Audit, Risk & Improvement Committee Meeting

Minutes | 3rd March 2026

Disclaimer

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SHIRE OF QUAIRADING

Audit, Risk & Improvement Committee Meeting

The Audit, Risk & Improvement Committee Meeting Minutes of Meeting held on 3rd March 2026 commencing at 5:00 PM.

ITEM 1 OPENING & ANNOUNCEMENTS

The Chairperson opened the Meeting at 4.59 pm.

"Before we start our meeting, I would like to acknowledge that we are meeting on Noongar/Ballardong land. We pay respect to the original custodians of the land…past, present and future. I welcome you all here today for this meeting."

ITEM 2 ATTENDANCE AND APOLOGIES

Councillors

Mrs T Fraser	Chairperson
Cr TJ Stacey	Shire President
Cr JC Hayes	Deputy Shire President
Cr BR Cowcill	
Cr RC Faltyn	
Cr KS Squiers	
Cr LJ Stacey Cowcill	

Council Officers

Mr NJ Warren	Chief Executive Officer
Ms T Brown	Executive Manager, Corporate Services
Ms SE Caporn	Executive Manager, Works & Services
Ms M Haeusler	Manager of Governance
Ms J Green	Executive Manager, Community and Development

Observer/Visitor

Nil

Apologies

Nil

Leave of Absence Previously Granted

Nil

ITEM 3 DEPUTATIONS/PRESENTATIONS/SUBMISSIONS/PETITIONS

Nil

ITEM 4 DECLARATIONS OF INTEREST

Nil

ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

5.1 Confirmation of Minutes: Audit, Risk & Improvement Committee Meeting – 11 November 2025

COMMITTEE RESOLUTION: ARIC 016-25/26

Moved: Cr KS Squiers
Seconded: Cr JC Hayes

That the Minutes of the Audit, Risk & Improvement Committee Meeting held on the 11 November 2025 be confirmed as a true and accurate record.

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

BUSINESS ARISING

Nil

ITEM 6 STANDING ITEMS – EXTERNAL AUDIT

6.1 2024/2025 Financial Audit - Office of the Auditor General (OAG)

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Tricia Brown, Executive Manager, Corporate Services

Attachments
1. Attachment (i) Findings Identified During the Final Audit
2. Attachment (ii) Independent Auditor's Report Opinion 2025
3. Attachment (iii) Signed Financial Statements
4. Attachment (iv) Transmittal Letter to President

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 017-25/26

Moved: Cr TJ Stacey
Seconded: Cr BR Cowcill

That the Audit, Risk and Improvement Committee recommend to Council, that Council:

1. Notes that the Auditors finalised the 2024-2025 Financial Audit on the 2nd December 2025 with 3 Significant, 1 Moderate and 1 Minor Rating – Findings Identified During the Final Audit (Attachment i).
2. Notes Receipt of the Independent Auditor's Report Opinion 2025 (Attachment ii), Signed Financial Statements (Attachment iii), Transmittal Letter to President – OAG (Attachment iv)

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

- The 2024-2025 Audit was finalised on the 2th December 2025 following an Audit Exit Meeting between AMD, the Office of the Auditor General, Cr Stacey, Cr Hayes and Shire Staff.

BACKGROUND

The external audit, also known as financial audits or audit of the annual financial statements, focuses on providing an objective and independent examination of the financial statements prepared by the Shire, increasing the value and user confidence in the financial statements.

AMD Chartered Accountants (AMD) have been contracted by the OAG to perform the Shire's financial report audit for a 3-year period, commencing with the audit for the year ended 30th June 2021 (prior year audit). The audit occurs in two steps; the first being an interim audit, with the second (final) stage being the audit work to attest the balances and notes that comprise the annual financial statements.

Bob Waddell and Associates were engaged to complete the Shire's Annual Financial Statements for the year ended 30th June 2025.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Local Government (Audit) Regulations 1996

Australian Accounting Standards

International Financial Reporting Standards

POLICY IMPLICATIONS

Purchasing Policy

Records Management Policy

Significant Accounting Policies

Delegation 1.1.13: Payments from the municipal or trust funds

Delegations Register

FINANCIAL IMPLICATIONS

Council has a budget allocation of $45,903 in the 2025/26 budget for the conduct of the external audit function by the Office of the Auditor General (OAG), for the audit of the 2024/25 annual financial statements. The OAG advised following the Exit Meeting that additional costs for the 2024/2025 Financial Audit will be required. This was due to extra work required by AMD in respect to investigations and charges of fraudulent activity by the then CEO. The additional cost for the extra work has been determined at $11,122 (including both AMD & OAG), therefore the new Audit Fee for 2024-2025 will be $57,025. A budget adjustment will be required to cover the additional costs.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

RISK ASSESSMENT

	Option 1
Financial	Medium *Cost of the audit is included in the budget however the additional costs for extra work are high and will require a budget adjustment to cover this.*
Health	Low
Reputation	Low *Compliant with legislative requirements. Failure to complete the annual financial audit would lead to increased reputational risk and possible actions by the OAG.*
Operations	Low *Council's Management and administration staff assist AMD by providing all information and documents requested. Operational impact is minimal in reporting progress on audit findings, however the operational impact of not closing findings would be significantly higher if conditions escalated.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The minor rating refers to employees with excess leave which has consistently been an issue. This is continually monitored closely and has been addressed with the Executive Managers and Staff Members involved.

The Moderate rating is in respect to the requirements of the Local Government (Audit) Regulations 1996 where under Regulation 17 the CEO is required to conduct reviews of (i) Risk Management, (ii) Internal Controls and (iii) legislative compliance every 3 financial years. The CEO had conducted parts of the review however had not completed and documented the review formally by providing findings and recommendations or actions.

The three (3) Significant ratings were all associated with the failings of the CEO's actions and controls, and subject to court proceedings. Management accepts the recommendations from the OAG and is committed to strengthening its internal controls and governance practices.

The CEO and EMCS will continue to report on progress of audit findings through the Audit Progress Register that is submitted to the Audit and Risk Committee and recommended to Council.

COMMENTS FROM COMMITTEE

Cr Stacey remarked that he had queried the discrepancy between the figure for the 2024-25 Audit fee in the above Financial Implications section and the corresponding amount in the accounts for payment as presented to Council. The explanation received from the EMCS being that one was stated with and the other without GST.

ATTACHMENT

SHIRE OF QUAIRADING

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. Credit card expenditure by former CEO	No	✓			
2. Employee recruitment processes	No	✓			
3. Segregation of duties for land sales	No	✓			
4. Regulation 17 review	No		✓		
5. Excessive leave balances	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.

ATTACHMENT

SHIRE OF QUAIRADING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Credit Card expenditure by former CEO

Review of the former CEO's credit card expenditure for the year identified the following:

- There were 9 transactions totalling $2,930.95 where there were no supporting invoices or signed statutory declarations available to substantiate transactions;
- There were 8 transactions totalling $54.59 where a statutory declaration was provided however it was not signed by a witness; and
- A total of 96 transactions totalling $16,737 where the expenses incurred by the CEO were or appeared to be of personal nature. These expenses were reviewed at three separate instances; by the finance officer when collating the reconciliation, by either the Shire President or the Chair of the Audit and Risk Committee upon review of Credit card transaction and by the Council when credit card transactions are presented at monthly meetings. Despite the Shire having these layers of oversight and review, the nature of the expenditure was not questioned or flagged as personal expenditure indicating a lapse in scrutiny and governance.

Rating: Significant

Implication
The absence of adequate documentation to support expenditure as well as ineffective implementation of review procedures is a fundamental breakdown in controls that increases the risk of misappropriation of funds and fraudulent activity. It also undermines internal controls over expenditure and may result in misstated financial reporting.

Personal expenditure being incurred by the former CEO represents fraud and a financial loss to the Shire. It could additionally be indicative of there being other fraudulent activity that has not been detected.

Recommendation
We recommend that the Shire:

- Undertakes further investigation of any expenditure (subject to advice from the CCC and police) involving the former CEO for any other fraudulent activity;
- Ensures all expenses are supported by valid invoices/receipts, and that statutory declarations are properly completed and signed by the preparer and the reviewer;
- Ensure any personal expenses identified are promptly reimbursed by the employee and investigated by management;
- Strengthens the review and approval processes for expenses, including independent verification by the Audit & Risk Committee and finance personnel; and
- Implements a formal expense policy with clear guidelines on allowable expenses and mandatory supporting documentation.

Management comment
Management acknowledges the findings and accepts all recommendations. The Shire is committed to strengthening its internal controls, governance practices, and oversight of expenditure processes. In response to the recommendations:

- *The Shire will work with the CCC and WA Police to review all expenditure relating to the former CEO and undertake further investigations if required.*
- *We will ensure that all future expenses are supported by complete and valid documentation, including invoices, receipts, and properly executed statutory declarations. Management advises that the 9 instances of no supporting documentation was due to the CEO's dismissal and failure to return to the office and is not normal conduct of the Shire.*
- *Any personal expenses identified will be recovered promptly, and management will conduct appropriate investigations to address any breaches of policy or misconduct.*
- *The Shire will enhance its review and approval procedures, including introducing additional layers of independent verification by finance staff and the Audit & Risk Committee.*

ATTACHMENT

SHIRE OF QUAIRADING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

- *The Shire will implement changes to its Credit Card Policy and individual credit card agreements to strengthen and provide clear guidelines on allowable expenses and mandatory supporting documentation.*

Management is committed to implementing these actions promptly and will report progress to the Audit & Risk Committee to ensure appropriate oversight and accountability.

Responsible person: **Executive Manager Corporate Services**
Completion date: **31/01/2026**

ATTACHMENT

SHIRE OF QUAIRADING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. Employee Recruitment Processes

We noted the following exceptions regarding the Shire's hiring and contract approval processes:

- The son of the former CEO was appointed by the former CEO as an employee of the Shire however there was no evidence a formal recruitment process was followed. There was no job advertisement, no documented formal interview process and no assessment of the qualifications required for the position.
- No related party disclosure documentation was completed by the CEO in relation to this appointment; and
- The employment contracts and pay increase letters for the related party were signed by the CEO.

Rating: Significant

Implication
The appointment of a related party by the former CEO, undertaken without appropriate documentation, declaration of interest or adherence to recruitment procedures constitutes a significant control weakness within the Shire's recruitment framework. This practice represents a clear conflict of interest and undermines the principles of transparency and accountability, thereby diminishing public confidence in the integrity of the Shire's operations.

Recommendation
We recommend:

- The Shire establish and enforce formal recruitment procedures, particularly for related-party appointments, with documented approvals from an independent authority. These procedures should incorporate advertising, merit-based selection and documented assessment of candidates' qualifications.
- All related-party relationships should be fully disclosed prior to the commencement of recruitment or employment decisions; and
- Employment decisions involving related parties, including contracts and remuneration adjustments, should be subject to independent review and approval. All related documentation should be authorised and signed by an independent individual to ensure transparency and accountability.

Management comment
Management acknowledges the findings and agrees with the recommendations.

- *The Shire will extend and enforce its current recruitment processes upon any related-party appointments, with documented approvals from an independent officer. These procedures will incorporate advertising, merit-based selection and documented assessment of candidates' qualifications.*
- *All related-party relationships will be fully disclosed prior to the commencement of recruitment or employment decisions; and*
- *Employment decisions involving related parties, including contracts and remuneration adjustments, will be subject to independent officer review and approval. All related documentation will be authorised and signed by an independent officer to ensure transparency and accountability.*

Responsible person: **Manager of Governance**
Completion date: **31/01/2026**

ATTACHMENT

SHIRE OF QUAIRADING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

3. Segregation of duties for land sales

Land held for resale was managed solely by the former CEO during the year, without any independent oversight or involvement from additional personnel. This lack of segregation of duties significantly increases the risk of unethical behaviour, errors and misappropriation of assets.

The Shire's 30 June 2025 Land Held for Resale asset register had not been accurately updated to reflect properties disposed of during the year and those remaining on hand.

Rating: Significant

Implication
Increased risk of fraud and error due to the absence of independent review and oversight.

Inaccurate asset registers can hinder effective asset management and monitoring of property disposals, increasing the risk of errors in financial reporting and decision making.

Recommendation
The Shire implement appropriate segregation of duties whereby one employee maintains the land records and a separate staff member independently reviews and verifies all changes including follow ups for receipts of payment. A register of land held for resale and related sale contracts should be maintained and evidenced to demonstrate independent review to ensure transparency and mitigate the risk of fraud and error.

The Shire review and reconcile the Land Held for Resale asset register on a monthly basis to ensure it accurately reflects all properties on hand and those properties disposed of during the year.

Management comment
Management acknowledges the findings.

- *The Shire currently has clear segregation around maintaining and reviewing of land records however it did not have any segregation around the buyers of the land, its contracts and associated deposits/receipts for payment and settlement.*
- *The Shire is to implement an independent officer to review and maintain a register of land held for resale and related contracts with clear timelines and payment requirements.*
- *The Shire trusted in good faith that the CEO was conducting the land sales in accordance with its recommendations however the timeframe for finalisation and settlement was never questioned. Management recommends the CEO be accountable for more stringent reporting requirements to Council.*
- *The Shire will review and reconcile the Land Held for Resale asset register on a monthly basis to ensure it accurately reflects all properties on hand and those properties disposed of during the year.*

Responsible person: **Executive Manager Corporate Services/Chief Executive Officer**
Completion date: **30/06/2026**

ATTACHMENT

SHIRE OF QUAIRADING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

4. Regulation 17 Review

The *Local Government (Audit) Regulations 1996* require under regulation 17 that the CEO conducts a review of (i) risk management, (ii) internal controls and (iii) legislative compliance not less than once every 3 financial years ("Regulation 17 Review").

Management indicated the Regulation 17 Reviews are conducted regularly as part of the Shire's compliance activities; however there is no formal documentation maintained to evidence these reviews. The Regulation 17 review was last completed and documented by management in September 2022.

Rating: Moderate

Implication
Risk of non-compliance with Local Government (Audit) Regulations 1996.

Recommendation
The Shire should formally document appropriate evidence that the Regulation 17 Review has been undertaken, including noting dates, what was performed, findings and actions taken in order to provide clear evidence of compliance and support effective oversight. As required by the regulation, the results of the review should be reported to the Audit Committee.

Management comment
The CEO Reg 17 review has been conducted in separate stages and timelines and doesn't allow for a uniformed overall review.

Management recommends the Shire;

- *Formalise and document each Regulation 17 Review in accordance with the Local Government (Audit) Regulations 1996, ensuring a clear audit trail of the review process, findings and outcomes.*
- *Maintain a structured schedule for Regulation 17 Reviews aligned with legislative requirements, with clear ownership, timelines and reporting expectations.*
- *Table completed reviews with the Audit & Risk Committee to ensure oversight and accountability.*
- *Retain all supporting documentation, including working papers, assessments, action plans and management responses, to demonstrate compliance and facilitate future audits.*

Responsible person: **Chief Executive Officer**
Completion date: **30/06/2026**

ATTACHMENT

SHIRE OF QUAIRADING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

5. Excessive Leave Balances

The Local Government Industry Award 2010 deems an employee's leave accrual to be excessive if the employee has accrued more than 8 weeks annual leave and 13 weeks long service leave.

Our audit procedures identified two employee who had an annual leave balance more than eight weeks and more than 13 weeks of long service leave.

Rating: Minor (2024: Minor)

Implication
The cost to the Shire is greater if leave is not paid on a regular basis due to the cumulative effect of salary increasing over a period of time. In addition, recreational leave enhances employee performance, and it is a fundamental principle of good internal control to prevent the perpetration of fraud.

Recommendation
The Shire should continue to manage and monitor the excessive leave balances to reduce the liability as well as the risk of business interruption and potential fraud. Management should consider the implementation of a policy to follow up any employees that have excessive leave.

Management comment
The Shire continues to manage and monitor excess leave balances and reports those balances to the Audit, Risk & Improvement Committee on a quarterly basis.

The Shire has managed to reduce one employee's annual leave balance below the excessive leave balance as at 16/11/2025 with the second employee directed to take long term leave to reduce that balance significantly. Annual leave will also be reduced for most employees over the 2025 Christmas break.

One employee has engaged to take one month's long service leave in May 2026 with the balance of long service leave paid out in the pay period ending 30/11/2025.

Responsible person: **Manager of Governance/Executive Manager Corporate Services**
Completion date: **30/06/2026**

Auditor General

INDEPENDENT AUDITOR'S REPORT
2025
Shire of Quairading

To the Council of the Shire of Quairading

Opinion

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

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

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 Quairading 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.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 December 2025

SHIRE OF QUAIRADING

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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

"Our Shire is a place of welcome for all, where we work together, with thriving industry creating jobs, a bright future for our young people, and a bustling town in a beautiful and productive rural setting."

Principal place of business:
10 Jennaberring Road
Quairading WA 6383

AMD

SHIRE OF QUAIRADING
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 Quairading 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 2nd day of December 2025

Temporary CEO

John Merrick
Name of Temporary CEO

OAG AUDITED

AMD

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

	Note	2025 Actual	2025 Budget	2024 Actual
		$	$	$
Revenue				
Rates	2(a),25	2,805,720	2,799,736	2,640,665
Grants, subsidies and contributions	2(a)	1,904,327	600,874	2,455,183
Fees and charges	2(a)	651,033	682,553	675,445
Interest revenue	2(a)	271,266	152,350	222,726
Other revenue	2(a)	435,877	422,170	459,002
		6,068,223	4,657,683	6,453,021
Expenses				
Employee costs	2(b)	(2,245,811)	(2,237,356)	(2,264,757)
Materials and contracts		(2,663,799)	(2,861,124)	(2,391,227)
Utility charges		(316,568)	(277,050)	(309,394)
Depreciation		(3,546,859)	(3,448,062)	(3,415,918)
Finance costs	2(b)	(8,675)	(7,980)	(10,929)
Insurance		(201,986)	(205,303)	(282,142)
Other expenditure	2(b)	(118,856)	(147,914)	(617,300)
		(9,102,554)	(9,184,789)	(9,291,667)
		(3,034,331)	(4,527,106)	(2,838,646)
Capital grants, subsidies and contributions	2(a)	2,091,108	2,066,381	1,940,991
Profit on asset disposals		92,440	99,341	6,909
Loss on asset disposals		(38,050)	(412,034)	(27,273)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(3,551)	0	1,681
		2,141,947	1,753,688	1,922,308
Net result for the period		**(892,384)**	**(2,773,418)**	**(916,338)**
Total comprehensive income for the period		**(892,384)**	**(2,773,418)**	**(916,338)**

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





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

	Note	2025	2024
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	5,738,239	6,380,453
Trade and other receivables	5	459,353	493,168
Other financial assets	4(a)	0	659,897
Inventories	6	168,851	198,674
Other assets	7	329,659	785,995
TOTAL CURRENT ASSETS		6,696,102	8,518,187
NON-CURRENT ASSETS			
Trade and other receivables	5	33,905	35,573
Other financial assets	4(b)	79,620	83,171
Inventories	6	114,000	114,000
Property, plant and equipment	8	23,815,923	23,438,504
Infrastructure	9	99,508,716	99,655,219
Right-of-use assets	11(a)	12,902	33,094
TOTAL NON-CURRENT ASSETS		123,565,066	123,359,561
TOTAL ASSETS		130,261,168	131,877,748
CURRENT LIABILITIES			
Trade and other payables	12	732,946	1,400,057
Contract liabilities	13	8,600	68,952
Capital grant liabilities	13	167,237	169,695
Lease liabilities	11(b)	11,586	11,047
Borrowings	14	69,741	67,898
Employee related provisions	15	254,970	176,085
TOTAL CURRENT LIABILITIES		1,245,080	1,893,734
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	9,060	20,646
Borrowings	14	139,979	209,720
Employee related provisions	15	41,367	35,582
TOTAL NON-CURRENT LIABILITIES		190,406	265,948
TOTAL LIABILITIES		1,435,486	2,159,682
NET ASSETS		128,825,682	129,718,066
EQUITY			
Retained surplus		41,054,148	41,964,120
Reserve accounts	28	4,129,227	4,111,639
Revaluation surplus	16	83,642,307	83,642,307
TOTAL EQUITY		128,825,682	129,718,066

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

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SHIRE OF QUAIRADING
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		**42,898,658**	**4,093,439**	**83,642,307**	**130,634,404**
Comprehensive income for the period					
Net result for the period		(916,338)	0	0	(916,338)
Total comprehensive income for the period		(916,338)	0	0	(916,338)
Transfers from reserve accounts	28	121,500	(121,500)	0	0
Transfers to reserve accounts	28	(139,700)	139,700	0	0
Balance as at 30 June 2024		**41,964,120**	**4,111,639**	**83,642,307**	**129,718,066**
Comprehensive income for the period					
Net result for the period		(892,384)	0	0	(892,384)
Total comprehensive income for the period		(892,384)	0	0	(892,384)
Transfers from reserve accounts	28	180,000	(180,000)	0	0
Transfers to reserve accounts	28	(197,588)	197,588	0	0
Balance as at 30 June 2025		**41,054,148**	**4,129,227**	**83,642,307**	**128,825,682**

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

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

	Note	2025 Actual $	2024 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		2,729,584	2,613,702
Grants, subsidies and contributions		1,908,018	2,590,991
Fees and charges		650,098	675,727
Interest revenue		271,266	222,726
Goods and services tax received		667,093	549,274
Other revenue		435,877	459,002
		6,661,936	7,111,422
Payments			
Employee costs		(2,150,970)	(2,294,732)
Materials and contracts		(2,888,855)	(2,165,357)
Utility charges		(316,568)	(309,394)
Finance costs		(8,675)	(12,469)
Insurance paid		(201,986)	(282,142)
Goods and services tax paid		(608,890)	(532,958)
Other expenditure		(119,791)	(169,758)
		(6,295,735)	(5,766,810)
Net cash provided by operating activities		366,201	1,344,612
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of inventories (land held for resale)	6	(51,621)	0
Payments for purchase of property, plant & equipment	8(a)	(1,584,935)	(505,162)
Payments for construction of infrastructure	9(a)	(2,549,144)	(2,238,999)
Proceeds from capital grants, subsidies and contributions		2,088,650	1,636,778
Proceeds from/(payments for) financial assets at amortised cost		659,897	(659,897)
Proceeds from sale of inventories (land held for resale)		80,455	0
Proceeds from sale of property, plant & equipment		427,228	136,909
Net cash (used in) investing activities		(929,470)	(1,630,371)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(67,898)	(66,105)
Payments for principal portion of lease liabilities	27(b)	(11,047)	(23,578)
Net cash (used in) financing activities		(78,945)	(89,683)
Net (decrease) in cash held		(642,214)	(375,442)
Cash at beginning of year		6,380,453	6,755,895
Cash and cash equivalents at the end of the year		5,738,239	6,380,453

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

SHIRE OF QUAIRADING
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	25	2,787,410	2,781,426	2,622,180
Rates excluding general rates	25	18,310	18,310	18,485
Grants, subsidies and contributions		1,904,327	600,874	2,455,183
Fees and charges		651,033	682,553	675,445
Interest revenue		271,266	152,350	222,726
Other revenue		435,877	422,170	459,002
Profit on asset disposals		92,440	99,341	6,909
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(3,551)	0	1,681
		6,157,112	4,757,024	6,461,611
Expenditure from operating activities				
Employee costs		(2,245,811)	(2,237,356)	(2,264,757)
Materials and contracts		(2,663,799)	(2,861,124)	(2,391,227)
Utility charges		(316,568)	(277,050)	(309,394)
Depreciation		(3,546,859)	(3,448,062)	(3,415,918)
Finance costs		(8,675)	(7,980)	(10,929)
Insurance		(201,986)	(205,303)	(282,142)
Other expenditure		(118,856)	(147,914)	(617,300)
Loss on asset disposals		(38,050)	(412,034)	(27,273)
		(9,140,604)	(9,596,823)	(9,318,940)
Non-cash amounts excluded from operating activities	26(a)	3,520,066	3,765,494	3,895,327
Amount attributable to operating activities		536,574	(1,074,305)	1,037,998
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,091,108	2,066,381	1,940,991
Proceeds from disposal of assets		507,683	920,000	136,909
		2,598,791	2,986,381	2,077,900
Outflows from investing activities				
Right of use assets received - non cash	11(a)	0	(35,000)	(34,373)
Acquisition of inventories (land held for resale)	6	(51,621)	0	0
Acquisition of property, plant and equipment	8(a)	(1,584,935)	(2,189,551)	(505,162)
Acquisition of infrastructure	9(a)	(2,549,144)	(2,438,505)	(2,238,999)
		(4,185,700)	(4,663,056)	(2,778,534)
Non-cash amounts excluded from investing activities	26(b)	0	35,000	34,373
Amount attributable to investing activities		(1,586,909)	(1,641,675)	(666,261)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	27(b)	0	35,000	34,373
Transfers from reserve accounts	28	180,000	530,000	121,500
		180,000	565,000	155,873
Outflows from financing activities				
Repayment of borrowings	27(a)	(67,898)	(67,898)	(66,105)
Payments for principal portion of lease liabilities	27(b)	(11,047)	(29,925)	(23,578)
Transfers to reserve accounts	28	(197,588)	(275,000)	(139,700)
		(276,533)	(372,823)	(229,383)
Non-cash amounts excluded from financing activities	26(c)	0	(35,000)	(34,373)
Amount attributable to financing activities		(96,533)	157,177	(107,883)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(d)	2,578,907	2,583,337	2,315,053
Amount attributable to operating activities		536,574	(1,074,305)	1,037,998
Amount attributable to investing activities		(1,586,909)	(1,641,675)	(666,261)
Amount attributable to financing activities		(96,533)	157,177	(107,883)
Surplus or deficit after imposition of general rates	26(d)	**1,432,039**	**24,534**	**2,578,907**

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

SHIRE OF QUAIRADING
FOR THE YEAR ENDED 30 JUNE 2025
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AMD

SHIRE OF QUAIRADING
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 Quairading 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 were applied 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 *Leases* 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 government controls;
and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

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

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

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

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:
- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 15

Fair value heirarchy information can be found in note 24

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.

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 of 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 amendment 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 QUAIRADING
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, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	No refunds	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	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue recognition

Rate revenue was recognised from the rate record as soon as practicable after the 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	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	2,805,720	0	2,805,720
Grants, subsidies and contributions	136,597	0	0	1,767,730	1,904,327
Fees and charges	636,805	0	14,228	0	651,033
Interest revenue	0	0	39,038	232,228	271,266
Other revenue	52,192	0	0	383,685	435,877
Capital grants, subsidies and contributions	0	2,091,108	0	0	2,091,108
Total	825,594	2,091,108	2,858,986	2,383,643	8,159,331

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	2,622,180	18,485	2,640,665
Grants, subsidies and contributions	137,268	0	0	2,317,915	2,455,183
Fees and charges	663,219	0	12,226	0	675,445
Interest revenue	0	0	32,800	189,926	222,726
Other revenue	80,648	0	0	378,354	459,002
Capital grants, subsidies and contributions	0	1,940,991	0	0	1,940,991
Total	881,135	1,940,991	2,667,206	2,904,680	8,394,012

AMD

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2025 Actual $	2024 Actual $
Interest revenue			
Financial assets at amortised cost - self-supporting loans		0	5
Interest on reserve account		198,189	163,975
Trade and other receivables overdue interest		39,038	32,800
Other interest revenue		34,039	25,946
		271,266	222,726
The 2025 original budget estimate in relation to:			
Trade and other receivables overdue interest was $29,350.			
Fees and charges relating to rates receivable			
Charges on instalment plan		1,245	1,290
The 2025 original budget estimate in relation to:			
Charges on instalment plan was $1,500.			

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		45,903	45,000
- Other services – grant acquittals		7,780	3,450
		53,683	48,450
Employee Costs			
Employee benefit costs		1,868,030	1,969,045
Other employee costs		377,781	295,712
		2,245,811	2,264,757
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		8,675	10,929
		8,675	10,929
Other expenditure			
Impairment losses on trade receivables		(935)	282
Write down of inventories to net realisable value	6	0	447,260
Sundry expenses		119,791	169,758
		118,856	617,300

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

3. CASH AND CASH EQUIVALENTS

	Note	2025 $	2024 $
Cash at bank and on hand		1,819,653	2,655,601
Term deposits		3,918,586	3,724,852
Total cash and cash equivalents		5,738,239	6,380,453
Held as			
- Unrestricted cash and cash equivalents		1,375,770	1,978,775
- Restricted cash and cash equivalents	17	4,362,469	4,401,678
		5,738,239	6,380,453

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.

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

	Note	2025 $	2024 $
(a) Current assets			
Financial assets at amortised cost		0	659,897
		0	659,897
Other financial assets at amortised cost			
Term deposits		0	659,897
		0	659,897
Held as			
- Unrestricted other financial assets at amortised cost		0	659,897
		0	659,897
(b) Non-current assets			
Financial assets at fair value through profit or loss		79,620	83,171
		79,620	83,171
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		83,171	81,490
Movement attributable to fair value increment		(3,551)	1,681
Units in Local Government House Trust - closing balance		79,620	83,171

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 hierachy (see Note 24 (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 classifies 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 QUAIRADING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

	Note	2025	2024
		$	$
Current			
Rates and statutory receivables		365,878	279,317
Trade receivables		75,308	138,416
GST receivable		18,295	76,498
Allowance for credit losses of trade receivables		(128)	(1,063)
		459,353	493,168
Non-current			
Rates and statutory receivables		33,905	35,573
		33,905	35,573

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts 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
		$	$	$
Contract assets	7	273,698	676,569	837,395
Allowance for credit losses of trade receivables	5	(128)	(1,063)	(781)
Total trade and other receivables from contracts with customers		273,570	675,506	836,614

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.

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.

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

6. INVENTORIES

	Note	2025	2024
		$	$
Current			
Fuel and materials		12,230	8,674
Land held for resale			
Held at net realisable value		105,000	190,000
Development costs		51,621	0
		168,851	198,674
Non-current			
Land held for resale			
Held at net realisable value		114,000	114,000
		114,000	114,000
The following movements in inventories occurred during the year:			
Balance at beginning of year		312,674	762,088
Fuel and material inventories expensed during the year		(125,770)	(125,173)
Write down of inventories to net realisable value	2(b)	0	(447,260)
Land held for resale purchases		51,621	0
Land held for resale disposals		(85,000)	0
Fuel and material additions to inventory		129,326	123,019
Balance at end of year		282,851	312,674

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.

Land held for resale
Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)
Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Shire's intentions to release for sale.

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

7. OTHER ASSETS

	2025	2024
	$	$
Other assets - current		
Prepayments	7,743	63,741
Accrued income	48,218	45,685
Contract assets	273,698	676,569
	329,659	785,995

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.

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SHIRE OF QUAIRADING
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		
	Note	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		$	$	$	$	$	$	$	$	$
Balance at 1 July 2023		1,456,390	17,923,562	1,456,390	17,923,562	0	19,379,952	150,851	4,189,474	23,720,277
Additions		0	91,803	0	91,803	11,203	103,006	35,442	366,714	505,162
Disposals		0	0	0	0	0	0	0	(157,273)	(157,273)
Depreciation		0	(344,611)	0	(344,611)	0	(344,611)	(41,134)	(364,472)	(750,217)
Transfers		0	86,000	0	86,000	0	86,000	17,503	17,052	120,555
Balance at 30 June 2024		1,456,390	17,756,754	1,456,390	17,756,754	11,203	19,224,347	162,662	4,051,495	23,438,504
Comprises:										
Gross balance amount at 30 June 2024		1,456,390	18,101,365	1,456,390	18,101,365	11,203	19,568,958	338,081	6,307,576	26,214,615
Accumulated depreciation at 30 June 2024		0	(344,611)	0	(344,611)	0	(344,611)	(175,419)	(2,256,081)	(2,776,111)
Balance at 30 June 2024	8(b)	1,456,390	17,756,754	1,456,390	17,756,754	11,203	19,224,347	162,662	4,051,495	23,438,504
Additions		52,000	233,449	52,000	233,449	0	285,449	0	1,299,486	1,584,935
Disposals		0	0	0	0	0	0	0	(368,293)	(368,293)
Depreciation		0	(347,203)	0	(347,203)	0	(347,203)	(46,085)	(401,532)	(794,820)
Transfers		0	(40,485)	0	(40,485)	(11,203)	(51,688)	7,285	0	(44,403)
Balance at 30 June 2025		1,508,390	17,602,515	1,508,390	17,602,515	0	19,110,905	123,862	4,581,156	23,815,923
rises:										
balance amount at 30 June 2025		1,508,390	18,294,329	1,508,390	18,294,329	0	19,802,719	345,366	6,892,302	27,040,387
ulated depreciation at 30 June 2025		0	(691,814)	0	(691,814)	0	(691,814)	(221,504)	(2,311,146)	(3,224,464)
ce at 30 June 2025	8(b)	1,508,390	17,602,515	1,508,390	17,602,515	0	19,110,905	123,862	4,581,156	23,815,923

SHIRE OF QUAIRADING
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		1,508,390	1,456,390	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2023	Price per hectare
Total land	8(a)	1,508,390	1,456,390					
Buildings - non specialised		2,547,331	2,527,696	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2023	Price per square metre
Buildings - specialised		15,055,184	15,229,058	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Total buildings	8(a)	17,602,515	17,756,754					

SHIRE OF QUAIRADING
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 - bridges	Infrastructure - other community & recreation facilities	Infrastructure - work in progress	Total infrastructure
	$	$	$	$	$	$
Balance at 1 July 2023	82,379,977	601,960	10,735,078	5,597,889	862,705	100,177,609
Additions	1,436,460	0	0	802,539	0	2,238,999
Depreciation	(2,125,515)	(32,819)	(181,888)	(300,612)	0	(2,640,834)
Transfers	0	0	0	742,150	(862,705)	(120,555)
Balance at 30 June 2024	81,690,922	569,141	10,553,190	6,841,966	0	99,655,219
Comprises:						
Gross balance at 30 June 2024	104,350,475	1,219,564	18,934,299	10,657,069	0	135,161,407
Accumulated depreciation at 30 June 2024	(22,659,553)	(650,423)	(8,381,109)	(3,815,103)	0	(35,506,188)
Balance at 30 June 2024	81,690,922	569,141	10,553,190	6,841,966	0	99,655,219
Additions	1,826,391	5,500	35,100	625,061	57,092	2,549,144
Depreciation	(2,196,153)	(32,831)	(181,911)	(320,952)	0	(2,731,847)
Transfers	0	0	0	36,200	0	36,200
Balance at 30 June 2025	81,321,160	541,810	10,406,379	7,182,275	57,092	99,508,716
Comprises:						
Gross balance at 30 June 2025	106,176,866	1,225,064	18,969,399	11,318,330	57,092	137,746,751
Accumulated depreciation at 30 June 2025	(24,855,706)	(683,254)	(8,563,020)	(4,136,055)	0	(38,238,035)
Balance at 30 June 2025	81,321,160	541,810	10,406,379	7,182,275	57,092	99,508,716

SHIRE OF QUAIRADING
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 depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other community & recreation facilities	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) 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 QUAIRADING
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	25 - 95 years
Furniture and equipment	5 - 40 years
Plant and equipment	4 - 40 years
Unsealed Roads	
- Aggregate Surfaces	15 - 20 years
- Ashphalt Surfaces	15 - 20 Years
- Pavement Surfaces	12 - 16 Years
Drainage Systems	60 - 100 Years
Clearing & Formation	Not Depreciated
Culverts/Floodways	60 - 100 Years
Concrete Footpaths	40 - 65 Years
Footpaths Other	15 - 65 Years
Kerbing	60 - 100 Years
Bridges	80 - 175 Years
Other Infrastructure	10 - 175 years
Right-of-use Assets	Based on the remaining lease term

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SHIRE OF QUAIRADING
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 and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2).* Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses 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 is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation
Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

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

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

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

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

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

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

Depreciation on revaluation
When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
(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 *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its 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 QUAIRADING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES

(a) Right-of-use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment	Total right-of-use assets
		$	$
Balance at 1 July 2023		23,588	23,588
Additions		34,373	34,373
Depreciation		(24,867)	(24,867)
Balance at 30 June 2024		33,094	33,094
Gross balance amount at 30 June 2024		125,464	125,464
Accumulated depreciation at 30 June 2024		(92,370)	(92,370)
Balance at 30 June 2024		33,094	33,094
Depreciation		(20,192)	(20,192)
Balance at 30 June 2025		12,902	12,902
Gross balance amount at 30 June 2025		125,464	125,464
Accumulated depreciation at 30 June 2025		(112,562)	(112,562)
Balance at 30 June 2025		12,902	12,902

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:		2025 Actual	2024 Actual
		$	$
		0	
Depreciation on right-of-use assets		(20,192)	(24,867)
Finance charge on lease liabilities	27(b)	(1,356)	(532)
Total amount recognised in the statement of comprehensive income		(21,548)	(25,399)
Total cash outflow from leases		(12,403)	(24,110)

(b) Lease liabilities

Current		11,586	11,047
Non-current		9,060	20,646
	27(b)	20,646	31,693

The Shire has one lease relating to plant and equipment. The lease has a term of 4 years.

Secured liabilities and assets pledged as security
Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

MATERIAL ACCOUNTING POLICIES
Leases
At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(b).

Right-of-use assets - measurement
Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation
Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

11. LEASES (Continued)

(c) 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.

	2025 Actual	2024 Actual
	$	$
Less than 1 year	39,611	51,126
1 to 2 years	392	39,611
2 to 3 years	0	392
	40,003	91,129
Amounts recognised in profit or loss for property, plant and equipment subject to lease		
Rental income	51,126	56,895

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

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 typically enters into new operating leases and therefore will not immediately realise any reduction in 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.

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SHIRE OF QUAIRADING
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FOR THE YEAR ENDED 30 JUNE 2025

12. TRADE AND OTHER PAYABLES

	2025	2024
	$	$
Current		
Sundry creditors	251,177	1,121,125
Prepaid rates	70,735	61,978
Accrued payroll liabilities	85,656	76,255
Statutory liabilites	40,129	39,359
Bonds and deposits held	57,405	51,392
Accrued interest	872	1,148
Accrued expenditure	222,505	48,410
Income in advance	4,467	390
	732,946	1,400,057

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.

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SHIRE OF QUAIRADING
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FOR THE YEAR ENDED 30 JUNE 2025

13. OTHER LIABILITIES

	2025	2024
	$	$
Current		
Contract liabilities	8,600	68,952
Capital grant liabilities	167,237	169,695
	175,837	238,647
Reconciliation of changes in contract liabilities		
Opening balance	68,952	37,618
Additions	8,600	68,952
Revenue from contracts with customers included as a contract liability at the start of the period	(68,952)	(37,618)
	8,600	68,952
The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was $8,600 (2024: $68,952)		
The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant liabilities		
Opening balance	169,695	473,908
Additions	167,237	169,695
Revenue from capital grants held as a liability at the start of the period	(169,695)	(473,908)
	167,237	169,695
Expected satisfaction of capital grant liabilities		
Less than 1 year	167,237	169,695
	167,237	169,695

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

SHIRE OF QUAIRADING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. BORROWINGS

	Note	2025 Current	2025 Non-current	2025 Total	2024 Current	2024 Non-current	2024 Total
Secured		$	$	$	$	$	$
Debentures		69,741	139,979	209,720	67,898	209,720	277,618
Total secured borrowings	27(a)	69,741	139,979	209,720	67,898	209,720	277,618

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 Quairading.

The Shire of Quairading 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 borrowing 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 hierachy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk
Details of individual borrowings required by regulations are provided at Note 27(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
	$	$
Current provisions		
Employee benefit provisions		
Annual leave	141,461	120,960
Long service leave	81,144	33,441
	222,605	154,401
Employee related other provisions		
Employment on-costs	32,365	21,684
	32,365	21,684
Total current employee related provisions	254,970	176,085
Non-current provisions		
Employee benefit provisions		
Long service leave	36,065	31,139
	36,065	31,139
Employee related other provisions		
Employment on-costs	5,302	4,443
	5,302	4,443
Total non-current employee related provisions	41,367	35,582
Total employee related provisions	296,337	211,667

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

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	918,020	0	918,020	918,020	0	918,020
Revaluation surplus - Buildings	10,706,094	0	10,706,094	10,706,094	0	10,706,094
Revaluation surplus - Furniture and equipment	20,568	0	20,568	20,568	0	20,568
Revaluation surplus - Plant and equipment	53,677	0	53,677	53,677	0	53,677
Revaluation surplus - Infrastructure - roads	56,645,915	0	56,645,915	56,645,915	0	56,645,915
Revaluation surplus - Infrastructure - footpaths	374,446	0	374,446	374,446	0	374,446
Revaluation surplus - Infrastructure - bridges	11,637,670	0	11,637,670	11,637,670	0	11,637,670
Revaluation surplus - Infrastructure - other community & recreation facilities	3,285,917	0	3,285,917	3,285,917	0	3,285,917
	83,642,307	0	83,642,307	83,642,307	0	83,642,307

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2025 Actual	2024 Actual
		$	$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	4,362,469	4,401,678
		4,362,469	4,401,678
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	4,129,227	4,111,639
Contract liabilities	13	8,600	68,952
Capital grant liabilities	13	167,237	169,695
Bonds and deposits held	12	57,405	51,392
Total restricted financial assets		4,362,469	4,401,678

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Credit standby arrangements			
Credit card limit		20,000	20,000
Credit card balance at balance date		(8,661)	(1,822)
Total amount of credit unused		11,339	18,178
Loan facilities			
Loan facilities - current		69,741	67,898
Loan facilities - non-current		139,979	209,720
Total facilities in use at balance date		209,720	277,618
Unused loan facilities at balance date		NIL	NIL

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

19. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Quairading has identified the following sites to be possible sources of contamination:

- Airstrip (Historic; small agricultural chemical spill)
- Old Community Sheep Dip at Doodenanning (Historic; unassessed)

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environment Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environment Regulation Guidelines.

20. CAPITAL COMMITMENTS

	2025	2024
	$	$
Contracted for:		
- capital expenditure projects	358,172	105,244
	358,172	105,244
Payable:		
- not later than one year	358,172	105,244

The Capital expenditure projects outstanding at the end of the current reporting period are

1. Construction of 2 x 1 Bedroom Cabins, including site contour survey and soil tests.
2. Installation of Reinforced Culvert Boxes on Minchin Rd
3. Line markingon Quairading/Corringin Rd.

The Capital expenditure projects outstanding at the end of the previous reporting period was:-
1.Bitumen seal of the Quairading - Corrigin Road.

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

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2025 Actual	2025 Budget	2024 Actual
		$	$	$
President's annual allowance		1,145	1,145	1,100
President's meeting attendance fees		4,525	6,725	6,465
		5,670	7,870	7,565
Deputy President's meeting attendance fees		3,597	4,555	4,378
		3,597	4,555	4,378
All other council member's meeting attendance fees		11,289	16,600	18,558
		11,289	16,600	18,558
	21(b)	20,556	29,025	30,501

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Shire during the year are as follows:				
Short-term employee benefits		529,461		628,981
Post-employment benefits		62,879		66,382
Employee - other long-term benefits		64,585		19,546
Employee - termination benefits		0		25,263
Council member costs	21(a)	20,556		30,501
		677,481		770,673

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

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

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits
These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

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

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SHIRE OF QUAIRADING
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:	2025 Actual $	2024 Actual $
Sale of goods and services	27,028	9,611
Purchase of goods and services	1,596	0
Payment of council member costs	20,556	30,501
Amounts outstanding from related parties:		
Trade and other receivables	4,743	2,104
Amounts payable to related parties:		
Trade and other payables	50	5,884

(d) 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 Shire, directly or indirectly, including any council member, are considered key management personnel.

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

iii. Entities subject to significant influence by the Shire
There were no such entities requiring disclosure during the current or previous year.

SHIRE OF QUAIRADING
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22. JOINT ARRANGEMENTS

Share of joint operations
The Shire has an agreement with the Department of Communities for the provision of community housing on Suburban Road, Quairading. This arrangement constitutes a joint arrangement as unanimous decisions are required by the parties to the agreement amounting to joint control.

The arrangement has been determined to be a joint arrangement.

The assets held under the agreement by both parties are land and 2 x 3 bedroom units. The ownership of the joint operation is defined in the agreement including the percentage of each party's proportionate interest in the assets of the joint operation. Surplus funds are held in the HomesWest Joint Venture Housing
Reserve account for future building maintenance.

The Shire manages the property and tenancy of the joint operation and the effects of its interest in the joint
operations are as follows:

	2025 Actual	2024 Actual
Statement of financial position	$	$
Land and buildings	97,543	97,543
Less: accumulated depreciation	(2,528)	(1,264)
Total assets	95,015	96,279
Statement of comprehensive income		
Other revenue	22,000	14,988
Other expense	(6,012)	(16,408)
Profit/(loss) for the period	15,988	(1,420)
Other comprehensive income	0	0
Total comprehensive income/(loss) for the period	15,988	(1,420)

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.

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

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire does not have any subsequent events after balance sheet date.

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

24. OTHER MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

25. RATING INFORMATION

(a) General rates

RATE TYPE Rate description	Basis of valuation	Rate in $	Number of properties	2024/25 Actual rateable value*	2024/25 Actual rate revenue	2024/25 Actual interim rates	2024/25 Actual total revenue	2024/25 Budget rate revenue	2024/25 Budget interim rate	2024/25 Budget total revenue	2023/24 Actual total revenue
				$	$	$	$	$	$	$	$
Residential	Gross rental valuation	0.138187	316	3,142,952	434,315	5,403	439,718	434,315	0	434,315	392,652
Industrial	Gross rental valuation	0.138187	21	274,950	37,994	108	38,102	37,995	0	37,995	42,963
Commercial	Gross rental valuation	0.138187	10	209,776	28,988	0	28,988	28,988	0	28,988	38,006
Rural	Unimproved valuation	0.006820	351	319,919,000	2,181,848	474	2,182,322	2,181,848	0	2,181,848	2,061,439
Non-Rateable	Gross rental valuation	0.000000	232	133,174	0	0	0		0	0	0
Total general rates			930	323,679,852	2,683,145	5,985	2,689,130	2,683,146	0	2,683,146	2,535,060
		Minimum payment $									
Minimum payment											
Residential	Gross rental valuation	756	61	56,190	46,116	0	46,116	46,116	0	46,116	43,920
Industrial	Gross rental valuation	756	8	13,540	6,048	0	6,048	6,048	0	6,048	5,040
Commercial	Gross rental valuation	756	1	2,000	756	0	756	756	0	756	0
Rural	Unimproved valuation	756	60	3,405,481	45,360	0	45,360	45,360	0	45,360	38,160
Total minimum payments			130	3,477,211	98,280	0	98,280	98,280	0	98,280	87,120
Total general rates and minimum payments			1,060	327,157,063	2,781,425	5,985	2,787,410	2,781,426	0	2,781,426	2,622,180
		Rate in $									
Ex-gratia rates											
CBH Receival Bin	Tonnage	0.047197	1	387,950	18,310	0	18,310	18,310	0	18,310	18,485
Total amount raised from rates (excluding general rates)			1	387,950	18,310	0	18,310	18,310	0	18,310	18,485
Total rates							2,805,720			2,799,736	2,640,665

(b) Rates related information

Rates instalment interest	2,018		3,000	2,409
es instalment plan charges	1,245		1,500	1,290
es overdue interest	37,020		26,350	30,391
es written off	928		2,050	2,004

teable Value at time of raising of rate.

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SHIRE OF QUAIRADING
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26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
		$	$	$
(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		(92,440)	(99,341)	(6,909)
Less: Movement in liabilities associated with restricted cash		8,390	4,739	5,846
Less: Fair value adjustments to financial assets at fair value through profit or loss		3,551	0	(1,681)
Add: Loss on disposal of assets		38,050	412,034	27,273
Add: Depreciation		3,546,859	3,448,062	3,415,918
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		1,668	0	(67)
Assets expensed during the year		8,203	0	0
Employee benefit provisions		5,785	0	7,687
Inventory		0	0	447,260
Non-cash amounts excluded from operating activities		3,520,066	3,765,494	3,895,327
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to investing activities				
Right of use assets received - non cash	11(a)	0	35,000	34,373
Non-cash amounts excluded from investing activities		0	35,000	34,373
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to financing activities				
Non cash proceeds from new leases	27(b)	0	(35,000)	(34,373)
Non-cash amounts excluded from financing activities		0	(35,000)	(34,373)
(d) Surplus or 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	28	(4,129,227)	(3,855,085)	(4,111,639)
Less: Financial assets at amortised cost				
Less: Current assets not expected to be received at end of year				
- Land held for resale	6	(156,621)	0	(190,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	69,741	0	67,898
- Current portion of lease liabilities	11(b)	11,586	35,000	11,047
- Employee benefit provisions		185,538	181,823	177,148
Total adjustments to net current assets		(4,018,983)	(3,638,262)	(4,045,546)
Net current assets used in the Statement of financial activity				
Total current assets		6,696,102	5,225,140	8,518,187
Less: Total current liabilities		(1,245,080)	(1,562,344)	(1,893,734)
Less: Total adjustments to net current assets		(4,018,983)	(3,638,262)	(4,045,546)
Surplus or deficit after imposition of general rates		1,432,039	24,534	2,578,907

SHIRE OF QUAIRADING
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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		$	$	$	$	$	$	$	$	$	$	$
Depot Building		243,726	0	(51,338)	192,388	0	(52,911)	139,477	192,388	0	(52,911)	139,477
Park Cottages		99,997	0	(14,767)	85,230	0	(14,987)	70,243	92,640	0	(14,987)	77,653
Total		343,723	0	(66,105)	277,618	0	(67,898)	209,720	285,028	0	(67,898)	217,130

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
					$	$	$
Depot Building	118	WATC*	3.04%	15/07/2027	(5,899)	(5,450)	(8,398)
Park Cottages	119	WATC*	1.49%	9/06/2029	(1,420)	(1,206)	(1,999)
Total					(7,319)	(6,656)	(10,397)
Total finance cost payments					(7,319)	(6,656)	(10,397)

* WA Treasury Corporation

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SHIRE OF QUAIRADING
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27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		$	$	$	$	$	$	$	$	$	$	$
CESM Vehicle		17,555	0	(17,555)	0	0	0	0	(3,660)	35,000	(17,555)	13,785
Canon Copier		3,343	0	(3,343)	0	0	0	0	0	0	0	0
Gym Equipment		0	34,373	(2,680)	31,693	0	(11,047)	20,646	31,692	0	(12,370)	19,322
Total lease liabilities	11(b)	20,898	34,373	(23,578)	31,693	0	(11,047)	20,646	28,032	35,000	(29,925)	33,107

Lease finance cost payments

Purpose	Lease 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	Lease term
					$	$	$	
CESM Vehicle	2	Summit Fleet	1.10%	15/02/2024	0	0	(73)	36 Months
Canon Copier	3	Canon Finance	1.40%	20/05/2024	0	0	(47)	48 Months
Gym Equipment	5	Maia Financial	4.95%	1/01/2027	(1,356)	(1,324)	(412)	48 Months
Total finance cost payments					(1,356)	(1,324)	(532)	

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SHIRE OF QUAIRADING
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FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer 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
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Long Service Leave Reserve	177,148	8,390	0	185,538	177,084	4,739	0	181,823	171,302	5,846	0	177,148
(b) Building Reserve	941,595	44,946	0	986,541	941,244	25,191	(350,000)	616,435	925,026	31,569	(15,000)	941,595
(c) Furniture, Fittings & Equipment Reserve	24,720	2,352	0	27,072	24,692	661	0	25,353	72,254	2,466	(50,000)	24,720
(d) Plant Reserve	749,431	36,825	(180,000)	606,256	749,135	20,049	(180,000)	589,184	779,334	26,597	(56,500)	749,431
(e) Health Reserve	102,974	4,877	0	107,851	102,936	2,755	0	105,691	99,576	3,398	0	102,974
(f) Swimming Pool Reserve	20,970	993	0	21,963	20,963	561	0	21,524	20,278	692	0	20,970
(g) Sustainable Environment Reserve	177,263	8,394	0	185,657	177,197	4,742	0	181,939	171,413	5,850	0	177,263
(h) Town Planning & Development Reserve	74,508	3,529	0	78,037	74,481	1,993	0	76,474	72,049	2,459	0	74,508
(i) HomesWest Joint Venture Housing Reserve	5,610	266	0	5,876	5,608	150	0	5,758	5,425	185	0	5,610
(j) Road Infrastructure Reserve	569,731	26,981	0	596,712	569,522	55,242	0	624,764	550,929	18,802	0	569,731
(k) Rec Centre Multi Purpose Precinct Reserve	556,992	26,378	0	583,370	556,787	139,902	0	696,689	538,610	18,382	0	556,992
(l) Building Renewal Reserve	130,030	6,158	0	136,188	129,982	3,479	0	133,461	125,739	4,291	0	130,030
(m) Independent Living Reserve	580,667	27,499	0	608,166	580,454	15,536	0	595,990	561,504	19,163	0	580,667
	4,111,639	197,588	(180,000)	4,129,227	4,110,085	275,000	(530,000)	3,855,085	4,093,439	139,700	(121,500)	4,111,639

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Long Service Leave Reserve	To be used to fund future Employee Leave requirements.
(b) Building Reserve	To be used to Develop and Upgrade Council Infrastructure and Building Assets.
(c) Furniture, Fittings & Equipment Reserve	To be used in funding the various furniture, fittings and equipment installed in Council buildings and for the purchase of IT Hardware and Software.
(d) Plant Reserve	To be used to assist in funding the purchase of major plant items.
(e) Health Reserve	To be used to assist in funding the improvement of Medical Services and Facilities.
(f) Swimming Pool Reserve	To be used to assist in funding future major capital/upgrade works at the Quairading Memorial Swimming Pool.
(g) Sustainable Environment Reserve	To be used to assist in funding projects and initiatives which foster a sustainable environment. Such areas include waste management, recycling, water usage, gravel supplies, energy conservation and environmentally sustainable projects.
(h) Town Planning & Development Reserve	To be used to assist in funding of planning and implementation of the development of Council land and the purchase of land for future development.
HomesWest Joint Venture Housing Reserve	To be used to assist with compliance with Council's Joint Venture Agreement held with the State Housing Commission and to provide funds for the maintenance, management and improvement of the Joint Venture Units.
Road Infrastructure Reserve	To be used towards road infrastructure projects including replacement of culverts and bridges.
Rec Centre Multi Purpose Precinct Reserve	To be used in providing assistance in the future redevelopment and capital upgrade works at the Multi Purpose Precint.
Building Renewal Reserve	To be used to fund the maintenance and renewal of Councils Building assets.
Independent Living Reserve	To be used to fund the development of Independent Living Units.

Office of the Auditor General
Serving the Public Interest

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Our Ref: F21/69

Mr Trevor Stacey
President
Shire of Quairading
10 Jennaberring Road
QUAIRADING WA 6383

Email: crstacey@quairading.wa.gov.au

Dear Mr Stacey

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

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

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

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

Management control issues
I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. Particularly, I would like to draw your attention to the fraud matters relating to the former chief executive officer. These matters have been discussed with management and their comments have been included in the attachment.

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

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

Unresolved matters from prior audits
We also draw your attention to the Matters Outstanding from Prior Audits issues set out in the attachment. We would appreciate your attention to these matters before next year's audit.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 30 September 2025. This date will be reported in our local government sector audit results report to be tabled in Parliament. I am providing this date for completeness of our Office's procedural fairness process.

If you have any queries in relation to this date, please contact me on 6557 7542 within 14 days of the date of this letter. If we do not hear from you, we will take this as confirmation of the date.

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

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

Yours sincerely



Liang Wong
Acting Senior Director
Financial Audit
4 December 2025

Attach

6.2 Audit Register - Progress Report

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	1. Attachment (i) Audit Register Progress Report (confidential)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 018-25/26

Moved: Cr JC Hayes
Seconded: Cr KS Squiers

1. That the Audit, Risk and Improvement Committee recommends to Council, that Council notes the progress recorded against each item within the audit register in confidential attachment (i).
2. That the Audit, Risk and Improvement Committee recommends to Council that Findings 1 and 10 be amalgamated with Finding 20 (most recent finding) and Finding 8 be amalgamated with Finding 14 (most recent finding).

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

- This report provides an update on the progress of actions included in the audit register.
- The audit register includes all open audit findings that have previously been accepted by the Audit and Risk Committee.

MATTER FOR CONSIDERATION

Receipt of the audit register progress report to 28 February 2026.

BACKGROUND

The external audit, also known as financial audits or audit of the annual financial statements, focuses on providing an objective and independent examination of the financial statements prepared by the Shire, increasing the value and user confidence in the financial statements.

The audit register lists findings from audit reports previously accepted by the Audit & Risk Committee. The register describes the progress of implementing improvements and percentage completion. Progress on the actions is monitored by management, this Committee and Council.

New findings from the 2024/2025 interim and final audit management letter are included in this report.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Council adopted a budget allocation of $45,903 in the 2025/2026 Budget, this was only an indicative cost from AMD, to perform the full 2024/2025 Audit of the financial statements. Due to increased investigations involved with the 2024/2025 audit, additional costs were determined of $11,122 (this amount included work completed by both AMD & OAG). This increased the total budget required to $57,025.00. A budget amendment of $10,000 will be required to account for the extra expenditure. Officers' efforts to undertake the improvements and report on progress have not been estimated or reported.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil.

RISK ASSESSMENT

	Option 1
Financial	*Moderate* *The costs associated with the annual audit is included in the budget. Due to substantial extra work conducted by the Auditors a significantly higher fee was required. The extra work carried out by staff has not been identified at this time*
Health	Low
Reputation	Low *Compliant with legislative requirements. Failure to complete the findings from audit reports would lead to increased reputational risk.*
Operations	Low *Operational impact is minimal in reporting progress on audit findings. Operational impact of not closing findings would escalate.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The audit register **confidential** **attachment (i)** counts actions and totals by “Finding #”. Each finding may have more than one “recommendation” and associated “agreed management action”. Only when all recommendations and agreed management actions within a finding are deemed complete will the finding, as a whole be, totalled at 100% complete and recommended to be closed.

The process for adding and removing findings to the audit register is as follows:

1. An external audit is completed, and an audit report is finalised.
2. The audit report is presented to the Audit and Risk Committee (ARC).
3. The ARC recommends to Council that it notes and accepts the audit report.
4. All findings from the audit report are **added** to the audit register.
5. Progress is reported by management with updates recorded quarterly in “officer comment / action taken”.
6. Any findings deemed as complete by management are marked as “100% complete” with the status of “closed”.
7. The audit register – progress report is submitted by management to the ARC.
8. The ARC reviews the audit register and confirms completion of any 100% and closed findings.
9. The ARC recommends to Council that it notes progress and approves the findings marked as complete to be registered as closed.
10. Closed findings are **removed** from the audit register.

A summary of the audit register, included below, will illustrate the trend of actions that have been added, progressed, and completed.

The blue row represents actions added by the ARC. New audit findings presented to the current meeting are included at the subsequent meeting, following acceptance.

The green row represents actions closed by the ARC and will always total 0 for the current meeting date. The closed actions from the current meeting will then be shown in the “closed by the Audit & Risk Committee” total in the subsequent meeting’s table summary.

Status of Actions	ARIC - Meeting Date: 03.03.26									
	02/2024	05/2024	08/2024	11/2024	02/2025	05/2025	08/2025	11/2025	03/2026	TOTAL
New actions added by ARIC	1	0	7	0	3	0	5	0	5	20
Not commenced ≤10%	0	0	0	0	0	0	0	0	0	0
Progressed >11% to 99%	1	1	8	8	11	11	16	16	20	20
Completed =100%	7	0	0	0	0	0	0	0	10	17
Total cumulative closed by ARIC	7	7	7	7	7	7	7	7	7	7

The committee is requested to recommend to Council that Council note the progress and Officer comments.

It is requested to note the audit register progress report in **confidential** **attachment (i)**.

Audit Findings 1, 8 and 10 (highlighted orange on the Progress Report) are all prior year Findings. As these are also contained in more recent findings, Officer's would like to amalgamate these findings referencing that they are prior year Findings. This will allow the register to be more manageable but still offers oversight of reoccurring findings from year to year.

COMMENTS FROM COMMITTEE

Cr Hayes commended the Executive Team on their work.

ITEM 7 STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

7.1 Internal Control Review Report

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Tricia Brown, Executive Manager, Corporate Services

Attachments 1. Attachment (i) Internal Control Review Report (confidential)

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 019-25/26

Moved: Cr TJ Stacey
Seconded: Cr BR Cowcill

1. That the Audit, Risk and Improvement Committee note the findings, recommendations and actions provided in the Moore Report (Attachment (i)).
2. That the Audit, Risk & Improvement Committee note the findings and recommendations will be added to the Audit & Risk Register Progress Report with their progress status reported until finalised.

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

At the Ordinary Council Meeting 27th November 2025 Council resolved to accept the Audit, Risk & Improvement Committee's recommendation for Council to procced with Council's resolutions 196-24/25 from 29th May 2025 and 222-24/25 from 30 June 2025 that first endorsed the engagement of Moore Australia to conduct an independent audit into the Shire's handling of the sales and settlements of vacant land and accept the proposal from Moore Australia dated 11 November 2025.

MATTER FOR CONSIDERATION

Moore Australia subsequently conducted an independent review of Council's internal controls, with particular focus on the valuation and sale of Council-owned properties. Moore Australia has provided a detailed report outlining its findings and recommendations for consideration by the Audit, Risk and Improvement Committee.

BACKGROUND

Council initially resolved to engage Moore Australia to undertake an independent review following allegations of misappropriation of funds involving a former Chief Executive Officer.

Following the involvement of the Auditor-General, the Financial Crimes Squad, and the Crime and Corruption Commission (CCC), Council determined that the scope of the proposed review was no longer appropriate in the prevailing circumstances and, as a result, the engagement did not proceed.

Upon the formal charging of the former Chief Executive Officer, Council identified the need to commission an independent review to assess the adequacy and effectiveness of the organisation's internal control framework, with particular emphasis on control design, operating effectiveness, and the prevention of future occurrences.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

Corporate Credit Card Policy

Disposal of Property Policy

Employee Code of Conduct

Risk Management Policy

FINANCIAL IMPLICATIONS

The cost associated with the engagement of Moore Australia to undertake the independent review of internal controls was mainly accommodated for within existing budget allocations. A budget increase of $2,000 will be required at Budget Review to meet the extra costs associated with this review.

Implementation of the recommendations arising from the review may result in additional costs, which will be subject to further assessment and, where required, consideration through Council's budget and financial planning processes. At this stage, the financial impact of implementing the recommendations cannot be quantified.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 Governance & Leadership: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Moore Australia conducted their review in person in conjunction with Executive Staff. Relevant documents and policies were also provided to Moore Australia for the review.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

RISK ASSESSMENT

	Option 1
Financial	Medium *Review was mainly funded within existing budget allocations however does require a small budget adjustment. Future implementation costs have not yet been identified.*
Health	Medium *Material impact on organisational health, particularly in relation to governance confidence, staff morale and community trust.*
Reputation	Medium *An independent review demonstrates a strong commitment to transparency and accountability.*
Operations	Medium *The strengthening of internal controls arising from the review is expected to reduce the likelihood of future loss.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

Timely escalation to external authorities, the commissioning of an independent review, and the focus on strengthening internal controls demonstrate active and appropriate management. The implementation of review recommendations is expected to further stabilise the control environment and support the restoration of organisational confidence.

Management has conducted a comprehensive review of the recommendations provided by Moore and hereby presents the actions required to address the findings.

7.2 Review of the Corporate Credit Card Policy

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	1. Attachment (i) Corporate Credit Card Policy (Tracked) 2. Attachment (ii) Annexure A
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 020-25/26

Moved: Cr KS Squiers
Seconded: Cr RC Faltyn

That the Audit & Risk Committee recommend to Council that Council approve the changes made to the Credit Card Policy (Attachment (i) and it's attachment, Annexure A (Attachment ii).

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

Council credit cards are issued to all Executive Staff and the Chief Executive Officer to allow purchases to be made on behalf of the Council that cannot ordinarily or easily be purchased via invoice/EFT and are either adhoc or urgent in nature.

MATTER FOR CONSIDERATION

To consider and make recommendation to Council on the reviewed and amended Credit Card Policy for the Shire of Quairading.

BACKGROUND

Corporate credit cards can deliver significant benefits to local governments through improved administrative practices and more effective cash management. However, they can also expose a local government to significant risks if not properly controlled.

The risks associated with credit cards can be minimised by implementing policies to control their use.

The Final Audit for 2024-2025, conducted by AMD, identified the credit card expenditure by the former CEO, Natalie Ness, as a Significant Risk finding.

In conjunction with the Audit findings, Moore Australia was engaged to conduct an independent Internal Control Review. As a result of this engagement several findings and recommendations were tabled in the final report. One of those findings relates directly to the Corporate Credit Card Policy;

Summary of Findings	Recommendations	Risk Rating
4. Gaps and Inconsistencies in Corporate Credit Card and Purchasing Policies	**5.** Council should consider updating the Credit Card Policy by: • Specify a clear timeframe for cardholders to submit supporting documentation for reconciliation (for example, within seven working days) and reinforce this requirement under cardholder responsibilities. • Clarify that personal reward or bonus point cards must not be used when making purchases with corporate credit cards. • Ensure consistent wording regarding approval and responsibility for the issue of corporate credit cards. • Explicitly prohibit the use of corporate credit cards for private expenditure under any circumstances. • Update position titles to ensure consistency with current organisational structures.	Low
	6. Updating both the Corporate Credit Card Policy and the Purchasing Policy to: • Align transaction thresholds and quotation requirements. • Clearly support the appropriate use of corporate credit cards for purchases up to $5,000 while maintaining proportionate procurement controls. Include defined policy review cycles (for example, biennially and following relevant legislative or regulatory changes.	

Officers have reviewed the Corporate Credit Card Policy to include the recommendations by Moore Australia to ensure clearer guidelines are present to reduce the risk of future misuse.

The following provisions of the *Local Government Act 1995* (the Act) and associated regulations impact on the use and control of corporate credit cards:

- Section 2.7(2)(a) and (b) of the Act requires the Council to oversee the allocation of the local government's finances and resources and to determine the policies of the local government.

- Section 6.5(a) of the Act requires the Chief Executive Officer (CEO) to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with regulations.

- Local Government (Financial Management) Regulation 11(1)(a) requires local governments to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisations in place for the use of credit cards.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Administration) Regulations 1996

POLICY IMPLICATIONS

Corporate Credit Card Policy

Payments from the municipal or trust funds

Purchasing Policy

Employee Code of Conduct

FINANCIAL IMPLICATIONS

Expenditure on credit cards still requires coinciding with the approved budget and the Shire's Purchasing Policy.

All expenditure must be made in accordance with the Annual Budget for each financial year.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 Governance & Leadership: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

RISK ASSESSMENT

	Option 1
Financial	Moderate *Possibility of misuse by Cardholders as purchases are immediate and do not form part of the normal procurement processes and approvals. Executive Management are under obligation to only purchase according to their allocated budget.*
Health	Low
Reputation	Moderate *Misuse leads to the lack of trust and transparency by ratepayers and can cause damage to staff and leadership credibility. Cardholders are all required to adhere to the Credit Card Policy and are aware of the consequences of misuse in representation of Council.*
Operations	Low *Can significantly reduce delays in processing for urgent items.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The following issues have been considered in the review of the Corporate Credit Card Policy to control the use of credit cards:

- An agreement to be signed by the cardholder and the Shire of Quairading which sets out the cardholder's responsibilities and legal obligations when using the credit card;
- A register of all current cardholders to be kept which includes card number, expiry date of the credit card and credit limit
- All new and existing cardholders to be provided with a copy of the policies relating to the use of credit cards;
- What the cardholder should do in the event their employment ceases, an extended period of leave is taken or they are moved to a position which does not require the use of a credit card;
- What the cardholder should do if they lose or misplace their credit card;
- Credit cards will not be transferred to other users;
- How reward schemes, such as Fly Buys, will be treated;
- The arrangements for destruction of all surrendered credit cards; and
- What action is to be taken in the event that a cardholder fails to comply with the policy.

Purchasing

- Credit cards will only be used for purchasing goods and services on behalf of the Shire;
- Personal expenditure is prohibited;
- A credit card will not be used for cash withdrawals;
- Maximum credit limits will be based on the cardholder's need; and
- How purchases by telephone or over the Internet are to be dealt with.

Issuing of corporate credit cards to elected members

The Act does not make provision for the issuing of credit cards to elected members. A Local Government can only pay allowances or reimburse expenses to an Elected Member. There are no provisions within the Act which allow an elected member to incur a debt, as would be the case with a credit card.

Changes to current Credit Card Policy

The changes have been tracked in the attached Corporate Credit Card Policy for ease of viewing the changes.

Please note under section 1.15 Credit Card Limits, the removal of the Community Emergency Services Manager as the Officer is no longer employed by the Shire of Quairading and therefore is no longer required.

All credit card transactions are reported to Council for transparency with the President personally reviewing those transactions for accuracy and legitimacy.

COMMENTS FROM COMMITTEE

Cr Hayes ensured everyone was clear on the meaning of clause 1.14.4.
Cr Stacey asked for confirmation that the credit card for the CESM had been removed from the Policy because the employment of the position was now the responsibility of the Shire of Cunderdin.

CORPORATE CREDIT CARD POLICY

PURPOSE

This policy applies to all officers issued with a corporate credit card. It documents the responsibilities attached to these cards and their acceptable use.

OBJECTIVE

This policy establishes rules for the use and responsibilities of corporate credit cards by ensuring that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing goods and services on behalf of the Shire.

POLICY

1.1 Authority for Use of Corporate Credit Cards

Corporate Credit Cards may be issued to the Chief Executive Officer and authorised officers where it is inappropriate or inconvenient to use the Shire's normal payment systems.

1.2 Authority for Approval of Corporate Credit Cards

The Council must approve the issue of a credit card to the Chief Executive Officer and any change to the credit card limit. The Chief Executive Officer may approve the issue of a Corporate Credit Card and any change to credit card limits for any credit cards issued to council officers.

The *Local Government Act 1995* does not allow for the issue of Corporate Credit Cards to elected members of Local Governments. Elected Members are entitled to allowances, or the reimbursement of expenses incurred on Council business.

1.3 Legislation

The *Local Government Act 1995* does not specifically mention the use of Corporate Credit Cards by officers in a Local Government. However, Section 6.5(a) of the *Local Government Act 1995* requires the Chief Executive Officer to ensure that proper accounts and records of the transactions and affairs of the Local Government are kept in accordance with regulations. In addition, the Local Government (Financial Management) Regulations 11(1)(a) requires Local Government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisation in place for the use of credit cards.

1.4 Approved Bankers

Corporate Credit Cards are issued by banks and financial institutions on behalf of or through Credit Card providers such as Visa, MasterCard or American Express. Corporate Credit Cards are to be issued by its transactional banker.

1.5 Use of Corporate Credit Cards

The Corporate Credit Cards must only be used for purchases of goods and services in the performance of official duties for which there is a budget provision and the goods or services cannot be procured via trading accounts. Under no circumstances are they to be

used for personal or private purposes or for the withdrawal of cash through a bank branch or any automatic teller machine. Where purchases are made over the telephone or on the internet, an invoice will be requested to support the purchase. Most internet transactions provide this ability, and any telephone communications provide the opportunity to make such a request. If no invoice or receipt is available, as much detail about the transaction will be recorded on a Statutory Declaration and used to support the payment when required (date, company, address, ABN, amount any GST to be included). Where a payment is made for entertainment, the number of persons entertained and the names of any Shire employees in that number will be detailed on the receipt. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.

All goods and services must be purchased in accordance with the Purchasing Policy.

1.6 Accounts & Settlement

The provider of the credit card will supply the Executive Manager, Corporate Services, with a statement of account each month. This statement will be forwarded to the cardholder for certification and the supply of receipts and tax invoices to support the Shire's claim for the GST component of purchases and services obtained. Cardholders have seven (7) days to certify that the account details are correct by signing the statement before it is returned to the Executive Manager, Corporate Services for payment. In the case of the Chief Executive Officer, the statement must be signed and verified by the Executive Manager, Corporate Services. For all other cardholders, the statement must be signed and verified by the Chief Executive Officer. A credit card transaction slip is not acceptable to support the claim. A tax invoice will provide a brief description of the goods and services supplied along with the suppliers ABN. The cardholder is to provide the relevant or correct expense account for the expenditure.

1.7 Card Lost or Stolen

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing bank by telephone. At the earliest opportunity, written notification must also be given to the Executive Manager, Corporate Services so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

1.8 Misuse of Corporate Credit Cards

Cards which show unreasonable, excessive, or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder.

The use of Corporate Credit Cards for personal use is strictly prohibited.

Any violation may result in disciplinary action and/or termination of employment.

1.9 Recovery of Unauthorised Expenditure

Unauthorised expenditure or expenditure of a private nature that is proved to be inappropriate will be recovered by deductions from the officer's salary.

1.10 Internal Audit of the Corporate Credit Card System

From time to time the Executive Manager, Corporate Services will provide a report on the control, use, viability, and adherence to authorised policy and procedures to the Audit & Risk Committee.

1.11 Reward/Bonus Points

Where the Corporate Cards carry rewards or bonus points, usually to encourage the use of the card by the issuing institution, these rewards or points can not be used against the purchase of goods and services. Points can be accumulated in the name of the Shire of Quairading. The Chief Executive Officer will decide how these points are to be utilised and may include a charitable, social, or sporting distribution. Under no circumstances are rewards or bonus points to be redeemed for an officer's private benefit.

1.12 Return of Cards

When the Chief Executive Officer or other Officer cease to occupy a position that is authorised to be issued with a corporate credit card (either through internal transfer, retirement, resignation or conclusion of service contract) they must return the card to the Executive Manager, Corporate Services at least one week prior to vacating the position so that the card may be cancelled, and the account settled.

1.13 Responsibilities

The Executive Manager, Corporate Services is responsible for arranging the issue of the Corporate Credit Card on advice from the Chief Executive Officer.

The Executive Manager, Corporate Services' responsibilities in relation to the Corporate Credit Cards include:

1.13.1 Maintain a Card Register of all cardholders.
1.13.2 Arrange the issue/cancellation of the Corporate Credit Cards.
1.13.3 Arrange for all cardholders to sign the Credit Card User Instruction Agreement (see Appendix A) on receipt of the new card and ensure the signed agreement is filed in the Card Register
1.13.4 Process payment of card expenditure on receipt of the card statement from the bank.
1.13.5 To keep cardholders informed of any changes to policy and procedures on the use of the Corporate Cards.

1.14 Cardholders Responsibilities

Officers who are issued with Corporate Cards must,

1.14.1 Ensure the care and safe keeping of the card.
1.14.2 Adhere to the policy and procedures in relation to use of the card and its financial limits.
1.14.3 Ensure receipts and tax invoices are received when the card is used and to produce them as evidence for settlement with the Bank.
1.14.4 Ensure the monthly card statement is certified correct and approved for payment when received from the process payment of card expenditure on receipt of the card statement from the bank.
1.14.5 Ensure relevant and correct expenditure account details (account numbers) are provided against each item of expenditure on the card statement to assist with the allocation of expenses and claims for the reimbursement of GST from the Australian Taxation Office.
1.14.6 Provide an early response to enquiries that may be made by the bank, creditors, or related parties, as the case may be.

1.14.7 Use the corporate credit card in accordance with the Shire's Code of Conduct at all times.
1.14.8 Cardholders must submit all supporting evidence to the Executive Manager Corporate Services within seven (7) days of receipt of the statement.
1.14.9 Cardholders must ensure that purchases are not of a personal or private nature.

1.15 Credit Card Limits

1.15.1 Card Limits are set in the below table.
1.15.2 Variations to the standard limits must be supported by genuine business needs and approved by Council & the Chief Executive Officer (CEO) as per the delegation authority policy.
1.15.3 Limits are subject to an annual review by Executive Manager Corporate Services (EMCS).
1.15.4 Replenishments made during the month must be approved by the Chief Executive Officer (CEO) and Executive Manager Corporate Services (EMCS).

CREDIT CARD LIMITS	
OFFICER	**MONTHLY CREDIT LIMIT**
Chief Executive Officer	$ 5,000.00
Executive Manager Works & Services	$ 5,000.00
Executive Manager Corporate Services	$ 2,000.00
Executive Manager Economic Development	$ 2,000.00
~~Community Emergency Services Manager~~	~~$ 5,000.00~~

STATUTORY ENVIRONMENT

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996 Office use only*
- *Work Health & Safety Act 2020*

Record of Policy Review						
Version	Author	Council Adoption	Resolution	Reason for Review	Next Review Date	CEO Signature
01	Graeme Fardon	29/09/11	53-11/12	New Policy		
02	Graeme Fardon	27/09/18	41-18/19	Policy Review Project – 4/09/2018		
03	Graeme Fardon	17/12/20	97-20/21	Biennial Policy Review	Dec 20	

CORPORATE CREDIT CARD POLICY

04	Nicole Gibbs	24/02/22	120-21/22	Biennial Policy Review	Feb 24	
05	Natalie Ness	30/05/2024	202-23/24	Biennial Policy Review	May 26	
06	Tricia Brown			Policy Review	Feb 28	

Annexure A – Attachment

Corporate Credit Cardholder Agreement

I _____ (cardholder name) acknowledge and accept the conditions listed below which govern the use of the Shire of Quairading Corporate Credit Card: -

Conditions of Use

1. Ensure the corporate credit card is maintained in a secure manner and guarded against improper use.
2. The Corporate credit card is to be used only for Shire of Quairading official activities within budget. Under no circumstances is the credit card to be used for personal or private purchases.
3. All documentation regarding a corporate credit card transaction is to be retained by, or provided to, the cardholder and produced as part of the reconciliation procedure.
4. Credit limit is not to be exceeded.
5. The use of the credit card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.
6. Observe all cardholder responsibilities as outlined by the card provider.
7. Purchases on the corporate credit card are to be made in accordance with Shire of Quairading's Purchasing Policy.
8. Monthly reconciliation of credit card purchases is to be completed within seven (7) days of the date of the credit card statement being issued to the cardholder.
9. Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.
10. Transactions are to be accompanied by a succinct explanation of why the expense was incurred.
11. Transactions are to be accompanied by a job number for costing purposes.
12. If no supporting documentation is available, the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the Executive Manager Corporate Services for a decision. Regular failure to provide documented records may result in the card being forfeited.
13. Should approval of expenses be denied by the Executive Manager Corporate Services recovery of the expense shall be met by the cardholder.
14. The cardholder is required to sign and date the corporate credit card statement with supporting documentation attached.
15. Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the Executive Manager of Corporate Services on the next working day.
16. The Corporate Credit Card is to be returned to the Executive Manager of Corporate Services on or before the employee's termination date with a full acquittal of expenses.
17. Failure to comply with any of these requirements could result in the card being withdrawn from the employee. In the event of loss or theft through negligence or failure to comply with the Shire of Quairading Corporate Credit Card Policy any liability arising from the use of the card may be passed to the cardholder.

The use of a Shire of Quairading Corporate Credit Card is subject to the provisions of the Code of Conduct of the Shire of Quairading. Serious transgression of the above listed responsibilities or the Code of Conduct may result in an appropriate referral under the Corruption and Crime Commission Act 2003 and/or termination of employment.

☐ I acknowledge that I have read, understood, and agree to comply with the policies outlined above

Signed: .....

Date: .....

Witness Name: .....

Witness Signature: .....

Date: .....

7.3 Report on Excess Annual Leave and Long Service Leave Entitlements

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	Nil
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 021-25/26

Moved: Cr RC Faltyn
Seconded: Cr BR Cowcill

That the Audit, Risk and Improvement Committee recommends to Council that Council receive the report on the Shire's leave liabilities.

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

- Not taking a reasonable amount of annual leave or long service leave may pose a threat to the health and safety of employees and represent a significant financial liability for the Shire, therefore there are steps in place to ensure that leave balances are monitored and are at appropriate levels.
- Employee entitlement movements during the year are due to many reasons, such as, leave taken during the period, increased accrued leave balances, increases in remuneration rates and changes in the underlying staff with leave balances transferred to and from the Shire.

MATTER FOR CONSIDERATION

Receipt of the report on excess annual leave and long service leave entitlements and leave liabilities up to the last payroll in January 2026.

BACKGROUND

The current Leave Management Policy defines "excess leave" as when the employee has accrued more than eight weeks paid annual leave and provides management with direction to effectively manage the annual and long service leave entitlements of employees.

The Shire encourages employees to take leave by reinforcing the positive benefits of taking leave when it becomes due. Sometimes there are circumstances that prevent leave being able to be taken, such as staff shortages, outside influences and work demands.

There will be movements in employee entitlements throughout the year. Balances will increase naturally as employees accrue leave entitlements and decrease when employees take leave accrued. This natural fluctuation is monitored by management and through this report to ensure any excess is managed appropriately.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Work Health & Safety Act 2020

Minimum Conditions of Employment Act 1993

POLICY IMPLICATIONS

Leave Management Policy

FINANCIAL IMPLICATIONS

The Employee Entitlements (Annual and Long Service Leave) reserve fund cash balance as of 31 January 2025 is $189,307.

The current liability for both types of leave (if all claimed on 31/01/2026) is calculated at $92,872.62.

Alignment with Strategic Priorities

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

Non-compliance with work health and safety legislation increases the risk and potential liability to the public, staff and Councillors.

1.1 Infrastructure and Operational Risks: Workforce Challenges and Skills Shortage

RISK ASSESSMENT

	Option 1
Financial	Low *Financial exposure and therefore risk escalation occurs if leave accruals are not monitored and managed. Adequate reserve balances reduce the risk of financial exposure.*
Health	Low
Reputation	Low
Operations	Low

	Impact to operations where employees with excess leave are requested to take leave. This can be mitigated by agreement of mutually acceptable timeframes for taking leave that are not during heavy workload times.
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

This report has been prepared to inform the Audit and Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As of 31 January 2026, there has been a large decrease in the annual leave liabilities accrued.

As of 31 January 2026, one staff member remains eligible for Long Service Leave entitlements.

Annual Leave:

There are currently no employees over and above the accepted level of excess annual leave.

There has only been 29.33% decrease (dollar value) in the annual leave liability for the 12 months since January 2025.

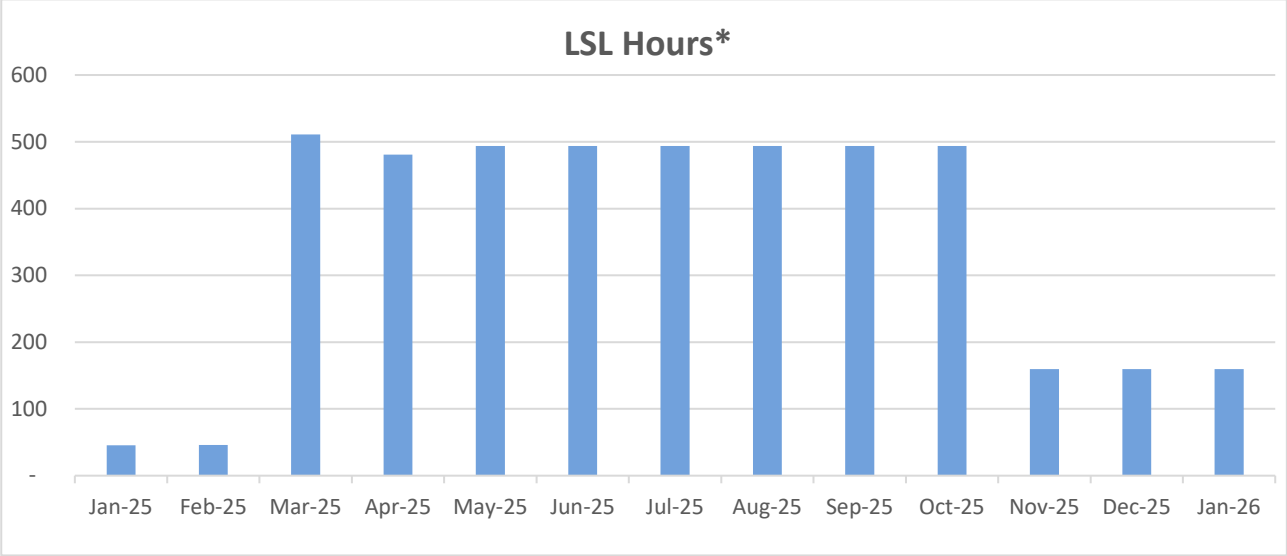
Long Service Leave:

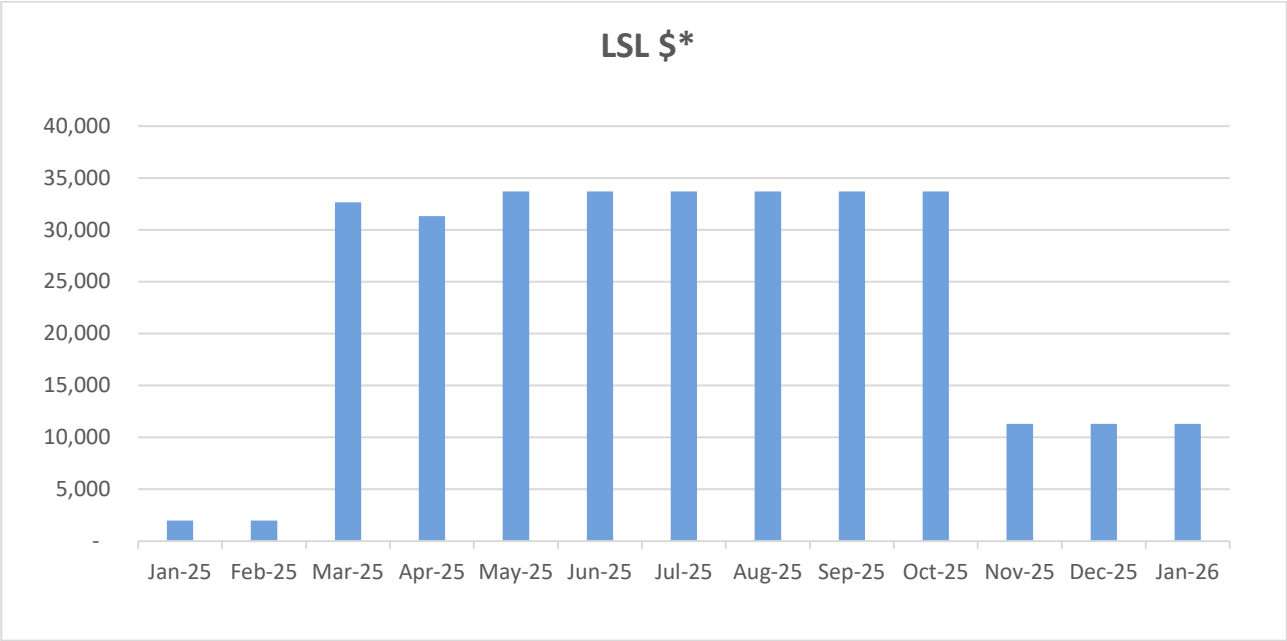
Only one staff member at 31 January has Long Service Leave entitlements of 160 hours.

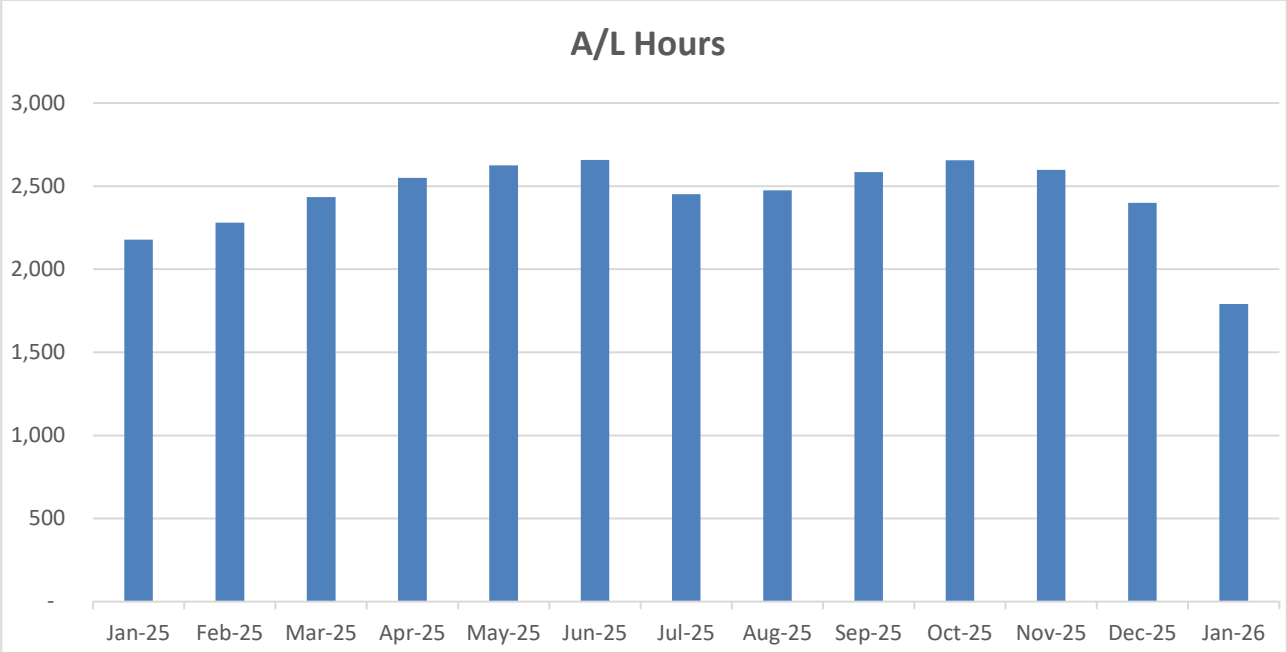
There has been a decrease of 63.92% (dollar value) in the long service leave liability for the 12 months since January 2025.

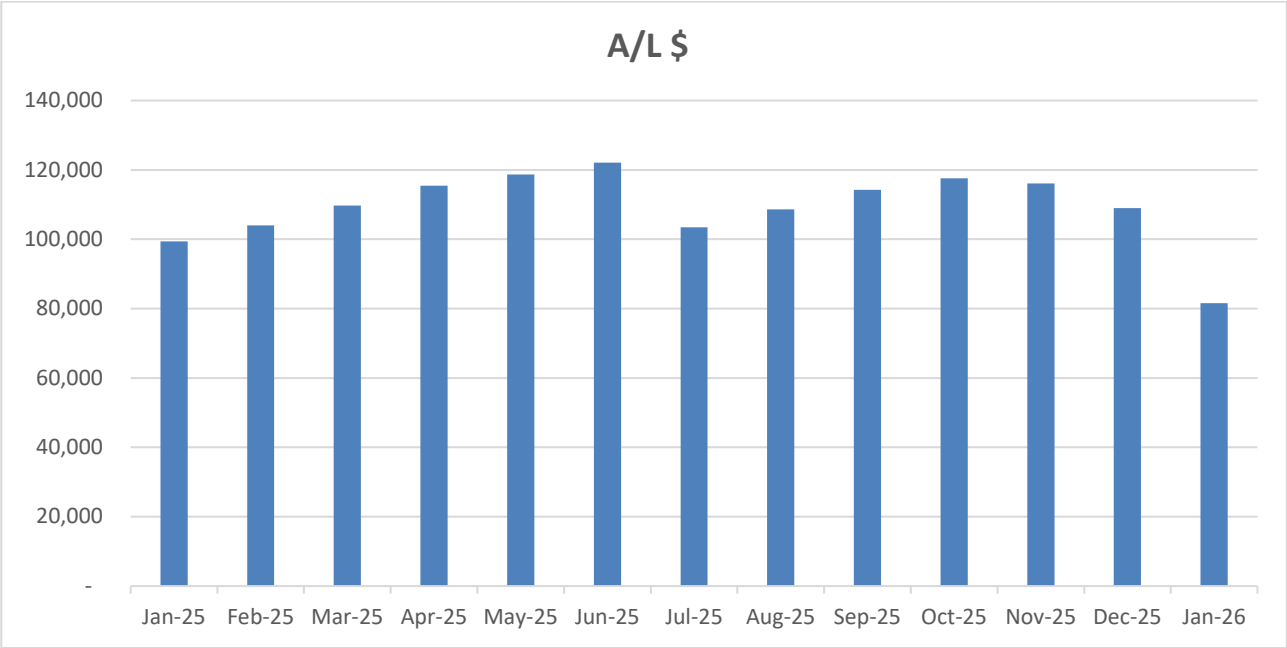
The following table and graphs show the fluctuations in the accrued hours and dollar values of both annual leave and long service leave over the period of January 2025 to January 2026.

	LSL Hours	LSL $	A/L Hours	A/L $
January 2025	46	1,982	2,178	99,371
February 2025	46	1,982	2,281	104,038
March 2025	511	32,647	2,435	109,765
April 2025	481	31,325	2,549	115,418
May 2025	494	33,716	2,625	118,680
June 2025	494	33,716	2,658	122,053
July 2025	494	33,716	2.451	103,482
August 2025	494	33,716	2,475	108,599
September 2025	494	33,716	2,585	114,201
October 2025	494	33,716	2,655	117,548
November 2025	160	11,303	2,598	116,052
December 2025	160	11,303	2,399	108,944
January 2026	160	11,303	1,791	81,570




LSL $*
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26


A/L Hours
3,000
2,500
2,000
1,500
1,000
500
-
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26


A/L $
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26

7.4 Financial Management Review Findings, Recommendations and Actions Template

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	1. Attachment (i) Financial Management Review Findings, Recommendations and Actions Template
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 022-25/26

Moved: Cr KS Squiers
Seconded: Cr BR Cowcill

That the Audit, Risk and Improvement Committee recommend to Council that Council receive the Financial Management Review Findings, Recommendations and Actions Template – Attachment [i].

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

The Financial Management Review was conducted by Source Business Partners in December 2024, with the Final Report presented to the Audit & Risk Committee on 11th February 2025.

The Final Report identified a range of findings that were classified as Minor, Moderate or Significant.

In response, officers have been requested to report quarterly to the Audit & Risk Committee on the status of these findings, including:

- Actions taken
- Progress updates
- Any relevant commentary

This ongoing reporting process ensures transparency, accountability, and continuous improvement in financial management practices.

MATTER FOR CONSIDERATION

In accordance with Regulation 5(2)(c) in the (Financial Management) Regulations 1996 the Chief Executive Officer (CEO) is required to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures for the local government at least once every three (3) years.

The review incorporated the following key financial management areas as required under Regulation 5(1) of the Local Government (Financial Management) Regulations 1996.

- General
- Payments, Payables and Purchases (Incl Petty Cash)
- Corporate Credit, Purchasing and Fuel Cards
- Receivables and Receipts
- Rates
- Bank Reconciliations, Cash Management and Investments
- Budgeting, Long-Term Planning and Cost Management
- Financial Reporting (incl End of Month Process
- Fees and Charges
- Payroll
- Fixed Assets
- General Journals

BACKGROUND

The 2024 review was awarded to Source Business Partners to conduct in person on the 7th & 8th November 2024.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

Investment Policy

Purchasing Policy

Corporate Credit Card Policy

FINANCIAL IMPLICATIONS

The cost to have the review undertaken was considerable however there are no further costs associated with monitoring the recommendations and actions required.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.2 **Governance & Leadership**: Forward planning and implementation of plans to determine Strategic Plan and service levels

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

No further consultation outside of the organisation was obtained.

RISK ASSESSMENT

	Option 1
Financial	Low *There is no direct financial implication with the requirement of this report.*
Health	Low
Reputation	*Low* *Identifying and establishing policies and procedures ensures compliance. This establishes the integrity of financial processes with ethical standards.*
Operations	Low *These items can be managed by routine procedures and documentation*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
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Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

This report will continue to be presented to Audit & Risk until all findings and recommendations have been implemented.

As per Audit, Risk and Improvement Committee Resolution, 015-25/26 and Council Resolution, 107-25/26, Council have agreed to removing any items where “No Further Action Required’ is noted and only report on those recommendations that remain to be actioned/implemented.

Risk Rating Definitions and Colours

Significant	Those observations where there is potenially a significant risk to the entity should the observation not be addressed by the entity promptly.
Moderate	Those observations which are of sufficient concern to warrant action bein gtake by the entitiy as soon as practicable.
Minor	Those observations that are not of primary concern but still warrant action being taken.
Opportunity for Improvement (OFI)	Those observations that are not of concern, however the reviewers have noted as an opportunity to move towards better practice standards.

Summary of Observations and Reccomendations

Area 1: General

Ref/ Risk	Observation	Recommendation	Comments	Actions
1.3	Upon review of the Shire's policies, it is observed that there is no Fraud Risk Management Policy or framework in place. Fraud risk management has a critical role in preventing and promptly detecting fraud to minimise loss, retain trust in entities and protect employees.	Implement a Fraud Risk Framework.	Fraud Risk Management Policy to be investigated and developed EMCS	To Develop
1.4	It is noted that the Shire has a Risk Management Framework and Policy in place. Only one strategic risk that relates to financial risk is recorded in the Shire's risk management. No operation risk register/tool for finance is in place. The process of identifying and assessing all the potential risks associated with the finance management systems and procedures assists in ensuring that all appropriate mitigation / treatment plans are in place. Regular review of the risk register enables staff to consider if any new risks have evolved, treatment plans remain appropriate and effective and elevates risk awareness for staff.	Embed a risk framework specific to the financial management systems and procedures, in alignment with the Shire's Risk Management Framework. Implement system for regular review by finance staff.	To be looked into further by EMCS - Risk Framework only refers to 7. Financial Viability & Asset Management	

Area 2: Payments, Payables and Purchases (incl Petty Cash)

Ref/ Risk	Observation	Recommendation	Comments	Actions
2.3	A service provider (outsourced rates service) was engaged with only one quote sought. The value of the engagement was within the three (3) quotes range as per the Shire's Purchasing Policy and the same supplier was used for the prior two (2) years.	Consider undergoing request for quotation process to enter a contract for multiple years. This can lessen the administration burden of seeking quotes annually and ensure value for money is achieved. Alternatively consider adding the option of a waiver in the purchasing policy to be exercised at the CEO's discretion but reported to Council on a regular basis.	Should Council have no consideration to bring rating services inhouse again then an RFQ can be sought for external assistance longer term	Consideration from Council to be sought - Current relationship works with external provider and should this become an internal process seeking qualified rates staff is in short supply.

Area 3: Corporate Credit, Purchasing and Fuel Cards

Ref/ Risk	Observation	Recommendation	Comments	Actions
3.1	The Shire's Credit card policy states that the Chair of Audit & Risk Committee is to sign the CEO's credit card statement. Council members have no administrative authority to approve.	Consider updating policy to have Executive Manager sign off CEO credit card. This recommendation is in line with the most recent OAG best practice guide. Statements and listings of credit cards expenditure are presented to Council monthly to ensure full transparency.	EMCS is happy to sign off on CEO's credit card statement if the Audit & Risk Committee are happy for this to changed, The policy is up for review in May 2026.	Agenda item being brought to Audit & Risk in March to give EMCS authority to sign off on CEO card - No further action required
3.2	Credit card agreements were signed prior to the current iteration of Corporate Credit Card Policy.	Consider having the card holders re-sign the agreement when the Policy is updated to ensure they are aware of any changes to the Policy they need to comply with.	The agreements require updating	EMCS will work on getting these updated and ensure relevance to current Credit Card Policy - Being Presented at March A & R - No further action required
3.3	No procedures are documented for Corporate Credit Cards.	Document procedures to support the use and management of Corporate Credit Cards.	Procedures to be developed	

OFI	OAG recently issued Better Practice guidance for Purchasing Cards (which includes Credit Cards, Purchasing Cards and Fuel Cards). The Shire's policy is consistent with the guide in most areas.	Consider adding a clause to the Credit Card Policy to cover the instance when a card holder goes on extended leave and the policy requirements in these instances. Consider implementing a form for issue of a new card or changes to limits.	To be looked into further - there have been no instances of credit card holders on extended leave	
OFI	The Corporate Credit Card policy mentions that a report will be provided to the Audit and Risk Committee on the control, use, viability and adherence to policy and procedures. This has yet to occur.	The report to Council could be issued annually and could include statistics such as number of cards issued, limits, spend amounts and any instances of non-compliance with the policy.	To develop an annual report to present to the Audit & Risk Committee in August of each FY following the end of the previous FY	Due to the current situation with misuse of the credit card by the CEO I would like to report this when more firm numbers are compiled for 24/25 FY - EMCS to report following 30th June annually

Area 4: Receivables and Receipts				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**

Area 5: Rates				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**
5.1	It is noted that there is no separate Revenue & Rates Strategy developed. Currently, the rates strategy has been incorporated into the LTFP assumptions, being 1.6% above CPI for each year of the LTFP. Legislative changes as part of the Local Government Act Reform are expected to be in place for 2025, with the requirement for local governments to prepare and adopt a Revenue & Rates Policy, setting out information about the local government's projected revenue from rates and other sources of projected revenue, by 1 March each year.	Monitor legislative changes for requirement to prepare and adopt Revenue & Rates Strategy (Policy).	Further investigation and time required to implement this.	This needs to form part of budget deliberations and in the review of the Long Term Financial Plan
5.4	The Shire's rating function is outsourced to a service provider, whilst a comprehensive process (checklists) performed by the consultants is evidenced, there is no internal process documented or evidence of review of rates processes by the Shire or by a senior consultant other than the processing consultant. The service provider completes rates functions such as: - Rates Billing (Annual) - Amendments to the Rate Record (Interim Rates) - End of Month Processes including charging of interest - End of Year Processes To ensure accuracy, and completeness, it is important that there is a level of review and approval completed by the Shire as their system is updated. Amendments to the Rate Record are also a delegation from Council to the CEO, and sub delegation to the EMCS.	Document a process/procedure for all rates functions. Incorporate steps that are outsourced to service provider and clearly document Shire's responsibilities/actions in the process. Educate officers of delegation requirements.	The Rates review forms part of the End of Month Process but does not entail all transactions completed by the external provider.	Further investigation and time is required
5.5	Amendment of the Rate Record delegation exists with sub delegation to EMCS. As mentioned in 5.4 the processes that include amendments to the Rate Record do not incorporate the exercising of the delegation (approval by EMCS) or recording of the delegation being exercised in the delegation register.	Recommendation incorporated into 5.4.		Delegation Register to be updated regularly

5.6	During the review it is noted that as at 30 June 2024 there was 10.34% of uncollected rates totalling $314k. Through discussions with the EMCS it was identified that there is no performance measure or target set as an appropriate level of uncollected rates to work towards. Officers noted that their priority is to monitor the debt collection processes and continually achieve reductions in the outstanding level of rate debtors by enforcing collection measures. Rates is a significant source of funds required by local governments to carry out their functions. High levels of uncollected rates may put the Shire at risk of meeting its debts when they fall due.	Review process for collection of rates, including any proactive measures that can be put in place to encourage payment by due dates. (i.e. SMS reminders and other communication tools) Set a performance target for an achievable and appropriate level of uncollected rates debts. Encourage and support officers to meet targets.	Review of collection of rates forms part of the review of the policies that encompass the processes of debt collection. Legal action had been suspended on numerous accounts in 2020-2021 due to failure in accuracy of rating information.	We are currently in the process of arranging PSSO's for up to 8 properties following the 3 year rule for sale of property. These were presented to Council in May 2025 and approved and legal processes are continuing. Final Notices for 2025-2026 will be issued by the third week in November and then any remaining outstanding rates will be loaded with the debt collection agency.

Area 6: Bank Reconciliations, Cash Management, and Investments				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**
6.1	No procedures are documented for Cash Handling, Cash Management, Bank Reconciliation, or Investments.	Develop written procedures for all functions.	Further consideration and time required	
6.8	Whilst the Shire's Investment Policy does not require the Monthly Investment Report to include adherence to the Investment Policy including compliance with Risk Management Guidelines, it is good practice to report on this to enable oversight of the risk profile of the Shire's investments. (Policy states that monthly report 'may' include.)	Review format of Investment note in monthly report to include performance against Policy framework.	Further consideration and time required	

Area 7: Budgeting, Long Term Planning and Cost Management				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**
7.1	No procedures are documented for the budget process.	Document the budget process including a breakdown of tasks with clear timeline and responsibilities.	This is considerable work and would require a significant amount of time	
7.2	Noted that in the September 2024 monthly report that YTD budget vs actuals variances are upwards of 50% with timing given as the explanation.	Consider when costs will be incurred when phasing budget for upload to the system. Recommend collecting expected months of expenditure based on prior year and management knowledge. Capital projects are normally planned at certain times of the year.	The timing of expected expenditure is taken into account when creating the budget. Some are completely unknown and are guestimated. The unknown expenses will be spread evenly accross the 12 months.	EMCS will endeavour to have more clarification around this when creating the next budget with input from the Executive Management Team
OFI	Whilst compliant with the Local Government Act 1995, adoption of budget late August can lead to cashflow issues as the first payment of rates is not due until October. Any issues in preparing the budget, such as staff absence or objections, could also hold up the budget process beyond the 31 August compliance date. Tenders and quotes may not be sought until after budget adoption potentially delaying projects.	Consider beginning budget process earlier for an earlier adoption.	24/25 budget we were still waiting on funding advice well into July.	Is currently not causing any issues with cash flow adopting in August

Area 8: Financial Reporting (incl End of Month Processes)				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**
8.6	The monthly report presented to Council does not comply with the Local Government (Financial Management) Regulations 1996 (FM Regs), as it does not include material variances categorised by nature and type.	Include material variances by nature and type in the monthly financial report. The FM Regs do not require reporting by Program, but if the Shire wishes to include, they can but must continue to also include the material variance explanation by Program.	Further investiagtion is required here as most LG's use the Moore template which aligns with all Legislation and Statutory guidelines	

Area 9: Fees and Charges				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**

Area 10: Payroll				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**

10.1	Identification and verification of new employees is conducted as part of the onboarding process, including a requirement for National Police Check. A review of changes to the verification process is not completed past initial onboarding. High risk roles, including those with authority to make payments from the Shire's funds, should undergo regular reviews of identity and credentials. This ensures that criminal background checks, qualifications, and required professional memberships are maintained as per the requirements of each identified role.	Develop a framework that identifies roles considered 'high risk' and determine the qualifications, identity, and verification requirements each role. Include requirements for, and regularity of monitoring and review of credentials. Ensure identified roles include particulars within the relevant Position Descriptions. Ensure appropriate documentation to demonstrate verification and monitoring of credentials against the framework requirements.	Verification of a National Police Check has been evidenced as part of the onboarding process for all employees. A new register has been set up for Drivers Licences and certificates which are reviewed regularly for accuracy by HR.	No Further action required

Area 11: Fixed Assets				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**
11.3	No documented procedures for the management or recording of fixed assets.	Document procedures, ensuring compliance with accounting standards, Local Government Act 1995 and Council policies.	Procedures to be developed	

Area 12: General Journals				
Ref/ Risk	**Observation**	**Recommendation**	**Comments**	**Actions**
12.1	There are no documented procedures for processing journals or general ledger/job creation or maintenance in Synergy.	Document procedures including approval process and record keeping requirements.	Procedures to be developed	
12.2	There is currently no independent review of manual journals posted.	As discussed, providing a listing of all journals, and supporting documents to the CEO for an independent review monthly would be an appropriate solution for the Shire.	There are some independent reviews conducted for journals raised by Senior Finance Officer, these are reviewed for accuracy by the EMCS - Lack of reviewing EMCS journals needs a suitable process developed	New process Implemented in February 2026 with new CEO onboarded

7.5 Risk Management Dashboard March 2026

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	1. Risk Profile and Dashboard as at February 2026
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 023-25/26

Moved: Cr JC Hayes
Seconded: Cr KS Squiers

That the Audit, Risk & Improvement Committee recommend to Council that Council receive the Risk Management Dashboard - Attachment [i].

FOR: Mrs T Fraser, Crs TJ Stacey, JC Hayes, BR Cowcill, RC Faltyn, KS Squiers and LJ Stacey Cowcill

AGAINST: Nil

CARRIED 7/0

IN BRIEF

Following the adoption of the new Risk Register Matrix in November 2024 regular review of the Risk Management Dashboard is required.

The Risk Management Dashboard is being submitted to the Audit, Risk & Improvement Committee as per the updated Risk Register.

MATTER FOR CONSIDERATION

That the Audit & Risk Committee recommend to Council to receive the Risk Management Dashboard and any updates.

BACKGROUND

The Shire of Quairading Council recognises that Risk Management is an integral part of good governance and management practice.

The new Risk Register reflects a more organised, detailed and resource-oriented approach, consolidating related risks and enhancing clarity in risk management and mitigation strategies.

Based on the risk ratings provided in the Risk Register Matrix the dashboard reports on identified risks on the following:

1. Risk # 1, Workforce Challenges and Skills Shortage
2. Risk # 2, Power Supply Reliability and Emergency Response
3. Risk # 3, Road and Infrastructure Maintenance

4. Risk # 4, Community Health & Safety Risks
5. Risk # 5, Healthcare Service Stability
6. Risk # 6, Natural and Man-Made Disasters
7. Risk # 7, Financial Viability and Asset Management
8. Risk # 8, Cybersecurity and Data Protection
9. Risk # 9, Organisational Misconduct
10. Risk # 10, Housing Availability and Affordability
11. Risk # 11, Social Challenges and Community Expectations

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Work Health & Safety Act 2020

Local Government (Administration) Regulations 1996

Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

Risk Management Policy

Work Health & Safety Policy

FINANCIAL IMPLICATIONS

There are no financial implications with the review and update of this document.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Risk management Workshop with Council and the Executive Management Team.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

3.2 Governance, Financial and Compliance Risks: Cybersecurity and Data Protection

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

1.1 Infrastructure and Operational Risks: Workforce Challenges and Skills Shortage

1.2 Infrastructure and Operational Risks: Power Supply Reliability and Emergency Response

1.3 Infrastructure and Operational Risks: Road Infrastructure and Maintenance

2.1 Community Health and Safety Risks: Workplace Health and Safety Compliance

2.2 Community Health and Safety Risks: Healthcare Service Stability

2.3 Community Health and Safety Risks: Natural and Man-Made Disasters

4.1 Strategic, Social and Economic Risks: Housing Availability and Affordability

4.2 Strategic, Social and Economic Risks: Social Challenges and Community Expectations

RISK ASSESSMENT

	Option 1
Financial	Low *There are no financial implications regarding reviewing this Risk Management Dashboard.*
Health	Low *This Risk Management Dashboard aligns with the Shire's overarching Risk Management documents, showing the Shire's commitment to risk mitigation, which encompasses staff, Councillors, contractors, visitors and the public's safety.*
Reputation	Low *Having a well aligned Risk Management Governance Framework is essential to ensure a cohesive and comprehensive approach to Risk Management.*
Operations	Low *This Risk Management Dashboard needs to be reviewed biennially.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The Risk Management Dashboard will continue to be reported to the Audit & Risk Committee and Council 4 times per year.

The Risk Management Dashboard is designed to update the Audit, Risk & Improvement Committee on current operational actions being taken by EMT and their business units.

Actions are continually being undertaken to mitigate levels of acceptable risk, whether through planning, allocation of resources, training or identifying risks.

Shire of Quairading
Risk Dashboard Report
February 2026

Workforce challenges, including an inability to source sufficiently skilled new employees and high staff turnover, pose signifant risks to the Shire. These issues have the potential to negatively impact current Shire operations, hinder program delivery.	Risk	Control
	High	Adequate

Workforce challenges, including an inability to source sufficiently skilled new employees and high staff turnover, pose signifant risks to the Shire. These issues have the potential to negatively impact current Shire operations, hinder program delivery, and increase stress on existing employees, leading to reduced service quality and operational efficiency.

Actions	Due Date	Responsibility
The Workforce Plan has now been adopted by Council and has been calculated accordingly to be included into the 2025/2026 Budget with further implementation ongoing.	Jun-25	CEO / EO
The Finance/Admin Team is now fully staffed. Some downtime was experienced as a result in staff movements in both Senior Finance Officer & Customer Service & Finance Officer positions.	Dec-25	EMCS
Advertising has commenced for a Traineeship to cover Maternity Leave. This will provide a community member with the opportunity to train in a Cert III in Local Government.	Jan-00	EMCS
3 Employees are qualified to provide Department of Transport Services with a fourth staff member being trained during the week of 3rd Nov to 7th Nov.	Dec-25	EMCS
Training expectations in the area of Records Management in the 25/26 Financial Year will be critical - Training is commencing in August 2025 for one officer with further training expected later in the year	Jun-26	EMCS
LGIS Prevention and Wellbeing Program provides workshops to staff to help increase physical, mental, social and financial health and wellbeing.	Quarterly	MG
2025/2026 Budget includes a 4% Salary Sacrifice Council Matching Superannuation scheme as further incentive to retain staff.	Ongoing	EMCS
A new employee assistance program has been rolled out for all staff through acaciaeap following the inclusion into the 25/26 budget. This has been implemented to support staff.	Ongoing	MG

Power Supply Reliability and Emergency Response	Risk	Control
	Extreme	Adequate

Power Supply Reliability and Emergency Response

Actions	Due Date	Responsibility
Develop a confirmed ideal solution to solve long-term power supply issues in this community to place Shire in best position for negotiating on project planning and delivery	Jun-26	CEO/EMT
Seek Grant Funding where available	Jun-26	COUNCIL/CEO
Continue talks with Western Power and the liklihood of the BESS system being brought to the forefront of the Minister again	Jun-26	CEO/PRESIDENT
Concerns were raised at the Community Forum, 4th February 2025 in relation to possible community action groups led by Council and a more transparent communiction from Council to the community on actions implemented / being investigated	Jun-25	CEO
In the first half of 2025 there was significant work completed by Western Power including 55 Pole Replacements, 4km of high voltage conductor and equipment replacements. The scope of work is focused on strengthening resilience in the local network. By reinforcing the network infrastructure it is enhancing reslilience to weather events.	Jun-25	CEO
Quotes are being sought through Wallis Computers to provide a 3 way failover service for the Shire. It currently has a 2 way failover method between Crisp Wireless and a Telstra 4G redundnacy option. Including another service like Starlink will provide a reliable fail over connection in times of disaster or during extended power outage that will have significantly higher connectivity other than 'land based' solutions	Jun-26	CEO

Road & Infrastructure Maintenance	Risk	Control
	Extreme	Effective

If routine maintenance and timely construction of Shire roads, bridges and other key infrastructure are not completed to standard requirements, public safety dangers and other negative outcomes are probable.

Actions	Due Date	Responsibility
Level 1 Bridge Inspections completed annually and submitted to Main Roads	Apr-26	EMWS
Commence planning work for the Forward Capital Works Plan 2025-2030	Jan-26	EMWS
Prepare draft Pathways Plan (for footpaths and shared pathways)	Oct-25	EMWS
Conduct second WHS Audit (LGIS Action Plan)	Dec-25	EMWS/LGIS RRC

Shire of Quairading
Risk Dashboard Report
February 2026

THEME 2 - Community Health and Safety Risks Workplace Health & Safety Compliance	Risk	Control
	Extreme	Adequate

Non-compliance with workplace health and safety legislation, including the Work Health & Safety Act 2020 and Fair Work Act 2009, has the potential to detrimentally affect Shire functioning. The new WA Work Health & Safety legislation introduces additional challenges, including in managing Bushfire and VFRS Brigades, potentially increasing the risk of WHS breaches for the Shire.

Actions	Due Date	Responsibility
Review of the Risk Management Framework and Matrix/Dashboard have now been updated. The Risk Dashboard will now be reported with any updates quarterly to the Audit & Risk Committee and Council	Ongoing	EMCS
Create a training matrix for staff - This is about 80% Complete with just formatting to be completed. To be updated continually following completion of training.	Ongoing	EMCS
Conduct a review of the current SMS software and template system used for emergency and hazard alerts.	Dec-25	CESM

Healthcare Service Reliability	Risk	Control
	High	Adequate

The Quairading Medical Practice faces significant challenges in maintaining consistent and affordable medical services due to potential loss of medical personnel and increasing operational costs, which could result in reduced healthcare access for the community.

Actions	Due Date	Responsibility
Dr Yap meets as part of the Medical Executive Committee quarterly to discuss matters for the Medical Centre. Dr Yap presents the committee with his financial statements on a quarterly basis to provide transparent accounting of the Shire's annual allocation of funds.	Ongoing	CEO
Dr Yap is continually striving for improvement and is currently satisfied with his current staffing arrangements and is continually ascertaining the possibility of a 2nd traineeship GP by Jul 2025.	Sep-25	CEO
Dr Yap has cancelled Allied Health from practicing in the Medical Practice due to requiring the third consultation room for the Nurse Practioner Pilot Program which has been extended to December 2025 ensuring sustainability of the Medical Services provided in the Shire of Quairading.	Dec-25	CEO
Progress had been made with Architect drawings on the proposed Medical Centre Extension. Costings are being sought and funding sources are being explored.	Aug-25	CEO/EMED
Doctor Housing - Causing shortages in housing staff - Pharmacist & FCSO - Need to consider options for the future - part of Housing Strategy required	Jan-00	CEO/EMED

Natural and Man-Made Disasters	Risk	Control
	High	Effective

Natural and manmade disasters have the potential to affect Shire business continuity.
Includes fire, flood, storm, earthquake, extreme heat, pandemic, chemical spill, terrorism.

Actions	Due Date	Responsibility
Public consultation sought on the proposed amendments to state-level recovery arrangements in the State Emergency Management Policy, Plan & Procedure - Webinars or in-person information sessions being conducted during February 2025.	Feb-25	CEO/CESM
The Shire of Cunderdin will take over from the Shire of Quairading to Auspice the Funds of the CESM. This is expected to be completed by 30 June 2025 however there is a delay in the supply of the new vehicle, now expected to be Nov 25	Dec-25	EMCS

THEME 3 - GOVERNANCE, FINANCIAL AND COMPLIANCE RISKS Financial Viability and Asset Management	Risk	Control
	High	Effective

If the Shire is struggling to remain financially viable, the ability to comply with its Asset Management Plan may be compromised.

Actions	Due Date	Responsibility

Cybersecurity and Data Protection	Risk	Control
	High	Effective

Any data breach/hack of Shire information and communications technology systems has the potential to affect Shire operations - includes data theft, ransomware and phishing.

Actions	Due Date	Responsibility

THEME 4 - STRATEGIC SOCIAL AND ECONOMIC RISKS Housing Availability and Affordability	Risk	Control
	Extreme	Adequate

Seniors and Aged Care: Absence of aged local independent living facilities may force older residents to leave prematurely, disrupting community cohesion.
Essential Worker Housing: Insufficient housing for government workers and Western Australian Country Health Service staff can hinder recruitment and retention.
Public and Community Housing: Limited public housing options may increase housing stress for low-income individuals, leading to potential homelessness.

Actions	Due Date	Responsibility

Shire of Quairading Risk Dashboard Report February 2026								
Sales of land for Cuneata Rise and the Light Industrial Area are attracting both new investors and residents to the Shire - this will also increase the Shire's ratebase.	Jun-25	CEO	The Shire resolved to continue with Readytech for our ERP system to take advantage of the Uplift program that was originally agreed to by Council in May 2022. The financial implications to remove the Shire from the original contract were far too extensive and the future financial implications were significant if we lost the savings offered by the Uplift program. Readytech delays are causing concern that their product is not going to be rolled out and therefore the Shire may need to consider another ERP ptopn. The Shire is currently part of a WALGA driven ERP scope where LG's can access other ERP systems on offer. The cost to implement will be substantial and Council will need to consider it's options in relation to the money already paid for the uplift program.	Jun-26	EMCS	Develop a Housing Strategy	Jun-26	EMT
			Use of AU Tools Policy implemented.	Aug-25	EO/CEO	Maintain CEACA Membership - Council has budgeted $15,000 for the 2025/2026 Year to become a full member of CEACA	Jun-25	CEO/EMED
			The 2025/2026 Budget includes Security Awareness Training for Staff (and Councillors). This will improve the knowledge of staff of security and emerging threats to the organisation. Wallishave been engaged to roll this out within the next couple of months.	Dec-25	EMCS	Identify any risks associated with bringing Social Housing to Quairading	Jun-25	CEO/EMED

Organisational Misconduct		Risk: Extreme	Control: Effective
Unethical or illegal behavior by Shire employees, executives or office holders, including both financial and non-financial misconduct, has the potential to produce significant negative consequences for the Shire.			
Actions	**Due Date**	**Responsibility**	
Steven Tweedie to review current policies	Feb-25	EMCS/CEO	
Council to undertake a review of how to properly address and investigate allegations of unethical or illegal behaviour of employees, executives or office holders.	Dec-25	Council	
Council to continue to work with Shire Staff to address and assist with current investigations	Ongoing	Council/EMT	
Council to work with Shire staff to support them following significant reputational damage	Ongoing	Council/EMT/Staff	
Increase compliance of record keeping systems and update Record Keeping Plan	Jul-26	CEO/MG/EMCS	

Social Challenges and Community Expectations		Risk: High	Control: Adequate
Social challenges (e.g., crime, antisocial behavior, vandalism, housing crisis, homelessness) may significantly impact ratepayers' expectations of the Shire's responsibilities and perceived effectiveness.			
Maintain transparency on Shire's project and budget development via Community Forum meetings	Feb-25, Sep-25	EMT	EMT
Monthly Banksia Bulletin news updates including a foreward from the Shire President	Monthly	EMED	EMED
Regular Social Media updates on general news, announcements, events, ranger update and important community related information.	Weekly	EMED	EMED
Maintain hard copy information of important updates and documents for older generations with limited computer access.	Weekly	EMED	EMED
Source and apply grant funding for events and projects including bolstering projects already included in annual budget	Monthly	EMED	EMED

Shire of Quairading Risk Dashboard Report February 2026							
Recommendation to proceed with council's resolutions 196-24/25 from 29 May 2025 and 222-24/25 from 30 June 2025 that first endorsed the engagement of Moore Australia to conduct an independent audit into the shire's handling of the sales and settlements of vacant land and later broadened the scope to include identifying any misconduct by officers during the process.	Mar-26	CEO/MG	Weekly Passion Sheet notices when appropriate.	*Weekly*	EMED	EMED

THEME 1 - Infrastructure and Operational Risks Workforce Challenges and Operational Risks	Feb-26
Risk Context 1	
Workforce challenges, including an inability to source sufficiently skilled new employees and high staff turnover, pose signifant risks to the Shire. These issues have the potential to negatively impact current Shire operations, hinder program delivery, and increase stress on existing employees, leading to reduced service quality and operational efficiency.	
As one example, the employment of un-or-underqualified Shire personnel (e.g in technical services) has the potential to create major WHS consequences.	

Impact (Consequences)	
1. Core Operations Impacted: Disruption to Shire business and less effective service delivery.	5. Employee Wellbeing: increased burnout, low staff morale, and poor 'Corporate Memory' and knowledge retention.
2. Community Resilience and sustainability threatened, potentially leading to population decline.	6. Limited pool of suppliers and inability to control contractor pricing.
3. Reputational Damage: Negative outcomes affect community trust.	
4. Legal Penalties (e.g for WHS breach).	

Risk Management/Mitigation Actions	Type	Date	Rating	Control owner
1. Implement a comprehensive Workforce Plan inclusive of;				
Employee Retention: Implement a retention scheme with associated benefits and incentives	Preventative	Jun-26	***Adequate***	EMT
Strategic Recruitment: Develop 'pursuasive' staff recruitment and induction process	Preventative	Jun-26	***Adequate***	EMT
Professional Development: Undertake training and development planning to enhance staff skills and job satisfaction	Preventative	Jun-26	***Effective***	EMT
Succession and Leadership Planning: Create a clear pathway for career progression and promote from within where able	Preventative	Jun-26	***Adequate***	EMT
2. Promote work flexibility and positive organisational culture.				EMT
Work Flexibility: Promote to accommodate diverse needs and improve work-life balance	Preventative	Jun-26	***Effective***	EMT
Positive Representation: Foster a culture of respect for staff during community engagements to enhance the Shire's reputation and boost employee morale	Preventative	Jun-26	***Effective***	EMT
		Overall Control Ratings:	***Adequate***	

Actions	Due Date	Responsibility
The Workforce Plan has now been adopted by Council and has been calculated accordingly to be included into the 2025/2026 Budget with further implementation ongoing.	Jun-26	CEO / EO
The Finance/Admin Team is now fully staffed. Some downtime was experienced as a result in staff movements in both Senior Finance Officer & Customer Service & Finance Officer positions.	Dec-25	EMCS
3 Employees are qualified to provide Department of Transport Services with a fourth staff member being trained during the week of 3rd Nov to 7th Nov.	Dec-25	EMCS
Training expectations in the area of Records Management in the 25/26 Financial Year will be critical - Training is commencing in August 2025 for one officer with further training expected later in the year	Jun-26	EMCS
LGIS Prevention and Wellbeing Program provides workshops to staff to help increase physical, mental, social and financial health and wellbeing.	Quarterly	MG
2025/2026 Budget includes a 4% Salary Sacrifice Council Matching Superannuation scheme as further incentive to retain staff.	Ongoing	EMCS
A new employee assistance program has been rolled out for all staff through *acaciaeap* following the inclusion into the 25/26 budget. This has been implemented to support staff.	Ongoing	MG
Advertising has commenced for a Traineeship to cover Maternity Leave. This will provide a community member with the opportunity to train in a Cert III in Local Government.	Jan-26	EMCS/MG

Consequence Category	Risk Ratings	Rating
Financial	***Consequence:***	*Major (4)*
	Likelihood:	*Likely (4)*
	Overall Risk Ratings:	***High***

Comments

Succession planning is limited due to lack of local workforce and difficulty attracting correctly skilled workers. Senior Leadership Team established to grow leadership knowledge for future Executive Manager Acting positions. November 2025 - Recent discussions with EMT have resulted in further changes required to the Workforce Plan to better support the gaps identified in the workplace structure. Recommendations from EMT are a Building Maintenance Officer to better support Asset Management service delivery.

Power Supply Reliability and Emergency Response	Feb-26

Risk Context 2

Power Supply Reliability and Emergency Response

Mains power supply failures and ongoing unreliability pose significant risks to the Shire, potentially resulting in the loss of critcal emergency communications, and substantial disruptions to local businesses. Issues could compromise public safety during emergencies and, more generally, lead to economic loss accross the community.

Impact (Consequences)

Emergency Management: Severley compromises the ability to control emergency situations and maintain communications. Impacts include delayed response times and impaired co-ordination among emergency services.	Critical Services distrupted: Includes fuel supply, electronic payments, refrigeration and medical equipment.
Public Safety: Significantly threatens community safety, particularly during emergencies.	Economic Development: Acts as a disincentive for new businesses to establish in the Shire.
Evactuation Capabilities: Hampers required evacuation efforts, potentially leaving the most vulnerable in the local population at risk.	Infrastructure Reliability: Undermines confidence, potentially affecting local investment and property values.
Busines Continuity: Causes immediate and longer-term impacts	

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
1. **Microgrid Development:** Secure capital and operational funding to establish and operate a local microgrid. This system would provide reliability local energy sources and battery technology	Detective	Jun-26	*Inadequate*	CEO
2. Emergency Communications Resilience: Work to future-proof communication systems where possible, particularly through the implementation of Uninterruptable Power Supply (UPS) solutions. This strategy ensures the critical communication channels remain operational during power outages, maintaining public safety and response/co-ordination capabilities	Detective	Jun-26	*Adequate*	EMT
3. Government Advocacy: To address the root cause of the power supply issues at a systemic level, actively lobby both government and opposition parties for more reliable power service	Detective	Jun-26	*Inadequate*	CEO
4. Strategically place generators around the town	Detective	Jun-26	*Effective*	EMWS
		Overall Control Ratings:	*Adequate*	

Actions	Due Date	Responsibility
Develop a confirmed ideal solution to solve long-term power supply issues in this community to place Shire in best position for negotiating on project planning and delivery	Jun-26	Council/CEO
Seek Grant Funding where available	Jun-26	CEO/EMT
Continue talks with Western Power and the liklihood of the BESS system being brought to the forefront of the Minister again	Jun-26	COUNCIL/CEO
Concerns were raised at the Community Forum, 4th February 2025 in relation to possible community action groups led by Council and a more transparent communiction from Council to the community on actions implemented / being investigated	Jun-26	CEO/PRESIDENT
In the first half of 2025 there was significant work completed by Western Power including 55 Pole Replacements, 4km of high voltage conductor and equipment replacements. The scope of work is focused on strengthening resilience in the local network. By reinforcing the network infrastructure it is enhancing reslilience to weather events.	Jun-25	CEO
Quotes are being sought through Wallis Computers to provide a 3 way failover service for the Shire. It currently has a 2 way failover method between Crisp Wireless and a Telstra 4G redundnacy option. Including another service like Starlink will provide a reliable fail over connection in times of disaster or during extended power outage that will have significantly higher connectivity other than 'land based' solutions	Jun-26	EMCS

Consequence Category	Risk Ratings	Rating
Service Interruption	*Consequence:*	*Extreme (5)*
	Likelihood:	*Almost Certain (5)*
	Overall Risk Ratings:	*Extreme*

Comments

Power Supply Reliability and Emergency Response	Feb-26
CEO/EMED to investigate Shire of Quairading membership to a Wheatbelt ROC to improve State and Federal Government advocacy.	

Road & Infrastructure Maintenance	Feb-26

Risk Context 3

If routine maintenance and timely construction of Shire roads, bridges and other key infrastructure are not completed to standard requirements, public safety dangers and other negative outcomes are probable.

The Shire has noted, for example, that materials for road building are becoming more marginal which affects the strength ratio

Impact (Consequences)	
Personal and/or public liability impacts (up to $1m fine and/or 20 years in prison	4. Dissatisfied community/ratepayers
Increased injury and fatality	5. Negative reputational outcomes/lawsuits
3. Dimished access to properties- impacts on farm operations and productivity	

Risk Management/Mitigation Actions	Type	Date	Rating	Control owner
1. Safety & Compliance:				
Retain core focus on 'safety first'	Preventative	Mar-25	***Effective***	EMCS
Conduct internal WHS Audit	Detective	Jun-25	***Inadequate***	EMWS
Ensure machine and plant operators are sufficiently qualified	Detective	Jun-25	***Effective***	EMWS
2. Financial Management:				
Institute strong cost management (e.g materials/contractors)	Preventative	Jun-25	***Adequate***	EMWS
Source additional external grant funding for new roads	Preventative	Jun-25	***Adequate***	CEO/EMWS
2. Operational Efficiency				
Respond to external feedback	Preventative	Jun-25	***Effective***	CEO/EMWS
Implement immediate risk mitigation measures (eg. Barriers, signage) when risks can't be immediately eliminated	Preventative	Mar-25	***Effective***	EMWS

Overall Control Ratings:	***Effective***

Actions	Due Date	Responsibility
Level 1 Bridge Inspections completed annually and submitted to Main Roads	Apr-26	EMWS
Commence planning work for the Forward Capital Works Plan 2025-2030	Jan-26	EMWS
Prepare draft Pathways Plan (for footpaths and shared pathways)	Oct-25	EMWS
Conduct second WHS Audit (LGIS Action Plan)	Dec-25	EMWS/LGIS RRC

Consequence Category	Risk Ratings	Rating
Reputation, Financial	***Consequence:***	*Extreme (5)*
	Likelihood:	*Likely (4)*
	Overall Risk Ratings:	***Extreme***

Comments

25/26 Bridge inspections need to be completed this summer and submitted to MRWA. Forward Capital Works Plan planning has progressed with a suitable supplier available in January 2026. Staff have a good understanding of roads, drainage and footpaths but are wanting to capture more with our building assets. Staff have collated a historical spend on major items (exterior and interior paint, floor coverings, kitchens & bathrooms) to best plan for the future needs.

November 2025 - Introduction of Capex Tracker has identified workforce challenges - roads program is too large for current workforce - more outsourcing required to complete jobs within timeframe.

EMWS has been successful in obtaining further funding and can now achieve a works program of over $1 million dollars on Tammin Road.

THEME 2 - Community Health and Safety Risks Workplace Health & Safety Compliance	Feb-26

Risk Context 4

Non-compliance with workplace health and safety legislation, including the Work Health & Safety Act 2020 and Fair Work Act 2009, has the potential to detrimentally affect Shire functioning. The new WA Work Health & Safety legislation introduces additional challenges, including in managing Bushfire and VFRS Brigades, potentially increasing the risk of WHS breaches for the Shire.

Mismanagement of employee wellbeing, harassment, bullying, and safety breaches in employment practices directly affect workplace health and safety, potentially leading to increased WHS claims.

Impact (Consequences)

1. Legal and Financial Consequences	3. Safety and Operational Impacts:
Personal and/or public liability (up to $1M fine and/or 20 years in prison).	Death or permanent injury.
Severe legal penalties and financial losses/fines.	Community safety diminished.
2. Reputational Damage:	Bushfire and VFRS Brigades become increasingly marginal operationally (i.e., via increased compliance, safety training and reporting requirements).
Negative outcomes leading to lawsuits and dissatisfied community/ratepayers	

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
1. Governance & Reporting				
Council to maintain strong oversight of Risk Management documents	Preventative	Jun-25	***Effective***	EMCS
CEO and CESM to report monthly to Council on risk mitigation and elimination strategies.	Preventative	Jun-25	***Inadequate***	CEO/CESM
2.Safety and Compliance				
Retain core focus on 'safety first'	Preventative	Jun-25	***Effective***	EMT
Conduct internal WHS Audit	Preventative	Jun-25	***Effective***	EMWS
Monitor and maintain registration and training requirements	Preventative	Jun-25	***Inadequate***	EMT
Enact a "no training, no fire ground" policy position	Preventative	Mar-25	***Effective***	CESM
3.Operational Efficiency				
Institute strong cost management (e.g., materials, contractors)	Preventative	Jun-25	***Adequate***	EMT
Ensure machine and plant operators are sufficiently qualified	Preventative	Jun-25	***Effective***	EMWS
4.Communication and Response				
Improve communications via new app software	Detective	Jun-25	***Adequate***	EMT
Respond to external feedback	Preventative	Jun-25	***Effective***	EMT
Implement immediate risk mitigation measures (e.g., barriers, signage) where risks can't be immediately eliminated	Detective	Mar-25	***Effective***	EMWS
		Overall Control Ratings:	***Adequate***	

Actions	Due Date	Responsibility
Review of the Risk Management Framework and Matrix/Dashboard have now been updated. The Risk Dashboard will now be reported with any updates quarterly to the Audit & Risk Committee and Council	Ongoing	EMCS
Create a training matrix for staff - This is about 80% Complete with just formatting to be completed. To be updated continually following completion of training.	Ongoing	EMCS
Conduct a review of the current SMS software and template system used for emergency and hazard alerts.	Dec-25	CESM

Consequence Category	Risk Ratings	Rating
Compliance / Reputation	***Consequence:***	*Extreme (5)*
	Likelihood:	*Almost Certain (5)*

	Overall Risk Ratings:	Extreme

Comments

Healthcare Service Reliability	Feb-26

Risk Context 5

The Quairading Medical Practice faces significant challenges in maintaining consistent and affordable medical services due to potential loss of medical personnel and increasing operational costs, which could result in reduced healthcare access for the community.

Impact (Consequences)	
1. Loss of local medical services, leading to:	Community dissatisfaction.
Increased travel burden for medical care.	Potential population decline.
Closure of allied health services (e.g., Pharmacy).	Economic impacts on local businesses.
2.Threats to community sustainability:	**3. Negative reputational outcomes for the Shire.**

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
Keep costs for running the Medical Practice as cost-effective as possible (while maintaining service quality).	Preventative	Jun-25	***Effective***	EMCS/DOCTOR
Establish a second option practitioner for when the current practitioner (a) takes annual leave, or (b) eventually leaves (including list of locums/training GP/Nurse Practitioner).	Preventative	Mar-25	***Inadequate***	DOCTOR
Current Supply of Practitioner Agreement for a term of three years expiry 25 January 2027 + three-year option.	Preventative	Oct-26	***Effective***	CEO/EMCS/DOCTOR
Develop a long-term recruitment and retention strategy for medical professionals, including incentives and support for rural practice	Preventative	Oct-26	***Adequate***	CEO/EMCS/DOCTOR
Investigate telemedicine options to supplement in-person care and potentially reduce costs	Preventative	Mar-25	***Inadequate***	DOCTOR/CEO
		Overall Control Ratings:	***Adequate***	

Actions	Due Date	Responsibility
Dr Yap meets as part of the Medical Executive Committee quarterly to discuss matters for the Medical Centre. Dr Yap presents the committee with his financial statements on a quarterly basis to provide transparent accounting of the Shire's annual allocation of funds.	Ongoing	CEO
Dr Yap is continually striving for improvement and is currently satisfied with his current staffing arrangements and is continually ascertaining the possibility of a 2nd traineeship GP by Jul 2025.	Sep-25	CEO
Dr Yap has cancelled Allied Health from practicing in the Medical Practice due to requiring the third consultation room for the Nurse Practioner Pilot Program which has been extended to December 2025 ensuring sustainability of the Medical Services provided in the Shire of Quairading.	Dec-25	CEO
Progress had been made with Architect drawings on the proposed Medical Centre Extension. Costings are being sought and funding sources are being explored.	Aug-25	CEO/EMED
Doctor Housing - Causing shortages in housing staff - Pharmacist & FCSO - Need to consider options for the future - part of Housing Strategy required	Aug-25	CEO/EMED
	Aug-25	CEO/EMED

Consequence Category	Risk Ratings	Rating
Compliance, Health, Reputational, Financial	***Consequence:***	*Extreme (5)*
	Likelihood:	*Possible (3)*
	Overall Risk Ratings:	***High***

Comments

All Allied Health Services were contacted in December 2024 communicating that effective 1 January, Quairading Medical Practice (QMP) cannot sustain them consulting from the QMP as the 3rd consultation room required for the Nurse Practitioner Pilot Program and 2nd trainee GP scheduled to commence from July 2025.

The Medical Centre extension proposal is currently not included in the Long Term Financial Plan.

Natural and Man-Made Disasters	Feb-26

Risk Context 6

Natural and manmade disasters have the potential to affect Shire business continuity.
Includes fire, flood, storm, earthquake, extreme heat, pandemic, chemical spill, terrorism.

Climate change has been recognised by the Shire, including the prevalence of extreme fire and other weather events.

Impact (Consequences)

Loss of critical infrastructure.	Shire core business impacts
Injury and fatalities.	Businesses choose not to re-establish
High recovery costs.	Environmental degradation (e.g., drought, soil erosion)
Loss of business continuity,	Economic instability: generational farms are no longer workable

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
Implement a Business Continuity Framework	Preventative	Mar-25	***Effective***	CEO/EMT
Local Emergency Management Arrangements – ensure current and tested through LEMC Exercises	Preventative	Jun-25	***Effective***	CEO/CESM
Review and update key hazard plans including Bushfire Risk Management Plan	Preventative	Jun-25	***Adequate***	CEO/CESM
Convene quarterly meetings with key agencies	Preventative	Jun-25	***Adequate***	CEO/CESM/LEMC
		Overall Control Ratings:	***Effective***	

Actions	Due Date	Responsibility
Public consultation sought on the proposed amendments to state-level recovery arrangements in the State Emergency Management Policy, Plan & Procedure - Webinars or in-person information sessions being conducted during February 2025.	Feb-25	CEO/CESM
The Shire of Cunderdin will take over from the Shire of Quairading to Auspice the Funds of the CESM. This is expected to be completed by 30 June 2025 however there is a delay in the supply of the new vehicle, now expected to be Nov 25	Dec-25	EMCS

Consequence Category	Risk Ratings	Rating
Reputation	***Consequence:***	*Major (4)*
	Likelihood:	*Possible (3)*
	Overall Risk Ratings:	***High***

Comments

WhatsApp and bulk SMS system are utlised for disemination of information prior to and during an incident. BFAC and LEMC continue to meet regularly (3 x p.a).

Dept of Communities is storing >10 x bedding packs at rear of Town Hall for Evac Centre set up.

THEME 3 - GOVERNANCE, FINANCIAL AND COMPLIANCE RISKS Financial Viability and Asset Management	Feb-26

Risk Context 7

If the Shire is struggling to remain financially viable, the ability to comply with its Asset Management Plan may be compromised.

Impact (Consequences)	
Cost of managing ageing infrastructure becomes prohibitive.	Increased safety risk.
Creates degradation and loss of useful/useable assets.	Reduced ability to regenerate or create economic benefit across the Shire.

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
Promote Quairading as a destination with a 'point of difference' (e.g., as Beverley has done).	Detective	Jun-25	*Effective*	CEO/EMED
Consider marketing campaigns for attracting new investors and residents into the Shire, including people seeking a 'tree change'.	Detective	Jun-25	*Effective*	CEO/EMED
Explore and promote quality affordable housing options, and lead by example	Detective	Jun-25	*Adequate*	CEO/EMED
Encourage light industrial activity and support small business ventures through flexible policies	Detective	Mar-25	*Effective*	CEO/EMED
Increase the rate-base through the above-mentioned strategies.	Preventative	Jun-25	*Effective*	EMCS
		Overall Control Ratings:	*Effective*	

Actions	Due Date	Responsibility
Sales of land for Cuneata Rise and the Light Industrial Area are attracting both new investors and residents to the Shire - this will also increase the Shire's ratebase.	Jun-25	CEO

Consequence Category	Risk Ratings	Rating
Environment, Reputation, Financial	*Consequence:*	*Extreme (5)*
	Likelihood:	*Possible (3)*
	Overall Risk Ratings:	*High*

Comments

Need for employment of BMO to do a complete system - 2028 Valuation - Asset Valuer Pro - Asset Mangement condition reports etc

Cybersecurity and Data Protection	Feb-26

Risk Context 8

Any data breach/hack of Shire information and communications technology systems has the potential to affect Shire operations - includes data theft, ransomware and phishing.

Impact (Consequences)	
Financial misappropriation/loss.	Shire business continuity significantly compromised.
Community member and/or employee financial records compromised or stolen.	Shire reputation impacted.
Loss of data and data integrity.	

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
Develop and maintain Business Continuity and IT Disaster Recovery Plans	Preventative	Feb-26	***Effective***	CEO/EMCS
Implement robust IT security measures (e.g., firewalls, access controls, UPS/backup systems	Preventative	Jun-26	***Effective***	EMCS
Conduct regular security audits and recovery exercises	Preventative	Jun-26	***Adequate***	EMCS
Provide staff cybersecurity awareness training	Preventative	Dec-25	***Adequate***	EMCS
		Overall Control Ratings:	***Effective***	

Actions	Due Date	Responsibility
The Shire resolved to continue with Readytech for our ERP system to take advantage of the Uplift program that was originally agreed to by Council in May 2022. The financial implications to remove the Shire from the original contract were far too extensive and the future financial implications were significant if we lost the savings offered by the Uplift program. Readytech delays are causing concern that their product is not going to be rolled out and therefore the Shire may need to consider another ERP ptopn. The Shire is currently part of a WALGA driven ERP scope where LG's can access other ERP systems on offer. The cost to implement will be substantial and Council will need to consider it's options in relation to the money already paid for the uplift program.	Jun-26	EMCS
Use of AU Tools Policy implemented.	Aug-25	EO/CEO
The 2025/2026 Budget includes Security Awareness Training for Staff (and Councillors). This will improve the knowledge of staff of security and emerging threats to the organisation. Wallishave been engaged to roll this out within the next couple of months.	Dec-25	EMCS

Consequence Category	Risk Ratings	Rating
Reputation / Compliance	***Consequence:***	*Major (4)*
	Likelihood:	*Likely (4)*
	Overall Risk Ratings:	***High***

Comments

ICT Strategy will need to be reviewed.

Organisational Misconduct	Feb-26

Risk Context 9

Unethical or illegal behavior by Shire employees, executives or office holders, including both financial and non-financial misconduct, has the potential to produce significant negative consequences for the Shire.

Impact (Consequences)	
Council suspension or leadership changes (e.g., CEO removal, employee terminations).	Reputational damage.
Independent investigations and regulatory actions (e.g., Fair Work Commission).	Financial penalties and economic impacts.
Intense public and media scrutiny.	Business continuity and viability challenges.

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
1.Financial Controls and Processes				
Update cash handling procedures	Preventative		***Effective***	EMCS
Conduct financial management reviews and implement controls	Preventative		***Effective***	EMCS
2.Governance Frameworks				
Update the delegated authority framework	Preventative		***Effective***	CEO
Enhance the IT Security Framework.	Preventative		***Effective***	EMCS
3.Human Resource Management				
Revise the staff on-boarding/induction program	Preventative		***Adequate***	EMCS
Implement a performance management program	Preventative		***Effective***	EMT
Update HR Policies and Code of Conduct (for Council and staff)	Preventative		***Effective***	EMCS
4.Operational Safety				
Establish supervision and induction processes to use plant and equipment	Preventative		***Effective***	EMWS
External Oversight	Preventative		***Effective***	EMWS
Conduct regular external audits	Preventative		***Adequate***	EMWS
		Overall Control Ratings:	***Effective***	

Actions	Due Date	Responsibility
Steven Tweedie to review current policies	Feb-25	EMCS/CEO
Council to undertake a review of how to properly address and investigate allegations of unethical or illegal behaviour of employees, executives or office holders.	Dec-25	Council
Council to continue to work with Shire Staff to address and assist with current investigations	Ongoing	Council/EMT
Council to work with Shire staff to support them following significant reputational damage	Ongoing	Council/EMT/Staff
Increase compliance of record keeping systems and update Record Keeping Plan	Jul-26	CEO/MG/EMCS
Recommendation to proceed with council's resolutions 196-24/25 from 29 May 2025 and 222-24/25 from 30 June 2025 that first endorsed the engagement of Moore Australia to conduct an independent audit into the shire's handling of the sales and settlements of vacant land and later broadened the scope to include identifying any misconduct by officers during the process.	Mar-26	CEO/MG

Consequence Category	Risk Ratings	Rating
Financial / Property	***Consequence:***	*Extreme (5)*
	Likelihood:	*Almost Certain (5)*
	Overall Risk Ratings:	***Extreme***

Comments

THEME 4 - STRATEGIC SOCIAL AND ECONOMIC RISKS Housing Availability and Affordability	Feb-26

Risk Context 10

Seniors and Aged Care: Absence of aged local independent living facilities may force older residents to leave prematurely, disrupting community cohesion.
Essential Worker Housing: Insufficient housing for government workers and Western Australian Country Health Service staff can hinder recruitment and retention.
Public and Community Housing: Limited public housing options may increase housing stress for low-income individuals, leading to potential homelessness.

Impact (Consequences)

1.Low property resale values and return on investment undermine community sustainability.	Reduced local spending.
2.Population decline due to:	**4.Threats to community viability**
Higher outward migration and lower inward migration.	Loss of professional and community-based services.
Workforce reduction.	Weakening of community fabric.
Residents forced to relocate due to housing shortages.	Potential loss of local infrastructure.
3. Economic impacts:	
Impeded economic growth.	

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
Lead by example, explore and promote quality affordable housing options including joint venture options for the construction of Aged Residential Independent Living Units (ILUs).	Detective	Jun-25	***Adequate***	CEO/EMED
Noting that the Shire does not have 50% of the total cost of the project to contribute to a grant/tender application under the Housing Support Program, explore options with bespoke groups i.e., Central East Accommodation & Care Alliance Inc (CEACA	Detective	Jun-25	***Adequate***	CEO/EMED
Promote Quairading as a destination with a 'point of difference' (e.g., as Beverley and Katanning have done	Detective	Jun-25	***Effective***	CEO/EMED
Consider marketing campaigns and other strategies for attracting new investors and residents, including people seeking a 'tree change'	Detective	Jun-25	***Effective***	CEO/EMED
		Overall Control Ratings:	***Adequate***	

Actions	Due Date	Responsibility
Develop a Housing Strategy	Jun-26	EMT
Maintain CEACA Membership - Council has budgeted $15,000 for the 2025/2026 Year to become a full member of CEACA	Jun-25	CEO/EMED
Identify any risks associated with bringing Social Housing to Quairading	Jun-25	CEO/EMED

Consequence Category	Risk Ratings	Rating
Reputation	***Consequence:***	*Major (4)*
	Likelihood:	*Almost Certain (5)*
	Overall Risk Ratings:	***Extreme***

Comments

Council resolved to continue with CEACA at the OCM 30.10.25.

EMT recommends to ARIC to consider taking ownership of suitable properties identified for non-payment of rates for staff housing.

Social Challenges and Community Expectations	Feb-26

Risk Context 11

Social challenges (e.g., crime, antisocial behavior, vandalism, housing crisis, homelessness) may significantly impact ratepayers' expectations of the Shire's responsibilities and perceived effectiveness.

Misalignment between community expectations and Shire jurisdiction could lead to reputational damage, resource pressure, and potential conflict.

Impact (Consequences)	
Disgruntled ratepayers and reputational damage.	Difficulty attracting new residents/businesses.
Blame towards staff and Council Members.	Strained community relationships and social cohesion.
Diminished service outcomes and increased pressure on resources.	Increased demand for social services beyond Shire capacity/jurisdiction.
Higher rates payment defaults and debt collections.	

Risk Management/Mitigation Actions	Type	Date	Rating	Control Owner
Develop and implement a community engagement & communications strategy to better understand ratepayers' expectations.	Detective	Jun-25	***Effective***	CEO/EMED
Hold at least two community forums each year.	Detective	Jun-25	***Effective***	CEO/EMED
Establish clear guidelines on the Shire's responsibilities and limitations regarding social issues, and communicate these effectively.	Detective	Jun-25	***Adequate***	CEO/EMED
Maintain healthy relationships with government agencies, funding bodies and WALGA.	Preventative	Jun-25	***Adequate***	CEO
Prioritise grant writing and winning.	Preventative	Jun-25	***Effective***	CEO/EMED
Continue focus on social media messaging while retaining hard copy dissemination for older generations.	Preventative	Jun-25	***Effective***	EMED
Formalise regular contributions to the Banksia Bulletin and Passion Sheet with Shire update and Shire President Message	Preventative	Jun-25	***Effective***	EMED
		Overall Control Ratings:	***Adequate***	

Actions	Due Date	Responsibility
Maintain transparency on Shire's project and budget development via Community Forum meetings	Feb-25, Sep-25	EMT
Monthly Banksia Bulletin news updates including a foreward from the Shire President	Monthly	EMED
Regular Social Media updates on general news, announcements, events, ranger update and important community related information.	Weekly	EMED
Maintain hard copy information of important updates and documents for older generations with limited computer access.	Weekly	EMED
Source and apply grant funding for events and projects including bolstering projects already included in annual budget	Monthly	EMED
Weekly Passion Sheet notices when appropriate.	*Weekly*	EMED

Consequence Category	Risk Ratings	Rating
Service disruption	***Consequence:***	*Moderate (3)*
	Likelihood:	*Likely (4)*
	Overall Risk Ratings:	***High***

Comments

EMT asknowledges low community attendance at Forums so suggests a revised strategy next Annual Electors Mtg. to encourage community interest and engagement.

Funding not received for Sports Precinct - Project to be removed for time being - community backlash

Funding not received for Skate Park - Project to be removed for time being - community backlash

ITEM 8 EMERGING ISSUES/LATE ITEMS

Nil

ITEM 9 NEXT MEETING DATE

The next Audit, Risk & Improvement Committee Meeting is scheduled to take place on Tuesday 12 May 2026 commencing at 5:00 PM in the Council Chambers, 10 Jennaberring Road, Quairading, WA.

ITEM 10 CLOSURE

There being no further business, the Chairperson closed the Meeting at 5.10 pm.

I certify the minutes of the Audit, Risk & Improvement Committee meeting held on 3 March 2026 were confirmed 12 May 2026 as recorded on Resolution No. ARIC 024 - 25/26.

Confirmed..... 11/08/2026