Recommendation

All purchases should follow the requirements of the Shire's Purchasing Policy, unless exempt under the policy. To help ensure all purchases are properly sourced and represent the best value for money, all required number of quotations should be obtained and attached to the purchase order as per the Shire's purchasing policy.

If instances arise where it is impractical to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management comment

The Manager of Works and his Administration Staff were reminded to document the reasons why the number of quotes were not obtained at the time the purchase orders being raised.

All other purchases requiring quotes will not be authorised until the required number of quotes are obtained per the Shire's purchasing policy.

Responsible person: Manager of Works

Completion date: 30/06/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. Lack of IT Security Plans

Finding

During our audit, we noted the following issues around the IT Environment:

1. No ICT Strategy Plan;
2. No Cyber Security Response Plan;

Finding was first reported in the 2022 interim management letter.

Rating: Moderate (2024: Moderate)

Implication

Lack of an ICT Strategy Plan increases the risk of the IT resources not being aligned to the business strategy and priorities.

Without a Cyber Security Response Plan in place, key risks to electronic data are not identified and safeguards are not put in place to minimise the risks posed by cyber threats. This could ultimately lead to loss of electronic data resulting in potential financial and reputational loss.

Recommendation

Management should develop an ICT Strategy Plan Identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level. This plan should be regularly reviewed and tested to ensure its validity.

A Cyber Security Response Plan should be adopted to document identified key risks to electronic data, safeguards to be implemented and a process for the Shire to follow should a cyber-attack occur to reduce risk to an acceptable level.

Management comment

The Shire CEO has been in contact with the IT Provider/Consultant to come up with the ICT Strategy and Cyber Security Plans for the Shire of Kondinin.

Responsible person: Chief Executive Officer

Completion date: 30/09/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. Lack of IT Risk Register and periodic meetings for managing cybersecurity risks

Finding

There is no IT Risk Register in place to identify potential risks. The Shire also does not regularly convene meetings to address and oversee cybersecurity risks.

This finding was first reported in the 2023 final management letter.

Rating: Moderate (2024: Moderate)

Implication

The absence of an IT Risk Register means that the Shire is not proactively identifying, assessing, and mitigating risks, leaving it vulnerable to unexpected threats. The lack of regular cybersecurity risk management meetings suggests insufficient attention to monitoring, addressing, and adapting to evolving cybersecurity threats.

Recommendation

The Shire should develop and maintain an IT Risk Register to identify, assess, and prioritise potential risks. This will enable proactive risk management and mitigation strategies. The Shire should organise regular cybersecurity risk management meetings to assess current risks, discuss mitigation strategies, and stay updated on emerging threats and best practices.

Management comment

The Shire is in the process of changing the existing ERP and the above recommendation will be included as part of this process.

Responsible person: Chief Executive Officer

Completion date: 31/12/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

4. No IT change management process in place

Finding

There is currently a lack of a documented structured change management process established within the Shire.

This finding was first reported in the 2023 final management letter.

Rating: Moderate (2024: Moderate)

Implication

The lack of a change management process may result in uncontrolled changes to IT systems, increasing the risk of system disruptions and security vulnerabilities.

Recommendation

The Shire should establish a formal change management process to document, review, and approve all changes to IT systems. This will help minimise disruptions and maintain system integrity.

Management comment

The Shire CEO recently prepared an IT management process and this document would be available for audit on or before the completion date.

Responsible person: Chief Executive Officer

Completion date: 30/09/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

5. No Risk Register

Finding

The Shire does not maintain a Risk Register.

This finding was first reported in the 2023 final management letter.

Rating: Moderate (2024: Moderate)

Implication

Risk management is a framework of culture, processes and structures directed towards the effective management of risk. This includes consideration of both potential opportunities and adverse effects on existing operations. As all actions and transactions involve risk, effective risk management involves the anticipating, understanding, and monitoring of risk. It contributes to good corporate governance by providing reasonable assurance to Council, executive management, and the community that the organisational objectives will be achieved within a tolerable degree of residual risk.

Without a Risk Register, the Shire has no record of exposure to risks and if unmanaged, may have an adverse impact on the achievement of organisational objectives.

Recommendation

The Shire should maintain a Risk Register and ensures that it is kept up to date.

Management comment

The Shire has identified some possible operational risks and this documentation would be available for audit on or before the completion date.

Responsible person: Chief Executive Officer

Completion date: 30/09/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

6. Inadequate IT system access management

Finding

During our audit, we noted the following issues around IT access management:

1. No documented policy and procedures surrounding removal of terminated user access; and
2. Access to the Shire's servers is unmonitored.

This finding was first reported in the 2024 interim management letter.

Rating: Moderate (2024: Moderate)

Implication

The absence of a documented policy or procedures surrounding off-boarding of terminated users may increase the risk of security breaches and unauthorised use of sensitive and confidential information, as former employees may retain access to Shire systems and data.

Unmonitored server access may expose the Shire to unauthorised access, data breaches, virus and malware and other security vulnerabilities to systems. This could ultimately lead to operational disruptions and potential legal consequences.

Recommendation

Management should consider developing a documented policy or procedures surrounding the off boarding of terminated users to ensure former employees do not retain access of systems to prevent security breaches and unauthorised use of information.

We recommend management to improve the security access controls to prevent accidental and malicious damage to the server assets.

Management comment

The CEO has been in contact with the Shire IT Provider/Consultant and documentation around IT access management will be included in the Shire policy by the next review.

Responsible person: Chief Executive Officer

Completion date: 30/09/2025

SHIRE OF KONDININ

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

7. Absence of IT and Security Related Training

Finding

The Shire's employees are currently not receiving the necessary training in the fields of IT and security, leading to a deficiency in relevant knowledge and skills.

This finding was first reported in the 2023 final management letter.

Rating: Minor (2024: Minor)

Implication

The absence of IT and security-related training for staff leaves the Shire vulnerable to potential security breaches and exposes the Shire to higher risks of cyber threats. Without adequate training, employees may not have the knowledge and skills to recognise and respond to security incidents, making them more susceptible to phishing attacks, malware infections, and other cybersecurity risks.

Recommendation

The Shire should prioritise implementing regular IT and security training programs for all staff members. This training should cover essential topics such as cybersecurity best practices, recognising phishing attempts, password management, and data protection. The Shire can significantly enhance its overall security posture and reduce the likelihood of successful cyberattacks by providing staff with the necessary knowledge and skills.

Management comment

The Shire's IT consultant has been preparing the IT and security-related training program suitable for all our staff and will conduct such training as soon as they are ready.

Responsible person: Chief Executive Officer

Completion date: 30/09/2025



Shire of Kondinin – Internal **Checklists**

1. Regulation 17 – Risk Management Checklist

- ☐ Risk Management Policy exists, adopted by Council, reviewed within 3 years.
- ☐ Policy aligns with ISO 31000 principles and WA sector best practice.
- ☐ Risk Management Framework outlines governance roles (Council, ARIC, CEO, Managers, Staff).
- ☐ Risk appetite statement adopted and communicated internally.
- ☐ Strategic Risk Register includes risks linked to SCP, CBP, AMPs, LTFP.
- ☐ Strategic risks reviewed quarterly by ELT and ARIC.
- ☐ Operational Risk Registers maintained for each business unit.
- ☐ Controls documented, assessed for adequacy, and assigned to owners.
- ☐ Treatment actions logged, prioritised, and tracked monthly.
- ☐ BCP reviewed and updated annually with evidence of testing.
- ☐ DRP includes ICT recovery priorities and backup testing.
- ☐ Fraud & Corruption Control Plan exists, aligns with CCC guidelines.
- ☐ Staff trained annually in fraud risks, reporting obligations, and COI procedures.

Notes:

2. Regulation 17 – Internal Controls Checklist

- ☐ Delegations Register current, adopted annually, aligned with structure.
- ☐ Segregation of duties exists for purchasing, payments, payroll, and reconciliations.
- ☐ Bank reconciliations completed monthly and independently reviewed.
- ☐ Rates reconciliations accurate and reviewed each month.
- ☐ Journal entries authorised by a separate delegated officer.
- ☐ Online banking access permissions reviewed quarterly.
- ☐ Credit card transactions supported by receipts and approved statements.
- ☐ Petty cash reconciled and reviewed monthly.
- ☐ Asset additions, disposals, and transfers documented and authorised.
- ☐ Supplier master file changes controlled and approved independently.
- ☐ ICT access control procedures enforced and documented.
- ☐ System backup tests documented and reviewed.

Notes:

3. Regulation 17 – Legislative Compliance Checklist

- ☐ Compliance Obligations Register documented and assigned to responsible officers.
- ☐ Statutory reporting deadlines (AFS, CAR, Budget, Annual Report) monitored and met.
- ☐ Disclosure of Interest Register maintained and reviewed quarterly.
- ☐ Gifts and Travel Register current and published as required.
- ☐ Delegations reviewed annually in accordance with s.5.46.
- ☐ Records Management is compliant with the State Records Act 2000.
- ☐ All policies reviewed within their policy review cycle.
- ☐ Local Laws compliant with 8-year review requirements.
- ☐ CEO standards and performance review obligations met.
- ☐ Procurement activities comply fully with Reg. 11A–24.

Notes:

4. Financial Management Regulation 5 Checklist

- ☐ Financial Management Systems Manual exists and is current.
- ☐ Reconciliations performed monthly for all control accounts.
- ☐ LTFP reviewed annually and aligned with CBP and budget.
- ☐ Budget Reviews presented in compliance with Reg. 33A.
- ☐ Cash flow monitoring presented monthly to Council or ELT.
- ☐ Financial ratios monitored and variations explained.
- ☐ Documented procedures for purchasing, payments, receipting, and payroll.
- ☐ Asset accounting complies with Fair Value and Financial Regs.
- ☐ Internal controls tested quarterly.

Notes:

5. Procurement & Contract Management Checklist

- ☐ Purchasing Policy compliant with Reg 11A–24 and adopted annually.
- ☐ Procurement Planning required for purchases over set thresholds.
- ☐ Conflict-of-interest declarations collected from evaluation panel members.
- ☐ Evaluation matrices completed and retained.
- ☐ Sole supplier justifications documented and approved properly.
- ☐ Contract Register complete and includes expiry, value, insurance, KPIs.
- ☐ Contractor insurance certificates monitored and stored.
- ☐ Contract performance reviews completed biannually.
- ☐ Purchase orders approved before invoice received.
- ☐ Preferred supplier panel used correctly (WALGA or LGA policy).

Notes:

6. Work Health & Safety (WHS) Checklist

- ☐ WHS Induction delivered to all staff & contractors.
- ☐ Hazards reported and recorded in hazard register.
- ☐ Corrective actions implemented and closed out within required timeframes.
- ☐ SWMS and risk assessments reviewed annually.
- ☐ Plant and equipment inspections completed and logged.
- ☐ Contractors inducted and monitored for compliance.
- ☐ Notifiable incidents reported to WorkSafe within time limits.
- ☐ Training Matrix maintained for all legislative WHS training.
- ☐ Emergency procedures documented and drills conducted annually.

Notes:

7. Asset Management Checklist

- ☐ AMPs current for: Roads, Buildings, Parks, Drainage, Fleet.
- ☐ Asset renewal gaps identified and documented.
- ☐ Asset valuations comply with Fair Value cycles.
- ☐ Maintenance activities planned and recorded.
- ☐ Capital Works Program aligned with AMPs and LTFP.
- ☐ Asset condition assessments conducted regularly.
- ☐ Service levels defined and adopted.
- ☐ Asset disposal processes documented and followed.

Notes:

8. Recordkeeping & Information Management Checklist

- ☐ Recordkeeping Plan approved by State Records Commission.
- ☐ All staff trained in recordkeeping responsibilities.
- ☐ Electronic Document Management System used consistently.
- ☐ Destruction of records approved via records disposal authority.
- ☐ Records stored securely with audit trails.
- ☐ Policies for retention, access, privacy and FOI are current.

Notes:

9. Governance & Council Operations Checklist

- ☐ Council agendas published in compliance with Act deadlines.
- ☐ Minutes accurate and confirmed at subsequent meetings.
- ☐ Decisions implemented and evidence retained.
- ☐ Council policies adopted and reviewed in cycle.
- ☐ Audit & Risk Committee functioning according to the Terms of Reference.
- ☐ CEO performance review conducted annually.
- ☐ Complaints handling procedures documented and followed.

Notes:

10. Community Services, Leasing, WIK & Grants Checklist

- ☐ All facility leases are current, with correct fees and responsibilities.
- ☐ Lease register updated and reviewed annually.
- ☐ Facility inspections for leased properties are completed annually.
- ☐ Community Grant applications assessed against policy.
- ☐ Grant acquittals completed for all funding recipients.
- ☐ Work-in-Kind agreements contain WHS & insurance requirements.
- ☐ Customer Service Charter implemented and performance monitored.
- ☐ Customer request data used to improve service delivery.

Notes: