

AUDIT, RISK AND IMPROVEMENT COMMITTEE

Agenda



Meeting Date - 9 December 2025

Meeting Time - 4pm

To be held at Nabawa, Council
Chambers or Via TEAMS



SHIRE OF

Chapman Valley

love the rural life!

ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council of Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on written confirmation of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

COMMITTEE PURPOSE & DELEGATIONS

The Committee's objectives are to:

- Assist Council in fulfilling its oversight responsibilities.
- Promote transparency, accountability, and continuous improvement.
- Ensure effective risk management and internal control systems.
- Monitor compliance with relevant legislation and regulations.

- Delegations – Nil

The Audit, Risk & Improvements Committee is comprised of:

4x Councillors

Cr Batten

Cr Rodney

Cr Blakeway

Cr Elliott-Lockhart

Andrew Cambell - External, Independent Member (Chair)

Observers

CEO

Manager Finance & Corporate Services

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1 Declaration of Opening & Announcements of Visitors

The Presiding member will welcome elected members and staff to the committee meeting and declare the meeting open.

“The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.”

2 Announcements from the Presiding Member

3 Record of Attendance

3.1 Attendees

The following are anticipated to attend the Finance, Audit & Risk Management Committee Meeting:

Elected Members

Cr Batten

Cr Blakeway

Cr Elliott-Lockhart

Cr Rodney

External

Andrew Cambell – Independent Member (Chair)

Officers

Jamie Criddle, Chief Executive Officer

Dianne Raymond, Manager Finance & Corporate Services

Beau Raymond, Financial & Digital Systems Coordinator

3.2 Apologies

4 Disclosure of Interest

Local Government Act 1995

Administration Part 5

Disclosure of financial interests and gifts Division 6

s. 5.59

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.

Section 5.60A:

“a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.”

Section 5.60B:

“a person has a proximity interest in a matter if the matter concerns –

(a) a proposed change to a planning scheme affecting land that adjoins the person’s land; or (b) a proposed change to the zoning or use of land that adjoins the person’s land; or (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person’s land.”

Regulation 34C (Impartiality):

“interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.”

5 Petitions/Deputations/Presentations

5.1 Petitions

The Council has not received any petitions at the time of writing this report

5.2 Presentations

The Council does not anticipate any presentations at the time of writing this report.

5.3 Deputations

The Council has not received any deputations at the time of writing this report.

6 Confirmation of Minutes from previous meetings

Recommendation

That the Minutes of the Finance, Audit and Risk Management Committee Meeting held on 23 December 2024 be confirmed as true and accurate.



FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE

Minutes



Meeting Date Monday 23 December 2024

Meeting Time 4:00 pm

Held at Microsoft Teams, Online Only

ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

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Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

COMMITTEE PURPOSE & DELEGATIONS

To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System.

- Delegations – Nil

The Finance, Audit & Risk Management Committee is comprised of:

Cr Elliott-Lockhart

Cr Batten

Cr Rodney

Cr Warr

Grant Middleton (External, Independent Member)

CEO

Manager Finance & Corporate Services

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

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10 Closure	125

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

1 Declaration of Opening & Announcements of Visitors

The Shire President welcomed elected members, staff and visitors to the Finance Audit & Risk Management Committee meeting and declaring the meeting open at 4:44 pm.

The Shire acknowledged the traditional landowners through the reading of our Acknowledgement of Country.

"The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples."

2 Announcements from the Presiding Member

3 Record of Attendance

3.1 Attendees

The following attended the committee meeting:

Elected Members

Cr Kirilee Warr (President)
Cr Nicole Batten (Deputy President)
Cr Emma Rodney
Cr Elizabeth Elliot-Lockhart

External

Nil

Officers

Jamie Criddle, Chief Executive Officer
Dianne Raymond, Manager Finance & Corporate Services
Corrine Smith, Minute Taker

Visitors

Nil

3.2 Apologies

Grant Middleton (Independent Member)

4 Disclosure of Interest

Local Government Act 1995
Administration Part 5
Disclosure of financial interests and gifts Division 6
s. 5.59

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.

Section 5.60A:
“a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.”

Section 5.60B:
“a person has a proximity interest in a matter if the matter concerns –
(a) a proposed change to a planning scheme affecting land that adjoins the person’s land;
or (b) a proposed change to the zoning or use of land that adjoins the person’s land; or
(c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person’s land.”

Regulation 34C (Impartiality):
“interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.”

5 Petitions/Deputations/Presentations

5.1 Petitions

The Council has not received any petitions in the course of this meeting.

5.2 Presentations

The Council did not accept any presentations in the course of the meeting.

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

5.3 Deputations

The Council did not receive any deputations in the course of the meeting.

6 Confirmation of Minutes from previous meetings

That the Minutes of the Finance, Audit and Risk Management Committee Meeting held on 22 February 2024 be confirmed as true and accurate.

Committee Resolution

Moved: Cr Emma Rodney **Seconded:** Cr Nicole Batten

That the Minutes of the Finance, Audit and Risk management Committee held on 22 February 2024 be confirmed as true and correct.

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Cr Kirrilee Warr
Against Nil

4 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/12-1



FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE

Minutes



Meeting Date Thursday 22 February 2024

Meeting Time 4:00 pm

Held at Chapman Valley Administration Office, 3270 Chapman Valley Road, Nabawa
WA 6532, Council Chambers

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

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Finance Audit and Risk Management Committee 22 February 2024 - Minutes

COMMITTEE PURPOSE & DELEGATIONS

Purpose: To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System.

- Delegations – Nil

The Finance, Audit & Risk Management Committee is comprised of:

Cr Warr

Cr Batten

Cr Elliott-Lockhart

Cr Rodney

Grant Middleton (External, Independent Member)

Chief Executive Officer

Manager Finance & Corporate Services

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

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Finance Audit and Risk Management Committee 22 February 2024 - Minutes

1 Declaration of Opening & Announcements of Visitors

Chief Executive Officer, Jamie Criddle opened the meeting and in absence of the Shire President and with Deputy President (via remote dialling), called for a chairperson from the floor.

Committee Resolution

Moved: Cr Elizabeth Elliott-Lockhart **Seconded:** Cr Nicole Batten

That Cr Emma Rodney be elected as chair for this meeting in absence of Shire President and Deputy President (remote).

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart and Cr Emma Rodney
Against Nil

3 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/02-1

Cr Rodney welcomed elected members, staff and visitors to the council meeting and declaring the meeting open at 4:11 pm.

The Shire acknowledged the traditional landowners through the reading of our Acknowledgement of Country.

"The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples."

2 Announcements from the Presiding Member

3 Record of Attendance

3.1 Attendees

The following attended the committee meeting:

Elected Members

Cr Nicole Batten (Deputy President)
Cr Elizabeth Elliott-Lockhart
Cr Emma Rodney

External

Nil

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

Officers

Jamie Criddle, Chief Executive Officer
Dianne Raymond, Manager Finance & Corporate Services
Beau Raymond, Minute Taker

Visitors

Nil

3.2 Apologies

Cr Kirrilee Warr (President)
Grant Middleton (Independent Member)

4 Disclosure of Interest

Nil

5 Petitions/Deputations/Presentations

5.1 Petitions

The council has not received any petitions.

5.2 Presentations

The council did not accept any presentations in the course of the meeting.

5.3 Deputations

The council did not receive any deputations in the course of the meeting

6 Confirmation of Minutes from previous meetings

Committee Resolution

Moved: Cr Nicole Batten **Seconded:** Cr Elizabeth Elliott-Lockhart

That the Minutes of the Finance, Audit and Risk Management Committee held on 14 September 2023 be confirmed as true and correct.

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart and Cr Emma Rodney
Against Nil

3 / 0
CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/02-2

Finance Audit and Risk Management Committee - 23
December 2024 - Minutes

Att: 6.1.1 Unconfirmed FARM Minutes
February 2024

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

7 Items to be dealt with En Bloc

Committee Resolution

Moved: Cr Nicole Batten **Seconded:** Cr Elizabeth Elliott-Lockhart

Council resolves to move the following items En Bloc:
8.1, 8.2, 8.3 & 8.4.

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart and Cr Emma Rodney
Against Nil

3 / 0
CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/02-3

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

8 Officers Reports

8.1 Compliance Audit Return

Department	Finance, Governance & Corporate Services Chief Executive Officer
Author	Dianne Raymond
Reference(s)	403.05 & 305.00
Attachment(s)	1. Compliance Audit Return 2023 [8.1.1 - 11 pages]

Voting Requirements

Simply Majority

Staff Recommendation

That the Finance, Audit & Risk Management Committee recommends the following to Council:

The 2023 Compliance Audit Return be signed by the CEO and Shire President

The 2023 Compliance Audit Return be received and recorded in the Minutes of Council

The 2023 Compliance Audit Return is submitted to the Department of Local Government and placed on the Shire Website.

Committee En Bloc Resolution - Minute Reference FARMC 2024/02-3

That the Finance, Audit & Risk Management Committee recommends the following to council:

The 2023 Compliance Audit Return be signed by the CEO and Shire President

The 2023 Compliance Audit Return be received and recorded in the Minutes of Council

The 2023 Compliance Audit Return is submitted to the Department of Local Government and placed on the Shire Website.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

Every Local Government Authority in Western Australia is required to complete the Compliance Audit Return (CAR) each year. The purpose of this item is to present the 2022/2023 Compliance Audit Return to the Committee to review prior to going to Council for formal adoption and forwarding a certified copy to the Department of Local Government.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

Comment

The Chief Executive Officer has completed a Draft copy of the Shire of Chapman Valley 2023 Compliance Audit Return which has been provided to Councillors as an attachment.

Statutory Environment

No Financial Implications Identified.

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Consultation

Relevant staff have been consulted as part of the process to complete the Compliance Audit Report

Risk Assessment

No Risks have been Identified.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

8.2 Independent Auditors Report 30 June 2023

Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	403.05 and 305.00
Attachment(s)	1. Opinion - Shire of Chapman Valley - 30 June 2023 [8.2.1 - 3 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to Council that the Independent Audit Report for the year ending 30 June 2023 be received.

Committee En Bloc Resolution - Minute Reference FARMC 2024/02-3

The Finance, Audit & Risk Management Committee recommends to Council that the Independent Audit Report for the year ending 30 June 2023 be received.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Independent Audit Report from its Auditors; Nexia Perth performed this audit on behalf of the Office of Auditor General.

Comment

Councillors, Chief Executive Officer, Manager of Finance & Corporate Services and the Management Accountant met (via TEAMS) with representatives from the Office of the Auditor General for Western Australia (OAG) and the OAG appointed Auditors, Nexia Perth, on 19 February 2024 for an audit exit meeting. Both the OAG and Nexia Perth reported on Key Audit Risks and Focus Areas as outlined in the original Audit Strategy Memorandum.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

During the exit meeting attention was drawn to findings which are of a sufficient concern to call for action being taken in the following areas, yet there were no items considered significant:

- Inadequate Fair Value Assessment of Land & Building Assets
- Bank Signatories

Statutory Environment

Part 7 Local Government Act 1995 and Local Government (Audit) Regulations

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Strategic Implications

The long-term financial viability of the Shire is of importance for future service delivery levels provided to the Shire's constituents. The annual audit of the Shire's operations is integral to watching how the Shire is tracking with its integrated strategic planning.

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council staff have been in contact and discussion with the Office of Auditor General and Nexus auditors throughout the audit review process.

Risk Assessment

Findings were not significant in nature therefore Risk Level 1 -

Finance Audit and Risk Management Committee - 23
December 2024 - Minutes

Att: 6.1.1 Unconfirmed FARM Minutes
February 2024

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable
regulatory or statutory impact.

Unconfirmed

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

8.3	Auditors Management Report 30 June 2023
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	403.05 & 305.00
Attachment(s)	1. Final Management Attachment - Shire of Chapman Valley - 30 June 2023 [8.3.1 - 3 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to Council that the Management Report for the year ending 30 June 2023 be received and actions taken on items listed endorsed.

Committee En Bloc Resolution - Minute Reference FARMC 2024/02-3

The Finance, Audit & Risk Management Committee recommends to Council that the Management Report for the year ending 30 June 2023 be received and actions taken on items listed endorsed.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Management Report from its Auditors Nexia Perth who performed this audit on behalf of the Office of Auditor General (Please refer to Audit Report Letter).

Comment

The Management Report is attached with items listed. All matters raised during the interim audit have been addressed as per the management comments.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

Statutory Environment

Long Term Financial Plan

No major effect is expected on the Long-Term Financial Plan.

Policy/Procedure Implications

Nil

Financial Implications

Long Term Financial Plan

No major effect is expected on the Long-Term Financial Plan.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

5.3 Make informed decisions within resources and areas of responsibility.

5.3.1 Council and Shire process formally incorporate integrated plans as references.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council staff have been in contact and discussion with Council auditors throughout the audit review process.

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

8.4	Independent Review Internal Control & Compliance
Department	Finance, Governance & Corporate Services Chief Executive Officer
Author	Dianne Raymond
Reference(s)	305.00
Attachment(s)	1. Reg 17 Internal Audit Reports [8.4.1 - 83 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee receives the Internal Control Audit Report and recommendations and present this to council.

Committee En Bloc Resolution - Minute Reference FARMC 2024/02-3

The Finance, Audit & Risk Management Committee receives the Internal Control Audit Report and recommendations and present this to council.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The State Government introduced legislation under the Local Government (Audit) Audit Regulations, 1996, to stipulate it is a legal requirement for a local government Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- Risk management,
- Internal controls; and
- Legislative compliance.

A local government must undertake an internal control audit at least once every two years.

Internal auditing is an independent, objective activity carried out by a person who is not involved in the operational management of the Shire. It assists the organisation accomplish its aims by bringing a systematic, disciplined approach to evaluate and improve the

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

effectiveness of risk management systems, managing material operating risks, internal controls and legislative compliance processes.

Comment

The first of these audits commenced in December 2013 with subsequent audits 2016, 2018 and 2021. In late 2023, Margaret Hemsley, Principal Consultant from LG People and Culture performed the internal control audit review. This audit an expanded approach was undertaken with a survey implemented to find the level of knowledge within the Shires' designated Senior Staff. An audit tool has been provided by the consultant addressing the Local Government Operational Guidelines (No.9) Audit in Local Government. The internal audit addresses four sections

- Risk Management Systems and Processes
- Determining and Managing Material Operating Risks
- Internal Control
- Legislative Compliance

The purpose of this report is to inform the Finance, Audit & Risk Management Committee of the review undertaken by staff with an independent consultant and report any future improvements considered necessary.

Statutory Environment

Local Government (Audit) Regulations, 1996

Reg 17. CEO (Chief Executive Officer) to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
 - (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

[Regulation 17 inserted in Gazette 8 Feb 2013 p. 868.] Part 7 Local Government Act 1995 and the Local Government (Audit) Regulations 1996

Policy/Procedure Implications

No Policy or Management Procedure affected.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

Financial Implications

No Financial Implications Identified.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Consultation

The Manager Finance & Corporate Services and Chief Executive Officer have been in contact and discussion with the external consultant throughout the internal control audit review process. Senior Staff were requested to take part in the internal audit survey for the review process.

Risk Assessment

A Minor Compliance Risk of Level 2 - Which will likely result in some temporary non-compliance.

Finance Audit and Risk Management Committee 22 February 2024 - Minutes

9 New Business of an Urgent Nature Introduced by Decision of the Meeting

Nil

10 Closure

Cr Emma Rodney thanked Elected Members and Staff for their attendance and closed the Finance Audit and Risk Management Committee 22 February 2024 at 4:16 pm.

Unconfirmed

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

7 Items to be dealt with En Bloc

Committee Resolution

Moved: Cr Nicole Batten **Seconded:** Cr Elizabeth Elliott-Lockhart

Council resolves to move the following items En Bloc:
8.1 & 8.2.

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Cr Kirrilee Warr
Against Nil

4 / 0
CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/12-2

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

8 Officers Reports

8.1	Independent Auditors Report 30 June 2024
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00 Audits
Attachment(s)	1. Independent Auditors Report 30 June 2024 [8.1.1 - 3 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to the Council that the Independent Audit Report for the year ending June 2024 be received.

Committee ENBLOC Resolution - Minute Reference FARMC 2024/12-02

The Finance, Audit & Risk Management Committee recommends to the Council that the Independent Audit Report for the year ending June 2024 be received.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Independent Audit Report from its Auditors: Nexia Perth performed this audit on behalf of the Office of Auditor General.

Comment

Councillors, Chief Executive Officer, Manager of Finance & Corporate Services met (via TEAMS) with representatives from the Office of the Auditor General for Western Australia (OAG) and the OAG appointed Auditors, Nexia Perth, on 10 December 2024 for an audit exit meeting. Both the OAG and Nexia Perth reported on Key Audit Risks and Focus Areas as outlined in the original Audit Strategy Memorandum.

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

During the exit meeting attention was drawn to findings which are of sufficient concern to call the action being taken in the following areas, yet there were no items considered to cause a significant impact on the audit opinion. Refer below:

1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17 - Moderate finding
2. Corporate credit card statement not approved - Moderate finding
3. Lack of evidence of interview assessment conducted for new employee - Minor finding

Statutory Environment

No Financial Implications Identified.

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Strategic Implications

The long-term financial viability of Chapman Valey Shire is of importance for future service delivery levels provided to the Shire's constituents. The annual audit of Shire's operations is integral to observe how Chapman Valley Shire is tracking with its integrated strategic planning.

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

GOVERNANCE & ACCOUNTABILITY

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council staff have been in contact and discussion with the Office of Auditor General and Nexus auditors throughout the audit review process.

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

Unconfirmed



Auditor General

INDEPENDENT AUDITOR'S REPORT 2024 Shire of Chapman Valley

To the Council of the Shire of Chapman Valley

Opinion

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

- the statement of financial position as at 30 June 2024, 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 2024 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 2024, but not the financial report and my auditor's report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Chapman Valley for the year ended 30 June 2024 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.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 December 2024

Unconfirmed

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

8.2 Auditors Management Report 30 June 2024

Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00 Audits
Attachment(s)	1. Management Report Office of Auditor General 30 June 2024 [8.2.1 - 6 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to the Council that the Management Report for the year ending 30 June 2024 be received and actions taken on items listed endorsed.

Committee ENBLOC Resolution - Minute Reference FARMC 2024/12-02

The Finance, Audit & Risk Management Committee recommends to the Council that the Management Report for the year ending 30 June 2024 be received and actions taken on items listed endorsed.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Management Report from its Auditors Nexia Perth who performed this audit on behalf of the Office of Auditor General (Please refer to Audit Report Letter).

Comment

The Management Report lists three findings with no impact on the audit opinion.

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17	No		✓		
2. Corporate credit card statement not approved	No		✓		✓
3. Lack of evidence of interview assessment conducted for new employee	No			✓	

These findings are noted by management to be followed up prior to June 2025.

Management will undertake a robust assessment of the appropriateness and effectiveness of the systems and procedures in relation to risk management, internal control, and legislative compliance to meet the legislative requirements of the Local Government Audit Regulation 17. Quotes for service are currently being sought for suitable external experts to be engaged.

Management have acknowledged a misstep in internal processes had occurred and this has been tweaked to ensure Council Management Procedure CMP-021 Corporate Transaction Cards is adhered to fully.

Management have acknowledged the oversight of documenting the movement of an administration employee and will seek to resource the finance and corporate services team adequately to ensure full compliance with Council Management Procedure CMP-060 Recruitment and Selection Procedure.

Statutory Environment

Long Term Financial Plan

No major effect is anticipated on the Long-Term Financial Plan.

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

Long Term Financial Plan

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

No major effect is anticipated on the Long Term Financial Plan.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

5.3 Make informed decisions within resources and areas of responsibility.

5.3.1 Council and Shire process formally incorporate integrated plans as references.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council Staff have been in contact and discussion with council auditors throughout the audit review process.

Risk Assessment

An Insignificant Compliance Risk of Level 1 – Which will likely result in no noticeable regulatory or statutory impact.

Finance Audit and Risk Management Committee - 23
December 2024 - Minutes

Att: 8.2.1 Management Report Office of Auditor
General 30 June 2024



Our Ref: 8653

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

Mr Jamie Criddle
Chief Executive Officer
Shire of Chapman Valley
3270 Chapman Valley Road
NABAWA WA 6532

Mail to: Perth BC
PO Box 8489
PERTH WA 6849
Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Email: ceo@chapmanvalley.wa.gov.au

Dear Mr Criddle

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Office has completed the audit of the annual financial report for your Shire. 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 President and the Minister for Local Government, as required by the Act. You are 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

While the result of the audit was generally satisfactory, 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. 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.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 27 September 2024. 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 7616 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



Patrick Arulsingham
Senior Director
Financial Audit
10 December 2024

Attach

Unconfirmed

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17	No		✓		
2. Corporate credit card statement not approved	No		✓		✓
3. Lack of evidence of interview assessment conducted for new employee	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 CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)

Finding

During the year, the Shire engaged an external consultant LG People and Culture, to conduct an internal audit for purpose of meeting the requirements of *Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)*. This regulation requires the CEO to review the appropriateness and effectiveness of the local government's systems and procedures around risk management, internal control and legislative compliance at least every 3 financial years.

From our review of the consultant's final report provided to the Shire (dated January 2024), we noted the consultant's review did not meet all the requirements of Regulation 17. Specifically, the following requirements were not met:

- Review of the risk management system policies, procedures and plans in place at the Shire;
- Evaluation of the non-financial/operational internal controls systems and procedures at the Shire; and
- Assessment of the systems and procedures for maintaining legislative compliance.

We further note that the Shire did not identify this issue nor perform its own review to meet the legislative requirements.

Rating: Moderate Implication

Non-compliance with the legislative requirements of Regulation 17 regarding assessment of the appropriateness and effectiveness of the systems and procedures around risk management, internal control and legislative compliance.

Recommendation

The Shire should reperform a robust assessment of the appropriateness and effectiveness of the systems and procedures in relation to risk management, internal control, and legislative compliance to meet the legislative requirements. Where an external expert is engaged, the expert's scope of work should be reviewed by the Shire to ensure it meets the requirements of the Regulations.

Management Comment

The CEO will revisit and ensure that the requirements that were not met in the review are covered as well as an additional robust internal assessment.

Responsible Person: Chief Executive Officer
Completion Date: 30.06.2025

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

2. Corporate credit card statements not approved

Finding

We noted that the CEO's September/October 2023 credit card statement was not independently reviewed and approved by the Manager Finance and Corporate Services, as required by the Shire's credit card approval procedures.

Rating: Moderate

Implication

In the absence of an independent review, inappropriate use of employee corporate credit cards may not be detected and addressed in a timely manner. This could potentially lead to financial loss to the Shire.

Recommendation

All monthly credit card statements should be reviewed by the Manager Finance and Corporate Services in line with the Shires approved procedures to ensure that all expenses incurred are valid business expenses and adequately supported by relevant documentation such as purchasing receipts or supplier invoices.

Management Comment

Management will ensure all monthly credit card statements are reviewed by the Manager Finance and Corporate Services (or Management Accountant in her absence) in line with the Shires policies & approved procedures to ensure all expenses incurred are valid business expenses and adequately supported by relevant source documentation _such as purchasing receipts or supplier invoices).

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30.06.2025

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

3. Lack of evidence of interview assessment conducted for new employee

Finding

We noted 1 instance (out of 3 tested) where a new employee did not undergo a formal interview assessment to determine suitability for the position. We understand from management that the candidate had an informal interview with the Manager of Finance and Corporate Services but no documentation was retained.

Rating: Minor

Implication

Lack of documentation and informal interview processes may result in non-compliance with the Shire's policies and procedures. This may result in recruitment of candidates without the requisite skills and qualifications for the respective roles.

Recommendation

Management should ensure that interviews and assessments are performed and documented for all candidates as per the Shire's policy' on Recruitment and Selection Procedure as stipulated in the HR Induction & Guidelines Manual.

Management Comment

Management acknowledges oversight with documenting the movement of an administration employee and will ensure future interviews and assessments are performed and documented for all candidates as per the Shire's policy' on Recruitment and Selection Procedure as stipulated in the HR Induction & Guidelines Manual.

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30.06.2025

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

8.3	2023/2024 Annual Report and Annual General Meeting of Electors
Department	Finance, Governance & Corporate Services Chief Executive Officer
Author	Dianne Raymond
Reference(s)	413.01 Annual Electors Meeting
Attachment(s)	1. 2023/2024 Annual Report [8.3.1 - 78 pages]

Voting Requirements

Staff Recommendation 1 - **Absolute Majority**

Staff Recommendation 2 – **Simple Majority**

Staff Recommendation 1 (Absolute Majority Vote Required)

The Finance, Audit & Risk Management Committee recommends to the Council that it

- 1 Accepts the Annual Report for the 2023/2024 Financial Year as required by s5.54 of the Local Government Act 1995 as presented.

Council Resolution

Moved: Cr Emma Rodney **Seconded:** Cr Nicole Batten

Recommendation (Absolute Majority Vote Required)

- 1 Accepts the Annual Report for the 2023/2024 Financial Year as required by s5.54 of

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Cr Kirrilee Warr

Against Nil

4 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/12-3

Staff Recommendation 2 (Simple Majority Vote Required)

The Finance, Audit & Risk Management Committee recommends to the Council that it

- 1 Receives and accepts the Auditors Financial Report for 2023/2024;
- 2 Receives and accepts the Auditors Management Report 2023/2024;
- 3 Set the date for the Annual General Meeting of Electors for Friday 14 February 2025 commencing 6.00pm at the Nabawa Council Chamber and advertise this meeting accordingly.

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

- 4 Request the CEO give local public notice of the availability of the Annual Report as required by s5.55 of the Act;
- 5 Provides a copy of the Shire of Chapman Valley 2023/2024 Annual Report to the Director General of the Department of Local Government.

Council Resolution

Moved: Cr Nicole Batten **Seconded:** Cr Elizabeth Elliott-Lockhart

Staff Recommendation 2 (Simple Majority Vote Required)

The Finance, Audit & Risk Management Committee recommends to the Council that it

- 1 Receives and accepts the Auditors Financial Report for 2023/2024;
- 2 Receives and accepts the Auditors Management Report 2023/2024;
- 3 Set the date for the Annual General Meeting of Electors for Monday 17 February 2025 commencing 6.00pm at the Nabawa Council Chamber and advertise this meeting accordingly.
- 4 Request the CEO give local public notice of the availability of the Annual Report as required by s5.55 of the Act;
- 5 Provides a copy of the Shire of Chapman Valley 2023/2024 Annual Report to the

For Cr Nicole Batten, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Cr Kirrilee Warr
Against Nil

4 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2024/12-4

Reason for Variation: Meeting to be moved to 17th February 2025.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The purpose of this item is to accept the Shire of Chapman Valley 2023/2024 Annual Report, receive the Auditors Report and Management Letter and set a date/time for the Annual General Meeting of Electors.

When considering setting a date for the Annual General Meeting of Electors it is a requirement of s5.27 'Electors General Meeting' of the Local Government Act 1995 this meeting can be no later than 56 days after accepting the Annual Report (17 February 2025).

Comment

The Staff Recommendation is suggesting the date, time and location to hold the Annual General Meeting of Electors as being:

- Friday 14 February 2025
- Commencing at 6.00pm
- Council Chambers, Nabawa

Bearing in mind the Act stipulates the Annual General Meeting of Electors must be held not more than 56 days after the local government accepts the annual report for the previous financial year. Therefore, the latest date the meeting could be held is the 17 February 2025.

It is important to maximise attendances at the Annual General Meeting of Electors by constituents, hence the Staff Recommendation has suggested a date and time, which is in the evening, after the harvest and school holiday periods.

Statutory Environment

No Financial Implications Identified.

Local Government Act 1995

The Local Government Act 1995 states the following:

“5.27. Electors’ general meetings

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors’ meetings are to be those prescribed.”*

5.29. Convening electors’ meetings

- (1) *The CEO is to convene an electors’ meeting by giving —*
 - (a) *at least 14 days’ local public notice; and*
 - (b) *each council member at least 14 days’ notice of the date, time, place and purpose of the meeting.*
- (2) *The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.*

5.32. Minutes of electors’ meetings

The CEO is to —

- (a) *cause minutes of the proceedings at an electors’ meeting to be kept and preserved; and*

- (b) *ensure that copies of the minutes are made available for inspection by members of the public before the council meeting at which decisions made at the electors' meeting are first considered.*

5.33. Decisions made at electors' meetings

- (1) *All decisions made at an electors' meeting are to be considered at the next ordinary council meeting or, if that is not practicable —*
- (a) *at the first ordinary council meeting after that meeting; or*
- (b) *at a special meeting called for that purpose, whichever happens first.*
- (2) *If at a meeting of the council a local government makes a decision in response to a decision made at an electors' meeting, the reasons for the decision are to be recorded in the minutes of the council meeting.*

5.54. Acceptance of annual reports

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government."

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Nil effect on the Long-Term Financial Plan

Strategic Implications

It is considered appropriate to conduct the Annual General Meeting of Electors to retain open and accountable governance and communication with the Shire's constituents

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

Consultation

The Shire President, relevant staff and the Shire's Auditors have been consulted and had input into the development of the 2023/2024 Annual Report.

Risk Assessment

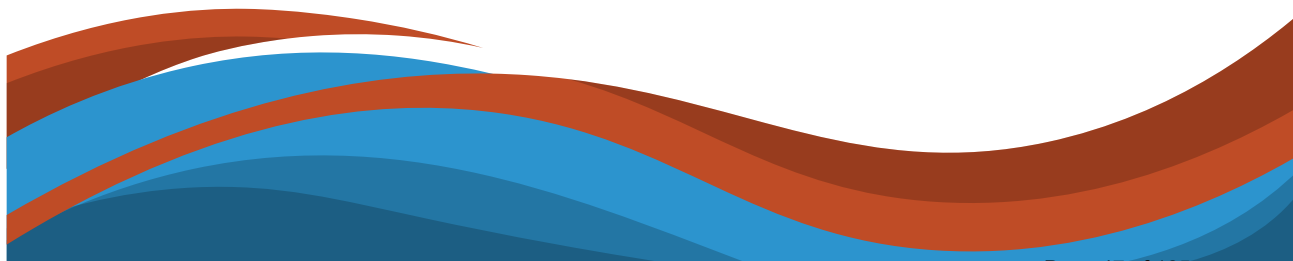
An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

- Insignificant risk of non-compliance with legislation to complete this activity in accordance with the Local Government Act and associated Regulations.
- Insignificant risk of not conducting the Annual General Meeting of Electors at an appropriate time/date to provide constituents to opportunity to attend.



ANNUAL REPORT

2023/2024





ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand. We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

DISCLAIMER

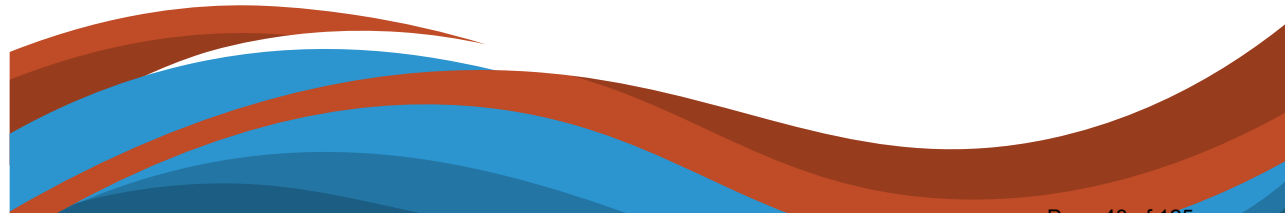
No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on WRITTEN CONFIRMATION of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

Tel: (08) 99205011 3270 Chapman Valley Road, Nabawa WA 6532
PO Box 1, Nabawa WA 6532

Website: www.chapmanvalley.wa.gov.au
Email: cso@chapmanvalley.wa.gov.au





PRESIDENTS ANNUAL REPORT TO ELECTORS

ANNUAL REPORT 2023/2024



Together with Jamie Criddle, CEO of the Shire of Chapman Valley, I am delighted to present this message for the 2023-2024 Annual Report.

The 2023-2024 financial year marked a period of consolidation and forward planning as we focused on creating a bright future for our community. While inflation challenges continued to affect our budget, we remained steadfast in our commitment to maintaining and enhancing our assets and infrastructure. Our goal is to meet the needs of our diverse communities while pursuing opportunities to enrich lifestyle and community wellbeing.

Throughout the year, the Shire supported several local groups through the Community Growth Fund, a council-allocated initiative that has fostered community driven projects for over a decade. Our beautiful Valley also solidified its reputation as a vibrant event hub, hosting music festivals, the Backroads Gravel Bike Race, and the much-loved Chapman Valley Show.

We are nearing the completion of Cyclone Seroja recovery works, closing an important chapter in the Shire's history. This milestone reflects the resilience of our community and the dedication of all involved.

The State Government Regional Roads Grant continues to be instrumental in enabling the Shire to complete significant road construction projects to a high standard.

Realizing our aspirations depends on collaboration. We are grateful for the ongoing support of our community, local businesses, regional bodies, neighbouring local governments, State and Federal Governments, and private sector partners. Your contributions during the 2023-2024 financial year have been invaluable.

I would like to extend my heartfelt thanks to our community members for their unwavering support and countless hours of volunteer work. It is your passion, dedication, and generosity that make our Shire such a remarkable place to live.

A special thank you to our staff and the members of the Audit and Risk Management Committee for their efforts in achieving an excellent audit result.

To all our residents, please continue to cherish the rural lifestyle and champion our shared vision of a thriving community. Together, we can make the most of our coastline, ranges, and rural landscapes to grow and prosper.

Thank you for being a part of our journey.

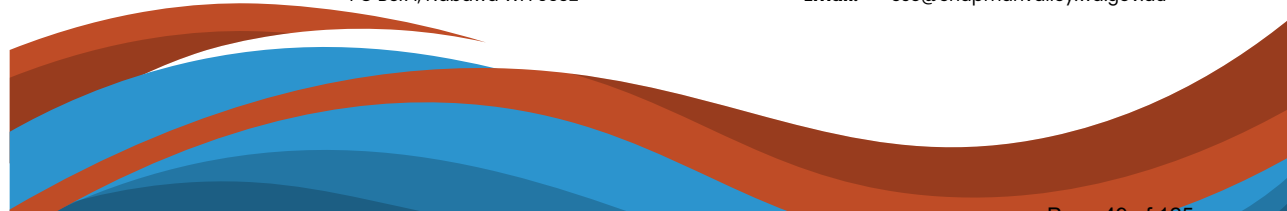
Kirrilee Warr
Shire President

Tel: (08) 99205011

3270 Chapman Valley Road, Nabawa WA 6532
PO Box 1, Nabawa WA 6532

Website: www.chapmanvalley.wa.gov.au

Email: cso@chapmanvalley.wa.gov.au





SHIRE OF
Chapman Valley
love the rural life!

ANNUAL REPORT 2023/2024

COUNCIL ELECTIONS

Councillors are elected for four-year terms with Council elections held every two years on the third Saturday in October.

The Shire of Chapman Valley held an election on 21 October 2023.

Councillors Kirrilee Warr (President), Nicole Batten (Deputy President), Trevor Royce, Liz Elliott-Lockhart, Catherine Low retained their positions on council. And the newly elected members from 21 October election being; Emma Rodney & Philip Blakeway.

The next Council elections will be held in October 2025.

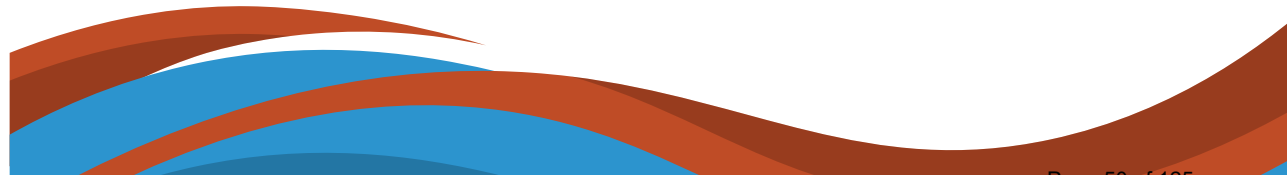
Elected Member	Gender	Linguistic background	Country of Birth	Aboriginal or Torres Strait Islander
Kirrilee Warr	F	English	Australia	No
Nicole Batten	F	English	Australia	No
Trevor Royce	M	English	Australia	No
Liz Elliott-Lockhart	F	English	Canada	No
Catherine Low	F	English	Australia	No
Emma Rodney	F	English	Australia	No
Philip Blakeway	M	English	England	No

Members Age Range	Between 18-24	Between 25-34	Between 34-44	Between 45-54	Between 55-64	Over 64
			2	1	3	1

Tel : (08) 99205011

3270 Chapman Valley Road, Nabawa WA 6532
PO Box 1, Nabawa WA 6532

Website: www.chapmanvalley.wa.gov.au
Email: cso@chapmanvalley.wa.gov.au





SHIRE OF
Chapman Valley
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ANNUAL REPORT 2023/2024

ELECTED MEMBER TRAINING & ATTENDANCE

Ordinary Council Meetings are generally held on the third Thursday of each month (except January) in the Council Chambers at the Shire Administration Office, 3270 Chapman Valley Road, Nabawa from 9.00 am. All meetings are open to the public.

Minutes of the meetings are available on the Shire's website.

ORDINARY COUNCIL MEETINGS 23/24	Cr Batten	Cr Blakeway	Cr Davidson	Cr Elliott-Lockhart	Cr Forth	Cr Humphrey	Cr Low	Cr Rodney	Cr Royce	Cr Warr
20/07/23	✓		✓	✓	✓	✓	✓			✓
17/08/23	✓		✓	✓	✓	✓	✓		✓	✓
21/09/23	✓		✓	✓	✓	✓	✓		✓	
19/10/23	✓		✓	✓	✓	✓	✓		✓	✓
16/11/23	✓	✓		✓			✓	✓	✓	✓
14/12/23	✓	✓		✓			✓	✓	✓	✓
January 2024										
15/02/24	✓	✓		✓			✓	✓	✓	✓
21/03/24	✓	✓		✓				✓	✓	✓
18/04/24	✓	✓					✓	✓	✓	✓
16/05/24	✓			✓			✓		✓	✓
20/06/24	✓	✓		✓			✓	✓	✓	
Total Meetings	11	6	4	11	4	4	10	6	10	9

SPECIAL COUNCIL MEETINGS 2023/2024	CR Batten	Cr Blakeway	Cr Davidson	Cr Elliott-Lockhart	Cr Forth	Cr Humphrey	Cr Low	Cr Rodney	Cr Royce	Cr Warr
09/08/23 To adopt Budget	✓	.	✓	✓	✓		✓	.	✓	✓
29/08/2023 CSRFF	.	.	✓	.	✓	✓	✓	.	✓	✓
23/10/2023 Swearing In	✓	✓	.	✓	.	.	✓	✓	✓	✓
22/02/2024	✓	✓	.	✓	.	.	✓	✓	.	.



No Meeting/s Held
Apology
Approved Leave of Absence

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ELECTED MEMBER TRAINING & ATTENDANCEcont

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Minutes of the meetings are available on the Shire's website.

Committee Meetings	Cr Batten	Cr Blakeway	Cr Davidson	Cr Elliot-Lockhart	Cr Forth	Cr Humphrey	Cr Low	Cr Rodney	Cr Royce	Cr Warr
Finance, Audit & Risk Management Committee	1				1					1
Road Infrastructure Committee										
Building & Disability Committee		1		1					1	1
Tourism and Events Committee		1		1			1			
Total Meetings	1	2	0	2	1	0	1	0	1	2

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ELECTED MEMBER TRAINING & ATTENDANCEcont

SHIRE OF CHAPMAN VALLEY ELECTED MEMBER TRAINING REPORT 2023/2024 (Local Government Act, 1995 – Section 5.127)					
Elected Member	Training Course	Universal Training Y/N	Due Date to complete	Date Completed	Training Provider
Kerrilee Warr (President)	Understanding Local Government (C)	Y	31/10/2022	18/10/2022	WALGA
	Meeting Procedures (C)	Y	31/10/2022	27/10/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	27/10/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	18/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	31/10/2022	WALGA
Nicole Batten	Understanding Local Government (C)	Y	31/10/2022	12/02/2021	WALGA
	Meeting Procedures (C)	Y	31/10/2022	27/04/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	3/08/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	25/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	10/01/2022	WALGA
Beverley Davidson	Understanding Local Government (P)	Y	19/10/2020	19/06/2020	WALGA
	Meeting Procedures (C)	Y	19/10/2020	18/06/2020	WALGA
	Conflicts of Interest (C)	Y	19/10/2020	18/06/2020	WALGA
	Serving on Council (C)	Y	19/10/2020	11/07/2020	WALGA
	Understanding Financial Reports & Budgeting (P)	Y	19/10/2020	11/05/2020	WALGA
Darrell Forth (Deputy President)	Understanding Local Government (P)	Y	31/10/2022		WALGA
	Meeting Procedures (P)	Y	31/10/2022	08/20/2022	WALGA
	Conflicts of Interest (P)	Y	31/10/2022	09/02/2022	WALGA
	Serving on Council (P)	Y	31/10/2022		WALGA
	Understanding Financial Reports & Budgeting (P)	Y	31/10/2022		WALGA
Peter Humphrey	Understanding Local Government (C)	Y	31/08/2021	31/08/2021	WALGA
	Meeting Procedures (C)	Y	31/08/2021	28/01/2020	WALGA
	Conflicts of Interest (C)	Y	31/08/2021	30/01/2020	WALGA
	Serving on Council (C)	Y	31/08/2021		WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/08/2021		WALGA
Trevor Royce	Serving on Council (N)	Y	26/11/2020		WALGA
	Understanding Local Government (N)	Y	26/11/2020	08/11/2020	WALGA
	Meeting Procedures (P)	Y	26/11/2020	11/05/2020	WALGA
	Conflicts of Interest (N)	Y	26/11/2020	03/11/2020	WALGA
	Understanding Financial Reports & Budgeting (N)	Y	26/11/2020		WALGA
Katie Low	Understanding Local Government (N)	Y	31/10/2022		WALGA
	Meeting Procedures (C)	Y	31/10/2022		WALGA
	Conflicts of Interest (N)	Y	31/10/2022		WALGA
	Serving on Council (N)	Y	31/10/2022		WALGA
	Understanding Financial Reports & Budgeting (N)	Y	31/10/2022		WALGA
Liz Elliott-Lockhart	Understanding Local Government (N)	Y	31/10/2022	05/10/2022	WALGA
	Meeting Procedures (C)	Y	31/10/2022	29/09/2022	WALGA
	Conflicts of Interest (N)	Y	31/10/2022	27/09/2022	WALGA
	Serving on Council (N)	Y	31/10/2022	03/10/2022	WALGA
	Understanding Financial Reports & Budgeting (N)	Y	31/10/2022	04/10/2022	WALGA

WALGA – Western Australian Local Government Association; C – Completed; P – Participating yet not finished; N – Not Started

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ANNUAL MEETING OF ELECTORS

An Annual Meeting of Electors is held each financial year in accordance with Part 3 of the Local Government (Administration) Regulations 1996 and the Local Government Act 1995 Part 5, Division 2, Subdivision 4, Section 5.27. The purpose of the meeting is to, firstly, present the Annual Report (including the Auditor's Report) to electors, and then to discuss any other general business. Under Section 5.33, all decisions made at an electors meeting are to be considered at the next Ordinary meeting of Council.

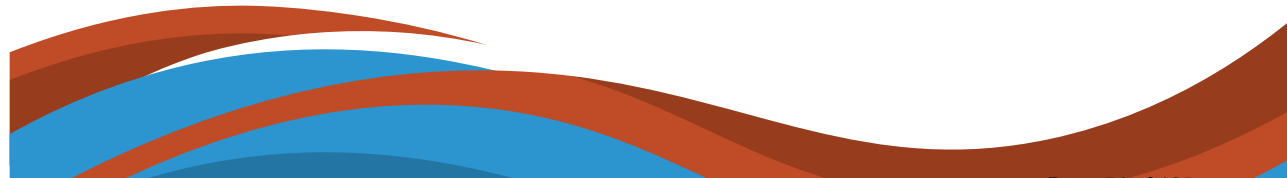
The previous Annual Meeting of Electors was held on 21st March 2024 at the Council Chambers 3270 Chapman Valley Road, Nabawa.



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ANNUAL REPORT 2023/2024

COUNCIL DELEGATES TO COMMITTEES

Council (Min Ref 2023/11-9) endorsed & reviewed the following representatives on the internal Committees established in accordance with the Local Government Act, 1995, Section 5.9(2)(a):

Council Committees – Council Members Only – Local Government Act 1995 – Section 5.9(2)(a) (ABSOLUTE MAJORITY REQUIRED FOR COMMITTEE APPOINTMENTS) (Must be 3 or more Representatives)		
	Purpose/Delegations	Representatives
Building & Disability Services Committee	Purpose: Will meet at least annually to inspect all Shire Buildings/Properties and then subsequently to: ~Review preliminary costings for proposed works for consideration in draft Council Budget. ~Review the Capital & Building Works Program. ~Disability Access & Inclusion Plan; and ~ Any other building/property items referred to the Committee by Council. Delegation – Nil	<u>4 x Councillors</u> • Cr Royce • Cr Blakeway • Cr Elliott-Lockhart • Cr Warr <u>Observers:</u> • CEO • Building Surveyor
Finance Audit & Risk Management Committee	Purpose: To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System. Delegation – Nil	<u>4 x Councillors</u> • Cr Elliott-Lockhart • Cr Batten • Cr Rodney • Cr Warr • Grant Middleton CPA (External, Independent Member) <u>Observers:</u> ~CEO ~Manager Finance & Corporate Services
Road Infrastructure Committee	Purpose: Undertake an annual review the following: ~Road Works Program. ~Road Hierarchy. ~Heavy Haulage Vehicle Permit Roads; and ~Any other works infrastructure item referred to the Committee by Council. ~Review the plant replacement program Delegation – Nil	• All Councillors Observers: ~CEO ~Manager Works & Services ~Deputy CEO - Works Leading Hand



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COUNCIL DELEGATES TO COMMITTEES

Representation of Internal Groups – Working, Advisory, Steering, etc. (SIMPLE MAJORITY REQUIRED) (Numbers not legislated)		
Bush Fire Brigades Group Management Advisory Committee	Purpose: Meet at least annually to: ~ Elect Office Bearers. ~ Review previous year fire season. ~ Review the Shire's Fire Notice. ~ Liaise with external organisations (e.g. DFES, DBCA); ~ Review the DFES Capital & Operational Grants. ~ Any other bush fire related items referred to the Committee by Council. Delegation – Nil	President (Presiding Member) and 2 x Councillor • Cr Warr (President) • Cr Royce • Cr Blakeway ~CBFCO ~DCBFCO ~All Brigade FCOs ~Chief Executive Officer ~Senior Ranger Observers 1 x DFES Rep.
Batavia Local Emergency Management Committee (BLEMC)	Purpose: Meet as required in accordance with legislation and Council endorsed Local Emergency Management Arrangements (LEMA) to: ~Review the LEMA & Recovery Plan. ~Implement Emergency Exercises as required. ~Any other emergency management related items referred to the Committee by Council. Delegation – Nil	<u>2 x Councillor</u> • Cr Royce • Cr Blakeway Chief Executive Officer;

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COUNCIL DELEGATES TO COMMITTEES

Community Growth Advisory Group	Purpose: Evaluate application received for funding under the Shire of Chapman Valley Community Growth Fund program in accordance with guideline, policies and procedures set by Council and make recommendations to Council to allocate funds Delegation – Nil	<u>President (Presiding Member) & 3 x Councillors (Members)</u> • Cr Warr (President) • Cr Low • Cr Rodney • Cr Batten ~Chief Executive Officer ~Manager Finance & Corp Svc ~Community Development Officer
Tourism & Events Advisory Group	Purpose: Will meet on an 'as needs' basis only to: ~Evaluate annual Australia Day Award Nominations and submitting these to Council in readiness for presenting the awards at the Shire's annual Australia Day Function. ~Assist with coordinating the annual Australia Day function(s); ~Discuss all other item(s) in the areas of tourism and events. ~Liaise with external organisations Delegation – Nil Possible Addition of Chapman Valley Agricultural Society to Tourism & Events Committee	<u>3 x Councillors</u> • Cr Elliott-Lockhart • Cr Low • Cr Blakeway ~ CEO ~ Deputy CEO ~ Comm. Development Officer ~ Up to 2 x Community Representatives for Australia Day award nominations (recommend past winner as one rep.)
Coronation Beach Masterplan Steering Group	Purpose: To review the Coronation Beach Masterplan. Delegation – Nil	<u>1x Councillor</u> • Cr Blakeway (Chairperson) ~ DCEO ~ Department of Sport & Recreations ~ Neighbouring Landowners ~ Community / User Group Representatives

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COUNCIL DELEGATES TO COMMITTEES

Future Industries & Renewable Energy Advisory Group	Purpose: Proactively subcommittee of council designed to specifically work with stakeholders of future industries and assist with advising council about benefits, opportunities, challenges, and threats existing to the Chapman Valley Community. Delegation – Nil	• Shire President • Deputy President • Cr Rodney • Cr Elliott-Lockhart • Chief Executive Officer • Deputy Chief Executive Officer
Chapman Valley Regional Trails Master Group	Purpose: As determined by lead agency/organisation. Delegation – Nil	• Cr Batten • Cr Blakeway • Deputy Chief Executive Officer • Community / User Group Representatives x 2 • Neighbouring Council Representatives (if required)
Nabawa Recreation Centre User Group	Purpose: To work with the external consultants (Teakle & Laylor) & others to progress the Nabawa Community & Recreational Precinct Plan and Concept design drawings for the Recreation Centre rebuild. Delegation – Nil	• Cr Warr • Cr Rodney • Chief Executive Officer • Community / User Group Representatives x 4
Representatives on External Organisations (SIMPLE MAJORITY REQUIRED) (Numbers pre-determined)		
Northern Country Zone (WALGA)	Purpose: As determined by lead agency/organisation. Delegation – Nil	<u>2 x Councillors</u> • Cr Royce • Cr Warr ~Chief Executive Officer (To act as Proxy in absence of Elected Members not attending)

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COUNCIL DELEGATES TO COMMITTEES

Sub-Regional Road Group Committee	Purpose: As determined by lead agency/organisation. Delegation – Nil	<u>2 x Councillors</u> • Cr Royce • Cr Warr ~Chief Executive Officer ~Manager Works & Services
Mid West Development Assessment Panel (DAP)	Purpose: As determined by lead agency/organisation. Delegation – Nil Note: Mandatory training must be undertaken prior to serving on panel.	<u>2 x Councillors (Members)</u> • Cr Batten • Cr Elliott-Lockhart <u>2 x Councillors (Proxies)</u> ~Cr Warr ~Cr Rodney
Chapman Valley Northampton Local Recovery Coordination Group	Purpose: 1. Inform the stakeholder engagement process for the development of the Regional Drought Resilience Plan: Midwest Region; 2. Review and advise on content of the Regional Drought Resilience Plan: Midwest Region, including the regional Drought Vulnerability Assessment, with a view to informing drought resilience investment in the region; 3. Provide a technical review and assessment of community drought resilience priorities and project ideas arising from the stakeholder engagement process; and 4. Advise on new and emerging information relevant to the Regional Drought Resilience Plan: Midwest Region. Delegation – Nil	<u>1 x Councillors</u> • Cr Warr ~Chief Executive Officer 1 x Proxy Councillor Cr Batten (Proxy)
Strategic Community Plan Working Group	Purpose: To enable the Midwest Drought Resilient Working Group to position the Mid West region to take advantage of emerging opportunities to continue to build sustainable agri-businesses, landscapes and communities, and for regional organisations, local government, community and industry to work in Partnership. Delegation – Nil	<u>1 x Councillors</u> • Cr Batten • Chief Executive Officer • 1 x Proxy Councillor • Cr Royce (Proxy)

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COUNCILLOR EXPENSES

It is important that Councillors can carry out their role without being unduly financially disadvantaged. The Shire's Councillor Allowances, Expenses and Recognition policy outlines what support will be provided by the Shire taking into account the responsibilities and commitment of serving as community representatives. The policy provides for electronic equipment, training, travel and reimbursement of expenses. Allowances, expenses and fees paid by the Shire of Chapman Valley to Councillors for the financial year are outlined below:

Councillor	Member's Allowance/fee	Travelling Allowance	ICT Allowances	Total
Kirrilee Warr	\$19,742	\$50	\$500	\$20,292
Darrell Forth	\$3,060	\$13	\$125	\$3,198
Nicole Batten	\$11,617	\$50	\$500	\$12,167
Beverley Davidson	\$2,435	\$13	\$125	\$2,573
Peter Humphrey	\$2,435	\$13	\$125	\$2,573
Trevor Royce	\$9,742	\$50	\$500	\$10,292
Liz Elliott-Lockhart	\$9,742	\$50	\$500	\$10,292
Catherine Low	\$9,742	\$50	\$500	\$10,292
Emma Rodney	\$7,307	\$37	\$375	\$7,719
Phil Blakeway	\$7,307	\$37	\$375	\$7,719

*ICT = Information and communications technology, also referred to as telecommunications allowance

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REGISTER OF COMPLAINTS

All complaints against the Shire of Chapman Valley's elected members that result in a finding by a standards panel (under Section 5.110(2) (a) of the Local Government Act 1995) and where a minor breach has occurred must be recorded in a Register of Complaints.

Section 5.121(3) requires the CEO to publish an up-to-date version of the register of complaints on the Shire's official website.

One complaint was included on the Shire of Chapman Valley's Register of Complaints, made under Section 5.121 of the Local Government Act 1995 during the 2023/24 financial year.

The Local Government Standards Panel found that no minor breach of regulation 19 & 20 had occurred, and no sanction was imposed.

More information can be found in the Shire of Chapman Valley's Register of Complaints, available on the Shire's website.

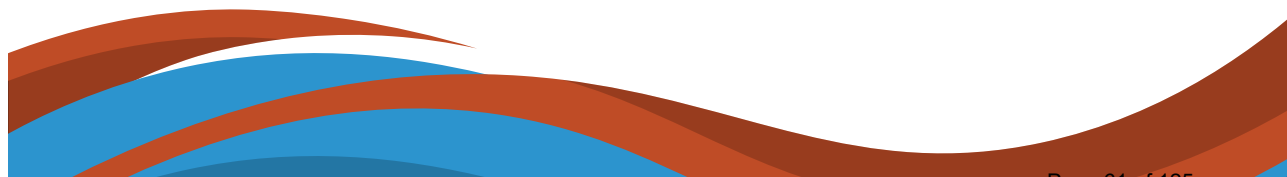


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PUBLIC INTEREST DISCLOSURES (PIDs)

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003. One of the principles of the legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that fall into the category of Public Interest include:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment).

Matters that relate to the Shire of Chapman Valley should be referred to the Shire's Public Interest Disclosure Officer (PID Officer). Disclosures made can be made not just about officers of a local authority but also about its elected members.

There is an obligation on the PID Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

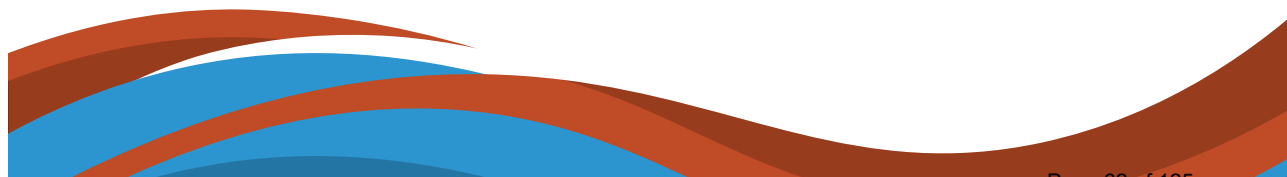
The Shire of Chapman Valley had no public interest disclosures during the year-ended 30th June 2024.

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NATIONAL COMPETITION POLICY (NCP)

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all State and Territory Governments which aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage as a result of their public status.

COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralize any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

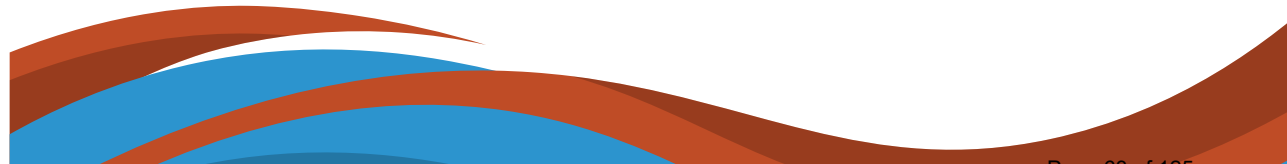
The Shire of Chapman Valley does not control any business activity with a user pays income in excess of \$200,000 in 2023/2024.

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FREEDOM OF INFORMATION (FOI)

The Shire of Chapman Valley is subject to the provisions of the Freedom of Information Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right to appeal in relation to decisions made by the Shire to refuse access to information applied under the Act.

- The Shire of Chapman Valley received 1 requests for information 2023/2024

In accordance with section 5.53 of the Local Government Act and the associated Local Government (Rules of Conduct) Regulations 2007, the complaints made against councillors for 2023/2024 were

- Number of entries in register - Nil
- How the complaints were handled - Not Applicable

RECORD KEEPING

Under the State Records Act 2000, the Shire and its employees are obliged to comply with the Shire's Record Keeping Plan. A revised plan was endorsed by the State Records Office of WA in March 2020 and remains valid.

LOCAL LAWS

The Shire currently has three (3) Local Laws:

- Standing Orders Local Law 2016
- Activities in Thoroughfares in Public Places and Trading Local Law 2016
- Dog Local Law 2016

Pursuant to section 3.16 of the Local Government Act 1995, local governments are required to commence a periodic review of local laws every eight (8) years. The next review is due in 2024.

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FEDERAL GOVERNMENT FINANCIAL ASSISTANCE GRANTS

The Shire of Chapman Valley received \$1,355,470 in Financial Assistance Grants in 2023/2024. These grants contribute to annual maintenance of community infrastructure and general operations of the local government and are a vital source of revenue to support the Shire's operations.

REGISTER OF FINANCIAL INTEREST FOR ELECTED MEMBERS AND SENIOR STAFF

In accordance with the requirements of the Local Government Act 1995, this register is held in the Shire's administration office, and is also available on the shire website for viewing by the public.

EQUAL OPPORTUNITY

The Shire supports, and is committed to, the achievement of its diversity management and equal opportunity goals. That means the Shire is continually aiming to ensure that it provides a workplace free from all forms of discrimination, harassment and bullying and that there is equality and fairness in all aspects of employment and customer service delivery in the organisation.

Policies, practices and services are adapted to meet the needs of a diverse and evolving community and the Shire reviews and updates all relevant policies annually to ensure they align with legislative requirements and the needs of the workforce.

These policies are:

- Equal Employment Opportunity Policy
- Discrimination, Harassment and Bullying Policy
- Information and Communication Technology Use Policy

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REMUNERATION

Regulation 19B(2) of Local Government (Administration) Regulations 1996 requires the Annual Report to detail the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees down into bands of \$10,000.

As at 30 June 2024, the Shire of Chapman Valley had the following:

Salary Range	Employees
\$130,000 - \$139,999	1
\$140,000 - \$149,999	1
\$150,000 - \$159,999	1
\$160,000 - \$169,999	
\$180,000 - \$189,999	1

REMUNERATION PAID OR PROVIDED TO THE CHIEF EXECUTIVE OFFICER

The Shire of Chapman Valley Chief Executive Officer was paid a total reward package of \$209,581 in the 2023/2024 financial year. The Total Reward Package is comprised of Base Salary, Association Membership Fees, Personal Benefit Value of Motor Vehicle, Fringe Benefits Tax, Clothing Allowance, Superannuation and Utilities.

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DISABILITY ACCESS & INCLUSION

Council is conscious of the need to provide facilities and services to residents and visitors with a range of abilities. The Disability Access and Inclusion Plan (DAIP) provides the framework to achieve this goal. The DAIP contains a number of strategies to ensure that facilities, services, events, information and employment opportunities are available to all community members – including those who may have disability.

Local Governments are required to submit an annual report to the Disability Services Commission listing any outcomes achieved during the reporting period such as: ease of access to services; built infrastructure; effective communications; quality of services; appropriate consultation; and employment.

Outcome 1 – Services and events

People with disability have the same opportunities as other people to access the services of, and participate in any events organised by, a public authority.

Outcome 2 – Buildings and other facilities

People with disability have the same opportunities as other people to access buildings and other facilities of a public authority.

Outcome 3 – Information

People with disability have the same opportunity as other people to access information in a format that will enable them to access.

Outcome 4 – Level of quality of services

People with disability have the same level of service from the employees of a public authority as other people receive from the employees of that public authority.

Outcome 5 – Complaints

People with disability have the same opportunities as other people to make complaints to a public authority.

Outcome 6 – Consultation

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

Outcome 7 – Employment

People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

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ANNUAL REPORT 2023/2024

The Local Government Act requires each local government to have an Integrated Planning and Reporting Framework (IPRF), which has three levels of strategic planning, informed and supported by appropriate resourcing and asset management plans. The key components of the IPRF are:

- Strategic Community Plan (Level 1)
- Corporate Business Plan (Level 2)

The Annual Report measures our progress against priorities and aspirations that were developed in consultation with the community and documented in the Shires long term vision, the Strategic Community Plan 2022/2032.

The Shires Corporate Business Plan 2022–2027 provides clarity on the initiatives and services that the Shire is planning or implementing over the next five years, with emphasis on the delivery of the strategic priorities outlined in our Strategic Community Plan 2022–2032.



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STRATEGIC COMMUNITY PLAN/CORPORATE BUSINESS PLAN OVERVIEW

This report is based on the Strategic Community Plan that was adopted in 2022 and in review 2024 and the accompanying Corporate Business Plan that was updated in 2023.

Section 5.53(i) of the Local Government Act 1995 requires the Annual Report to include "an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year.

Strategic Community Plan 2022-2032

Snapshot

OUR VISION
"A thriving and diverse community, embracing our coastline, ranges and rural settings to support growth and prosperity, while enjoying our peaceful and quiet lifestyle."

OUR VALUES
Ethical, Honest, Integrity, Leadership, Respectful, Trustful

COMMUNITY, HEALTH & LIFESTYLE

- 11 Nurture the sense of community and unity across the Shire, while supporting towns and their volunteers in local issues
- 12 Address identified ageing population issues
- 13 Strengthen our role in regional partnerships and advocacy for continuity of local services/ facilities
- 14 Maintain and enhance safety and security in the Shire
- 15 Maximise health and lifestyle outcomes through environmental and public health strategies

ECONOMY & POPULATION

- 21 Build population and business activity through targeted strategies
Provide support for business development and local employment
- 22 Embrace local tourism and regional strategies and trails
- 23 Ensure town planning compliments economic and business development, population retention and growth strategies
- 24 Develop marketing plan to promote Chapman Valley as place to live, invest, work or visit

ENVIRONMENT & SUSTAINABILITY

- 31 Preserve and protect the natural environment and address environmental risks as they arise
- 32 Maintain the rural identity of the Shire
- 33 Build the green canopy of the Shire's town areas
- 34 Address weed and vermin control
- 35 Fire mitigation and control

PHYSICAL & DIGITAL INFRASTRUCTURE

- 41 Develop, manage, and maintain built infrastructure
- 42 Manage and maintain roads, drainage, and other essential infrastructure assets
- 43 Aspire to robust communication and digital infrastructure in the Shire through strong partnerships and alliances
- 44 Advocate for improved power networks
- 45 Advocate for improved water security within the Shire

GOVERNANCE & ACCOUNTABILITY

- 51 Ensure governance and administration systems, policies and processes are current and relevant
- 52 Be accountable and transparent while managing human and physical resources effectively
- 53 Make informed decisions within resources and areas of responsibility
- 54 Ensure robust processes and guidelines for development

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CORPORATE BUSINESS PLAN

ANNUAL REPORT 2023/2024

STRATEGIC COMMUNITY PLAN 2023-2024 Status

	Objective	Strategy	Action	Status Report
COMMUNITY, HEALTH & LIFESTYLE				
1.1	Nurture the sense of community throughout the Shire while maintaining / supporting the differing residential groups and volunteers	Development of plans and strategies relevant to emerging population needs	Review existing plans and develop new plans as required	As part of the Cyclone Seroja recovery the Shire was successful in obtaining funding to develop strategies to boost local businesses and tourism. Additionally, it aims to alleviate the volunteer drain and improve mental health and social connections by investing in community engagement, supporting volunteer programs, and enhancing social capital through sport, recreation, and community activities. These programs will be rolled out in 2024& 2025.
		Determine a whole of Shire community integration approach	Seize opportunities to promote a sense of community	Continued collaboration with Backroads Gravel, Chapman Valley Agricultural Show, and Chapman Valley Country Music Festival organizers -amongst others Development of a community event raising awareness on remote isolation mental health awareness.
		Identify all volunteers and determine their support needs	Administrative and community development support, resources & programs	Appointment of CDO additional hours to assist in liaising with community groups to understand their collective needs and devising a strategy to provide support. Attaching funding to individual groups.
1.2	Address identified ageing population issues	Advocate for current and future services and housing needs	Review level of need and range of services or accommodation needed	Continue advocacy with State & Federal governments to provide additional housing in regional communities.
1.3	Strengthen our role in regional partnerships and advocacy for continuity of local services/ facilities	Maintain close relationships with neighbouring shires and regional bodies	Participate in and advocate for regional resources sharing and cross- boundary cooperation	Implemented Work, Health & Safety partnership with Northampton.
		Engage in conversations related to the provision of essential and desired services for Chapman Valley residents and visitors	Participate in and advocate for regional resource sharing and cross- boundary cooperation	Possible CESM with Northampton & Shark Bay. Shire also assists others in Midwest Local Government Inc; Mingenew, Three Springs, and Perenjori in regards to planning matters.
1.4	Maintain and enhance community safety and security	Maintain safe roads and infrastructure	Continue annual review of Road Hierarchy, Roadworks Program, and Plant Replacement Program. Advocate for continual improvement of Shire & State owned road infrastructure	Additional roads added to RRG 2040 plan to attract State & Federal funding
		Enhance community and property security	Encourage improved communications and security across the Shire	Installed CCTV to high risk areas including Mills Lookout, Coronation Beach, Fig Tree rest area, Yuna Golf Club, Bill Hemsley Community Centre & refuse site.
1.5	To maximise health and lifestyle outcomes through environment and public health strategies	To adopt an integrated approach to the provision of services to address the wider health and wellbeing of the community	To develop and adopt a public health plan for the Shire of Chapman Valley	Public Health Plan completed

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CORPORATE BUSINESS PLAN

ANNUAL REPORT 2023/2024

ECONOMY & POPULATION				
2.1	Build population and business activity with targeted strategies	Support business development, lifestyle changes and short/ term accommodation	Ensure Planning is in place to encourage business development, promoting investment opportunities. Facilitate collaborative approach to attract staff within communities	CDO position to provide upskilling opportunities for local Businesses. Social Platforms and Website to be used to promote local businesses and their activities. Create a Economic & Tourism Business Strategy.
2.2	Provide support for business development and local employment	Research mixed land use opportunities	Investigate possible planning improvements	Shire continues to engage with applicants
		Consider business start- up incentives	Investigate possible planning improvements	Shire continues to engage with applicants
		Build on digital network development in the Valley	Continue advocating for improvements to digital infrastructure	Successful advocacy of additional Mobile tower at Howatharra, small cell tower delivered at Nanson.
2.3	Embrace local tourism & regional strategies and trails	Research a local tourism plan/initiatives & integrate with regional tourism plans	Work with local tourism network and regional groups to enhance opportunities and visitor numbers	Develop a solid digital communication platform to reach targeted tourism groups.
		Explore support needed by local tourism industries	Facilitate assistance for local tourism operators	CDO to liaise with tourism groups to offer advisory support including assistance in event grant writing.
		Seek opportunities to establish more recreational trails in the Shire for local population and visitors	Determine potential trail sites and carry out feasibility studies that include types of users, costs, and environmental risks	Contributed to Morseyby Range Development Plan, Midwest Adventure Trail assisting user groups work towards delivery of trail projects.
2.4	Ensure town planning scheme allows for economic development / population retention / growth	Town Planning review for residential land, aged care facilities or business / industrial development opportunities	Ensure planning is in place to encourage economic dev. activities, owned and rental accommodation and short stay opportunities	Council commenced its scheme, and revised process at its December 2024 meeting
2.5	Develop marketing plan to promote Chapman Valley as place to live, invest, work or visit	To develop and resource physical and digital marketing resources to promote Chapman valley as a tourist or day trip destination or for lifestyle changing relocations	Determine strategy and key success indicators and seek skills and capacity in a short-term project to deliver on expectations	Development of a solid digital marketing strategy in place (Economic & Tourism Business Strategy).Development of physical marketing and town beautification including entry statements and Streets Alive artwork in progress.
ENVIRONMENT & SUSTAINABILITY				
3.1	Protect & nurture the Natural Environment	Manage the impact of waste, water, weeds, vermin, and human activities on the Environment	To develop a risk management plan for known tourist trails and hotspots	Implemented increased mowing, baiting & spraying in problem areas
3.2	Maintain the rural identity of the Shire	Develop western peri-urban environment in context to rural lifestyle	Investigate possible planning improvements	Shire is working towards delivery of gardeners shed at Bill Hemsley Park to assist in service delivery.
		Ensure recreational, tourism activities on lifestyle blocks have minimal impact on sustainable farming	Ensure Planning is in place to encourage peri-urban development activities.	Shire has commenced review of its structure plans as required by regulations
		Ensure recreational, tourism activities on lifestyle blocks have minimal impact on sustainable farming	Ensure Planning is in place to encourage tourism activities or lifestyle blocks, acknowledging WAPC Policies and State direction on protecting prime agricultural land	Shire continues to engage with applicants
3.3	Build the green canopy of the Shires towns public facilities and rural areas	To increase the green canopy in building applications, facility development or upgrades, and incentive schemes to get more trees planted	Commit to planning and planting of shade trees in towns and public buildings and facilities encourage residents to plant shade trees on their properties	Instigated native tree giveaways, partner with local groups in revegetation programs
3.4	Manage the impact of waste, water, weed and vermin control on the environment	Continue to review and allocate resources to control declared weeds and vermin control on Shire owned/controlled land. And encourage landowners to manage their implementation environmental issues	Develop a weed and vermin education and management plan and resource plan	Instigated weed & vermin control program including localised education program.
		Address weed and vermin control	Lobby responsible agencies and departments and to control weeds and vermin on their properties	Increased social media & website communication
3.5	Fire mitigation and control	Monitor and manage water supply and quality	Advocate Water Corporation to continue to manage and monitor water supply and quality	Investigate funding to install additional water points in deficient areas. Shire has lodged application for funding of firefighting standpipe in Howatharra
		Install renewable initiatives on new and existing buildings	Encourage landowners to install renewable initiative to new and existing buildings. Shire to lead by example	Investigate funding to capture excess water off buildings



CORPORATE BUSINESS PLAN

ANNUAL REPORT 2023/2024

PHYSICAL & DIGITAL INFRASTRUCTURE				
4.1	Develop, manage, and maintain built infrastructure	Asset Management Plan	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Currently under review - ongoing
		Development Projects	Review Strategic Community Plan to identify possible development projects and advocate and encourage public private investment	Review complete
4.2	Manage and maintain roads, drainage, and other essential infrastructure	Capital Road Works Programs	Review Road Hierarchy and 10 Year Road Works Program/ Widen roads and improve storm drainage where practicable	Currently under review - ongoing
		Plant Replacement Programs	Review Plant Replacement Program	Currently under review - ongoing
4.3	Aspire to develop robust communication and digital infrastructure in the Shire	Ongoing engagement with infrastructure and service providers	Continue advocating for improvements to existing infrastructure and introduction of new infrastructure for digital communications wherever practicable	Continual advocacy for improvements to existing infrastructure and introduction of new infrastructure for digital communications wherever practicable including Nanson & Howatharra phone towers.
4.4	Advocate for improved power networks	To liaise and advocate with Western Power to strengthen power infrastructure in the Shire	Determine number and length of power outages in Chapman Valley and explore potential for alternative power supplies into the future	Continue dialogue with Western Power
4.5	Advocate for improved scheme water supply to townsites	To liaise and advocate with Water Corporation to increase water security with the Shire	Continue advocating for reticulated scheme water supply to various townsites	Utilising water from the potential desalination plant at the Oakajee SIA, along with development of water pipe infrastructure along the Nanson-Howatharra Road would enable water to be delivered to the towns of Nabawa, Nanson and Yuna. This could potentially provide water for horticultural development in nearby areas like Howatharra and surrounds but the development of such projects would likely depend on the final implementation of the desalination plant and associated infrastructure in the Oakajee area.

GOVERNANCE & ACCOUNTABILITY				
5.1.1	Ensure governance and administration systems, policies and processes are current and relevant	Review policy categories and set ongoing accountability for review processes	Review current Council and Management policies and formalise update process and timelines	Financial Management Review Complete, Risk review underway, policy & delegation review ongoing
5.2	Be accountable and transparent while managing human and physical resources effectively	Asset Management	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Ongoing
		Long Term Financial Management	Review Long Term Financial Plan regularly and maintain integration with other Strategic Plans of the Shire	Ongoing
		Workforce Planning	Review Workforce Plan WFP regularly and maintain integration with other Strategic Plans of the Shire	Underway - Ongoing
		Effectively Engage and communicate with the community	Implement Community Communication plan/ Stakeholder Engagement policy	Increased social media presence & continual Web improvements, implementation of Request HQ platform to monitor requests.
5.3	Make informed decisions within resources and areas of responsibility	To ensure all residents can be engaged in communication and issue notifications, especially those not on social media.	Consultation with the community to determine best methods of delivering information or addressing issues across the Shire	Initiate consultation with the community to determine best methods of delivering information or addressing issues across the Shire
		Council and Shire process formally incorporate integrated plans as references	Reference SCP, CBP, Asset AMP, LTFF and WP regularly as part of decision-making process	ongoing
5.4	Ensure robust process for economic and infrastructure development	Regular and relevant briefings to Elected Members	Continue with Staff Information Reports and Concept Forum Sessions with Council	Occurs monthly
		Town Planning Review/ Initiatives	Ensure Planning is in place to encourage economic development activities	Council commenced its scheme. Reviewed at its December 2024 meeting

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CHIEF EXECUTIVE OFFICERS REPORT

ANNUAL REPORT 2023/2024



It is with great pleasure that I present the Annual Report for the year 2023/2024. This report encapsulates the achievements, challenges, and strategic steps that the Council and Shire's workforce have made in our commitment to serving the residents of this beautiful region. As the Chief Executive Officer at the Shire of Chapman Valley, I have the privilege of leading a dynamic and passionate team who all have great pride in their contributions toward improving the lives of our residents.

The scope of a local government business is immensely broad and with a workforce of only 23 staff members it takes great commitment from each individual to achieve the work we do each year. In this annual report, you will find a comprehensive overview of the initiatives, projects, and programs undertaken by our various departments over the 2023/24 financial year. This report is directly linked to our Corporate Business & Strategic Community Plans which sets out each year's goals and objectives as well as future aspirations. Each project and initiative is underpinned by our unwavering commitment to our vision "A thriving and diverse community, embracing our coastline, ranges and rural setting to support growth and prosperity, while enjoying our peaceful and quiet lifestyle".

As we reflect on the past year, we also keep an eye on the future. As we enter the third year of our current strategic planning cycle, we are preparing for an upcoming desktop review of our strategic documents. This review will ensure that we continue on our growth trajectory while remaining true to the history and character of each unique community within the Shire.

I invite you to explore the pages of this report, reflect on the Shire's achievements and provide us with any feedback on our direction and accountability towards our targets and goals. Finally, I'd like to acknowledge the support of our Elected Members, contractors, local state government agencies and community volunteers who assist our workforce deliver the vast array of services within the Shire and make Chapman Valley a great place to work, rest & play.

JAMIE CRIDDLE

CHIEF EXECUTIVE OFFICER

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ANNUAL REPORT 2023/2024

MAJOR PROJECTS 2023/2024

Capital Roadworks

Durawah Road	\$474,000
East Nabawa Road	\$395,000
Nabawa-Northampton Road	\$444,000
Nanson-Howatharra Road	\$305,000

Major Gravel Sheetting

Newmarracarra Road	\$260,000
Wandin Road	\$233,000

Plant Purchases

Prime Mover	\$352,000
Front End Loader	\$415,000

Minor Building

Yuna Golf Club - Electrical	\$15,000
Nabawa Oval Tank	\$30,000
Chambers - Doors	\$10,000

Community Growth Fund

Yuna Playgroup - Play Area	\$5,300
CV Agricultural Society - BBQ	\$5,000
CV Basketball Club - Jerseys	\$8,400

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ANNUAL REPORT 2023/2024

ANNUAL FINANCIAL REPORTS

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDIT REPORT

MANAGEMENT REPORT

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SHIRE OF CHAPMAN VALLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper.

Principal place of business:
3270 Chapman Valley Road
Nabawa WA 6532

Nexia Perth Audit Services Pty Ltd



| 1

**SHIRE OF CHAPMAN VALLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Shire of Chapman Valley 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 2024 and the financial position as at 30 June 2024.

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

Signed on the Tenth day of December 2024



CEO

Jameon Criddle
Name of CEO

**SHIRE OF CHAPMAN VALLEY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),24	3,181,495	3,158,236	3,051,734
Grants, subsidies and contributions	2(a)	1,935,006	1,248,227	2,786,614
Fees and charges	2(a)	430,210	371,929	440,190
Interest revenue	2(a)	86,488	34,615	60,833
Other revenue	2(a)	19,554	21,375	15,043
		<u>5,652,753</u>	<u>4,834,382</u>	<u>6,354,414</u>
Expenses				
Employee costs	2(b)	(2,165,128)	(3,020,842)	(2,193,641)
Materials and contracts		(2,604,708)	(3,736,398)	(2,641,074)
Utility charges		(57,333)	(56,907)	(55,086)
Depreciation		(6,639,692)	(6,869,792)	(2,287,287)
Finance costs	2(b)	(2,302)	(9,356)	(1,371)
Insurance		(282,777)	(298,552)	(181,505)
Other expenditure	2(b)	(116,703)	(134,326)	(111,226)
		<u>(11,868,643)</u>	<u>(14,126,173)</u>	<u>(7,471,190)</u>
		<u>(6,215,890)</u>	<u>(9,291,791)</u>	<u>(1,116,776)</u>
Capital grants, subsidies and contributions	2(a)	1,527,329	3,372,849	1,175,260
Profit on asset disposals		134,729	20,000	17,200
Loss on asset disposals		0	(20,000)	(25,532)
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	1,261	0	2,764
		<u>1,663,319</u>	<u>3,372,849</u>	<u>1,169,692</u>
Net result for the period		(4,552,571)	(5,918,942)	52,916
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	0	0	59,965,597
Total other comprehensive income for the period	16	0	0	59,965,597
Total comprehensive income for the period		(4,552,571)	(5,918,942)	60,018,513

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

**SHIRE OF CHAPMAN VALLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,721,554	4,080,340
Trade and other receivables	5	278,034	200,113
Inventories	6	2,419	5,931
Other assets	7	54,570	10,908
TOTAL CURRENT ASSETS		6,056,577	4,297,292
NON-CURRENT ASSETS			
Trade and other receivables	5	8,342	8,342
Other financial assets	4(a)	62,378	61,117
Property, plant and equipment	8	19,277,324	19,277,039
Infrastructure	9	187,060,057	191,269,843
Right-of-use assets	11(a)	32,336	40,436
TOTAL NON-CURRENT ASSETS		206,440,437	210,656,777
TOTAL ASSETS		212,497,014	214,954,069
CURRENT LIABILITIES			
Trade and other payables	12	732,872	668,868
Other liabilities	13	1,150,000	0
Lease liabilities	11(b)	8,301	8,087
Borrowings	14	95,932	0
Employee related provisions	15	581,836	497,342
TOTAL CURRENT LIABILITIES		2,568,941	1,174,297
NON-CURRENT LIABILITIES			
Other liabilities	13	289,999	159,515
Lease liabilities	11(b)	26,220	34,521
Borrowings	14	581,092	0
Employee related provisions	15	19,494	21,897
TOTAL NON-CURRENT LIABILITIES		916,805	215,933
TOTAL LIABILITIES		3,485,746	1,390,230
NET ASSETS		209,011,268	213,563,839
EQUITY			
Retained surplus		29,326,894	34,145,894
Reserve accounts	27	1,597,906	1,331,477
Revaluation surplus	16	178,086,468	178,086,468
TOTAL EQUITY		209,011,268	213,563,839

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

**SHIRE OF CHAPMAN VALLEY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		34,106,389	1,318,066	118,120,871	153,545,326
Comprehensive income for the period					
Net result for the period		52,916	0	0	52,916
Other comprehensive income for the period	16	0	0	59,965,597	59,965,597
Total comprehensive income for the period		52,916	0	59,965,597	60,018,513
Transfers to reserve accounts	27	(13,411)	13,411	0	0
Balance as at 30 June 2023		34,145,894	1,331,477	178,086,468	213,563,839
Comprehensive income for the period					
Net result for the period		(4,552,571)	0	0	(4,552,571)
Total comprehensive income for the period		(4,552,571)	0	0	(4,552,571)
Transfers to reserve accounts	27	(266,429)	266,429	0	0
Balance as at 30 June 2024		29,326,894	1,597,906	178,086,468	209,011,268

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

**SHIRE OF CHAPMAN VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,094,810	3,062,344
Grants, subsidies and contributions		2,053,218	2,786,614
Fees and charges		430,210	422,198
Interest revenue		86,488	60,833
Goods and services tax received		0	14,402
Other revenue		19,554	15,043
		5,684,280	6,361,434
Payments			
Employee costs		(2,095,551)	(2,116,394)
Materials and contracts		(2,542,359)	(3,040,894)
Utility charges		(57,333)	(55,086)
Finance costs		(2,302)	(1,371)
Insurance paid		(282,777)	(181,505)
Goods and services tax paid		(33,198)	0
Other expenditure		(88,450)	(111,226)
		(5,101,970)	(5,506,476)
Net cash provided by operating activities		582,310	854,958
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(967,370)	(813,185)
Payments for construction of infrastructure	9(a)	(1,477,321)	(1,537,327)
Capital grants, subsidies and contributions		2,677,329	573,604
Proceeds from sale of property, plant & equipment		157,329	68,471
Net cash provided by (used in) investing activities		389,967	(1,708,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for principal portion of lease liabilities	26(c)	(8,087)	(7,886)
Proceeds from new borrowings	26(a)	677,024	0
Net cash provided by (used in) financing activities		668,937	(7,886)
Net increase (decrease) in cash held		1,641,214	(861,365)
Cash at beginning of year		4,080,340	4,941,705
Cash and cash equivalents at the end of the year		5,721,554	4,080,340

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

Finance Audit and Risk Management Committee - 23 December 2024 -
Minutes

Att: 8.3.1 2023/2024 Annual
Report

**SHIRE OF CHAPMAN VALLEY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	3,045,186	3,021,512	2,918,234
Rates excluding general rates	24	136,309	136,724	133,500
Grants, subsidies and contributions		1,935,006	1,248,227	2,786,614
Fees and charges		430,210	371,929	440,190
Interest revenue		86,488	34,615	60,833
Other revenue		19,554	21,375	15,043
Profit on asset disposals		134,729	20,000	17,200
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	1,261	0	2,764
		5,788,743	4,854,382	6,374,378
Expenditure from operating activities				
Employee costs		(2,165,128)	(3,020,842)	(2,193,641)
Materials and contracts		(2,604,708)	(3,736,398)	(2,641,074)
Utility charges		(57,333)	(56,907)	(55,086)
Depreciation		(6,639,692)	(6,869,792)	(2,287,287)
Finance costs		(2,302)	(9,356)	(1,371)
Insurance		(282,777)	(298,552)	(181,505)
Other expenditure		(116,703)	(134,326)	(111,226)
Loss on asset disposals		0	(20,000)	(25,532)
		(11,868,643)	(14,146,173)	(7,496,722)
Non cash amounts excluded from operating activities	25(a)	6,716,277	6,776,563	2,359,304
Amount attributable to operating activities		636,377	(2,515,228)	1,236,960
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,527,329	3,372,849	1,175,260
Proceeds from disposal of assets		157,329	163,000	68,471
		1,684,658	3,535,849	1,243,731
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(967,370)	(3,954,012)	(813,185)
Purchase and construction of infrastructure	9(a)	(1,477,321)	(1,175,122)	(1,537,327)
		(2,444,691)	(5,129,134)	(2,350,512)
Amount attributable to investing activities		(760,033)	(1,593,285)	(1,106,781)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	677,024	1,277,024	0
Transfers from reserve accounts	27	0	573,543	0
		677,024	1,850,567	0
Outflows from financing activities				
Repayment of borrowings	26(a)	0	(31,000)	0
Payments for principal portion of lease liabilities	26(c)	(8,087)	(7,886)	(7,886)
Transfers to reserve accounts	27	(266,429)	(115)	(13,411)
		(274,516)	(39,001)	(21,297)
Amount attributable to financing activities		402,508	1,811,566	(21,297)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	2,296,947	2,296,947	2,188,065
Amount attributable to operating activities		636,377	(2,515,228)	1,236,960
Amount attributable to investing activities		(760,033)	(1,593,285)	(1,106,781)
Amount attributable to financing activities		402,508	1,811,566	(21,297)
Surplus or deficit after imposition of general rates	25(b)	2,575,799	0	2,296,947

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

Nexia Perth Audit Services Pty Ltd



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**SHIRE OF CHAPMAN VALLEY
FOR THE YEAR ENDED 30 JUNE 2024
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**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

1. BASIS OF PREPARATION

The financial report of the Shire of Chapman Valley 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
- Impairment losses of non-financial assets - note 10
- Measurement of employee benefits - note 15
- Measurement of provisions - note 15

Fair value hierarchy information can be found in note 23

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
 - AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current
 - AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
 - AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
 - AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- These amendments are not expected to have any material impact on the financial report on initial application.
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

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

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

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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
Capital grants, subsidies and contributions	Community developments, facilities and infrastructure, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed project milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Refuse site charges (Non-residents only)	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 - other services	Venue hire, administration services, PO box, inspections.	Single point in time	Full payment prior to issue	None	At point of service
Fees and charges - sale of stock	Petroleum based fuel stocks	Single point in time	Monthly in arrears	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

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 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,181,495	0	3,181,495
Grants, subsidies and contributions	1,162,499	0	0	772,507	1,935,006
Fees and charges	0	0	430,210	0	430,210
Interest revenue	0	0	31,354	55,134	86,488
Other revenue	0	0	0	19,554	19,554
Capital grants, subsidies and contributions	0	1,527,329	0	0	1,527,329
Total	1,162,499	1,527,329	3,643,059	847,195	7,180,082

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,051,734	0	3,051,734
Grants, subsidies and contributions	1,967,131	0	0	819,483	2,786,614
Fees and charges	0	0	440,190	0	440,190
Interest revenue	0	0	22,599	38,234	60,833
Other revenue	0	0	0	15,043	15,043
Capital grants, subsidies and contributions	0	1,175,260	0	0	1,175,260
Total	1,967,131	1,175,260	3,514,523	872,760	7,529,674

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Interest on reserve account	19,866	13,411
Trade and other receivables overdue interest	31,354	22,599
Other interest revenue	35,268	24,823
	<u>86,488</u>	<u>60,833</u>
The 2024 original budget estimate in relation to: Trade and other receivables overdue interest was \$19,000.		
Fees and charges relating to rates receivable		
Charges on instalment plan	6,306	4,218
The 2024 original budget estimate in relation to: Charges on instalment plan was \$4,000.		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	49,000	36,250
- Other services – grant acquittals	3,250	2,100
	<u>52,250</u>	<u>38,350</u>
Employee Costs		
Employee benefit costs	1,763,980	1,833,527
Other employee costs	401,148	360,114
	<u>2,165,128</u>	<u>2,193,641</u>
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	1,003	1,205
Other interest charges	1,299	166
	<u>2,302</u>	<u>1,371</u>
Other expenditure		
Members remuneration	87,117	94,836
Donations and sponsorships	28,253	15,642
Sundry expenses	1,333	748
	<u>116,703</u>	<u>111,226</u>

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	5,721,554	4,080,340
Total cash and cash equivalents	5,721,554	4,080,340
Held as		
- Unrestricted cash and cash equivalents	2,683,649	2,589,348
- Restricted cash and cash equivalents	3,037,905	1,490,992
17	5,721,554	4,080,340

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

Note	2024	2023
	\$	\$
(a) Non-current assets		
Financial assets at fair value through profit or loss	62,378	61,117
	62,378	61,117
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	61,117	58,353
Movement attributable to fair value increment	1,261	2,764
Units in Local Government House Trust - closing balance	62,378	61,117

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

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

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

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

5. TRADE AND OTHER RECEIVABLES

Note	2024 \$	2023 \$
Current		
Rates and statutory receivables	239,977	179,273
Trade receivables	4,859	20,840
GST receivable	33,198	0
	278,034	200,113
Non-current		
Rates and statutory receivables	8,342	8,342
	8,342	8,342

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 2024 Actual \$	30 June 2023 Actual \$	1 July 2022 Actual \$
Trade and other receivables from contracts with customers	4,859	20,840	2,848
Total trade and other receivables from contracts with customers	4,859	20,840	2,848

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

SHIRE OF CHAPMAN VALLEY

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

6. INVENTORIES

	Note	2024	2023
Current		\$	\$
Fuel and materials		2,419	5,931
		2,419	5,931
The following movements in inventories occurred during the year:			
Balance at beginning of year		5,931	6,767
Inventories expensed during the year		(149,767)	(215,182)
Additions to inventory		146,255	214,346
Balance at end of year		2,419	5,931

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.

Unconfirmed

SHIRE OF CHAPMAN VALLEY

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Prepayments	54,570	10,908
	54,570	10,908

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.

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Assets not subject to operating lease		Total Property			Plant and equipment			Total property, plant and equipment
	Land	Buildings - specialised	Land	Buildings - specialised	Total Property	Furniture and equipment	Plant and equipment	Tools and equipment	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	2,540,331	12,710,990	2,540,331	12,710,990	15,251,321	195,296	3,942,907	84,547	19,474,071
Additions	0	456,578	0	456,578	456,578	0	356,607	0	813,185
Disposals	(32,000)	0	(32,000)	0	(32,000)		(44,803)		(76,803)
Depreciation	0	(377,141)	0	(377,141)	(377,141)	(5,530)	(539,064)	(11,679)	(933,414)
Balance at 30 June 2023	2,508,331	12,790,427	2,508,331	12,790,427	15,298,758	189,766	3,715,647	72,868	19,277,039
Comprises:									
Gross balance amount at 30 June 2023	2,508,331	19,236,942	2,508,331	19,236,942	21,745,273	208,498	5,648,256	110,823	27,712,850
Accumulated depreciation at 30 June 2023	0	(6,446,515)	0	(6,446,515)	(6,446,515)	(18,732)	(1,932,609)	(37,955)	(8,435,811)
Balance at 30 June 2023	2,508,331	12,790,427	2,508,331	12,790,427	15,298,758	189,766	3,715,647	72,868	19,277,039
Additions	0	102,486	0	102,486	102,486	0	864,884	0	967,370
Disposals	0	0	0	0	0	0	(22,600)	0	(22,600)
Depreciation	0	(398,996)	0	(398,996)	(398,996)	(5,227)	(528,584)	(11,678)	(944,485)
Balance at 30 June 2024	2,508,331	12,493,917	2,508,331	12,493,917	15,002,248	184,539	4,029,347	61,190	19,277,324
Comprises:									
Gross balance amount at 30 June 2024	2,508,331	19,339,428	2,508,331	19,339,428	21,847,759	208,498	6,287,139	110,823	28,454,219
Accumulated depreciation at 30 June 2024	0	(6,845,511)	0	(6,845,511)	(6,845,511)	(23,959)	(2,257,792)	(49,633)	(9,176,895)
Balance at 30 June 2024	2,508,331	12,493,917	2,508,331	12,493,917	15,002,248	184,539	4,029,347	61,190	19,277,324

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. PROPERTY, PLANT AND EQUIPMENT (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					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Direct comparison to similar type recently sold properties.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2022	Residual value, useful life, pattern of consumption and asset condition in relation to level of remaining service potential of the depreciable amount, valuers professional judgement.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.					
(ii) Cost					
Furniture and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable
Plant and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable
Tools and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - carparks	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2022	122,003,217	150,358	8,771,015	188,102	131,112,692
Additions	1,448,245	0	89,082	0	1,537,327
Revaluation increments / (decrements) transferred to revaluation surplus	63,986,861	17,622	(3,956,323)	(82,563)	59,965,597
Depreciation	(1,167,466)	(5,776)	(160,868)	(11,663)	(1,345,773)
Balance at 30 June 2023	186,270,857	162,204	4,742,906	93,876	191,269,843
Comprises:					
Gross balance at 30 June 2023	211,395,860	312,500	6,626,832	102,703	218,437,895
Accumulated depreciation at 30 June 2023	(25,125,003)	(150,296)	(1,883,926)	(8,827)	(27,168,052)
Balance at 30 June 2023	186,270,857	162,204	4,742,906	93,876	191,269,843
Additions	1,270,769	0	206,552	0	1,477,321
Depreciation	(5,627,803)	(6,250)	(51,251)	(1,803)	(5,687,107)
Balance at 30 June 2024	181,913,823	155,954	4,898,207	92,073	187,060,057
Comprises:					
Gross balance at 30 June 2024	212,666,630	312,500	6,833,384	102,703	219,915,217
Accumulated depreciation at 30 June 2024	(30,752,807)	(156,546)	(1,935,177)	(10,630)	(32,855,160)
Balance at 30 June 2024	181,913,823	155,954	4,898,207	92,073	187,060,057

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - carparks	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Actual construction costs, residual values, asset conditions and remaining useful life assessments

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

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

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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	Sub Class	Component	Useful Life
Land - freehold land			Not depreciated
Buildings - specialised			25 to 100 years
Furniture and equipment			2 to 10 years
Plant and equipment			2 to 15 years
Tools and equipment			2 to 15 years
Right of Use - Land and building			Based on remaining lease
Infrastructure - Roads	Sealed	Pavement	80 years
Infrastructure - Roads	Sealed	Formation	Not depreciated
Infrastructure - Roads	Sealed	Surface	15 to 60 years
Infrastructure - Roads	Unsealed	Pavement	10 years
Infrastructure - Roads	Unsealed	Formation (Formed/Unformed)	Not depreciated
Infrastructure - Roads	Drainage	Kerbs	40 years
Infrastructure - Roads	Drainage	Table Drains	Not depreciated
Infrastructure - Footpaths			50 years
Infrastructure - Drainage	Culvert	Box	80 years
Infrastructure - Drainage	Culvert	Circular	80 years

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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.
- (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 CHAPMAN VALLEY
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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 - land and buildings	Right-of-use assets Total
	\$	\$
Balance at 1 July 2022	48,536	48,536
Depreciation	(8,100)	(8,100)
Balance at 30 June 2023	40,436	40,436
Gross balance amount at 30 June 2023	72,973	72,973
Accumulated depreciation at 30 June 2023	(32,537)	(32,537)
Balance at 30 June 2023	40,436	40,436
Depreciation	(8,100)	(8,100)
Balance at 30 June 2024	32,336	32,336
Gross balance amount at 30 June 2024	72,973	72,973
Accumulated depreciation at 30 June 2024	(40,637)	(40,637)
Balance at 30 June 2024	32,336	32,336

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(8,100)	(8,100)
Finance charge on lease liabilities	(1,003)	(1,205)
Total amount recognised in the statement of comprehensive income	(9,103)	(9,305)
Total cash outflow from leases	(9,090)	(9,091)

(b) Lease Liabilities

Current	8,301	8,087
Non-current	26,220	34,521
	34,521	42,608

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 26(c).

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 CHAPMAN VALLEY
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12. TRADE AND OTHER PAYABLES

Current

	2024	2023
	\$	\$
Sundry creditors	476,046	433,959
Prepaid rates	61,900	87,881
Accrued payroll liabilities	73,397	67,783
ATO liabilities	0	18,128
Bonds and deposits held	95,202	55,450
Accrued expenditure	25,184	5,667
Accrued interest	1,143	0
	732,872	668,868

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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**SHIRE OF CHAPMAN VALLEY
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13. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

2024	2023
\$	\$
1,150,000	0
1,150,000	0

Non-current

Contract liabilities

289,999	159,515
289,999	159,515

Reconciliation of changes in contract liabilities

Opening balance

159,515 159,515

Additions

130,484 0

289,999 159,515

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 24 to 60 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

0 601,656

Additions

1,150,000 0

Revenue from capital grant/contributions held as a liability at the start of the period

0 (601,656)

1,150,000 0

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

1,150,000 0

1,150,000 0

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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14. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank overdrafts		0	0	0	0	0	0
Debentures		95,932	581,092	677,024	0	0	0
Total secured borrowings	26(a)	95,932	581,092	677,024	0	0	0

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans were secured by a floating charge over the assets of the Shire of Chapman Valley during the 2024 financial year.

The Shire of Chapman Valley has complied with the financial covenants of its borrowing facilities during the 2024 financial year.

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 hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

**SHIRE OF CHAPMAN VALLEY
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15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

2024	2023
\$	\$
298,528	270,457
283,308	226,885
581,836	497,342
581,836	497,342
19,494	21,897
19,494	21,897
19,494	21,897
601,330	519,239

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.

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16. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	8,824,751	0	8,824,751	8,824,751	0	8,824,751
Revaluation surplus - Buildings - specialised	1,361,504	0	1,361,504	1,361,504	0	1,361,504
Revaluation surplus - Plant and equipment	496,127	0	496,127	496,127	0	496,127
Revaluation surplus - Infrastructure	167,404,086	0	167,404,086	107,438,489	59,965,597	167,404,086
	178,086,468	0	178,086,468	118,120,871	59,965,597	178,086,468

SHIRE OF CHAPMAN VALLEY
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17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2024 Actual \$	2023 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	3,037,905	1,490,992
		3,037,905	1,490,992
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	1,597,906	1,331,477
Contract liabilities	13	289,999	159,515
Capital grant liabilities	13	1,150,000	0
Total restricted financial assets		3,037,905	1,490,992

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(1,400)	(2,679)
Total amount of credit unused	258,600	257,321
Loan facilities		
Loan facilities - current	95,932	0
Loan facilities - non-current	581,092	0
Total facilities in use at balance date	677,024	0
Unused loan facilities at balance date	NIL	NIL

**SHIRE OF CHAPMAN VALLEY
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19. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities during the financial year.

20. CAPITAL COMMITMENTS

The Shire did not have any capital commitments outstanding at the end of the financial year.

Unconfirmed

**SHIRE OF CHAPMAN VALLEY
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21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	10,000	10,000	10,000
President's meeting attendance fees	9,742	9,742	9,742
President's annual allowance for ICT expenses	500	500	500
President's annual allowance for travel and accommodation expenses	50	50	50
	20,292	20,292	20,292
Deputy President's annual allowance	2,500	2,500	2,500
Deputy President's meeting attendance fees	9,742	9,742	9,742
Deputy President's annual allowance for ICT expenses	500	500	500
Deputy President's annual allowance for travel and accommodation expenses	50	50	50
	12,792	12,792	12,792
All other council member's meeting attendance fees	51,145	58,452	58,452
All other council member's annual allowance for ICT expenses	2,625	3,000	3,000
All other council member's annual allowance for travel and accommodation expenses	263	300	300
	54,033	61,752	61,752
21(b)	87,117	94,836	94,836

(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	768,335	731,326
Post-employment benefits	126,995	118,933
Employee - other long-term benefits	77,513	76,886
Council member costs	87,117	94,836
21(a)	1,059,960	1,021,981

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.

Council member costs

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

**SHIRE OF CHAPMAN VALLEY
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21. RELATED PARTY TRANSACTIONS

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.

KMP compensations are disclosed above.

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 and are detailed in Notes 21(a) and 21(b).

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

**SHIRE OF CHAPMAN VALLEY
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22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Chapman Valley did not have any events occurring after the reporting date that have a significant effect on the financial statements.

Unconfirmed

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23. 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 CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

24. RATING INFORMATION

(a) General Rates

RATE TYPE				2023/24 Actual Rateable Value*	2023/24 Actual Rate Revenue	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate Revenue	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$
(i) General rates											
General Rate GRV	Gross rental valuation	0.099526	323	4,974,686	495,111	17,626	512,737	495,110	0	495,110	475,897
General Rate UV	Unimproved valuation	0.007847	429	296,478,000	2,326,463	6,557	2,333,020	2,326,973	0	2,326,973	2,249,648
Oakagee Industrial Estate Buffer Zone	Unimproved valuation	0.014801	2	13,474,000	199,429	0	199,429	199,429	0	199,429	192,689
Total general rates			754	314,926,686	3,021,003	24,183	3,045,186	3,021,512	0	3,021,512	2,918,234
(ii) Minimum payment											
Minimum Payment		\$									
General Rate GRV	Gross rental valuation	724.50	175	763,985	126,787	0	126,787	126,788	0	126,788	123,900
General Rate UV	Unimproved valuation	414.00	23	222,703	9,522	0	9,522	9,936	0	9,936	9,600
Total minimum payments			198	986,688	136,309	0	136,309	136,724	0	136,724	133,500
Total general rates and minimum payments			952	315,913,374	3,157,312	24,183	3,181,495	3,158,236	0	3,158,236	3,051,734
Rate instalment interest							6,306			4,000	4,218
Rate overdue interest							25,048			15,000	18,381

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

*Rateable Value at time of raising of rate.

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
Note		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	(134,729)	(20,000)	(17,200)
	Less: Movement in liabilities associated with restricted cash	84,494	(228,946)	79,011
	Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,261)	0	(2,764)
	Add: Loss on disposal of assets	0	20,000	25,532
	Add: Impairment of Plant and Equipment	8(a) 0	0	0
	Add: Depreciation	10(a) 6,639,692	6,869,792	2,287,287
	Non-cash movements in non-current assets and liabilities:			
	Employee benefit provisions	(2,403)	5,233	(12,562)
	Contract liabilities	130,484	130,484	
	Non-cash amounts excluded from operating activities	6,716,277	6,776,563	2,359,304
(b) 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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserve accounts	27 (1,597,906)	(758,049)	(1,331,477)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	14 95,932	1,246,024	0
	- Current portion of lease liabilities	11(b) 8,301	202	8,087
	- Employee benefit provisions	581,836	350,000	497,342
	Total adjustments to net current assets	(911,837)	838,177	(826,048)
Net current assets used in the Statement of Financial Activity				
	Total current assets	6,056,577	1,358,782	4,297,292
	Less: Total current liabilities	(2,568,941)	(2,196,959)	(1,174,297)
	Less: Total adjustments to net current assets	(911,837)	838,177	(826,048)
	Surplus or deficit after imposition of general rates	2,575,799	0	2,296,947

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Depot Building		0	0	0	0	267,024	0	267,024	0	267,024	0	267,024
Road Plant Capital		0	0	0	0	410,000	0	410,000	0	410,000	(31,000)	379,000
Disaster Recovery Centre		0	0	0	0	0	0	0	0	600,000	0	600,000
Total		0	0	0	0	677,024	0	677,024	0	1,277,024	(31,000)	1,246,024
Borrowing Finance Cost Payments												
Purpose	Loan Number	Institution	Interest Rate	Date final payment is due		Actual for year ending 30 June 2024	Budget for year ending 30 June 2024		Actual for year ending 30 June 2023			
Depot Building	99	WATC*	4.93%	18/06/2034		0	0	0	0			
Road Plant Capital	100	WATC*	4.61%	18/06/2029		0	(6,900)	0	0			
Disaster Recovery Centre	101	WATC*	4.61%	18/06/2034		0	0	0	0			
Total Finance Cost Payments						0	(6,900)	0	0			

* WA Treasury Corporation

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget		
				%	\$	\$	\$	\$	\$	\$
Depot Building	WATC*	Fixed Rate	10	4.93%	267,024	267,024	(267,024)	(267,024)	74,439	0
Road Plant Capital	WATC*	Fixed Rate	5	4.61%	410,000	410,000	(410,000)	(410,000)	53,806	0
Disaster Recovery Centre	WATC*	Fixed Rate	10	4.61%	0	600,000	0	(600,000)	155,658	0
					677,024	1,277,024	(677,024)	(1,277,024)	283,903	0

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$
Nabawa Fuel Station		50,494	0	(7,886)	42,608	0	(8,087)	34,521	42,609
Total Lease Liabilities	11(b)	50,494	0	(7,886)	42,608	0	(8,087)	34,521	42,609

Lease Finance Cost Payments

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
					\$	\$	\$	
Nabawa Fuel Station	LE01	Searange Holdings Pty Ltd	2.60%	30/06/2028	(1,003)	(1,206)	(1,205)	10 Years
Total Finance Cost Payments					(1,003)	(1,206)	(1,205)	

SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. RESERVE ACCOUNTS

Restricted by legislation/agreement

- (a) Cash-in-lieu of public open space reserve

Restricted by council

- (b) Leave Reserve Account
(c) Water Reserve Account
(d) Communication & Information Technologies Reserve Account
(e) Plant & Light Vehicle Reserve Account
(f) Legal Reserve Account
(g) Land Development Reserve Account
(h) Infrastructure Reserve Account
(i) Building Reserve Account

2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
0	187,464	0	187,464	0	0	0	0	0	0	0	0
0	187,464	0	187,464	0	0	0	0	0	0	0	0
167,427	2,384	0	169,811	167,427	10	(17,601)	149,836	165,740	1,687	0	167,427
14,392	205	0	14,597	14,392	5	0	14,397	14,248	144	0	14,392
40,177	60,572	0	100,749	40,177	5	0	40,182	39,772	405	0	40,177
524,609	7,473	0	532,082	524,609	50	(393,785)	130,874	519,325	5,284	0	524,609
40,452	576	0	41,028	40,452	5	0	40,457	40,045	407	0	40,452
72,846	1,038	0	73,884	72,846	5	(62,157)	10,694	72,113	733	0	72,846
285,471	4,066	0	289,537	285,471	15	0	285,486	282,595	2,876	0	285,471
186,103	2,651	0	188,754	186,103	20	(100,000)	86,123	184,228	1,875	0	186,103
1,331,477	78,965	0	1,410,442	1,331,477	115	(573,543)	758,049	1,318,066	13,411	0	1,331,477
1,331,477	266,429	0	1,597,906	1,331,477	115	(573,543)	758,049	1,318,066	13,411	0	1,331,477

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

Restricted by legislation/agreement

- (a) Cash-in-lieu of public open space reserve

Restricted by council

- (b) Leave Reserve Account
(c) Water Reserve Account
(d) Communication & Information Technologies Reserve Account
(e) Plant & Light Vehicle Reserve Account
(f) Legal Reserve Account
(g) Land Development Reserve Account
(h) Infrastructure Reserve Account
(i) Building Reserve Account

Purpose of the reserve account

To be used to set aside funds received from developers in lieu of land. The funds are to be used to purchase land open spaces including parks, recreation grounds, and general spaces.

To be used to fund annual and long service leave requirements.

To be used for the construction and operational costs of facilities for fire fighting purposes.

As per minute reference OCM 2024/05-3, the purpose and use of funds in this reserve account has changed and is now to be used to replace Information and Communications Technology equipment.

To be used for the purchase of and/or major repair of major plant and light vehicles.

To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.

To be used for further subdivisional development in the Shire of Chapman Valley.

To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.

To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.

**SHIRE OF CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

28. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Contributions - Public Open Space	150,357	0	(150,357)	0
Construction Training Fund Levies	1,835	9,494	(8,058)	3,271
Building Commission Levies	1,366	7,418	(6,484)	2,300
Unclaimed Monies	0	237	(237)	0
Nomination Deposits	0	700	0	700
	153,558	17,849	(165,136)	6,271



Auditor General

INDEPENDENT AUDITOR'S REPORT 2024 Shire of Chapman Valley

To the Council of the Shire of Chapman Valley

Opinion

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

- the statement of financial position as at 30 June 2024, 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 2024 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 2024, but not the financial report and my auditor's report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Chapman Valley for the year ended 30 June 2024 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.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 December 2024

Unconfirmed

Finance Audit and Risk Management Committee - 23 December 2024 -
Minutes

Att: 8.3.1 2023/2024 Annual
Report



Our Ref: 8653

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

Mr Jamie Criddle
Chief Executive Officer
Shire of Chapman Valley
3270 Chapman Valley Road
NABAWA WA 6532

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
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Email: ceo@chapmanvalley.wa.gov.au

Dear Mr Criddle

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Office has completed the audit of the annual financial report for your Shire. 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 President and the Minister for Local Government, as required by the Act. You are 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

While the result of the audit was generally satisfactory, 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. 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.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 27 September 2024. 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 7616 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



Patrick Arulsingham
Senior Director
Financial Audit
10 December 2024

Attach

Unconfirmed

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17	No		✓		
2. Corporate credit card statement not approved	No		✓		✓
3. Lack of evidence of interview assessment conducted for new employee	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 CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)

Finding

During the year, the Shire engaged an external consultant LG People and Culture, to conduct an internal audit for purpose of meeting the requirements of *Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)*. This regulation requires the CEO to review the appropriateness and effectiveness of the local government's systems and procedures around risk management, internal control and legislative compliance at least every 3 financial years.

From our review of the consultant's final report provided to the Shire (dated January 2024), we noted the consultant's review did not meet all the requirements of Regulation 17. Specifically, the following requirements were not met:

- Review of the risk management system policies, procedures and plans in place at the Shire;
- Evaluation of the non-financial/operational internal controls systems and procedures at the Shire; and
- Assessment of the systems and procedures for maintaining legislative compliance.

We further note that the Shire did not identify this issue nor perform its own review to meet the legislative requirements.

Rating: Moderate Implication

Non-compliance with the legislative requirements of Regulation 17 regarding assessment of the appropriateness and effectiveness of the systems and procedures around risk management, internal control and legislative compliance.

Recommendation

The Shire should reperform a robust assessment of the appropriateness and effectiveness of the systems and procedures in relation to risk management, internal control, and legislative compliance to meet the legislative requirements. Where an external expert is engaged, the expert's scope of work should be reviewed by the Shire to ensure it meets the requirements of the Regulations.

Management Comment

The CEO will revisit and ensure that the requirements that were not met in the review are covered as well as an additional robust internal assessment.

Responsible Person: Chief Executive Officer
Completion Date: 30.06.2025

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

2. Corporate credit card statements not approved

Finding

We noted that the CEO's September/October 2023 credit card statement was not independently reviewed and approved by the Manager Finance and Corporate Services, as required by the Shire's credit card approval procedures.

Rating: Moderate

Implication

In the absence of an independent review, inappropriate use of employee corporate credit cards may not be detected and addressed in a timely manner. This could potentially lead to financial loss to the Shire.

Recommendation

All monthly credit card statements should be reviewed by the Manager Finance and Corporate Services in line with the Shires approved procedures to ensure that all expenses incurred are valid business expenses and adequately supported by relevant documentation such as purchasing receipts or supplier invoices.

Management Comment

Management will ensure all monthly credit card statements are reviewed by the Manager Finance and Corporate Services (or Management Accountant in her absence) in line with the Shires policies & approved procedures to ensure all expenses incurred are valid business expenses and adequately supported by relevant source documentation _such as purchasing receipts or supplier invoices).

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30.06.2025

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

3. Lack of evidence of interview assessment conducted for new employee

Finding

We noted 1 instance (out of 3 tested) where a new employee did not undergo a formal interview assessment to determine suitability for the position. We understand from management that the candidate had an informal interview with the Manager of Finance and Corporate Services but no documentation was retained.

Rating: Minor

Implication

Lack of documentation and informal interview processes may result in non-compliance with the Shire's policies and procedures. This may result in recruitment of candidates without the requisite skills and qualifications for the respective roles.

Recommendation

Management should ensure that interviews and assessments are performed and documented for all candidates as per the Shire's policy on Recruitment and Selection Procedure as stipulated in the HR Induction & Guidelines Manual.

Management Comment

Management acknowledges oversight with documenting the movement of an administration employee and will ensure future interviews and assessments are performed and documented for all candidates as per the Shire's policy on Recruitment and Selection Procedure as stipulated in the HR Induction & Guidelines Manual.

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30.06.2025

Finance Audit and Risk Management Committee - 23 December 2024 - Minutes

9 New Business of an Urgent Nature Introduced by Decision of the Meeting

Nil

10 Closure

The Shire President thanked Elected Members and Staff for their attendance and closed the Finance Audit and Risk Management Committee - 23 December 2024 at 4:54 pm.

Unconfirmed

7 Items to be dealt with En Bloc

8 Officers Reports

8.1	Independent Auditors Report 30 June 2025
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00
Attachment(s)	1. Opinion - Shire of Chapman Valley - 30 June 2025 [8.1.1 - 3 pages]

Voting Requirements

Simply Majority

Staff Recommendation

That Audit, Risk and Improvement Committee recommends to the Council that the Independent Audit Report for the year ending June 2025 be received.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Independent Audit Report from its Auditors: Nexia Perth preformed this audit on behalf of the Office of Auditor General.

Comment

Councillors, Chief Executive Officer, Manager of Finance & Corporate Services met (via TEAMS) with representatives from the Office of Auditor General for Western Australia (OAG) and the OAG and Nexia Perth, on 3 December 2025 for an audit exist meeting. Both the OAG and Nexia Perth reported on Key Audit Risks and Focas Areas as outlined in the original Audit Strategy Memorandum.

The shire has now received the independent audit opinion for an unmodified set of financial statements for the year ended 30 June 2025; of which is an extract below:

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.

Statutory Environment

Local Government Act 1995 Section 6.4

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

Long Term Financial Plan

No major effect is anticipated on the Long-Term Financial Plan.

Strategic Implications

Ensuring the long-term financial sustainability of the Shire of Chapman Valley is critical to maintaining future service delivery for its constituents. The annual audit plays a pivotal role in assessing progress against the Shire's integrated strategic planning, providing valuable insights into its ongoing financial health and capacity to meet future objectives.

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

GOVERNANCE & ACCOUNTABILITY

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council staff have been in contact and discussion with the Office of Auditor General and Nexus auditors throughout the audit review process.

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Shire of Chapman Valley

To the Council of the Shire of Chapman Valley

Opinion

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

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

In my opinion, the financial report :

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Chapman Valley 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.



Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 December 2025

8.2 Auditors Management Report 30 June 2025	
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00
Attachment(s)	1. Final Management Letter Attachment - Shire of Chapman Valley - 30 June 2025 (1) [8.2.1 - 2 pages] 2. Interim Management Letter to CEO - Shire of Chapman Valley - 30 June 2025 (1) [8.2.2 - 1 page]

Voting Requirements

Simply Majority

Staff Recommendation

The Audit, Risk and Improvement Committee recommends to the Council that the Management Report for the year ending 30 June 2025 be received and actions taken on items listed endorsed.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Management Report from its Auditors Nexia Perth who performed this audit on behalf of the Officer of Auditor General (Please refer to Audit Report Letter).

The Shire of Chapman Valley is subject to audit by the Office of the Auditor General (OAG) in accordance with the Local Government Act 1995 (Part 7) and the Local Government (Audit) Regulations 1996, as amended by the Local Government Amendment (Auditing) Act 2017. These provisions mandate that all Western Australian local governments have their annual financial statements audited by the Auditor General or an appointed contractor.

Under section 7.12A of the Local Government Act, councils must examine the audit report, act on any matters raised, and publish a report on significant findings, including actions to address them, on the local government's website and provide a copy to the Minister for Local Government.

Comment

Considerable discussion was undertaken this year in relation to project management. Effective project management and timely completion of initiatives are critical to ensuring

accurate financial reporting and compliance with funding agreements. Delays can affect statutory obligations, financial statements, and future grant eligibility. To maintain accountability and meet acquittal requirements, councils need to adopt robust monitoring and reporting systems supported by clear governance processes.

Management oversight remains essential, as project delays and inadequate tracking can compromise compliance and financial integrity. It is prudent that management implement structured processes to monitor progress, identify risks early, and ensure corrective actions are taken promptly. This includes maintaining accurate documentation and internal controls to support audit evidence and reduce exposure to adverse findings.

The financial statements for the year were updated to align with Australian Accounting Standards, specifically AASB 15 and AASB 1058, which require grant funds with enforceable obligations and performance conditions to be treated as Contract Liabilities until obligations are met. Unspent capital grant funds are generally recorded as Capital Grant Liabilities under AASB 1058. These adjustments ensure compliance with current accounting requirements and improve transparency in financial reporting.

The Management Report for the year ended 30 June 2025 identified one finding rated as moderate, with no impact on the audit opinion. This finding relates to excessive annual leave balances, which pose operational and financial risks. Management has acknowledged the issue and committed to implementing leave management plans and proactive monitoring through payroll reporting to reduce this liability.

Management Report finding for the year ended 30 June 2025

1. Excessive annual leave balances

Finding

During the audit, we noted that five employees had annual leave balances ranging from 355 to 959 hours. Collectively, these five employees account for 70% of the Shire's total annual leave liability at 30 June 2025.

Rating: Moderate

Implication

- Excess annual leave entitlements pose several risks to the Shire, including:
 - Health and safety concerns arising from employees not taking their leave
 - Increased financial liability due to salary increments and associated costs over time
- Reduced effectiveness of internal controls as key staff are not rotated, a preventative control against fraud.

The accumulation of large leave balances could create financial strain if significant amounts of leave are taken at the same time or within a short timeframe. Additionally, there is management risk to the Council if key personnel are on leave for extended periods.

Recommendation

We recommend that management implement a process to regularly monitor excessive annual leave balances and take appropriate measures, such as developing leave management plans, to reduce the implications of excessive leave.

Management comment

Management acknowledges the excessive annual leave balances and agrees with the recommendation. Management will implement appropriate measures to reduce this liability, including developing and implementing individual leave management plans and monitoring leave accruals through monthly payroll reports to proactively address excessive leave balances.

Responsible person: Dianne Raymond, Manager Finance & Corporate Services

Completion date: 30 June 2026

Statutory Environment

Local Government Act 1995 Section 6.4

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

Long Term Financial Plan

No major effect is anticipated on the Long-Term Financial Plan.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

GOVERNANCE & ACCOUNTABILITY

5.3 Make informed decisions within resources and areas of responsibility.

5.3.1 Council and Shire process formally incorporate integrated plans as references.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council Staff have been in contact and discussion with council auditors throughout the audit review process.

Risk

Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

ATTACHMENT

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDING IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Excessive annual 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 CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDING IDENTIFIED DURING THE FINAL AUDIT

1. Excessive annual leave balances

Finding

During the audit, we noted that five employees had annual leave balances ranging from 355 to 959 hours. Collectively, these five employees account for 70% of the Shire's total annual leave liability at 30 June 2025.

Rating: Moderate

Implication

Excess annual leave entitlements pose several risks to the Shire, including:

- Health and safety concerns arising from employees not taking their leave
- Increased financial liability due to salary increments and associated costs over time
- Reduced effectiveness of internal controls as key staff are not rotated, a preventative control against fraud.

The accumulation of large leave balances could create financial strain if significant amounts of leave are taken at the same time or within a short timeframe. Additionally, there is management risk to the Council if key personnel are on leave for extended periods.

Recommendation

We recommend that management implement a process to regularly monitor excessive annual leave balances and take appropriate measures, such as developing leave management plans, to reduce the implications of excessive leave.

Management comment

Management acknowledges the excessive annual leave balances and agrees with the recommendation. Management will implement appropriate measures to reduce this liability, including developing and implementing individual leave management plans and monitoring leave accruals through monthly payroll reports to proactively address excessive leave balances.

Responsible person:

Dianne Raymond, Manager Finance & Corporate Services

Completion date:

30 June 2026



Our Ref: 8653

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

Mr Jamie Criddle
Chief Executive Officer
Shire of Chapman Valley
3270 Chapman Valley Road
NABAWA WA 6532

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

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

Email: jamie.criddle@chapmanvalley.wa.gov.au

Dear Mr Criddle

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

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

Management control issues

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

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

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

Feel free to contact me on 6557 7509 if you would like to discuss these matters further.

Yours faithfully

Ann Ang
Director
Financial Audit
17 July 2025

Attach

8.3 Audit Regulation 17 Systems and Procedures Review	
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00
Attachment(s)	1. Shire of Chapman Valley Audit Regulation 17 Final Report October 2025 [8.3.1 - 35 pages] 2. Task List for Executive Discussion (1) [8.3.2 - 5 pages]

Voting Requirements

Simply Majority

Staff Recommendation

That the Audit, Risk and Improvement Committee receives the Audit Regulation 17 final report and endorses the actions for continuous improvement and compliance as outlined by the independent consultant.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

In line with Regulation 17 of the Local Government (Audit) Regulations 1996, the CEO must review the appropriateness and effectiveness of local government systems and procedures regarding risk management, internal control, and legislative compliance every three years. The Shire engaged Badgemore Consulting to undertake this review, the findings of which are now submitted to the Committee.

Regulation 17 CEO to review certain systems and procedures

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

(a) risk management; and

(b) internal control; and

(c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in sub regulation

(1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

Comment

The review's objective was to assess current policies, practices, and procedures; to confirm adequacy and effectiveness; and to identify areas for improvement in risk management, internal controls, segregation of duties, legislative compliance, and fraud mitigation controls.

The audit Regulation 17 final report for the Shire of Chapman Valley, prepared by Badgemore Consulting, has been completed in accordance with the Local Government Audit Regulations 1996 requirements. The consultant's review evaluated the effectiveness and appropriateness of systems and procedures in risk management, internal control, and legislative compliance. Recommendations for strengthening these areas were provided, and timely action is advised to ensure compliance and continuous improvement. Below is a summary of these findings:

- The Shire has core systems and frameworks for risk management and internal control, but more regular reviews and wider staff engagement are required.
- Key recommendations include updating risk management policy to reflect the current ISO standard, formally adopting risk criteria and appetite, regularly updating the risk register, and introducing or strengthening education and reporting around risk management.
- Recommendations also cover expanding business continuity testing, formalising IT recovery procedures, broadening finance policy guidance, and developing a dedicated Fraud, Corruption, and Misconduct policy.
- Internal control recommendations highlight the need to update the Delegation Register, develop terms of reference for the Audit, Risk & Improvement Committee, and improve information technology and staff performance review processes.
- Legislative compliance is fundamentally sound, and no major non-compliances were found, but process documentation and assurance systems should be enhanced for continuity and resilience.

To commence the improvement process based on higher risk factors identified in the Badgemore Consulting final report, the following priority tasks are recommended to be actioned first. Each task is directly linked to areas considered to represent significant or moderate risks to the Shire's operations and compliance within the report.

Priority Improvement Tasks as identified by the Manager Finance & Corporate Services

- Update the Risk Management Policy to reflect the new ISO Standard (AS/NZS ISO 31000:2018), reviewing risk criteria and escalation processes, complemented by systematic monitoring and reporting
- Conduct and formally report an annual review of the Corporate Risk Register, including operational and environmental risks

- Develop a Fraud, Corruption and Misconduct Policy, supporting procedures and an Integrity Framework; ensure all new employees sign the Code of Conduct
- Ensure annual performance reviews are conducted for all officers, identifying further training needs as part of a continuous improvement process
- Address outstanding recommendations from the Dry Kirkness Financial Management Review Report (Regulation 5), prioritised and tracked in a new Audit Actions Register
- Broaden Finance Policy, Procedures and Guideline Manual to cover key finance processes and internal controls (suppliers, purchasing, budgeting, payroll, reconciliations)
- Update the Delegations Register on the Shire website, ensuring the latest version is available and approved
- Develop a Terms of Reference for the Audit, Risk and Improvement Committee, to clarify governance and accountability roles
- Enhance information system access controls by creating an Information Technology policy and guidelines manual
- Initiate regular testing of the Business Continuity Plan, including crisis scenarios for IT data breaches and cloud backup recovery

Statutory Environment

The report complies with the requirements of the:

Local Government Act 1995

Policy/Procedure Implications

A Policy or Procedure is affected:

HR & Induction Policy & Procedures

Finance Policy & Procedures

Financial Implications

No Financial Implications Identified.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and

relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Consultation

Council staff consulted in the review process as requested by the external reviewer were Chief Executive Officer, Manager Finance & Corporate Services, Finance & Digital Services Coordinator, Work Health & Safety Coordinator

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.



Shire of Chapman Valley

Audit Regulation 17 - Systems and Procedures Review

16 September 2025

ABN: 93 920 897 942

Karen Bateman, Principal
Email: karenbateman19@gmail.com
Telephone: + 61 419 908 202

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Executive Summary

In accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*, the Shire of Chapman Valley's Chief Executive Officer (CEO) has completed the required triennial Systems and Procedures Review.

The Shire of Chapman Valley (the Shire') engaged Badgemore Consulting to complete the Systems and Procedures Review on behalf of the CEO.

This report presents the results of the CEO's triennial review. The CEO may now submit this report to the Finance Audit and Risk Management Committee (FARM).

Objective

In accordance with Regulation 17, the objective of the CEO's triennial review was to assess the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

The review objectives were to:

- Assess the adequacy of risk management policies and procedures.
- Assess the adequacy and effectiveness of internal controls and procedures.
- Assess the adequacy of segregation of duties.
- Assess the adequacy of processes for compliance with legislation.
- Assess the adequacy and effectiveness of fraud mitigation controls.

Summary of Findings

Recommendations for improvement were noted in the areas: Risk Management, Internal Controls and Legislative Control. Timely actioning of these recommendations will strengthen the Shire's systems and procedures.

The Shire's systems and procedures, together with the timely implementation of the improvements initiatives, will, if operating, ensure effective and appropriate:

- Risk management;
- Internal controls; and
- Legislative compliance.

Recommendations

For the purpose of this review a Questionnaire was created based on the criteria provided in the (then) *Department of Local Government's' Operational Guideline 9*. These criteria were assessed during the review to determine the appropriateness of the systems and processes relating to Risk Management, Internal Controls and Legislative Compliance. The detail is provided at Appendix One.

The recommendations are provided in Appendix One, as they relate to the specific criteria. For ease of reporting where a recommendation applies across several Criteria it is only stated once. The recommendations relate to:

Criteria	Recommendation
Risk Management Criteria 1. An effective risk management system....	• RM 1.1. Policy needs updating to reflect new ISO Standard, AS/NZS ISO 31000:2018 Risk. The Shire should, as part of that process, also review the risk criteria and risk escalation processes / tolerance contained in the Risk Management Framework. • RM 1.2. The risk consequence and likelihood criteria and risk appetite applied are not included in the Shire's Risk Management Policy. Therefore, these should be formally adopted by the Shire and Council (through the Finance Audit & Risk Management Committee (FARM)) and as a minimum contained in Risk Management Framework.

Shire of Chapman Valley

Audit Regulation 17 - Systems and Procedures Review - 2025

Criteria	Recommendation
	- RM 1.3. The Shire should carry out a review to update the Risk Register of November 2023. The outcome should be reported to Council, through the FARM. - RM 1.4. The Shire should reference a requirement to carry out risk assessments for Major Events in the Risk Management Framework. This will assist in ensuring that activities are effectively managed and in line with the levels of risk appetite, or if outside that risk appetite the Shire is fully informed prior to the Major Event. We understand LGIS can assist with setting up such processes. - RM 1.5. The Shire should embark on an education journey to ensure all officers understand and embrace the value of effective risk management and how to escalate any emerging risks. For example: updates on the Intranet, rolling information session at management and staff meetings, quick presentations at Toolbox sessions. - RM 1.6. The Shire should expand PDFs to include a broader obligation to adhere to the requirements of the Risk Management Policy.
Risk Management Criteria 2. & 3. A current and effective business continuity plan...	- RM 2.1 The Shire should review the Business Continuity Plan to ensure it is still current and ensure that alternative locations (E.g. Recreation and Community Centre) can operate as an alternative site. - RM 2.2. The Shire should hold a test of its Business Continuity Plan and from then on, on a regular basis. - RM 3.1. The Shire should hold a Crisis Exercise with a scenario including a critical IT /data failure or breach. - RM 3.2 The Shire should test the planned backup and recovery procedures as per the <i>Contract for the Provision of Managed Services. Shire of Irwin and Shire of Chapman Valley</i> (the Agreement) and ensure that these are effective.
Risk Management Criteria 4(b). Important accounting...	RM 4(b).1. Consider broadening the procedures in the Finance Policy, Procedures and Guidelines Manual to cover off on key accounting and finance processes. For example: suppliers' set up, purchasing, month end reconciliations, payroll process, rate process, budget (annual, mid-year and monthly) process etc.
Risk Management Criteria 4 (d). Misconduct, fraud and theft	- RM 4(d).1. The Shire should develop a Fraud Corruption and Misconduct Policy and supporting Procedures and Guidelines and an Integrity Framework. This can be used as a practical tool to strengthen and support the Shire's commitment to ethical practices. - RM 4(d).2. All new employees should be required to sign that they will comply with the obligations set in the Code of Conduct. SkyTrust could be used to facilitate this.
Risk Management Criteria 4(e). Significant business risks, recognising...	- RM 4(e).1. The Shire should review the Works & Services Manual to ensure it appropriately addresses environmental risks and how to manage them operationally. - RM 4(e).2. When the Shire conducts the annual review of strategic/operational risk (Refer Risk Management Criteria (1)) ensure that environmental risk is specifically considered and assessed. This is to ensure such risks are managed within the set risk tolerances.
Risk Management Criteria 5. Regular risk	RM 5.1. The Shire should introduce a formal process to identify and assess its 'corporate' risk profile'. This should be

Shire of Chapman Valley

Audit Regulation 17 - Systems and Procedures Review - 2025

Criteria	Recommendation
reports, which...	complemented by regular monitoring and reporting of any changes to both the Executive and FARM/Council in accord with the defined risk appetite and reporting processes detailed in the Risk Management Framework. • RM 5.2. To increase the visibility of improvements in place address any agreed risk mitigations identified from the above processes. • RM 5.3. The Internal Audit Report January 2024. LG People & Culture contained recommendations. These should be formally revisited to ensure the Actions Required have been addressed and if not action them accordingly. • RM 5.4. The Dry Kirkness Financial Management Review Report 2023 outstanding recommendations should be revisited and addressed as a priority; and recorded in an Audit Actions Register. • RM 5.5. We recommend the Shire introduce an Audit Actions Register. This should be a Register to record recommendations arising from the <u>above</u> reports and any other similar/relevant reports. This Register should include agreed actions and assigned responsibilities. The status of these should be followed regularly by management and the status reported formally to the FARC (6 monthly). • RM 5.6. The Shire should formally report the outcomes of a 'corporate risk profile' assessment process to the FARM. (Refer <i>Risk Management Criteria 1 – Recommendation</i>). Thereafter, the Shire should conduct regular risk profile reviews and report the outcomes to the FARM and/or Council.
Risk Management Criteria 7. An effective internal control system with management and internal and external auditors	• RM 7.1. The Shire should include the actions being taken to address the identified internal control matters in the Audit Actions Register, so that their resolution may be monitored by both Management and the FARM.
Risk Management Criteria 11. Fraud and misconduct risks...	• RM11.1 When the Shire carries out its planned corporate risk review it should ensure potential fraud and misconduct risks are still properly described and assessed.
Internal Controls Criteria 2. Policies and Delegated Authority	• IC 2.1 The Shire should update the Delegations Register 2022 on its website with the approved Delegations Register 2025.
Internal Control Criteria 4. Audit practices	• IC 4.1. The Shire's FARM does not currently have a term of reference (TOR). The TOR is an important means for defining governance and accountability. The Shire should develop a TOR, which will be submitted to Council for approval. • IC 4.2 The Shire should ensure that for FY 26 onwards it meets the recent legislative requirements Local Government Amendment Act 2024 regarding Audit committees (now badged as Audit, Risk and Improvement Committees).
Internal Control Criteria 5. Information System Access...	• IC 5.1 The Shire should develop an Information Technology Policy, Procedures and Guidelines Manual, which provides the overarching setting for system access and security with appropriate access and usage.
Internal Control Criteria 10. Trained and qualified employees	• IC 10. All officers should receive an annual performance review, which could also identify further training needs.

Shire of Chapman Valley

Audit Regulation 17 - Systems and Procedures Review - 2025

Criteria	Recommendation
Internal Control Criteria 19. Control of computer applications and information system standards	- IC 19.1. Expand the Shire's Code of Conduct - Employees and Contractors to require employees' and contractors' usage of information and information systems to only be for appropriate and secure professional purposes. For instance: <u>Information and Communication Technology (ICT) Usage</u> Employees must use local government ICT systems - Including computers, email, internet, and mobile devices - ethically, responsibly, and for legitimate work purposes. This includes: - Protecting confidentiality. - Avoiding misuse. - Maintaining security. - Respecting intellectual property. - Monitoring and compliance.
Legislative Compliance Criteria 5. Obtaining assurance that adverse trends are identified and...	LC 5.1 Formally document the month end process and the variance analysis process and include the procedures in the Finance Policy, Procedures & Guidelines Manual. This will provide guidance for staff involved in the processes and allow for continuity in the event of staff changes.

We appreciate the assistance of the Shire's management and staff in completing this review. If you have any queries on this report, or if we can provide any further assistance, please contact me.



KAREN BATEMAN

Principal

BADGEMORE CONSULTING

16 September 2025

1. Detailed Report

1.1 Introduction

In accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996* as stated below, the Shire of Chapman Valley's CEO has completed the required triennial Systems and Procedures Review.

WA Local Government (Audit) Regulations 1996

Regulation 17. CEO to review certain systems and procedures

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

The Shire of Chapman Valley (the Shire') engaged Badgemore Consulting to complete the Systems and Procedures Review on behalf of the CEO.

This report presents the results of the CEO's triennial review. The CEO may now submit this report to the FARM.

As required under *WA Local Government (Audit) Regulations 1996: Regulation 16(c)*, the audit committee is to review the report provided by the CEO, report the results to Council and to give a copy of the CEO's report to Council.

1.2 Objective and Scope

In accordance with Regulation 17, the objective of the CEO's triennial review was to assess the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

The review objectives were to:

- Assess the adequacy of risk management policies and procedures.
- Assess the adequacy and effectiveness of internal controls and procedures.
- Assess the adequacy of segregation of duties.
- Assess the adequacy of processes for compliance with legislation.
- Assess the adequacy and effectiveness of fraud mitigation controls.

1.3 Approach

Note: this review was conducted remotely, no site visit was carried out. Interviews were carried out either by telephone or using TEAMS.

The detailed review and report drafting was carried across the period May 2025 to June 2025. The report and findings were closed out and confirmed as still accurately stated with Management in September 2025.

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The approach included:

- Discussing the scope of the the CEO's triennial review with Manager Finance and Corporate Services (MFCS) to obtain input on any specific issues to be included and to tailor the approach.
- Reviewing the status of any previous audit recommendations relevant to prior Regulation 5 and 17 reviews, previous external audits.
- Developing the Regulation 17 Questionnaire, for relevant officers to complete. This Questionnaire was created based on the criteria provided in the (then) *Department of Local Government's' Operational Guideline 9*. Assessing the criteria ensures the review process can properly assess the appropriateness of the systems and processes relating to Risk Management, Internal Controls and Legislative Compliance.
- Reviewing key documents (as listed in the Regulation 17 Questionnaire at Appendix One of this report) to understand the relevant risk management, internal controls and legislative systems practices and supporting mechanisms. These were either sourced from the Shire's website or provided by the Shire in soft copy.
- Interviews, remotely via telephone or on TEAMS, with CEO, MFCS, Management Accountant and the Work, Health & Safety Coordinator.
- Discussing findings on completion of the field work with CEO, MFCS, Management Accountant and the Work, Health & Safety Coordinator.
- Carrying out the analysis of all information provided and updating the Regulation 17 Questionnaire.
- Submitting the completed Regulation 17 Questionnaire (refer Appendix One) to the MFCS and CEO for review.
- Preparing the draft report, including the Regulation 17 Questionnaire (refer Appendix One).
- Submitting a draft and then finalising the report, including all recommendations to CEO and MFCS for review and sign off.
- Submitting a final report to the CEO and MFCS for submission to the FARM.

1.4 Staff Interviewed

During the review interviews were held with:

- Jamie Criddle, Chief Executive Officer.
- Dianne Raymond, Manager Finance and Corporate Services.
- Beau Raymond, Management Accountant.
- Sandy Stock-Sandan, Work, Health & Safety Coordinator.

1.5 Risk Management

Risk management systems and programs are a key expression of the Shire's attitude to effective controls. The CEO's triennial review considered the appropriateness and effectiveness of the Shire's risk management systems and programs and found:

- The Shire has a high-level risk management policy in place with the purpose of enabling the implementation of sound risk management practices and procedures across the Shire, which are understood by staff. This Policy also provides for the integration of risk management practices into the Shire's strategic initiatives and day to day operational business processes.
- The Shire has a Risk Management Framework 2022 (the Framework') which compliments the Risk Management Policy and aligns to the Risk Management Standard.
- Feedback, supported by the commentary in "*Final Internal Audit Report January 2024. LG People & Culture*" indicates that whilst the Policy and Framework set the parameters for an effective risk management system, these parameters are not regularly followed or understood by officers within the Shire

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- The Shire works with LGIS during the annual insurance renewal to consider relevant risk and mitigation in place.
- The Shire actively manages its work, health and safety risks. This includes use of Safe Work Method Statements, Take 5, Work Areas risk assessments, pre-start checks etc. All staff have access to and use SkyTrust through their devices (handheld or PC). Hazards and incidents are logged and investigated.
- Risks relating to fraud and misconduct are mitigated through the application of the Codes of Conduct, Public Interest Disclosure (PID) requirements and the operation of a number of internal controls, etc.

Actioning the recommendations detailed in the Executive Summary and at Appendix One will strengthen the effectiveness of the Shire's risk management systems and programs.

1.6 Internal Control

Internal control is a key component of the Shire's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review considered the effectiveness of the Shire's control framework and found:

- The Shire has systems and procedures in place, which if operating, will ensure an appropriate control environment. For example, monthly fuel inventory count and reconciliation, 3-way matching for purchase and payments, budget management, segregation of duties, monthly reconciliations; system controls and management reporting, etc.
- The Shire has a related party relationship (Manager Finance & Corporate Services to Management Accountant). To address this the Shire has introduced separation of process tasks and authorisations between these two roles, wherever possible and continues to work on further mitigating this. For example (1) the Manager Finance & Corporate Services does not have any IT administrator rights, the CEO approves all system changes; (2) monthly journals are prepared by the Management Accountant, reviewed by the MFCS but signed off by the CEO; (3) upskilling additional resources to enable further segregation of duties.
- The Shire's Code of Conduct provides a guide and a basis of expectations for employees. It encourages a commitment to ethical and professional behaviour and outlines principles in which individual and collective local government responsibilities may be based.
- The Shire's is running a 'People and Culture Improvement Project.' (the Project) The Shire surveyed all staff for their view on this through a survey process. Based on the survey results the Shire's leadership is now working on establishing a more cohesive management style, building strong technical skills. The Project also includes initiatives to establish cross Shire relationships.

Actioning the recommendations detailed in the Executive Summary and at Appendix One will strengthen the effectiveness of the Shire's control framework.

1.7 Legislative Compliance

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. The CEO's triennial review considered the effectiveness of the Shire's compliance programs and found:

- The Shire is committed to good governance practices. Individual managers and officers are responsible for monitoring legislative compliance within their team and addressing any issues identified.
- The Shire's governance and compliance processes provide mechanisms relating to the disclosures of interest.
- The Shire also has a Public Interest Disclosure (PID) Policy to facilitate disclosure of public interest information and protect persons making disclosures and persons that are subject of disclosures. The Shire has a PID officer.
- The 2025 Compliance Audit Return did not record any material non-compliances.

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Actioning the recommendations detailed in the Executive Summary and at Appendix One will strengthen the effectiveness of the Shire's legislative control framework.

The detailed findings and recommendations for each of the above areas are provided in Appendix One.

1.8 Limitations of this report

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected. The conclusions expressed in this report have been formed on this basis.

A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

This report has been prepared for the Shire of Chapman Valley for the purpose of assisting the Shire meet the compliance requirements of Regulation 17 of the Local Government (Audit) Regulations 1996 and may not be suitable for another purpose. We understand this report will be distributed to the FARM.

We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Shire of Chapman Valley and Council or for any purpose other than that for which it was prepared.

Statement of Independence

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of the *Australian Standard on Quality Control* to maintain a comprehensive system of quality control.

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Appendix One

Risk Management			
Risk management systems and programs are a key expression of the Shire of Chapman Valley's (the Shire') attitude to effective controls. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the appropriateness and effectiveness of the Shire's risk management systems and programs in relation to the following criteria:			
Criteria	Issue	Risk Management System and Program	Ref.& Evidence
1	An effective risk management system and material operating risks are appropriately considered	<u>'Enterprise' Risk Management</u> The Shire has a high-level Risk Management Policy in place with the purpose of enabling the implementation of sound risk management practices and procedures across the Shire. This Policy provides for the integration of risk management practices into the Shire's strategic initiatives and day to day operational business processes. The Shire has a Risk Management Framework 2022 (the Framework) which compliments the Risk Management Policy and aligns to the Risk Management Standard. The Framework sets accountability and assigns responsibilities and it includes guidance on assessing risk. Importantly the Framework contains the Risk Criteria and sets the Risk Appetite. The Shire maintains a Risk Register reflecting strategic/operational risks. This was last reviewed in November 2023. Positive elements of the Shire's risk management processes include: • Risk is embedded in Council agenda template. • Related roles, responsibilities and accountability are assigned to CEO, as per Risk Management Policy. • Risk is embedded in the new employee induction process. • Risk assessments are carried out for major projects, as per the Risk Management Framework. For example for the Nabawa Recreation Centre rebuild • Risk is a set item on the Executive Agenda. Staff position description forms (PDFs) reference compliance with Occupational Safety and Health & Risk Management, but do not reference a broader requirement to meet the obligations set under the Risk Management Policy. Feedback, supported by the commentary in "<i>Final Internal Audit Report January 2024. LG People & Culture</i>" indicates that whilst the Policy and Framework set the parameters for an effective risk management system, these parameters are not regularly followed or understood by officers within the Shire. Specifically, the '<i>Corporate</i>' Risk Register was last reviewed in November 2023, but as per the Framework there should be an annual review. <i>The LGIS report '3 Steps to Safety Report'</i> in October 2024 rated the Shire with a Section Achievement Score of 71%. Risk mitigation techniques highlighted in the Report which will reduce work, health and safety risks included (but not limited to): • Induction process covers. • Toolbox and pre-starts. • Annual budget process sessions. • Take 5 sessions for high-risk activities. • Incident reporting.	Sighted: • Final Internal Audit Report January 2024. LG People & Culture • Risk Management Policy CP -017 • Risk Management Policy & risk Management Governance Framework– Governance & Policy Manual • Nabawa Recreation Centre Rebuild Business Plan • LGIS '3 Steps to Safety Report October 2024 • PDF: Finance & Corporate Services Supervisor • PDF: Accounts Payable Officer

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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
		- Training provided and records maintained. While the overall Report score was 71%, the Report also identified 25 Insufficient and 3 Unsatisfactory matters and provided recommendations and general safety matters requiring attention at the Depot. <u>Work Health Safety and Environment</u> The Shire uses a contracted Work Health Safety Coordinator to provide oversight of work, health and safety. This resource is shared with the Shire of Northampton, with a 50% (approx.) time contract in place. The Shire uses the SkyTrust system to log and manage the work, health and safety (and the environment) matters. For example: - The Shire advises all staff are trained to ensure they have valid tickets. E.g. vehicle licenses, chain saw usage, traffic management etc. The currency of these is tracked using SkyTrust. - Individual staff have access to SkyTrust and can log incidents and hazards through their devices (PC or handheld devices). - SWMS are held and updated in SkyTrust. - Risk management assessments are carried out in the Work Areas and are progressively being added into SkyTrust. Key environmental risks mainly relate to the Refuse Site, and a few relate to the Depot. A risk inspection of the Refuse site was carried out in June 2025 with 5 matters raised, which are under improvement consideration. The Shire advises for FY 23/24 and FY 24/25 there were NIL workers' compensation claim. <u>Risk Management Criteria 1 An effective risk management system.... Recommendations</u> - RM 1.1. Policy needs updating to reflect new ISO Standard, AS/NZS ISO 31000:2018 Risk. The Shire should, as part of that process, also review the risk criteria and risk escalation processes / tolerance contained in the Risk Management Framework. - RM 1.2. The risk consequence and likelihood criteria and risk appetite applied are not included in the Shire's Risk Management Policy. Therefore, these should be formally adopted by the Shire and Council (through the Finance Audit & Risk Management Committee (FARM)) and as a minimum contained in Risk Management Framework. - RM 1.3. The Shire should carry out a review to update the Risk Register of November 2023. The outcome should be reported to Council, through the FARM. - RM 1.4. The Shire should reference a requirement to carry out risk assessments for Major Events in the Risk Management Framework. This will assist in ensuring that activities are effectively managed and in line with the levels of risk appetite, or if outside that risk appetite the Shire is fully informed prior to the Major Event. We understand LGIS can assist with setting up such processes. - RM 1.5. The Shire should embark on an education journey to ensure all officers understand and embrace the value of effective risk management and how to escalate any emerging risks. For example: updates on the Intranet, rolling information session at management and staff meetings, quick presentations at Toolbox sessions, etc. - RM 1.6. The Shire should expand PDFs to include a broader obligation to adhere to the requirements of the Risk Management Policy. Refer also <u>Risk Management Criteria 7 An effective internal control system.... Recommendation RM 7.1.</u>	<u>Work, health & safety:</u> - Work Health and Safety Policy (to be adopted) - Refuse Site Inspection Report – Chapman Valley report June 25 - SkyTrust risk matrix - SkyTrust SWMS extract - SkyTrust Take 5 extract - Plant risk events and consequences (generic) - Plant risk events and controls (generic) - Shire Plant risk table (generic) - Process risks in Works & Office (generic)

Risk Management			
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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
2. A current and effective business continuity plan (including IT disaster recovery) which is tested from time to time	Governance Shire's Local Area Emergency Management	The Shire has a formal business continuity plan, dated 2022. However, the Shire has not held a Crisis Exercise to test the business continuity plan or its IT disaster recovery. During the 2021 Cyclone Seroja the Manager Finance and Corporate Services (MFCS) and the Management Accountant processed payroll out of the IT service providers – Integrated Computing Technology (ICT). When emergency power up was operating both activities recommenced in Nabawa. The Shire has a number of locations: the Administrative Office, the Recreation and Community Centre, the Depot and a Refuse site. These are separate, being approximately 20 km apart. In the event that the Administrative Office was not available due to a critical crisis (e.g. cyclone or civil unrest) then key administrative functions could be relocated to the Recreation and Community Centre. To date this type of incident has not arisen. The Shire is a participating member of the Local Emergency Management Committee (LEMC), with the Shire of Greater Geraldton: - The CEO and 2 Elected Members represent the Shire on LEMC. - A LEMC Scenario Exercise was scheduled for June 2025. The Shire advises (September 2025) that the LEMC Manual 2022 has been updated and is with the City of Geraldton (lead authority) for final signoff. Post Cyclone Seroja the State Government made an allocation of funding for a Regional Disaster Recovery Centre to be located in Nabawa. An initial grant fund has been received but to date progress on the Centre has not progressed due to factors beyond the Shire's control. The allocation received will be returned in the event that the Centre does not proceed. <u><i>Risk Management Criteria 2. A current and effective business continuity plan.... Recommendations</i></u> - RM 2.1 The Shire should review the Business Continuity Plan to ensure it is still current and ensure that alternative locations (E.g. Recreation and Community Centre) can operate as an alternative site. - RM 2.2. The Shire should hold a test of its Business Continuity Plan and from then on, on a regular basis.	Sighted: - Business Continuity Response Plan - Batavia LEMC Arrangement Manual
3. A current and effective business continuity plan (including IT disaster recovery) which is tested from time to time	Information Tech.	The Shire operated its information technology in-house until 30 June 2025. Thus up to 1 July 2025 the external service provider, ICT, hosted the Shire's server. Since 1 July 2025 the Shire has transitioned to a 'Contract for the Provision of Managed Services. Shire of Irwin & Shire of Chapman Valley' (the Agreement). The Shire's provider ICT (prior to 30 June 2024) advised the Shire it carried out regular testing of restoring and recovering backup to the current server. During 2021 Cyclone Seroja the Manager Finance and Corporate Services (MFCS) and the Management Accountant were able process payroll out of the service providers - ICT. Since 1 July 2025, under the Agreement, the Shire's server is hosted on the Cloud. The Agreement covers off the following (but does not specifically call for a test exercise) on: - Cloud file Sync & Share. - Cloud Backup. - Backup and Disaster Recovery Appliance.	Sighted: - Business Continuity Response Plan - which includes Information Technology Disaster Recovery - Contract for the Provision of Managed

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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
		From 1 July 2026 the Shire will move to utilizing the Oracle software. At a broader level the Shires of Irwin and Chapman are forming a not-for-profit entity, with a view to eventually bring in other Local Governments into the arrangement; to not only access Oracle software but also with a view to sharing resources (e.g. finance or work health& safety or human resources etc.). <u>Risk Management Criteria 3 A current and effective business continuity plan (including IT disaster recovery) ... Recommendations</u> - RM 3.1. The Shire should hold a Crisis Exercise with a scenario including a critical IT /data failure or breach. - RM 3.2. The Shire should test the planned backup and recovery procedures as per the Agreement and ensure that these are effective.	Services. Shire of Irwin & Shire of Chapman Valley Nexia Australia IT General Controls Questionnaire 30 June 2025
4.	Internal processes for determining and managing material operating risks in accordance with the Shire's identified tolerance for risk, particularly in the following areas: a) Potential non-compliance with legislation, regulations and standards and the Shire's policies b) Important accounting judgments or estimates that prove to be wrong	Governance <u>Potential non-compliance with legislation, regulations and standards and the Shire's policies</u> Overall, individual officers are responsible for monitoring legislative compliance within their team and addressing any issues identified. The 2023 and 2025 CAR did not note any non-compliance. The 2024 CAR noted a delay in the OAG opinion, but that had been pre-approved by Minister. Refer also <u>Legislative Compliance Criteria 1 Monitoring compliance with legislation and regulations</u> Finance <u>Important accounting judgments or estimates that prove to be wrong:</u> Monthly financial reporting is reviewed by MFCS & Management Accountant. The Shire is subject to audit by the Office of the Auditor General (OAG). The annual external audit confirms accounting estimates/ treatments are appropriate and compliant. Such matters would be addressed during the audit process.	Sighted: Finance Policy, Procedures and Guidelines Manual

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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
c) Litigation and claims	Governance Finance Human Resources	<u>Risk Management Criteria 4(b) Important accounting... Recommendation</u> RM 4(b).1. Consider broadening the procedures in the Finance Policy, Procedures and Guidelines Manual to cover off on key accounting and finance processes. For example: setting up suppliers, purchasing, month end reconciliations, payroll process, rate process, budget (annual, mid-year and monthly) process etc. <u>Litigation and claims</u> The Shire has Policy CP- 004 in place should Elected Members or employees wish to seek legal representation. The Shire has not had to enact its Employer Protection Liability insurance policy. If the Shire received a threat of potential litigation, it would seek advice from LGIS. If necessary, legal advice is sought from a law firm via the WALGA panel of law firms. The Shire had a formal agreement with the Northampton and Shark Bay Shires for Environmental Health. This fell away and the Shire advises that in September 2025 it engaged a qualified external contractor to resource the environmental health functions. The Shire has a Building Surveyor and a contract Work, Health and Safety resource. As required the Shire may issue notices for breaches of building and health regulations. The Shire's Building Surveyor has a practitioner's license from the Department of Mines. The Shire strives to work with the parties to achieve a positive (i.e. corrective) action. Shire Rangers are Authorised officers and as such can issue licenses and raise fines for breaches of local laws.	Sighted: Policy CP-004 Legal Representation Cost Indemnification
d) Misconduct, fraud and theft	Governance Human Resources Health & Safety	<u>Misconduct, fraud and theft</u> The Shire is committed to minimising where possible, the risk of fraud and has a zero tolerance to fraud. Practices in place to reduce the risk of misconduct, fraud and theft include: - The Shire's Code of Conduct is incorporated into all new employees training. - Copies of all credit card transactions (only the CEO and Deputy CEO hold credit cards) are included in the monthly financial report to the Council. - Unique login and 2 factor authentication. - Applications for new accounts are vetted by EFTSure, providing a degree of operational independence. These are initiated by the Accounts Payable Officer, reviewed and approved by the MFSC (who does not have system access), then entered into the system by the Accounts Payable Officer. The same process is followed for changes to supplier's details. - Segregation of duties is practiced to extent possible given the size of the Shire. - The Shire continues to address the <u>related party relationship</u> – the Management Accountant is the son of MFCS. For instance, the Shire is up skilling the Finance Officer (e.g. preparation of the bank reconciliation) to improve separation of duties. Monthly journals are prepared by the Management Accountant, reviewed by the MFCS but signed off by the CEO. The Shire does not have a history of fraudulent events. The Shire does not have a history on thefts by employees. The Shire did not note any fraud or integrity matters in the Public Sector Commission Integrity & Conduct Survey 2024.	Sighted: 2025 PSC Integrity and Conduct Collection return Code of Conduct – employees and Contractors

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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
e)	Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the Shire	<u>Risk Management Criteria 4(d) Misconduct, fraud and theft... Recommendation</u> - RM 4(d). 1. The Shire should develop a Fraud Corruption and Misconduct Policy and supporting Procedures and Guidelines and an Integrity Framework. This can be used as a practical tool to strengthen and support the Shire's commitment to ethical practices. - RM 4(d). 2. All new employees should be required to sign that they will comply with the obligations set in the Code of Conduct. SkyTrust could be used to facilitate this. • <u>Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the Shire</u> Refer also <u>Risk Management Criteria 1 An effective risk management system</u> regarding control processes relating to Work, Health, Safety and Environment risks. The Shire's sites are the Administration office, the Depot, the Refuse Site and the Recreation and Community Centre. Key environmental risks mainly relate to the Refuse Site and a few to relate to the Depot. A risk inspection of the Refuse site was carried out in June 2025, with 5 matters raised which are under improvement consideration. The Works & Services Policy, Procedures & Guidelines Manual does contain guidance on working with in the Shire but does not specifically cover environmental risks. Currently, neither the Shire's Risk Register November 2023 does not fully consider key operational environmental risks. Noting that the Works, Health & Safety Risk Register does record several environmental hazards. <u>Risk Management Criteria 4(e) Significant business risk..... Recommendations</u> - RM 4(e). 1. The Shire should review the Works & Services Manual to ensure it appropriately addresses environmental risks and how to manage them operationally. - RM 4(e). 2. When the Shire conducts the annual review of strategic/operational risk (Refer Risk Management Criteria (1)) ensure that environmental risk is specifically considered and assessed. This is to ensure such risks are managed within the set risk tolerances.	Sighted: - Refer list above at RM Criteria 1 - Works & Services Policy, Procedures & Guidelines Manual - SoCV Risk Register November 2023 - Works, Health & Safety Risk Register - LGIS '3 Steps to Safety' Report October 2024

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5.	Regular risk reports, which identify new risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported	Governance	In accordance with the statutory regulations Council, through the FARM receive: • The annual Compliance and Audit Return. • The triennial Regulation 5 report. • The Auditor General's annual opinion on the financial statements and annual management letter. • The President meets with the Auditor General's representative in an audit entrance and exit interview with management. These serve to advise the Shire and Council, as relevant, of risks which emerge as part of the Shire's business as usual activities, such matters should these eventuate would be reported in writing by the Executive team The Dry Kirkness Financial Management Review Report 2023 (Regulation 5) identified 19 recommendations (2 Significant, 13 Moderate, 2 Minor). Eleven have been actioned, 4 are a work in progress (one significant- relates to Workforce Plan being out of date but is now being reviewed) and 4 are outstanding (3 moderate and one minor). These recommendations should be actioned as a priority. The triennial Regulation 17 Review includes commentary on the appropriateness/effectiveness of the Shire's Risk management systems, internal control and legislative compliance. The 2019 Regulation 17 Report did not (refer OAG finding below) address all these areas. A full process to address all the areas as subsequently started in May 2025 (this report). <u>OAG Report Dec 24</u> <i>"Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)</i> <i>During the year, the Shire engaged an external consultant LG People and Culture, to conduct an internal audit for purpose of meeting the requirements of Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17). This regulation requires the CEO to review the appropriateness and effectiveness of the local government's systems and procedures around risk management, internal control and legislative compliance at least every 3 financial years.</i> <i>From our review of the consultant's final report provided to the Shire (dated January 2024), we noted the consultant's review did not meet all the requirements of Regulation 17. Specifically, the following requirements were not met:</i> • <i>Review of the risk management system policies, procedures and plans in place at the Shire;</i> • <i>Evaluation of the non-financial/operational internal controls systems and procedures at the Shire; and</i> • <i>Assessment of the systems and procedures for maintaining legislative compliance.</i> <i>We further note that the Shire did not identify this issue nor perform its own review to meet the legislative requirements.</i> Refer also <u>Risk Management Criteria 1 An effective risk management system....</u>	Sighted: • Final Internal Audit Report January 2024. LG People & Culture • Dry Kirkness Financial Management Review Report (Regulation 5) February 2023 • Auditor General's Independent Audit Report 2024 (Opinion and management letter)
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Risk Management			
Risk management systems and programs are a key expression of the Shire of Chapman Valley's (the Shire') attitude to effective controls. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the appropriateness and effectiveness of the Shire's risk management systems and programs in relation to the following criteria:			
Criteria	Issue	Risk Management System and Program	Ref.& Evidence
5. con td. Continued: Regular risk reports, which identify new risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported		<u><i>Risk Management Criteria 5 Regular risk reports..... Recommendations</i></u> • RM 5.1. The Shire should introduce a formal process to identify and assess its 'corporate' risk profile'. This should be complemented by regular monitoring and reporting of any changes to both the Executive and FARM/Council in accord with the defined risk appetite and reporting processes detailed in the Risk Management Framework. • RM 5.2. To increase the visibility of improvements in place address any agreed risk mitigations identified from the above processes. • RM 5.3. The Internal Audit Report January 2024. LG People & Culture contained recommendations. These should be formally revisited to ensure the Actions Required have taken and if not action them accordingly. • RM 5.4. The Dry Kirkness Financial Management Review Report 2023 outstanding recommendations should be revisited and addressed as a priority; and recorded in an Audit Actions Register. • RM 5.5. We recommend the Shire introduce an Audit Actions Register. This should be a Register to record recommendations arising from the <u>above</u> reports and any other similar/relevant reports. This Register should include agreed actions and assigned responsibilities. The status of these should be followed regularly by management and the status reported formally to the FARM (6 monthly). • RM 5.6. The Shire should formally report the outcomes of a 'corporate risk profile' assessment process to the FARM. (Refer <u><i>Risk Management Criteria 1 – Recommendation</i></u>). Thereafter, the Shire should conduct regular risk profile reviews and report the outcomes to the FARM and/or Council. Refer also <u><i>Risk Management Criteria 7 An effective internal control system..... Recommendation</i></u>.	
6. Adequate processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance	Finance	The Shire carries a comprehensive suite of insurance policies with LGIS. As part of the premium setting process JLT (LGIS) takes into consideration the Shire's various risk management practices and its risk migration and contingency management practices.	Sighted: • Insurance Renewal Reports June 2024

Shire of Chapman Valley
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7.	An effective internal control system with management and internal and external auditors	Finance Governance	The Shire advises of a number of processes and practices, which if operating effectively should collectively provide an effective control system. These include: • Limit of direct physical access to assets and records: access to Administration Building secured by locks and swipe card for access and Records system has an access hierarchy (restricting access level) • Control of computer applications access and information system standards. • Computer access: officer's access' approved by the direct report, approval and review by MFCS (no system access), previously by ICT but now under the Agreement by the Shire of Irwin, set up new users' access, Management Accountant sets up individual in necessary systems. • Limited access to make changes in data files and systems. • Segregation of duties to extent possible: Payroll/suppliers/Purchasing/Payments/ Monthly and Year End Accounting. • Monthly fuel inventory count and reconciliation with accounting records. • Procurement policy and internal purchasing procedures. • 3-way matching for purchase and payments. • 2 factor authorisation for bank payments. Bank has set an upper transactional limit. • Bank reconciliations are performed Management Accountant, reviewed by MFCS and submitted to Council a part of the monthly financial report to Council. • Monthly reviews of all financial subsidiary ledgers by MFCS. • System generated audit trails are produced quarterly by the Management Accountant and reviewed and signed off by the CEO. • Monthly financial reporting to the Council, with variance analysis. • Annual and mid-year budget review process. The Shire's formal audit regime comprises: • OAG - external audit of financial statements for FY 2023/24 was unqualified. • The OAG's management letter for FY 2023/24 noted 2 moderate issues – Non-Compliance with Local Govt (Audit) Regulations 1996 Reg. 17 (now being addressed) and Corporate Credit Card Statement Not Approved (reported in prior year but now resolved). • Annual Compliance Audit Return. For 2025 no material non-compliances were reported. <u>Risk Management Criteria 7 An effective internal control...Recommendation</u> RM 7.1. The Shire should include the actions being taken to address the identified internal control matters in the Audit Actions Register, so that their resolution may be monitored by both Management and the FARM. The Shire does not have an in-house internal audit function, but periodically seeks the assistance of external service providers, latterly in 2023. However, the 2023 internal audit identified there is no formal system to assigning responsibility for or tracking the status of implementing audit recommendations. <u>Refer also Risk Management Criteria 5 Regular risk reports..... Recommendation</u> regarding establishing a process for reporting on Audit Actions. Failing to address these in a timely manner creates a potentially significant control risk control risk to the Shire.	Sighted: • Final Internal Audit Report January 2024. LG People & Culture • Dry Kirkness Financial Management Review Report (Regulation 5) February 2023 • FARM Minutes 14 Dec 22 and tabling of Dry Kirkness report • Auditor General's Independent Audit Report 2024 (Opinion and management letter) • CARs 2023, 2024 and 2025 • Quarterly Audit Trail Reports FY 25 (GL, payroll & supplier)
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Shire of Chapman Valley
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Risk Management			
Risk management systems and programs are a key expression of the Shire of Chapman Valley's (the Shire') attitude to effective controls. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the appropriateness and effectiveness of the Shire's risk management systems and programs in relation to the following criteria:			
Criteria	Issue	Risk Management System and Program	Ref.& Evidence
8. Management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk	Finance	The Shire has a formal month end process, which includes a review of budget versus actual: - The Management Accountant carries out accounting month end process, including the monthly reconciliations. These are reviewed by MFCS and submitted to Council as part of the monthly financial reports. - The MFCS conducts an internal program budget to actual review, with variances raised with the budget holder and explanations recorded. - All material variances of budget to actual line items greater are explained in on a quarterly basis to Council. - Any material variance is raised in the monthly financial report submitted to Council. - The Shire has a regulatory obligation to conduct a midyear budget review. This is reported to Council for approval. - On a monthly basis prepare an Aged Debtors report which is submitted to Council, with commentary of any issues. Noting as at 30 April 2025 Trade and Other Receivables was \$314,581. The Shire is subject to audit by the OAG, as part of that the annual external audit process confirms accounting estimates/treatments are appropriate and compliant. Such matters should be addressed during the audit process.	Sighted: - Finance Policy, Procedures & Guidelines Manual - OCM 15 Aug 24 Annual Budget tabled - OCM minutes 20 Mar 25 Mid-year Budget review - OCM 22 May 2025 Minutes- Attachments - OCM 21 November 2024 Minutes - Attachments
9. A procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are applied	Procurement	The Shire's Purchasing Policy commits to fair and equitable purchasing processes and to probity and integrity. Additional aspects of the Policy include: - Formal guidance on calling verbal versus written quotes. - Option to set up a panel of preferred suppliers, with market retesting every 3 years. - Items above \$250,000 are subject to the tender process. - Use of WALGA panel of preferred suppliers. The 2025 Compliance Audit Return and the OAG June 2024 Audit Opinion did not report any issues relating to probity or transparency. The 2025 PSC Integrity and Conduct Collection return did not record any procurement integrity issues.	Sighted: - CP-024 Purchasing Policy 2025 PSC Integrity and Conduct Collection return 2025 CAR - Auditor General's Independent Audit Report 2024 (Opinion and management letter)

Risk Management			
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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
10. Should the need arise, the Audit and Risk Committee meet periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the Shire's control environment	Finance Governance	The Office of the Auditor General (OAG) with Nexia (contracted auditor) attend formal entrance and exit meeting with the President and with FARM. Regulatory reports arising from OAG - external audit; the annual Compliance Audit Return, the triennial Regulation 5: Financial Systems; and Procedures and Regulation 17 Systems and Procedures are submitted to FARM in accordance with regulatory obligations. The FARM may ask for clarification of any matters in these reports.	Sighted: - FARM 23 Dec 24 - OAG opinion tabled. - OCM Minutes for CAR Mar 25
11. Fraud and misconduct risks have been identified, analysed, evaluated, and have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks	Governance	The Shire's Risk Register (updated November 2023) records the risk of (1) Misconduct - Moderate residual risk level and (2) External Theft and Fraud - Low residual risk level. The Shire does not have a Fraud, Corruption and Misconduct Policy. The Shire's Code of Conduct is the model code, in compliance with the Local Government Regulations. Incidents arising may be reported to the nominated Complaints Officer. Complaints may also be reported to the Corruption and Crime Commission or the Public Sector Commission. The Shire's annual Public Sector Commission (PSC) 2025 PSC Integrity and Conduct Collection return did not record any fraud or misconduct matters. The Shire is committed to minimising the risk of fraud where possible and has a zero tolerance to fraud. The Shire has a number of controls in place to mitigate and manage the risks of fraud, corruption and misconduct on an ongoing basis. To assist in this the Shire carries out as much segregation of duties, as is practical given the size of the Shire, and has the following mitigations in place: - Payroll prepared by independent Officer who can only process payroll (including loading new employees). The payroll is checked by MFCS, then signed off by the CEO prior to release of payments. - Banking there are only 3 authorised signatories. All transactions require 2 signatories (with use of password and token). - Bank reconciliations are performed Management Accountant, reviewed by MFCS but signed off by the CEO. - Changes to supplier bank account details (and new accounts) are managed externally by EFTSure, with a report received on any new accounts or changes for the month. This report is signed off by the MFCS. - The Shire has unique logon IDs and 2 factor authentication for IT system access. - The Shire's server was hosted with an external provider, ICT. From 1 July 2025 the Shire commenced a hosting arrangement with the Shire of Irwin, which hosts the Shire's server in the Oracle cloud. This should provide for stronger segregation as the Shire will not have access to server, and it will also have stronger levels of cyber security. - Cash transactions over the counter are minimal. At end of day cash on hand (Administrative Office) is counted by 2 officers). - The Management Accountant carries out accounting month end process, including the monthly reconciliations. These are reviewed	Sighted: 2025 PSC Integrity and Conduct Collection return SoCV Risk Report Nov 23

Risk Management			
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Criteria	Issue	Risk Management System and Program	Ref.& Evidence
		- by MFCS but signed off by CEO. Refer also RM 7 above for further controls. <u>Risk Management Criteria 11 Fraud and misconduct risks have been identified...Recommendation</u> - RM11.1. When the Shire carries out its planned corporate risk review it should ensure potential fraud and misconduct risks are still properly described and assessed.	

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Internal Control																			
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Criteria	Issue	Internal Control	Ref.& Evidence																
1.	Integrity and ethics	Governance Compliance with the Shire’s Code of Conduct - Employees and Contractors is a primary obligation of all employees. The Shire’s Code of Conduct - Employees and Contractors is incorporated into all new employees’ induction and is also available on the Shire’s website. The Shire’s Purchasing Policy calls for a commitment to probity and integrity; and the highest standards of ethics and integrity. As per: <u>Risk Management Criteria 4. Internal processes for determining and managing ...Recommendation RM 4(d).1.</u> should develop a Fraud, Corruption and Misconduct Policy. <u>Risk Management Criteria 4. Internal processes for determining and managing ...Recommendation RM 4(d).2.</u> All new employees should be required to sign they will comply with the obligations set in the Code of Conduct.	Sighted: - Code of Conduct - Employees and Contractors - Policy CP-024 Purchasing																
2.	Policies and Delegated Authority	Governance The Shire has a suite of policies and procedures, which are available on its website: <table border="1"><thead><tr><th>Description</th><th>Date of Last Review</th></tr></thead><tbody><tr><td>Organisational Corporate Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>Elected Member Governance Policy & Procedures Manual</td><td>June 2025</td></tr><tr><td>Planning and Development Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>HR Induction and Guidelines Manual</td><td>April 2024</td></tr><tr><td>Finance Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>Works and Services Policy, Procedures and Guidelines Manual</td><td>April 2024</td></tr><tr><td>Building & Projects Policy, Procedures and Guidelines Manual</td><td>June 2025</td></tr></tbody></table> The Shire maintains a Delegated Authority register, approved by Council on 28 April 2025. However, the version on the website is for 2022. <u>Internal Controls Criteria 2 Policies and Delegated Authority – Recommendation</u> IC 2.1 The Shire should update the Delegations Register 2022 on its website with the approved Delegations Register 2025.	Description	Date of Last Review	Organisational Corporate Policy, Procedures & Guidelines Manual	June 2025	Elected Member Governance Policy & Procedures Manual	June 2025	Planning and Development Policy, Procedures & Guidelines Manual	June 2025	HR Induction and Guidelines Manual	April 2024	Finance Policy, Procedures & Guidelines Manual	June 2025	Works and Services Policy, Procedures and Guidelines Manual	April 2024	Building & Projects Policy, Procedures and Guidelines Manual	June 2025	Sighted: - Policy Procedures & Guidelines Manuals (various) on website - Delegated Authority Register 2022 on website - Delegated Authority Register 2025 - OCM Minutes 28 April 2025
Description	Date of Last Review																		
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Internal Control			
Internal control is a key component of the Shire's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's control framework in relation to the following criteria:			
Criteria	Issue	Internal Control	Ref.& Evidence
3. Levels of Responsibilities and Authorities	Governance	Powers and duties and associated responsibilities from a statutory point of view are defined by the Shire's Delegated Authority register. All roles are guided by a formal Position Description which sets out the position's responsibilities. <i>Also refer <u>Internal Control Criteria 2.1: Policies and Delegated Authority ...Recommendation IC 2.1.</u></i>	Sighted: - PDF: Finance & Corporate Services Supervisor - PDF: Accounts Payable Officer
4. Audit practices	Finance Governance	The Shire's audit practices are overseen by the FARM. Auditing is conducted in line with legislative requirements. This includes: - The annual Compliance Audit Return. - The triennial Regulation 5 report. - The triennial Regulation 17 report. - Annual audit by the OAG on the annual financial statements. <u>Internal Controls Criteria 4: Audit Practice. Recommendation</u> - IC 4.1. The Shire's FARM does not currently have a term of reference (TOR). The TOR is an important means for defining governance and accountability. The Shire should develop a TOR, which will be submitted to Council for approval - IC 4.2. The Shire should ensure that for FY 26 onwards it meets the recent legislative requirements Local Government Amendment Act 2024 regarding audit committees (now badged as Audit, Risk and Improvement Committees).	Sighted: - The Auditor General's Independent Audit Report 2024 (Opinion and management letter) - FARM 23 Dec 24 - OAG opinion tabled 2025 FARM March 2025 minutes
5. Information system access and security	Information Technology Records Management	The Shire does not have an Information Technology policy. The Shire's provider ICT, prior to 30 June 2025 advised the Shire it carries out regular testing of restoring and recovering backup to the current server. Up till 1 July 2025 the external service provider, ICT, hosted the Shire's server. During 2021 Cyclone Seroja the Manager Finance and Corporate Services (MFCS) and the Management Accountant were able process payroll out of the service providers - ICT.	Sighted: - Contract for the Provision of Managed Services. Shire of Irwin & Shire of Chapman Valley - Nexia Australia IT General Controls Questionnaire

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Internal Control				
Internal control is a key component of the Shire's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's control framework in relation to the following criteria:				
Criteria		Issue	Internal Control	Ref.& Evidence
			Since 1 July 2025 under the Agreement the Shire's server is hosted on the Cloud. The Agreement covers off the following (but does not specifically call for test exercise) on: • Cloud file Sync & Share. • Cloud Backup. • Backup and Disaster Recovery Appliance. From 1 July 2026 the Shire will move to utilizing the Oracle software. At a broader level the Shires of Irwin and Chapman are forming a not-for-profit entity, with a view to eventually bring in other Local Governments into the arrangement; to not only access Oracle software but also with a view to sharing resources (e.g. finance or work health& safety or human resources etc.). Logins IDs are unique to each officer and system access requires Two Factor Authentication. <u>Internal Control 5 Information System Access and Security... Recommendation</u> IC 5.1 The Shire should develop an Information Technology Policy, Procedures and Guidelines Manual, which provides the overarching setting for system access and security with appropriate access and usage.	30 June 2025
6.	Management operating style	Human Resources	The Shire's Code of Conduct Employees and Contractors provide a guide and a basis of expectations for employees. It encourages a commitment to ethical and professional behaviour and outlines principles in which individual and collective Local Government responsibilities may be based. All employees sign off that they will comply with the Code of Conduct. The Shire's is running a 'People and Culture Improvement Project.' (the Project) The Shire surveyed all staff for their view on this through a survey process. Based on the survey results the Shire's leadership is now working on establishing a more cohesive management style, building strong technical skills. The Project also includes initiatives to establish cross Shire relationships. Refer also <u>Internal Control Criteria 10 Trained and Qualified Employees</u>	Sighted: • Code of Conduct Employees and Contractors
7.	Human resource management and practices	Human Resources	The CEO and MFCS take responsibility for human resources practices. All new staff receive a formal induction into the organisation. which is facilitated in part by SkyTrust. The Shire undertakes to ensure all staff are appropriately qualified. All staff are trained, as required, to ensure they have valid tickets. E.g. vehicle licenses, chain saw usage, traffic management etc. Records of this are stored in the SkyTrust software, which includes an automated renewal follow-up. Refer also <u>Internal Control Criteria 6. Management Operating Style</u>	Sighted: • Sample Shire of Chapman Valley - Induction Part B

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Criteria	Issue	Internal Control	Ref.& Evidence																
8. Delegation of Authority	Governance	The Shire maintains a Delegated Authority register, which was reviewed and approved by Council on 28 April 2025. The version on the website is for 2022. <i>Refer <u>Internal Controls Criteria 2.1. Policies and Delegated Authority... Recommendation</u></i>	Sighted: - Delegated Authority Register 2022 on website - Delegations Register 2025																
9. Documented Policies and Procedures	Governance	The Shire has documented: <table><tr><th>Description</th><th>Date of Last Review</th></tr><tr><td>Organisational Corporate Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>Elected Member Governance Policy & Procedures Manual</td><td>June 2025</td></tr><tr><td>Planning and Development Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>HR Induction and Guidelines Manual</td><td>April 2024</td></tr><tr><td>Finance Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>Works and Services Policy, Procedures and Guidelines Manual</td><td>April 2024</td></tr><tr><td>Building & Projects Policy, Procedures and Guidelines Manual</td><td>June 2025</td></tr></table> <i>Refer also:</i> <i><u>Internal Control Criteria 2: Policies and Delegated Authority Recommendation IC 2.1</u></i> <i><u>Internal Control Criteria 5: Information System Access and Security. Recommendation IC 5.1</u></i>	Description	Date of Last Review	Organisational Corporate Policy, Procedures & Guidelines Manual	June 2025	Elected Member Governance Policy & Procedures Manual	June 2025	Planning and Development Policy, Procedures & Guidelines Manual	June 2025	HR Induction and Guidelines Manual	April 2024	Finance Policy, Procedures & Guidelines Manual	June 2025	Works and Services Policy, Procedures and Guidelines Manual	April 2024	Building & Projects Policy, Procedures and Guidelines Manual	June 2025	Sighted: Policy Manuals (various)
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Building & Projects Policy, Procedures and Guidelines Manual	June 2025																		
10. Trained and qualified employees	Human Resources	The Shire undertakes to ensure all staff are appropriately qualified and trained: - All staff are trained, as required, to ensure they have valid tickets. E.g. vehicle licenses, chain saw usage, traffic management etc. This is recorded and tracked in SkyTrust. - Registers of training are maintained. <i><u>Internal Controls Criteria 10 Trained and qualified employees... Recommendation IC10.1</u></i> - IC 10 All officers should receive an annual performance review, which could also identify further training needs.																	
11. System controls	Information Technology	System access is role based and intended to provide as much segregation, as is practical. Requests for system user access go through an approval process. As a control there is only one IT Administrator – Management Accountant, who can make changes to users. The MFCS does not have administrator access. If required a user log was maintained by the Shire’s managed services provider ICT.	Sighted: Report on Regulation 5 Financial Systems and																

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Criteria		Issue	Internal Control	Ref.& Evidence																		
			The user access and system control arrangement post 1 July 25 changed whereby the Shire transitioned to a hosting arrangement (Oracle) with the Shire of Irwin. Other controls noted include: - Control of computer applications access. - Computer access: officers approved by the direct report, approval and review by MFCS (no system access), formerly by ICT but now by the Shire of Irwin under the Agreement, set up new users’ access (as for FY 25) Management Accountant (only officer with administrator access) sets up individual in necessary systems. - Limited access to make changes in data files and systems. - System generated audit trails are produced quarterly by the Management Accountant and reviewed and signed off by the CEO. - All new suppliers are vetted externally by EFTSure prior to being approved as creditor. - Changes to supplier bank account details (and new accounts) are managed externally by EFTSure, with a report received on any new accounts or changes for the month. This report is signed off by the MFCS. - The Shire has unique logon IDs and 2 factor authentication for IT system access. The following are noted: - The Regulation 5 Financial Systems and Procedures 2023 (February 2023) found a ‘<i>generally sound control environment.</i>’ - The OAG - external audit of financial statements for FY 2023/24 - was unqualified. - The OAG’s management letter for FY 2023/24 contained two moderate matters regarding ‘signing of’ on corporate credits cards (now addressed) and a need for a rigorous Regulation 17 Review, which is now in progress (this report). - The annual Compliance Audit Return 2025 did not note any material control weakness. Refer also: <u><i>Risk Management Criteria 7: An effective internal control system.... Recommendation</i></u> <u><i>Internal Control Criteria 5: Information system access and security... Recommendation</i></u>	Procedures 2023 - OAG Audit opinion FY 2023/2024 - Contract for the Provision of Managed Services. Shire of Irwin & Shire of Chapman Valley - Nexia Australia IT General Controls Questionnaire 30 June 2025																		
12.	Effective Policy and Process Review	Governance	The Shire has a comprehensive suite of Policy Manuals available on its website, which indicates all have been recently reviewed: <table><thead><tr><th>Description</th><th>Date of Last Review</th></tr></thead><tbody><tr><td>Organisational Corporate Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>Elected Member Governance Policy & Procedures Manual</td><td>June 2025</td></tr><tr><td>Planning and Development Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>HR Induction and Guidelines Manual</td><td>April 2024</td></tr><tr><td>Finance Policy, Procedures & Guidelines Manual</td><td>June 2025</td></tr><tr><td>Works and Services Policy, Procedures and Guidelines Manual</td><td>April 2024</td></tr><tr><td>Building & Projects Policy, Procedures and Guidelines Manual</td><td>June 2025</td></tr><tr><td></td><td></td></tr></tbody></table>	Description	Date of Last Review	Organisational Corporate Policy, Procedures & Guidelines Manual	June 2025	Elected Member Governance Policy & Procedures Manual	June 2025	Planning and Development Policy, Procedures & Guidelines Manual	June 2025	HR Induction and Guidelines Manual	April 2024	Finance Policy, Procedures & Guidelines Manual	June 2025	Works and Services Policy, Procedures and Guidelines Manual	April 2024	Building & Projects Policy, Procedures and Guidelines Manual	June 2025			Sighted: Policy Manuals on website
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Criteria	Issue	Internal Control	Ref.& Evidence
13. Regular internal audits	Finance Governance	The Shire does not have an internal audit function.	
14. Documentation of risk identification and assessment	Governance	Refer <u><i>Risk Management Criteria 1: An effective risk management</i></u>	
15. Separation of roles and functions, processing and authorisation	Finance Governance	From a statutory point of view, delegations and authorisations are in place and structured to ensure that a suitable line of reporting and separation of duties is present. In some instances, this is dictated by legislation with conditions placed on certain delegations and authorisations. All roles are guided by a formal Position Description which sets out the position's responsibilities. As part of the New Starter process the managers define what level of access the position requires. This in turn is 'signed off' by the MFCS before being actioned by ICT (formerly) and now in accordance with the Agreement. Then the Management Accountant sets up system access. The Shire separates the following activities within its accounting systems: • Payroll is prepared by a Payroll Officer, who also loads new employees, this is checked by MFCS. The Payroll run is reconciled by Payroll Officer, checked by MFCS and CEO to then authorise payment. Payment is subject to the banking controls • There is separation of roles for human resources/payroll; account processing/bank reconciliation, accounting services/financial statement preparation. • Bank reconciliations are performed Management Accountant, reviewed by MFCS and submitted to Council as part of the monthly financial reports. • New suppliers and changes to suppliers' details are vetted by an external party (EFTSure). • The Management Accountant carries out accounting month end process, including the monthly reconciliations. These are reviewed by MFCS. Refer also: • <u><i>Risk Management Criteria 7 An effective internal control system....</i></u> • <u><i>Internal Controls Criteria 11 System controls</i></u> • <u><i>Internal Control Criteria 5 Information system access and security... Recommendation IC 5.1</i></u>	Sighted: • EFTSure Agreement. February 2024

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Criteria	Issue	Internal Control	Ref.& Evidence
16. Control of approval of documents, letters and financial records	Governance Records Management Finance	The Shire aims to comply with the State Records Act regarding documents, letters and financial records. All outgoing and incoming correspondence is stored on the Shire's server. If necessary, physical copies are retained. Sensitive or critical documents can be held in the Strong Room at the Administrative Office.	
17. Comparison of internal data with other or external sources of information	Finance	MyCouncil on the DLGSCI website provides for comparison of financial health data across the Councils. The Shire's data is available on MyCouncil.	Sighted: • DLGSCI website My Council (Shire of Chapman)
18. Limit of direct physical access to assets and records		The Administrative Building is secured by keys and a swipe system. Sensitive documents are stored in safes inside the strong room at the Administrative Office room, with access only granted on approval (key access) of CEO or MFCS. The Shire maintains a Register of who accesses the strong room. The Shire's 'old' records are currently held locked offsite at the Depot, in a locked, air-conditioned sea container. The Shire does a monthly reconciliation for diesel fuel held at Depot.	
19. Control of computer applications and information system standards	Information Technology	The Shire's computers are set up with virus scanners. All computer data is backed up and backups are stored offsite by ICT, prior to 30 June 2025 From 1 July 2025 under the Alliance Agreement the Shire of Irwin 'host' the Shire's servers. All employees are required to comply with the Shire's Code of Conduct - Employees and Contractors, which addresses usage of information and information systems. <u>Refer also <i>Internal Controls Criteria 11 System controls</i></u> <u><i>Internal Controls Criteria 19. Control of computer applications...Recommendation</i></u> • IC 19.1. Expand the Shire's Code of Conduct - Employees and Contractors to require employees' and contractors' usage of information and information systems to only be for appropriate and secure professional purposes. For instance: <u><i>Information and Communication Technology (ICT) Usage</i></u> <i>Employees must use local government ICT systems - Including computers, email, internet, and mobile devices - ethically, responsibly, and for legitimate work purposes. This includes:</i> ○ <i>Protecting confidentiality.</i>	Sighted: • Code of Conduct of Employees and Contractors

Shire of Chapman Valley
Audit Regulation 17 - Systems and Procedures Review - 2025

Internal Control			
Internal control is a key component of the Shire's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's control framework in relation to the following criteria:			
Criteria	Issue	Internal Control	Ref.& Evidence
		○ <i>Avoiding misuse.</i> ○ <i>Maintaining security.</i> ○ <i>Respecting intellectual property.</i> ○ <i>Monitoring and compliance.</i>	
20.	Limit of access to make changes in data files and systems	Information Technology Other programs User access is restricted according to the role being performed. Currently, administration access is restricted to the Management Accountant. System generated audit trails are produced quarterly by the Management Accountant and reviewed and signed off by the CEO. Refer also <u><i>Internal Controls Criteria 11 System controls</i></u>	
21	a) Regular maintenance and review of financial control accounts and trial balances b) Comparison and analysis of financial results with budgeted amounts	Finance a) <u>Regular maintenance and review of financial control accounts and trial balances</u> The Shire conducts regular monthly reconciliations of the trial balance to the sub ledgers and to the general ledger. This task is performed by the Management Accountant, as part of the month end process. These highlight any variances in their report to the Shire. Refer also: • <u><i>Risk Management Criteria 1 An effective risk management system...</i></u> • <u><i>Risk Management Criteria 7: An effective internal control system...</i></u> b) <u>Comparison and analysis of financial results with budgeted amounts</u> The Shire has a structured month end process, which includes a review of budget versus actual: • The MFCS conducts an internal program budget to actual review, with variances raised with the budget holder and explanations recorded. • All material variances of budget to actual line items greater are explained in on a quarterly basis to Council. • Any material variance is raised in the monthly financial report submitted to Council. • The Shire has a regulatory obligation to conduct a midyear budget review. This is reported to Council for approval. • On a monthly basis prepare an Aged Debtors report which is submitted to Council, with commentary of any issues. Noting as at 30 April 2025 Trade and Other Receivables was \$314,581. The Shire is subject to audit by the OAG. The annual external audit confirms accounting estimates / treatments are appropriate and compliant. Such matters would be addressed during the audit process.	Sighted: • Finance Policy, Procedures & Guidelines Manual • Council Meeting May 2025 Monthly Financial Report (Attachment)

Shire of Chapman Valley
Audit Regulation 17 - Systems and Procedures Review - 2025

Internal Control			
Internal control is a key component of the Shire's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's control framework in relation to the following criteria:			
Criteria	Issue	Internal Control	Ref.& Evidence
c) The arithmetical accuracy and content of records		c) <u>The arithmetical accuracy and content of records</u> Each month the Shire submits the warrant listing to Council, including any accounts paid under delegated authority and credit cards details (by transaction). The Shire is subject to audit by the OAG. The annual financial statement audit should identify any material errors. Refer also: • <u>Risk Management Criteria 1: An effective risk management system...</u> • <u>Risk Management Criteria 7: An effective internal control system...</u>	
d) Report, review and approval of financial payments and reconciliations		d) <u>Report, review and approval of financial payments and reconciliations</u> The release of payments by the bank is subject to dual authorization by the MFCS and CEO. These officers must use a token and a password to approve the payment release. The bank has an upper transactional limit. Refer (a) and (c) above.	
e) Comparison of the result of physical cash and inventory counts with accounting records		e) <u>Comparison of the result of physical cash and inventory counts with accounting records</u> The Shire reconciles fuel stock on hand at the Depot each month. Petty cash is reconciled monthly by two officers. The float (few transactions) is periodically counted by two officers.	

Shire of Chapman Valley
Audit Regulation 17 - Systems and Procedures Review - 2025

Legislative Compliance			
The compliance programs of the Shire are a strong indication of attitude towards meeting legislative requirements. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's compliance programs in relation to the following criteria:			
Criteria	Issue	Compliance program	Ref.
1. Monitoring compliance with legislation and regulations	Shire Sub Programs	The Shire is committed to good governance practices. Individual managers and officers are responsible for monitoring legislative compliance within their team and addressing any issues identified. The Shire's annual CAR process provides a mechanism to assess the Shire's compliance with legislation. The 2025 CAR contained no major non-compliances.	Sighted: • 2025 CAR - no major non compliances
2. Reviewing the annual Compliance Audit Return and reporting to Council the results of that review	Governance	The CAR is reported to Council through the FARM, prior to submission to the Department (DLGSCI). The 2025 CAR was reported to the FARM and Council approved by on 20 March 2025. The CAR was signed by the CEO and the President and submitted by the CEO to the DLGSCI.	Sighted: • OCM minutes - 20 March 2025 • Signed CAR, dated 20 March 2025
3. Staying informed about how Management is monitoring the effectiveness of its compliance and making recommendations for change as necessary	Shire Sub Programs	Refer: • <u>Risk Management Criteria 5 Regular risk reports..... Recommendations</u>	
4. Reviewing whether the Shire has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints	Governance Human Resources	The Code of Conduct for Elected Members (Model Code as per 2021 Regulations) and the Code of Conduct for Employees and Contractors are current. These are updated as necessary to reflect any legislative changes. <u>Process for Elected Member breaches</u> are dealt with in accordance with the obligations set out in the Code of Conduct for Elected Members (model code as per 2021 Regulations). As required, proven breaches or complaints are published on the Shire's website. <u>Processes for staff breaches</u> are typically handled by the CEO. These may relate to breaches against the Code of Conduct. There is a grievance policy and procedures in place regarding complaints. Outcomes are reported in summary in the annual PSC Integrity report. The Shire's Code of Conduct for Employees and Contractors references Public Interest Disclosure (PID) and references complying with Public Interest Disclosure Act 2003. The Shire's PID policy and procedures are in the PID Information Guidelines. Refer also <u>Risk Management Criteria 4 d) Internal processes for determining</u>	Sighted: • Code of Conduct Elected Member on website. • Code of Conduct Employees and Contractors on website • PID Information Guidelines 2022 • Complaints Register- on website. • Annual PSC Integrity report 2025, no major issues reported

Shire of Chapman Valley
Audit Regulation 17 - Systems and Procedures Review - 2025

Legislative Compliance			
The compliance programs of the Shire are a strong indication of attitude towards meeting legislative requirements. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's compliance programs in relation to the following criteria:			
Criteria	Issue	Compliance program	Ref.
5. Obtaining assurance that adverse trends are identified and review management's plans to deal with these	Governance Finance	Local Government (Financial Management) Regulations require monthly statements of financial activity to be reported and presented to Council. The Shire has a structured month end process, which includes a review of budget versus actual: - The MFCS conducts an internal program budget to actual review, with variances raised with the budget holder and explanations recorded. - All material variances of budget to actual line items greater are explained in on a quarterly basis to Council. - Any material variance is raised in the monthly financial report submitted to Council. - The Shire has a regulatory obligation to conduct a midyear budget review. This is reported to Council for approval. - On a monthly basis prepare an Aged Debtors report which is submitted to Council, with commentary of any issues. Noting as at 30 April 2025 Trade and Other Receivables were \$314,581. Refer also <u><i>Risk Management Criteria 5 Regular risk reports..... Recommendations</i></u> <u><i>Internal Control Criteria 5 Obtaining assurance that adverse trends Recommendation</i></u> - LC 5.1 Formally document the month end process and the variance analysis process and include the procedures in the Finance Policy, Procedures & Guidelines Manual. This will provide guidance for staff involved in the processes and allow for continuity in the event of staff changes.	Sighted: - OCM 15 Aug 24 Annual Budget tabled - OCM minutes 20 Mar 25 Mid-year Budget review - OCM 22 May 2025 Minutes- Attachments - OCM 21 November 2024 Minutes - Attachments
6. Reviewing management disclosures in financial reports of the effect of significant compliance issues	Finance	The OAG performs the Shire's annual external financial statement audit. The findings and recommendations, along with management responses and action plans, are reported to the FARM. Refer also <u><i>Risk Management Criteria 5 Regular risk reports.....</i></u>	
7. Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and	Governance	The Shire does not have an internal audit function. The OAG carries out the external financial statements audit in accordance with legislation, accounting, and auditing standards. The Shire has no ability to influence the scope. The CAR requires commentary on '<i>Integrity and Ethics</i>' matters, and any arising exceptions should be included and addressed by the above process.	

Shire of Chapman Valley
Audit Regulation 17 - Systems and Procedures Review - 2025

Legislative Compliance			
The compliance programs of the Shire are a strong indication of attitude towards meeting legislative requirements. The CEO's triennial review (as per Section 17 of the <i>Local Government (Audit) Regulations 1996</i>) considers the effectiveness of the Shire's compliance programs in relation to the following criteria:			
Criteria	Issue	Compliance program	Ref.
ethics issues to the audit committee		Refer also: <u>Risk Management Criteria 11 Fraud and misconduct risks...</u> <u>Internal Control Criteria 1 Integrity and ethics</u>	
8. Considering the internal auditor's role in assessing compliance and ethics risks in their plan	Governance	The Shire does not have an in-house internal audit function.	
9. Monitoring the Shire's Compliance Frameworks dealing with relevant external legislation and regulatory requirements	Governance	The Shire advises it maintains a Compliance Calendar. The Shire's CAR processes provide a mechanism to assess the Shire's compliance with legislation.	
10. Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest	Governance	FARM members are inducted and provided with Code of Conduct when appointed. Elected members must also carry out Essentials Training – online via WALGA eLearning portal. The FARM is chaired by an independent member. Four elected members are members of FARM. Refer also <u>Internal Controls Criteria 4: Audit Practice. Recommendations IC4.1. and IC 4.2.</u>	Sighted: Elected Member Training Register on website

END OF DOCUMENT



Executive Summary & Action Plan

Below is a summary and suggested task table for executive staff, assigning responsible officers and completion dates for the highest-priority Regulation 17 improvement actions. This table will be taken to the next available Executive Team meeting to be communicated and updated as appropriate.

Risk management

Update Risk Management Policy and Framework (RM 1.1, 1.2, 1.3, 1.4, 1.5, 1.6)

- Action:
 - Update Risk Management Policy to AS/NZS ISO 31000:2018 and embed risk appetite, consequence and likelihood criteria.
 - Review and update Risk Management Framework, including escalation and reporting, and add explicit requirement for risk assessments for Major Events.
 - Undertake full review of Corporate Risk Register (Nov 2023 version) and report outcomes to FARM/Council.
 - Embed broader obligation in all PDFs/PDs to adhere to the Risk Management Policy.
 - Implement risk awareness program (toolbox talks, staff meetings, intranet updates, induction refresh).
- Responsibility: CEO (policy/strategic settings); Manager Finance & Corporate Services (MFCS) (framework, register, education program); EMT for implementation.
- Priority: High.
- Timeframe:
 - Policy/Framework update and PD wording: within 3 months of Council receiving the report.
 - Corporate Risk Register review and FARM report: within 6 months.
 - Risk education program: commence within 3 months and ongoing.

Business Continuity and IT disaster recovery (RM 2.1, 2.2, 3.1, 3.2)

- Action:
 - Review and update Business Continuity Plan, confirming alternate operating sites (e.g. Recreation & Community Centre) and dependencies.
 - Plan and conduct a BCP test exercise, then schedule at least biennially.
 - Conduct a crisis exercise incorporating critical IT data failure/cyber-breach scenario.
 - Test backup and recovery procedures under the Irwin–Chapman Valley managed services agreement and document results/actions.
- Responsibility: CEO (overall), MFCS and ICT/managed services provider; input from Works, WHS and key service leads.
- Priority: High.
- Timeframe:
 - BCP review: within 4 months.
 - First BCP and IT crisis exercises and backup/restore test: within 9 months.

Finance processes documentation (RM 4b.1, LC 5.1)

- Action:
 - Broaden Finance Policy, Procedures & Guidelines Manual to include detailed procedures for: supplier set-up and changes, purchasing, month-end reconciliations, payroll, rates, annual and mid-year budget processes, monthly variance analysis and Aged Debtors monitoring.
- Responsibility: MFCS and Management Accountant.
- Priority: Medium–High.
- Timeframe: Draft within 6 months, finalised and implemented within 9 months.

Fraud, corruption, misconduct and integrity (RM 4d.1, 4d.2, 11.1; IC 1; IC 10)

- Action:

- Develop and adopt a Fraud, Corruption and Misconduct Policy, supporting procedures and a simple Integrity Framework, aligned to PSC/OAG expectations.
- Ensure all new employees (and periodically existing staff) sign acknowledgement of the Code of Conduct; automate and record through SkyTrust where possible.
- Ensure fraud and misconduct risks are explicitly described and reassessed in the next corporate risk profile review.
- Implement annual performance review for all officers with a training-needs component and link fraud/ethics awareness into that cycle.
- Responsibility: CEO (policy position), MFCS and HR/People & Culture lead (framework, processes), WHS/Compliance where applicable.
- Priority: High.
- Timeframe:
 - Policy and Integrity Framework: within 6 months.
 - Code of Conduct sign-off embedded in onboarding: within 3 months.
 - Inclusion of fraud/misconduct in corporate risk review: next review cycle, within 12 months.
 - Annual performance review process: design within 6 months, full cycle delivered within 18 months.

Environmental risk and works manuals (RM 4e.1, 4e.2)

- Action:
 - Review and update Works & Services Manual to explicitly address environmental risks (e.g. refuse site, depot, spill management, dust/noise, contaminated materials) and operational controls.
 - Ensure environmental risks are separately identified and assessed in the strategic/operational Risk Register at next annual review.
- Responsibility: Works & Services Manager, with MFCS and WHS/Environmental Health input.
- Priority: Medium.
- Timeframe: Manual update within 9 months; environmental risk inclusion in next risk register review (within 12 months).

Corporate risk profile and risk reporting (RM 5.1–5.6, 7.1)

- Action:
 - Establish a formal corporate risk profiling process (criteria, methodology, frequency) aligned to the Framework.
 - Undertake initial corporate risk profile, including fraud, misconduct and environmental risks, and report outcomes to FARM and Council.
 - Introduce regular (e.g. 6-monthly) corporate risk report to FARM covering key risks, treatments, trend and status of mitigations.
 - Ensure internal control issues identified by OAG, Dry Kirkness, LG People & Culture and this Reg 17 report are incorporated into the Audit Actions Register (see below) and monitored via FARM.
- Responsibility: CEO and MFCS; FARM for oversight.
- Priority: High.
- Timeframe:
 - Design of process and first corporate risk profile: within 6 months.
 - First 6-monthly risk report to FARM: within 9 months.

Audit Actions Register and follow-up (RM 5.3–5.5, 7.1)

- Action:
 - Create a central Audit Actions Register capturing recommendations, agreed actions, responsible officer, due date and status for: OAG audits, Reg 5, Reg 17, internal audits (e.g. LG People & Culture), LGIS risk reports and other relevant reviews.
 - Populate with all outstanding Dry Kirkness 2023 recommendations (including Workforce Plan) and any unresolved internal audit actions, and mark priorities.
 - Report the Register to FARM at least 6-monthly until all high-risk and significant items are closed.
- Responsibility: MFCS (owner), CEO (sponsor), FARM (monitoring).
- Priority: High.

- Timeframe:
 - Register established and populated: within 2 months.
 - First formal FARM report: within 4 months.
-

Internal control and ICT

Delegations and policy publication (IC 2.1, IC 2 & 9, 8, 3)

- Action:
 - Replace the 2022 Delegations Register on the website with the Council-approved 2025 Delegations Register and ensure future updates are synchronised promptly with website publication.
 - Reinforce linkage between Delegations, PDs and current policy manuals in staff training and induction.
- Responsibility: CEO and Governance Officer (or MFCS if governance sits there).
- Priority: High (transparency/compliance).
- Timeframe: Website update within 1 month; process for ongoing updates documented within 3 months.

FARM Terms of Reference and ARIC transition (IC 4.1, 4.2, 4, 10, 6, 7)

- Action:
 - Draft a clear Terms of Reference for FARM, covering purpose, authority, membership, reporting lines, scope (audit, risk, improvement), meeting schedule and relationship with Council and CEO.
 - Develop and implement a plan to transition FARM to an Audit, Risk and Improvement Committee in accordance with the Local Government Amendment Act 2024, including any required changes to membership, independent chair arrangements and reporting.
- Responsibility: CEO and Governance Officer; FARM and Council for endorsement.
- Priority: High (legislative compliance).
- Timeframe:
 - Draft TOR to FARM within 3 months and Council adoption within 5 months.
 - ARIC transition plan and necessary governance documents in place for FY26, with preparation completed by 30 June 2026.

IT governance and access (IC 5.1, 11, 19.1, 20)

- Action:
 - Develop an Information Technology Policy, Procedures & Guidelines Manual covering access control, acceptable use, cyber-security, backups, monitoring, incident response and third-party arrangements (Irwin/Oracle, EFTSure, etc.).
 - Embed explicit ICT use expectations (professional, secure, ethical use; confidentiality; security; IP; monitoring) into Code of Conduct or supporting ICT guidelines as recommended.
 - Formalise role-based access and system administrator arrangements, including periodic user access reviews and documentation of quarterly audit trail reviews already being done.
 - Responsibility: MFCS (lead, as corporate systems owner) with Management Accountant and ICT/managed service provider; CEO approves.
 - Priority: High.
 - Timeframe:
 - Draft ICT Policy/Manual and updated Code wording: within 6 months.
 - First documented user-access review under new arrangements: within 9 months.
-

Legislative compliance and financial oversight

Month-end and variance procedures (LC 5.1 – also supports RM 8, IC 21)

- Action:
 - Document the full end-of-month timetable and responsibilities (reconciliations, controls, review steps), including the program-level variance review by MFCS and escalation thresholds for reporting to Council.
 - Ensure procedures support continuity and handover in the event of staff turnover.

- Responsibility: MFCS and Management Accountant.
- Priority: Medium–High.
- Timeframe: Integrated into the Finance Manual updates within 9 months (see item 3).

Ongoing CAR and compliance calendar monitoring (LC 1–3, 9, 10)

- Action:
 - Maintain and periodically review the Compliance Calendar; ensure CAR findings and any emerging themes feed into the corporate risk profile and Audit Actions Register.
 - Continue to table CAR through FARM with explicit commentary on any integrity or ethics matters.
- Responsibility: CEO and Governance Officer; MFCS for financial elements; FARM for oversight.
- Priority: Medium.
- Timeframe: Ongoing, but linkages to risk profile and Audit Actions Register to be made within 6 months.

Summary table of key actions

No.	Priority task (from Reg 17 recommendations)	Responsible officer (suggested)	Target completion date (suggested)
1	Update the Risk Management Policy and Framework to reflect AS/NZS ISO 31000:2018 and review risk criteria and escalation processes (RM 1.1)	CEO / Manager Finance & Corporate Services (MFCS)	30 June 2026
2	Formally adopt risk consequence/likelihood criteria and risk appetite via Audit, Risk & Improvement Committee and Council (RM 1.2)	CEO	30 June 2026
3	Review and update the Corporate Risk Register (last reviewed Nov 2023) and report outcome to Committee and Council (RM 1.3)	MFCS / Executive Management Team	31 May 2026
4	Review and update the Business Continuity Plan, including confirmation of alternative operating locations (RM 2.1)	CEO / MFCS	30 June 2026
5	Conduct and document a test of the Business Continuity Plan, then schedule regular testing (RM 2.2)	CEO / MFCS / WHS Coordinator	30 September 2026
6	Hold a crisis exercise simulating a critical IT data failure or breach (RM 3.1)	CEO / MFCS / IT Service Provider	31 October 2026
7	Test cloud backup and recovery procedures under the managed services agreement and document results (RM 3.2)	Finance & Digital Services Coordinator(FDSC)	31 October 2026
8	Broaden Finance Policy, Procedures and Guidelines Manual to cover key finance processes (suppliers, purchasing, reconciliations, payroll, rates, budget cycles) (RM 4b.1)	MFCS	30 September 2026
9	Develop and adopt a Fraud, Corruption and Misconduct Policy, procedures and an Integrity Framework (RM 4d.1)	CEO / HR / WHS Coordinator	30 September 2026
10	Implement process for all new employees to sign acknowledgement of the Code of Conduct, captured in SkyTrust (RM 4d.2)	CEO / HR / WHS Coordinator	30 June 2026

11	Review Works & Services Manual to explicitly address key environmental risks and their operational management (RM 4e.1)	CEO / Works & Services Manager	31 October 2026
12	Ensure environmental risk is specifically considered and documented in annual strategic/operational risk review (RM 4e.2)	CEO / MFCS / Works & Services Manager	30 November 2026
13	Establish a formal process to identify and assess the corporate risk profile, with regular monitoring and reporting to Executive and Committee (RM 5.1, RM 5.6)	CEO / MFCS	30 September 2026
14	Create and implement an Audit Actions Register for all internal, external and regulatory audit recommendations, with 6-monthly reporting to Committee (RM 5.4, RM 5.5, RM 7.1)	MFCS / CEO	31 May 2026
15	Revisit and complete outstanding actions from the Internal Audit Report (Jan 2024 – LG People & Culture) and Dry Kirkness Financial Management Review 2023, recording all items in the Audit Actions Register (RM 5.3, RM 5.4)	MFCS / CEO / Executive Management Team	31 December 2026
16	Embed ongoing risk management education for officers (induction content, toolbox talks, staff meetings, intranet updates) (RM 1.5, RM 1.6)	CEO / WHS Coordinator / MFCS	Program design by 31 July 2026; ongoing thereafter
17	Update the Delegations Register on the website to the approved 2025 version (IC 2.1)	CEO	31 January 2026
18	Develop and adopt Terms of Reference for the Audit, Risk and Improvement Committee and align to Local Government Amendment Act 2024 (IC 4.1, IC 4.2)	CEO	31 January 2026
19	Develop an Information Technology Policy, Procedures and Guidelines Manual for access, security and appropriate usage (IC 5.1; IC 19.1)	CEO / MFCS / FDSC	31 October 2026
20	Ensure all officers receive annual performance reviews that also identify training needs (IC 10)	CEO / MFCS	Cycle to be fully current by 30 June 2027
21	Formally document month-end and variance analysis processes and include in Finance Manual (LC 5.1)	MFCS	31 October 2026

These dates assume commencement in early 2026 and can be adjusted to fit resource availability.

8.4	2024/2025 Annual Report and Annual General Meeting of Electors
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	413.01
Attachment(s)	1. ARIC Agenda Annual Report 2024-2025 [8.4.1 - 75 pages]

Voting Requirements

Staff Recommendation 1 – **Absolute Majority**

Staff Recommendation 2 – **Simple Majority**

Staff Recommendation

Staff Recommendation 1 (Absolute Majority Vote Required)

The Audit, Risk and Improvement Committee recommends to the Council that is

1. Accepts the Annual Report for the 2024/2025 Financial Year as required by s5.54 of the Local Government Act 1995 as presented.

Staff Recommendation 2 (Simple Majority Vote Required)

The Audit, Risk & Improvement Committee recommends to the Council that it

1. Receives and accepts the Auditors Financial Report for 2024/2025;
2. Receives and accepts the Auditors Management Report 2024/2025;
3. Set the date for the Annual General Management of Electors for **insert date** 2026 commencing at 6.00pm at the Nabawa Council Chamber and advertise this meeting accordingly.
4. Request the CEO give local public notice of the availability of the Annual Report as required by s5.55 of the act.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The purpose of this item is to accept the Shire of Chapman Valley 2024/2025 Annual Report, receive the Auditors Report and Management Letter and set a date/time for the Annual General Meeting of Electors.

When considering setting a date for the Annual General Meeting of Electors it is a requirement of s5.27 'Electors General Meeting' of the Local Government Act 1995 this

meeting can be no later than 56 days after accepting the Annual Report (12 December 2025 next Ordinary meeting of Council).

Comment

The recommendation is suggesting the date, time and location to hold the Annual Electors Meeting of Electors as being:

- 6 February 2026
- Commencing at 6.00pm
- Council Chambers, Nabawa
- Bearing in mind that the Act stipulated the Annual General Meeting of Electors must be held not more than 56 days after the local government accepts the annual report for the previous financial year. Therefore, the latest date the meeting could be held is the 6 February 2026.

It is important to maximise attendances at the Annual General Meeting of Electors by constituents, hence the recommendation has suggested a date and time, which is in the evening, after the harvest and school holiday period.

Statutory Environment

No Financial Implications Identified.

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Nil effect on the Long-Term Financial Plan

Strategic Implications

It is considered appropriate to conduct the Annual General Meeting of Electors to retain open and accountable governance and communication with the Shire's constituents.

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Consultation

The Shire President, relevant staff and the Shire's Auditors have been consulted and had input into the development of the 2024/2025 Annual Report.

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

- Insignificant risk of non-compliance with legislation to complete this activity in accordance with the Local Government Act and associated Regulations.
- Insignificant risk of not conducting the Annual General Meeting of Electors at an appropriate time/date to provide constituents to opportunity to attend.



SHIRE OF

Chapman Valley

love the rural life!

ANNUAL REPORT 2024/2025



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Acknowledgement of Country

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders' past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on WRITTEN CONFIRMATION of the outcome of the application or request of the decision made by the Shire of Chapman.

Shire Vision

A thriving and diverse community, embracing our coastline, ranges and rural settings to support growth and prosperity, while enjoying our peaceful and quiet lifestyle.





Presidents Message

Together with Jamie Criddle, CEO of the Shire of Chapman Valley, I am delighted to present this message for the 2024–2025 Annual Report.

Partway through the year, I had the honour of assuming the role of Shire President following Kirrilee Warr's successful campaign and subsequent election as the Member for Geraldton. I extend my sincere thanks to Kirrilee for her profound commitment to Chapman Valley during her time as councillor and President. Her leadership and dedication have left a lasting legacy for our community.

The 2024–2025 financial year unfolded against a backdrop of widespread economic pressures that continue to challenge communities, and in Chapman Valley, we have remained committed to our people, our assets, and infrastructure. This is essential to ensure we all remain connected, and resilient.

Throughout the year, the Shire continued to support local groups through the long-standing Community Growth Fund, empowering community-driven projects and events. Set against the backdrop of Chapman Valley's picturesque landscapes, our community has flourished as a vibrant hub of activity and celebration. From the lively Chapman Valley Music Festival to the exhilarating Backroads Gravel Bike Race and the much-loved Chapman Valley Show, these events showcase the Valley's spirit, creativity, and natural beauty, reinforcing its reputation as a place where people come together to enjoy and thrive.

We have been successful in sourcing funds to invest in projects such as the Nabawa Recreation Centre Upgrade, which will deliver modern facilities for sport, recreation, and community gatherings, as well as the development of our Tourism and Economic Development Plan, designed to strengthen local business, attract visitors, and create sustainable opportunities for growth.

The State Government Regional Roads Grant continues to be instrumental in enabling the Shire to deliver significant road construction projects to a high standard, ensuring safe and reliable infrastructure for our residents and visitors.





Achieving our goals is only possible through collaboration. We are sincerely grateful for the support of our community volunteers, local businesses, regional organisations, neighbouring councils, all levels of government, and private partners. Your contributions throughout the 2024–2025 financial year have been vital to our success. It is your passion, dedication, and generosity that make Chapman Valley such a remarkable place to live.

A special thank you also goes to our staff and the members of the Audit and Risk Improvement Committee for their efforts in achieving another excellent audit result.

To all our residents, I encourage you to keep celebrating our rural lifestyle and supporting our shared vision of a thriving community. Together, we can embrace our coastline, ranges, and landscapes to grow with pride and purpose.

Nicole Batten
SHIRE PRESIDENT



Council Elections

Councillors are elected for four-year terms with Council elections held every two years on the third Saturday in October.

The Shire of Chapman Valley held an election on 21 October 2023.

Councillors Kirrilee Warr (President), Nicole Batten (Deputy President), Trevor Royce, Liz Elliott-Lockhart, Catherine Low retained their positions on council. And the newly elected members from 21 October election being Emma Rodney & Philip Blakeway.

The next Council elections will be held in October 2025.

Elected Member	Gender	Linguistic background	Country of Birth	Aboriginal or Torres Strait Islander
Kirrilee Warr	F	English	Australia	No
Nicole Batten	F	English	Australia	No
Trevor Royce	M	English	Australia	No
Liz Elliott-Lockhart	F	English	Australia	No
Catherine Low	F	English	Australia	No
Emma Rodney	F	English	Australia	No
Philip Blakeway	M	English	Australia	No

Members Age Range	Between 18-24	Between 25-34	Between 34-44	Between 45-54	Between 55-64	Over 64
			2	1	3	1

Elected Member Attendance & Training

Ordinary Council Meetings are generally held on the third Thursday of each month (except January) in the Council Chambers at the Shire Administration

Office, 3270 Chapman Valley Road, Nabawa from 9.00 am. All meetings are open to the public.

Minutes of the meetings are available on the Shire's website.

ORDINARY COUNCIL MEETINGS 24/25	Cr Batten	Cr Blakeway	Cr Elliott- Lockhart	Cr Low	Cr Rodney	Cr Royce	Cr Warr
19/07/24		✓	✓	✓	✓	✓	✓
15/08/24	✓		✓	✓	✓	✓	✓
19/09/24	✓	✓	✓	✓	✓	✓	✓
17/10/24	✓	✓	✓		✓	✓	✓
21/11/24	✓		✓	✓	✓	✓	✓
12/12/24	✓	✓		✓	✓	✓	✓
January 2025							
20/02/25	✓	✓	✓	✓	✓	✓	
20/03/25	✓	✓	✓	✓	✓	✓	
28/04/25	✓	✓	✓	✓	✓	✓	
22/05/25	✓	✓	✓	✓	✓	✓	
19/06/25	✓	✓	✓	✓	✓		
Total Meetings	10	9	10	10	11	10	6

SPECIAL COUNCIL MEETINGS 2024/2025	Cr Batten	Cr Blakeway	Cr Elliott- Lockhart	Cr Low	Cr Rodney	Cr Royce	Cr Warr
23 December 2024	✓	✓	✓	✓	✓	✓	✓

	No Meeting/s Held
	Apology
	Approved Leave of Absence
	Not a Current Councillor



COMMITTEE MEETINGS	Cr Batten	Cr Blakeway	Cr Elliott-Lockhart	Cr Low	Cr Rodney	Cr Royce	Cr Warr
Finance, Audit & Risk Management Committee	✓		✓		✓		✓
Road Infrastructure Committee	✓	✓	✓	✓	✓	✓	
Building & Disability Committee		✓	✓			✓	
Tourism & Events Advisory Committee			✓	✓			
Total Meetings	2	2	4	2	2	2	1





SHIRE OF CHAPMAN VALLEY ELECTED MEMBER TRAINING REPORT 2024/2025 <i>(Local Government Act, 1995 – Section 5.127)</i>					
Elected Member	Training Course	Universal Training Y/N	Due Date to complete Universal Training	Date Completed Universal Training	Training Provider
Kirrilee Warr (President)	Understanding Local Government (C)	Y	31/10/2022	18/10/2022	WALGA
	Meeting Procedures (C)	Y	31/10/2022	27/10/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	27/10/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	18/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	31/10/2022	WALGA
Nicole Batten (Deputy President)	Understanding Local Government (C)	Y	31/10/2022	02/12/2021	WALGA
	Meeting Procedures (C)	Y	31/10/2022	27/04/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	08/03/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	25/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	01/10/2022	WALGA
Trevor Royce	Understanding Local Government (P)	Y	26/11/2020		WALGA
	Meeting Procedures (C)	Y	26/11/2020	08/11/2020	WALGA
	Conflicts of Interest (C)	Y	26/11/2020	05/11/2020	WALGA
	Serving on Council (C)	Y	26/11/2020	03/11/2020	WALGA
	Understanding Financial Reports & Budgeting (P)	Y	26/11/2020		WALGA
Katie Low	Understanding Local Government (P)	Y	31/10/2022		WALGA
	Meeting Procedures (P)	Y	31/10/2022		WALGA
	Conflicts of Interest (P)	Y	31/10/2022	24/09/2024	WALGA
	Serving on Council (P)	Y	31/10/2022		WALGA
	Understanding Financial Reports & Budgeting (P)	Y	31/10/2022	24/09/2024	WALGA
Liz Elliott-Lockhart	Understanding Local Government (C)	Y	31/10/2022	05/10/2022	WALGA
	Meeting Procedures (C)	Y	31/10/2022	29/09/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	27/09/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	03/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	04/10/2022	WALGA
Philip Blakeway	Serving on Council (N)	Y			WALGA
	Understanding Local Government (N)	Y			WALGA
	Meeting Procedures (P)	Y	13/12/2024		WALGA
	Conflicts of Interest (N)	Y			WALGA
	Understanding Financial Reports & Budgeting (N)	Y			WALGA
Emma Rodney	Understanding Local Government (N)	Y			WALGA
	Meeting Procedures (C)	Y	13/12/2024	13/12/2023	WALGA
	Conflicts of Interest (N)	Y			WALGA
	Serving on Council (N)	Y			WALGA
	Understanding Financial Reports & Budgeting (N)	Y			WALGA

WALGA – Western Australian Local Government Association; C – Completed; P – Participating yet not finished; N – Not Started

3270 Chapman Valley Road, Nabawa WA 6532
Tel: (08) 9920 5011
Email: cso@chapmanvalley.wa.gov.au

Website: www.chapmanvalley.wa.gov.au





Annual Meeting of Electors

An Annual Meeting of Electors is held each financial year in accordance with Part 3 of the Local Government (Administration) Regulations 1996 and the Local Government Act 1995 Part 5, Division 2, Subdivision 4, Section 5.27. The purpose of the meeting is to, firstly, present the Annual Report (including the Auditor's Report) to electors, and then to discuss any other general business. Under Section 5.33, all decisions made at an electors meeting are to be considered at the next Ordinary meeting of Council.

The previous Annual Meeting of Electors was held on 17 February 2025 at the Council Chambers 3270 Chapman Valley Road, Nabawa.



Council Delegates to Committees

Council (Min Ref 2025/03-8) endorsed & reviewed the following representatives on the internal Committees established in accordance with the Local Government Act, 1995, Section 5.9(2)(a):

Council (Min Ref OCM 2025/03-8) endorsed & reviewed the following representatives on the internal Committees established in accordance with the *Local Government Act, 1995, Section 5.9(2)(a)*:

Council Committees - Council Members Only – Local Government Act 1995 – Section 5.9(2)(a) (ABSOLUTE MAJORITY REQUIRED FOR COMMITTEE APPOINTMENTS) (Must be 3 or More Representatives)		
	Purpose/Delegations	Representatives
Building & Disability Services Committee	Purpose: Will meet at least annually to inspect all Shire Buildings/Properties and then subsequently to: ~ Review preliminary costings for proposed works for consideration in draft Council Budget. ~ Review the Capital & Building Works Program. ~ Disability Access & Inclusion Plan; and ~ Any other building/property items referred to the Committee by Council. Delegation – Nil	<u>4 x Councillors</u> • Cr Royce • Cr Blakeway • Cr Elliott-Lockhart • Cr Rodney <u>Observers:</u> ~ CEO Building Surveyor
Finance Audit & Risk Management Committee	Purpose: To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System. Delegation - Nil	<u>4 x Councillors</u> • Cr Elliott-Lockhart • Cr Batten • Cr Rodney • Cr Blakeway • Grant Middleton CPA (External, Independent Member) <u>Observers:</u> ~ CEO ~ Manager Finance & Corporate Services



Road Infrastructure Committee	Purpose: Undertake an annual review the following: ~ Road Works Program. ~ Road Hierarchy. ~ Heavy Haulage Vehicle Permit Roads; and ~ Any other works infrastructure item referred to the Committee by Council. ~ Review the plant replacement program • Delegation – Nil	• All Councillors <u>Observers:</u> ~ CEO ~ Manager Works & Services ~ Deputy CEO ~ Works Supervisor
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Representation on Internal Groups - Working, Advisory, Steering, etc. (SIMPLE MAJORITY REQUIRED) (Numbers not legislated)		
	Purpose/Delegations	Representatives
Bush Fire Brigades Group Management Advisory Committee	Purpose: Meet at least annually to: ~ Elect Office Bearers. ~ Review previous year fire season. ~ Review the Shire's Fire Notice. ~ Liaise with external organisations (e.g. DFES, DBCA); ~ Review the DFES Capital & Operational Grants. ~ Any other bush fire related items referred to the Committee by Council. Delegation – Nil	<u>President (Presiding Member) and 2 x Councillor</u> • Cr Batten (President) • Cr Royce • Cr Blakeway ~ CBFCO ~ DCBFCO ~ All Brigade FCOs ~ Chief Executive Officer ~ Senior Ranger <u>Observers</u> 1 x DFES Rep.



Batavia Local Emergency Management Committee (BLEMC)	Purpose: Meet as required in accordance with legislation and Council endorsed Local Emergency Management Arrangements (LEMA) to: ~ Review the LEMA & Recovery Plan. ~ Implement Emergency Exercises as required. ~ Any other emergency management related items referred to the Committee by Council. Delegation – Nil	<u>2 x Councillor</u> ~ Cr Royce ~ Cr Blakeway ~ Chief Executive Officer;
CEO Performance Review Advisory Group	Division 3 — Standards for review of performance of CEOs of Local Government (Administration) Regulations 1996 A council must ensure that the: • process by which the CEO's performance will be reviewed has been agreed to between the council and the CEO in writing (clause 16(3)) • performance criteria to be assessed is part of the CEO's contract and any additional criteria was agreed to in writing (clause 16(1)(b) and 16(3)) • review was carried out in an impartial and transparent manner (for example by using an independent consultant and/or a panel with an independent observer) (clause 17(1)) • evidence of the CEO's performance was collected in a thorough and comprehensive manner (clause 17(2)(a)) • CEO's performance was reviewed based on the evidence collected (clause 17(2)(b)). Delegation – Nil	• All Councillors <u>Observers:</u> ~ CEO ~ Manager Works & Services ~ Deputy CEO ~ Works Supervisor Advisory Group endorsed 28 April OCM – Reference OCM 2025/04-9

Community Growth Fund Advisory Group	Purpose: Evaluate application received for funding under the Shire of Chapman Valley Community Growth Fund program in accordance with guideline, policies and procedures set by Council and make recommendations to Council to allocate funds Delegation – Nil	<u>President (Presiding Member) & 3 x Councillors (Members)</u> • Cr Batten (President) • Cr Low • Cr Rodney • Cr Royce ~ Chief Executive Officer ~ Manager Finance & Corp Svc ~ Community Development Officer
Tourism & Events Advisory Group	Purpose: Will meet on an ‘as needs’ basis only to: ~ Evaluate annual Australia Day Award Nominations and submitting these to Council in readiness for presenting the awards at the Shire’s annual Australia Day Function. ~ Assist with coordinating the annual Australia Day function(s); ~ Discuss all other item(s) in the areas of tourism and events. ~ Liaise with external organisations Delegation – Nil	<u>3 x Councillors</u> • Cr Elliott-Lockhart • Cr Low • Cr Blakeway ~ CEO ~ Deputy CEO ~ Comm. Development Officer ~ Up to 2 x Community Representatives for Australia Day award nominations (recommend past winner as one rep.)
Coronation Beach Masterplan Steering Group (Reactivated)	Purpose: To review the Coronation Beach Masterplan. Delegation – Nil	<u>1x Councillor</u> • Cr Blakeway (Chairperson) ~ DCEO ~ Department of Sport & Recreations ~ Neighbouring Landowners ~ Community / User Group Representatives

Future Industries & Renewable Energy Advisory Group	Purpose: Proactively subcommittee of council designed to specifically work with stakeholders of future industries and assist with advising council about benefits, opportunities, challenges, and threats existing to the Chapman Valley Community. Delegation – Nil	• Shire President • Deputy President • Cr Rodney • Cr Elliott-Lockhart • Chief Executive Officer • Deputy Chief Executive Officer
Chapman Valley Regional Trails Master Group	Purpose: As determined by lead agency/organisation. Delegation – Nil	• Cr Batten • Cr Blakeway • Deputy Chief Executive Officer • Community / User Group Representatives x 2
Nabawa Recreation Centre User Group	Purpose To work with the external consultants (Teakle & Laylor) & others to progress the Nabawa Community & Recreational Precinct Plan and Concept design drawings for the Recreation Centre rebuild. Delegation – Nil	• Cr Elliott-Lockhart • Cr Rodney • Chief Executive Officer • Community / User Group Representatives x 4
Representatives on External Organisations (SIMPLE MAJORITY REQUIRED) (Numbers pre-determined)		
Northern Country Zone (WALGA)	Purpose: As determined by lead agency/organisation. Delegation – Nil	<u>2 x Councillors</u> • Cr Batten • Cr Royce ~ Chief Executive Officer (To act as Proxy in absence of Elected Members not attending)

Sub-Regional Road Group Committee	Purpose: As determined by lead agency/organisation. Delegation – Nil	<u>2 x Councillors</u> • Cr Royce • Cr Rodney ~ Chief Executive Officer ~ Manager Works & Services
Mid West Development Assessment Panel (DAP)	Purpose: As determined by lead agency/organisation. Delegation – Nil Note: Mandatory training must be undertaken prior to serving on panel.	<u>2 x Councillors (Members)</u> • Cr Batten • Cr Elliott-Lockhart <u>2 x Councillors (Proxies)</u> ~ Cr Low ~ Cr Rodney
Chapman Valley Northampton Local Recovery Coordination Group	Purpose: 1. Inform the stakeholder engagement process for the development of the Regional Drought Resilience Plan: Midwest Region; 2. Review and advise on content of the Regional Drought Resilience Plan: Midwest Region, including the regional Drought Vulnerability Assessment, with a view to informing drought resilience investment in the region; 3. Provide a technical review and assessment of community drought resilience priorities and project ideas arising from the stakeholder engagement process; and 4. Advise on new and emerging information relevant to the Regional Drought Resilience Plan: Midwest Region. Delegation – Nil	<u>1 x Councillors</u> • Vacant ~ Chief Executive Officer <u>1 x Proxy Councillor</u> Cr Batten (Proxy)



Midwest Drought Resilient Working Group	Purpose: To enable the Midwest Drought Resilient Working Group to position the Mid West region to take advantage of emerging opportunities to continue to build sustainable agri-businesses, landscapes and communities, and for regional organisations, local government, community and industry to work in Partnership. Delegation – Nil	<u>1 x Councillors</u> • Cr Batten ~ Chief Executive Officer 1 x Proxy Councillor Cr Royce (Proxy)
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Councillor Expenses

It is important that Councillors can carry out their role without being unduly financially disadvantaged. The Shire's Councillor Allowances, Expenses and Recognition policy outlines what support will be provided by the Shire taking into account the responsibilities and commitment of serving as community representatives. The policy provides for electronic equipment, training, travel and reimbursement of expenses. Allowances, expenses and fees paid by the Shire of Chapman Valley to Councillors for the financial year are outlined below:

Councillor	Member's Allowance/fee	Travelling Allowance	ICT Allowances	Total
Nicole Batten	\$16,715	\$50	\$3500	\$20,265
Philip Blakeway	\$10,286	\$50	\$3500	\$13,836
Liz Elliott-Lockhart	\$10,286	\$50	\$3500	\$13,836
Catherine Low	\$10,286	\$50	\$3500	\$13,836
Emma Rodney	\$10,286	\$50	\$3500	\$13,836
Trevor Royce	\$11,572	\$50	\$3500	\$15,122
Kirrilee Warr	\$10,286	\$25	\$1750	\$12,061

*ICT = Information and communications technology, also referred to as telecommunications allowance



Register of Complaints

All complaints against the Shire of Chapman Valley's elected members that result in a finding by a standards panel (under Section 5.110(2) (a) of the Local Government Act 1995) and where a minor breach has occurred must be recorded in a Register of Complaints.

Section 5.121(3) requires the CEO to publish an up-to-date version of the register of complaints on the Shire's official website.

There were no complaints included on the Shire of Chapman Valley's Register of Complaints, made under Section 5.121 of the Local Government Act 1995 during the 2024/2025 financial year.

The Local Government Standards Panel found that no minor breach of regulation 19 & 20 had occurred, and no sanction was imposed.

More information can be found in the Shire of Chapman Valley's Register of Complaints, available on the Shire's website.

Public Interest Disclosures (PIDs)

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003. One of the principles of the legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that fall into the category of Public Interest include:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).



- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment).

Matters that relate to the Shire of Chapman Valley should be referred to the Shire's Public Interest Disclosure Officer (PID Officer). Disclosures made can be made not just about officers of a local authority but also about its elected members.

There is an obligation on the PID Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Chapman Valley had no public interest disclosures during the year-ended 30th June 2025.

National Competition Policy (NCP)

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all State and Territory Governments which aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage as a result of their public status.

Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralize any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

The Shire of Chapman Valley does not control any business activity with a user pays income in excess of \$200,000 in 2024/2025.

Freedom of Information

The Shire of Chapman Valley is subject to the provisions of the Freedom of Information Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right to appeal in relation to decisions made by the Shire to refuse access to information applied under the Act.

The Shire of Chapman Valley received one (1) request for information during the period of 2024/2025.

In accordance with section 5.53 of the Local Government Act and the associated Local Government (Rules of Conduct) Regulations 2007, no complaints made against councillors for 2024/2025.

Number of entries in register - Nil

How the complaints were handled – Not Applicable

Record Keeping

Under the State Records Act 2000, the Shire and its employees are obliged to comply with the Shire's Record Keeping Plan. A revised plan was endorsed by the State Records Office of WA in March 2020 and remains valid.



Local Laws

The Shire currently has three (3) Local Laws:

- Standing Orders Local Law 2016
- Activities in Thoroughfares in Public Places and Trading Local Law 2016
- Dog Local Law 2016

Pursuant to section 3.16 of the Local Government Act 1995, local governments are required to commence a periodic review of local laws every eight (8) years. The next review is due in 2024.

Federal Government Financial Assistance Grants

The Shire of Chapman Valley received \$1,048,403 in Financial Assistance Grants in 2024/2025. These grants contribute to annual maintenance of community infrastructure and general operations of the local government and are a vital source of revenue to support the Shire's operations.

Register of Financial Interest for Elected Members and Senior Staff

In accordance with the requirements of the Local Government Act 1995, this register is held in the Shire's administration office and is also available on the shire website for viewing by the public.





Equal Opportunity

The Shire supports, and is committed to, the achievement of its diversity management and equal opportunity goals. That means the Shire is continually aiming to ensure that it provides a workplace free from all forms of discrimination, harassment and bullying and that there are equality and fairness in all aspects of employment and customer service delivery in the organisation.

Policies, practices and services are adapted to meet the needs of a diverse and evolving community and the Shire reviews and updates all relevant policies annually to ensure they align with legislative requirements and the needs of the workforce.

These policies are:

- Equal Employment Opportunity Policy
- Discrimination, Harassment and Bullying Policy
- Information and Communication Technology Use Policy

Remuneration

Regulation 19B (2) of Local Government (Administration) Regulations 1996 requires the Annual Report to detail the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees down into bands of \$10,000.

As of 30 June 2025, the Shire of Chapman Valley had the following:



Salary Range	No. Employees
\$130,000 - \$139,999	
\$140,000 - \$149,999	2
\$150,000 - \$159,999	1
\$160,000 - \$169,999	
\$180,000 - \$189,999	1

Remuneration Paid or Provided to the Chief Executive Officer

The Shire of Chapman Valley Chief Executive Officer was paid a total reward package of \$217,645 in the 2024/2025 financial year. The Total Reward Package is comprised of Base Salary, Association Membership Fees, Personal Benefit Value of Motor Vehicle, Fringe Benefits Tax, Clothing Allowance, Superannuation and Utilities.

Disability Access and Inclusion

Western Australian local governments are required under the Disability Services Act 1993 to develop and implement a Disability Access and Inclusion Plan (DAIP). The purpose of a DAIP is to help local governments plan and deliver improvements to access and inclusion across seven key outcome areas: services and events, buildings and facilities, information, quality of service, complaints, consultation processes, and employment.

Additional legislation supporting access and inclusion includes the Western Australia Equal Opportunity Act 1984 and the Commonwealth Disability Discrimination Act 1992, both of which make it unlawful to discriminate against a person on the basis of disability.



The Shire is committed to promoting inclusion and accessibility for people with disability by continually improving access to its services, facilities, and information. Council recognises the importance of providing equitable access for residents and visitors of all abilities. The DAIP provides the framework for achieving this commitment through targeted strategies that ensure services, events, facilities, information, and employment opportunities are available to everyone in the community.

Each year, local governments must submit a report to the Disability Services Commission outlining progress toward the DAIP outcomes. This reporting includes achievements such as enhanced accessibility to services, improved built infrastructure, accessible communication methods, quality service delivery, effective consultation processes, and equitable employment practices.

The seven outcome areas of a DAIP are:

1. People with disability have the same opportunities as others to access the services and events of a public authority.
2. People with disability have the same opportunities as others to access public buildings and facilities.
3. People with disability receive information from a public authority in formats that are as accessible as those available to others.
4. People with disability receive the same level and quality of service from staff as other community members.
5. People with disability have the same opportunities as others to make complaints to a public authority.
6. People with disability have the same opportunities as others to participate in public consultation processes.
7. People with disability have the same opportunities as others to obtain and maintain employment with a public authority.

Ensuring the needs of all community members are met is vital to building an inclusive and accessible future. The Shire of Chapman Valley remains committed to implementing, monitoring, and reviewing its DAIP to ensure accessibility and inclusion are embedded across all facets of its operations.





The Local Government Act requires each local government to have an Integrated Planning and Reporting Framework (IPRF), which has three levels of strategic planning, informed and supported by appropriate resourcing and asset management plans. The key components of the IPRF are:

- Strategic Community Plan (Level 1)
- Corporate Business Plan (Level 2)

The Annual Report measures our progress against priorities and aspirations that were developed in consultation with the community and documented in the Shires long term vision, the Strategic Community Plan 2022/2032.

The Shires Corporate Business Plan 2022-2027 provides clarity on the initiatives and services that the Shire is planning or implementing over the next five years, with emphasis on the delivery of the strategic priorities outlined in our Strategic Community Plan 2022-2032.

Strategic Community Plan/Corporate Business Plan Overview

This report is based on the Strategic Community Plan that was adopted in 2022 and in review 2024 and the accompanying Corporate Business Plan that was updated in 2023.

Section 5.53(i) of the Local Government Act 1995 requires the Annual Report to include “an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year.



Strategic Community Plan Snapshot

Strategic Community Plan 2022-2032



Snapshot

OUR VISION

"A thriving and diverse community, embracing our coastline, ranges and rural settings to support growth and prosperity, while enjoying our peaceful and quiet lifestyle."

OUR VALUES

Ethical, Honest, Integrity, Leadership, Respectful, Trustful



COMMUNITY, HEALTH & LIFESTYLE

- 11 Nurture the sense of community and unity across the Shire, while supporting towns and their volunteers in local issues
- 12 Address identified ageing population issues
- 13 Strengthen our role in regional partnerships and advocacy for continuity of local services/ facilities
- 14 Maintain and enhance safety and security in the Shire
- 15 Maximise health and lifestyle outcomes through environmental and public health strategies



ECONOMY & POPULATION

- 21 Build population and business activity through targeted strategies
Provide support for business development and local employment
- 22 Embrace local tourism and regional strategies and trails
- 23 Ensure town planning compliments economic and business development, population retention and growth strategies
- 24 Develop marketing plan to promote Chapman Valley as place to live, invest, work or visit



ENVIRONMENT & SUSTAINABILITY

- 31 Preserve and protect the natural environment and address environmental risks as they arise
- 32 Maintain the rural identity of the Shire
- 33 Build the green canopy of the Shire's town areas
- 34 Address weed and vermin control
- 35 Fire mitigation and control



PHYSICAL & DIGITAL INFRASTRUCTURE

- 41 Develop, manage, and maintain built infrastructure
- 42 Manage and maintain roads, drainage, and other essential infrastructure assets
- 43 Aspire to robust communication and digital infrastructure in the Shire through strong partnerships and alliances
- 44 Advocate for improved power networks
- 45 Advocate for improved water security within the Shire



GOVERNANCE & ACCOUNTABILITY

- 51 Ensure governance and administration systems, policies and processes are current and relevant
- 52 Be accountable and transparent while managing human and physical resources effectively
- 53 Make informed decisions within resources and areas of responsibility
- 54 Ensure robust processes and guidelines for development

CORPORATE BUSINESS PLAN OVERVIEW AND STATUS UPDATE									
CORPORATE BUSINESS PLAN									
Shire of Chapman Valley Corporate Business Plan & Progress Report (Green= SCP timeline goal)									
Shire of Chapman Valley Corporate Business Plan & Progress Report - Council Endorsed February 2023 OCM (Minute Reference: 2023/02-11)									
	Objective	Strategy	Action	Completed Projects	Status Report	Short Term 2023-2024	Medium Term 2024-25	Long Term 2025 & beyond	Ongoing
COMMUNITY, HEALTH & LIFESTYLE									
1.1	Nurture the sense of community throughout the Shire while maintaining / supporting the differing residential groups and volunteers	Development of plans and strategies relevant to emerging population needs	Review existing plans and develop new plans as required	Nabawa Rec Centre Redevelopment planning complete	Identify and role out plans with the assistance of the DFES Funding. Update DAIP.	Monitor existing plans to ensure they remain current & pursue funding opportunities should they arise	ongoing	Policies & Plans remain relevant & implemented as funding becomes available	
		Determine a whole of Shire community integration approach	Seize opportunities to promote a sense of community	Nabawa Rec Centre Redevelopment planning complete, Stage 1 funding sourced	Continued collaboration with Backroads Gravel. Development of a community event raising awareness on remote isolation mental health awareness.	High – Rural Areas Low – Other Areas	ongoing	Higher than existing levels	
		Identify all volunteers and determine their support needs	Administrative and community development support, resources & programs	CDO continues to offer ongoing support to community groups.	Appointment of CDO additional hours to assist in liaising with community groups to understand their collective needs and devising a strategy to provide support.	Numbers reducing and indications of burnout among volunteers and groups	ongoing	Volunteer numbers and support for admin and activities is increase and burnout reduces	
1.2	Address identified ageing population issues	Advocate for current and future services and housing needs	Review level of need and range of services or accommodation needed	Librarys Grant for technology availability and education approved and implemented.	Revise DAIP	Ageing population in parts and availability of suitable accommodation limited	ongoing	People can age in place and access relevant services	
1.3	Strengthen our role in regional partnerships and advocacy for continuity of local services/facilities	Maintain closer relationships with neighbouring shires and regional bodies	Participate in and advocate for regional resources sharing and cross- boundary cooperation	Drought Resilience group with NR & CGG	Implemented WHS partnership with Northampton	Continue to explore and participate in regional resource sharing where this is of benefit to the Shire & community	ongoing	Increased resource sharing to deliver services	
		Engage in conversations related to the provision of essential and desired services for Chapman Valley residents and visitors	Participate in and advocate for regional resource sharing and cross-boundary cooperation	Creation of Priority Projects & Advocacy document	Approval of CESM with Northampton	Ongoing. Planning for services and resources to be shared with several LGAs	ongoing	Increased resource sharing to deliver services	
1.4	Maintain and enhance community safety and security	Maintain safe roads and infrastructure	Continue annual review of Road Hierarchy, Roadworks Program, and Plant Replacement Program. Advocate for continual improvement of Shire & State owned road infrastructure	Nanson-Howatharra Road Reseal, Durawah Road, East Nabawa Road, continual electrical improvements at Showgrounds	Additional roads added to RRG 2040 plan to attract funding - Nolba Route	Good planning and review structure	ongoing	Improved planning. Continual improvement of road infrastructure	
		Enhance community and property security	Encourage improved communications and security across the Shire	CCTV at Coro Beach, Yuna Golf Club, Fig Tree & Rec Centre	Installed CCTV to high risk areas	SMS Rural Watch service & Community Network	ongoing	Improved security	
1.5	To maximise health and lifestyle outcomes through environment and public health strategies	To adopt an integrated approach to the provision of services to address the wider health and wellbeing of the community	To develop and adopt a public health plan for the Shire of Chapman Valley	Public Health Plan completed	Public Health Plan completed and implemented	Health Plan development in progress	ongoing	There is a plan for public health that will support strategies and projects	

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ECONOMY & POPULATION									
2.1	Build population and business activity with targeted strategies	Support business development, lifestyle changes and short/term accommodation	Ensure Planning is in place to encourage business development, promoting investment opportunities. Facilitate collaborative approach to attract staff within communities	Engage a consultant to create an Economic Development & Tourism Strategy	CDO position to provide upskilling opportunities for local Businesses. Social Platforms and Website to be used to promote local businesses and their activities.	Solid and appropriate Planning is in place.	Continual improvement	Retain and improve where necessary	
2.2	Provide support for business development and local employment	Research mixed land use opportunities	Investigate possible planning improvements			Solid and appropriate Planning is in place.	Continual improvement	Retain and improve where necessary	
		Consider business start-up incentives	Investigate possible planning improvements	Engage a consultant to create an Economic Development & Tourism Strategy		Planning in place	Continual improvement	Planning retained and enhanced if needed	
		Build on digital network development in the Valley	Continue advocating for improvements to digital infrastructure	Install emergency Starlink to Community infrastructure		Mobile Phone and internet services improved	ongoing	Continue advocating for improvements to existing digital infrastructure and communication channels	
2.3	Embrace local tourism & regional strategies and trails	Research a local tourism plan/initiatives & integrate with regional tourism plans	Work with local tourism network and regional groups to enhance opportunities and visitor numbers	Engage a consultant to create an Economic Development & Tourism Strategy	Develop a solid digital communication platform to reach targeted tourism groups.	Working with Tourism Operators/Community organisations to develop more regular events	ongoing	Established Plan owned and implemented by Tourism Operators.	
		Explore support needed by local tourism industries	Facilitate assistance for local tourism operators	Engage a consultant to create an Economic Development & Tourism Strategy	Initiate Economic Development & Tourism Strategy	Assistance for local events, new ideas i.e. Backroads bike race	ongoing	Support for tourism operators	
		Seek opportunities to establish more recreational trails in the Shire for local population and visitors	Determine potential trail sites and carry out feasibility studies that include types of users, costs, and environmental risks	Engage a consultant to create an Economic Development & Tourism Strategy	Contributed to Morseyby Range Development Plan, assisting user groups with rail trail project	Reviews of potential sites and feasibility studies to be considered such as Moresby Ranges & Coronation Beach	ongoing	More trails established and promoted to community and visitors	
2.4	Ensure town planning scheme allows for economic development / population retention / growth	Town Planning review for residential land, aged care facilities or business / industrial development opportunities	Ensure planning is in place to encourage economic dev. activities, owned and rental accommodation and short stay opportunities			Solid and appropriate planning is in place	ongoing	Retain and improve growth opportunities where indicated	
2.5	Develop marketing plan to promote Chapman Valley as place to live, invest, work or visit	To develop and resource physical and digital marketing resources to promote Chapman valley as a tourist or day trip destination or for lifestyle changing relocations	Determine strategy and key success indicators and seek skills and capacity in a short-term project to deliver on expectations	CDO has Implemented a Solid Digital Strategy as well as social policies and Procedures that align with the Shires objectives.	Development of a solid digital marketing strategy in place. Development of physical marketing and town beautification including entry statements and Streets Alice artwork in progress.	Limited marketing resources in the Shire	ongoing	Chapman Valley is well promoted, widely acknowledged as a destination, with visitor and population numbers increasing	

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ENVIRONMENT & SUSTAINABILITY									
3.1	Protect & nurture the Natural Environment	Manage the impact of waste, water, weeds, vermin, and human activities on the Environment	To develop a risk management plan for known tourist trails and hotspots	Engage a consultant to create an Economic Development & Tourism Strategy	Implemented increased mowing, baiting & spraying in Shire owned problem areas	Identifying key hotspot locations and Investigate funding for installation of CCTV systems	ongoing	Mitigation strategies in place for fragile natural areas of the Shire	
			Investigate possible planning improvements		Investigate Graveling Bridle Trails	No further action to date. CCTV coverage appears to be addressing illegal issues	ongoing	Improved controls and monitoring. May not need to be a manned site	
3.2	Maintain the rural identity of the Shire	Develop western peri-urban environment in context to rural lifestyle	Ensure Planning is in place to encourage peri-urban development activities.			Solid and appropriate Planning is in place	ongoing	Retain and improve where necessary	
		Ensure recreational, tourism activities on lifestyle blocks have minimal impact on sustainable farming	Ensure Planning is in place to encourage tourism activities or lifestyle blocks, acknowledging WAPC Policies and State direction on protecting prime agricultural land			Solid and appropriate Planning is in place	ongoing	Retain and improve where necessary	
3.3	Build the green canopy of the Shires towns public facilities and rural areas	To increase the green canopy in building applications, facility development or upgrades, and incentive schemes to get more trees planted	Commit to planning and planting of shade trees in towns and public buildings and facilities encourage residents to plant shade trees on their properties	2024 Tree Planting initiative complete. Local seedlings and saplings were given to all rate payers.	Instigated native tree giveaways, partner with local groups in reveg programs	Desire from the Community for more shade trees	ongoing	Increased number of trees in towns and on rural properties	
3.4	Manage the impact of waste, water, weed and vermin control on the environment	Continue to review and allocate resources to control declared weeds and vermin control on Shire owned/controlled land. And encourage landowners to manage their environmental issues	Develop a weed and vermin education and management plan and resource plan implementation		Instigated weed & vermin control program	Current resource allocations adequate for declared weeds. Not in place for nuisance weeds	ongoing	Resource allocation appropriate to the level of control considered appropriate for weeds (declared and/or nuisance)	
		Address weed and vermin control	Lobby responsible agencies and departments and to control weeds and vermin on their properties		Increased social media & website communication	Improving controls in place	ongoing	Improved controls introduced by external agencies, departments, and landowners	
3.5	Fire mitigation and control	Monitor and manage water supply and quality	Advocate Water Corporation to continue to manage and monitor water supply and quality		ongoing	Monitor and supply in place	ongoing	Retain supply and monitoring	
		Install renewable initiatives on new and existing buildings	Encourage landowners to install renewable initiative to new and existing buildings. Shire to lead by example		Implement with new builds	Advocacy role only	ongoing	Increase take-up of rainwater tanks, solar panels installed on new and existing buildings	

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PHYSICAL & DIGITAL INFRASTRUCTURE									
4.1	Develop, manage, and maintain built infrastructure	Asset Management Plan	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	CSP Review undertaken (Desktop)	currently under review	Plans up to date and in place	ongoing	Retain level and improve where necessary.	
		Development Projects	Review Strategic Community Plan to identify possible development projects and advocate and encourage public private investment	CSP Review undertaken (Desktop)	Plans up to date and in place	Plans up to date and in place	ongoing	Retain level and improve where necessary.	
4.2	Manage and maintain roads, drainage, and other essential infrastructure	Capital Road Works Programs	Review Road Hierarchy and 10 Year Road Works Program/ Widen roads and improve storm drainage where practicable	Durawah Rd ongoing, East Nabawa complete, Nanson-Howatharra complete	Plans up to date and in place	Plans up to date and in place	Retain level and improve where necessary	Retain level and improve where necessary	
		Plant Replacement Programs	Review Plant Replacement Program	Continual Updates	Plans up to date and in place	Plans up to date and in place	ongoing	Retain level and improve where necessary	
4.3	Aspire to develop robust communication and digital infrastructure in the Shire	Ongoing engagement with infrastructure and service providers	Continue advocating for improvements to existing infrastructure and introduction of new infrastructure for digital communications wherever practicable		Continual Advocacy for battery backup	Good progress with mobile phone towers. Still requiring battery backups for power outages	ongoing	Mobile Phone and internet services at an acceptable level wherever it can be facilitated	
4.4	Advocate for improved power networks	To liaise and advocate with Western Power to strengthen power infrastructure in the Shire	Determine number and length of power outages in Chapman Valley and explore potential for alternative power supplies into the future		Constant dialogue with Western Power	Frequent Power outages in some areas	ongoing	Reliable power sources in the Valley wherever practicable	
4.5	Advocate for improved scheme water supply to townsites	To liaise and advocate with Water Corporation to increase water security with the Shire	Continue advocating for reticulated scheme water supply to various townsites			Existing scheme water carting is not sufficient	ongoing	Improved water supply and quality to all communities	

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GOVERNANCE & ACCOUNTABILITY									
5.1.1	Ensure governance and administration systems, policies and processes are current and relevant	Review policy categories and set ongoing accountability for review processes	Review current Council and Management policies and formalise update process and timelines	Ongoing processes	FMR Complete, Risk review underway, policy & delegation underway Reg 17 Review completed	Governance and management policies are reviewed by Council annually	ongoing	Clear separation between Council and Management Policies. Monitoring and review carried out with relevant topic expertise	
5.2	Be accountable and transparent while managing human and physical resources effectively	Asset Management	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Ongoing processes	Cycle of review	Plans up to date and in place	ongoing	Retain level and improve where necessary	
		Long Term Financial Management	Review Long Term Financial Plan regularly and maintain integration with other Strategic Plans of the Shire	Ongoing processes	Cycle of review	Plans up to date and in place	ongoing	Retain level and improve where necessary	
		Workforce Planning	Review Workforce Plan WFP regularly and maintain integration with other Strategic Plans of the Shire	Ongoing processes	Currently Underway	Plans up to date and in place	ongoing	Retain level and improve where necessary	
		Effectively Engage and communicate with the community	Implement Community Communication plan/ Stakeholder Engagement policy	Continual improvement	Increased social media presence & continual Web improvements, Newsletter	Continual website upgrades, consider external media consultants	ongoing	Maintain and improve communications with community	
		To ensure all residents can be engaged in communication and issue notifications, especially those not on social media.	Consultation with the community to determine best methods of delivering information or addressing issues across the Shire	Quarterly Newsletter initiated	Impliment Snap, Send, Solve. Quarterly Newsletter	Communication online and through social media can be exclusive to those who don't use those mediums.	ongoing	Communication is delivered to the community in a manner appropriate to the methods they can receive	
5.3	Make informed decisions within resources and areas of responsibility	Council and Shire process formally incorporate integrated plans as references	Reference SCP, CBP, Asset AMP, LTFP and WP regularly as part of decision-making process	implemented	ongoing	Plans up to date and in place	ongoing	Retain level and improve where necessary	
		Regular and relevant briefings to Elected Members	Continue with Staff Information Reports and Concept Forum Sessions with Council	implemented	ongoing	Reports in place and referenced at monthly Council meeting	ongoing	Retain and improve where necessary	
5.4	Ensure robust process for economic and infrastructure development	Town Planning Review/ Initiatives	Ensure Planning is in place to encourage economic development activities	implemented	ongoing	Solid and appropriate Planning is in place	ongoing	Retain and improve where necessary	

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Chief Executive Officers Report

It is with great pleasure that I present the Chief Executive Officer's Report for the Shire of Chapman Valley for the financial year ended 30 June 2025. This report encapsulates the achievements, challenges, and strategic steps that the Council and our dedicated workforce have undertaken in our commitment to serving the residents of this valued community.

Summary of the Year

Achievements and Highlights

- Delivery of projects and services in accordance with the 2024/25 adopted budget, maintaining financial sustainability while investing in vital infrastructure and community initiatives.
- Progress in Economic Development & Tourism Strategy, advancing local business opportunities and regional visitation, including targeted marketing and event support.
- Successful review of the Disability Access & Improvement Plan which will play a key role in improving access to public facilities, ensuring more inclusive community participation.
- Grant success securing DFES Community Benefit funding for emergency management enhancements, and LRCIP funding used to upgrade local roads and recreational infrastructure.

Challenges

- Workforce and skills retention remain ongoing priorities, particularly in specialised infrastructure and community services roles. The Shire has continued recruitment improvements and provided professional development support for staff.
- Rural and remote service delivery presents logistical challenges, but strong partnerships with neighbouring councils and agencies, together with robust community feedback mechanisms, have fostered resilience and adaptive solutions.

Strategic Direction and Performance

- Strategic Community Plan 2022–2032: All major projects and initiatives have been mapped to community priorities in our ten-year plan, with strong progress in transport, rural service upgrades, local business growth, and social infrastructure.
- Corporate Business Plan objectives: Performance targets for asset renewals, financial management, and service delivery are being met, with ongoing review against operational benchmarks.
- Disability Access and Inclusion Plan: Improvements to Shire website accessibility, enhanced community consultation processes, and physical infrastructure upgrades ensure equitable access for all residents.



Financial Performance

- The Shire has maintained prudent fiscal management, holding appropriate reserve balances for future needs and delivering services within adopted budget parameters resulting in the finance team who were awarded one of the top 20 Best Practice Entities in the State for the 23/24 financial year based on their financial reporting practices such as timeliness, quality of financial report, quality of working papers and clear audit opinion.
- External grant funding (DFES, LRCIP, CSRFF, DRF) has enabled capital works and community initiatives without undue pressure on rates, supporting sustainability and economic diversification.

Community Engagement

- The Shire conducted extensive community engagement, including workshops and surveys on key projects, Economic Development & Tourism Strategy actions, Strategic Community Plan 2022-2032 and the Disability Access and Inclusion Plan 2024-2029.
- Feedback directly influenced delivery priorities, accessibility improvements, and informed Council's approach to youth, aged care, and agricultural development.

Looking Ahead

- Planned priorities for 2025/26 include major transport asset upgrades.
- Continued advancement of the Economic Development & Tourism Strategy.
- The redevelopment of the Nabawa Recreation Centre. Stage 1 is expected to commence in the new year with grant applications submitted for Stage 2.

I would like to express my sincere gratitude to:

The Council and Elected Members: For their leadership, strategic direction, and governance of the Shire throughout the year. Their commitment to community service and good governance sets the standard for our organisation.

The Shire's Staff: For their professionalism, dedication, and commitment to service excellence. The delivery of quality services to our community depends entirely on the competence and commitment of our workforce.

Our Community: For their engagement, feedback, and support. Community participation in local government strengthens our decision-making and ensures that the Shire remains responsive to community needs.

As we move forward, the Shire remains committed to:

- Delivering quality, responsive local government services;
- Managing our financial and physical assets responsibly;
- Engaging meaningfully with our community;
- Supporting regional economic development and sustainability;
- Maintaining governance best practice and accountability.





I am confident that with continued focus on these priorities and the ongoing support of our Council, staff, and community, the Shire of Chapman Valley will further strengthen its position as a sustainable, inclusive, and vibrant regional community for all.

Jamie Criddle
CHIEF EXECUTIVE OFFICER





ANNUAL FINANCIAL REPORTS

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDIT REPORT

MANAGEMENT REPORT

I



SHIRE OF CHAPMAN VALLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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

*A thriving community, making the most of our coastline, ranges and rural settings
to support us to grow and prosper.*

Principal place of business:
3270 Chapman Valley Road
Nabawa WA 6532

**SHIRE OF CHAPMAN VALLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

Statement by Chief Executive Officer

The accompanying financial report of the Shire of Chapman Valley 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 third day of December 2025



Chief Executive Officer Signature

Jameon Criddle
Name of Chief Executive Officer



**SHIRE OF CHAPMAN VALLEY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),24	3,388,199	3,379,967	3,181,495
Grants, subsidies and contributions	2(a)	1,090,745	805,739	1,935,006
Fees and charges	2(a)	474,811	446,677	430,210
Interest revenue	2(a)	102,765	83,600	86,488
Other revenue	2(a)	18,979	21,125	19,554
		5,075,499	4,737,108	5,652,753
Expenses				
Employee costs	2(b)	(2,076,531)	(2,485,582)	(2,165,128)
Materials and contracts		(2,385,299)	(3,554,220)	(2,604,708)
Utility charges		(61,512)	(57,113)	(57,333)
Depreciation		(6,778,919)	(5,937,251)	(6,639,692)
Finance costs	2(b)	(36,324)	(34,126)	(2,302)
Insurance		(199,070)	(218,519)	(282,777)
Other expenditure	2(b)	(125,652)	(141,310)	(116,703)
		(11,663,307)	(12,428,121)	(11,868,643)
		(6,587,808)	(7,691,013)	(6,215,890)
Capital grants, subsidies and contributions	2(a)	2,392,461	4,377,214	1,527,329
Profit on asset disposals		83,565	93,756	134,729
Loss on asset disposals		0	(20,000)	0
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	(2,663)	0	1,261
		2,473,363	4,450,970	1,663,319
Net result for the period		(4,114,445)	(3,240,043)	(4,552,571)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(4,114,445)	(3,240,043)	(4,552,571)

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



SHIRE OF CHAPMAN VALLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	5,207,092	5,721,554
Trade and other receivables	5	301,635	278,034
Inventories	6	4,019	2,419
Other assets	7	54,752	54,570
TOTAL CURRENT ASSETS		5,567,498	6,056,577
NON-CURRENT ASSETS			
Trade and other receivables	5	8,342	8,342
Other financial assets	4(a)	59,715	62,378
Property, plant and equipment	8	20,003,278	19,277,324
Infrastructure	9	182,837,731	187,060,057
Right-of-use assets	11(a)	24,236	32,336
TOTAL NON-CURRENT ASSETS		202,933,302	206,440,437
TOTAL ASSETS		208,500,800	212,497,014
CURRENT LIABILITIES			
Trade and other payables	12	1,065,789	732,872
Contract liabilities	13	93,711	0
Capital grant/contributions liabilities	13	950,000	1,150,000
Lease liabilities	11(b)	8,517	8,301
Borrowings	14	100,478	95,932
Employee related provisions	15	563,638	581,836
TOTAL CURRENT LIABILITIES		2,782,133	2,568,941
NON-CURRENT LIABILITIES			
Contract liabilities	13	289,999	289,999
Lease liabilities	11(b)	17,703	26,220
Borrowings	14	480,614	581,092
Employee related provisions	15	33,528	19,494
TOTAL NON-CURRENT LIABILITIES		821,844	916,805
TOTAL LIABILITIES		3,603,977	3,485,746
NET ASSETS		204,896,823	209,011,268
EQUITY			
Retained surplus		25,193,578	29,326,894
Reserve accounts	27	1,616,777	1,597,906
Revaluation surplus	16	178,086,468	178,086,468
TOTAL EQUITY		204,896,823	209,011,268

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



**SHIRE OF CHAPMAN VALLEY
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		34,145,894	1,331,477	178,086,468	213,563,839
Comprehensive income for the period					
Net result for the period		(4,552,571)	0	0	(4,552,571)
Total comprehensive income for the period		(4,552,571)	0	0	(4,552,571)
Transfers to reserve accounts	27	(266,429)	266,429	0	0
Balance as at 30 June 2024		29,326,894	1,597,906	178,086,468	209,011,268
Comprehensive income for the period					
Net result for the period		(4,114,445)	0	0	(4,114,445)
Total comprehensive income for the period		(4,114,445)	0	0	(4,114,445)
Transfers to reserve accounts	27	(18,871)	18,871	0	0
Balance as at 30 June 2025		25,193,578	1,616,777	178,086,468	204,896,823

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



**SHIRE OF CHAPMAN VALLEY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	3,415,298	3,094,810
Grants, subsidies and contributions	1,024,534	2,053,218
Fees and charges	474,811	430,210
Interest revenue	102,765	86,488
Goods and services tax received	550,024	476,071
Other revenue	18,979	19,554
	5,586,411	6,160,351
Payments		
Employee costs	(2,071,311)	(2,095,551)
Materials and contracts	(2,410,303)	(2,895,359)
Utility charges	(61,512)	(57,333)
Finance costs	(36,324)	(2,302)
Insurance paid	(199,070)	(282,777)
Goods and services tax paid	(187,758)	(156,269)
Other expenditure	(125,652)	(88,450)
	(5,091,930)	(5,578,041)
Net cash provided by operating activities	494,481	582,310
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	(1,253,977)	(967,370)
Payments for construction of infrastructure	9(a) (1,540,619)	(1,477,321)
Proceeds from capital grants, subsidies and contributions	1,790,895	2,677,329
Proceeds from sale of property, plant & equipment	98,991	157,329
Net cash provided by (used in) investing activities	(904,710)	389,967
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	26(a) (95,932)	0
Payments for principal portion of lease liabilities	26(c) (8,301)	(8,087)
Proceeds from new borrowings	26(a) 0	677,024
Net cash provided by (used in) financing activities	(104,233)	668,937
Net increase (decrease) in cash held	(514,462)	1,641,214
Cash at beginning of year	5,721,554	4,080,340
Cash and cash equivalents at the end of the year	5,207,092	5,721,554

Non-cash investing movements are disclosed at note 8(a)

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



**SHIRE OF CHAPMAN VALLEY
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	24	3,225,629	3,217,397	3,045,186
Rates excluding general rates	24	162,570	162,570	136,309
Grants, subsidies and contributions		1,090,745	805,739	1,935,006
Fees and charges		474,811	446,677	430,210
Interest revenue		102,765	83,600	86,488
Other revenue		18,979	21,125	19,554
Profit on asset disposals		83,565	93,756	134,729
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	0	0	1,261
		5,159,064	4,830,864	5,788,743
Expenditure from operating activities				
Employee costs		(2,076,531)	(2,485,582)	(2,165,128)
Materials and contracts		(2,385,299)	(3,554,220)	(2,604,708)
Utility charges		(61,512)	(57,113)	(57,333)
Depreciation		(6,778,919)	(5,937,251)	(6,639,692)
Finance costs		(36,324)	(34,126)	(2,302)
Insurance		(199,070)	(218,519)	(282,777)
Other expenditure		(125,652)	(141,310)	(116,703)
Loss on asset disposals		0	(20,000)	0
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	(2,663)	0	0
		(11,665,970)	(12,448,121)	(11,868,643)
Non-cash amounts excluded from operating activities	25(a)	6,693,853	5,965,284	6,716,277
Amount attributable to operating activities		186,947	(1,651,973)	636,377
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,392,461	4,377,214	1,527,329
Proceeds from disposal of assets		197,327	224,500	157,329
		2,589,788	4,601,714	1,684,658
Outflows from investing activities				
Acquisition of property, plant and equipment	8(a)	(1,847,590)	(5,098,201)	(967,370)
Acquisition of infrastructure	9(a)	(1,540,619)	(1,406,032)	(1,477,321)
		(3,388,209)	(6,504,233)	(2,444,691)
Amount attributable to investing activities		(798,421)	(1,902,519)	(760,033)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	0	650,000	677,024
Transfers from reserve accounts	27	0	906,063	0
		0	1,556,063	677,024
Outflows from financing activities				
Repayment of borrowings	26(a)	(95,932)	(95,932)	0
Payments for principal portion of lease liabilities	26(c)	(8,301)	(8,301)	(8,087)
Transfers to reserve accounts	27	(18,871)	(473,137)	(266,429)
		(123,104)	(577,370)	(274,516)
Amount attributable to financing activities		(123,104)	978,693	402,508
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	2,575,799	2,575,799	2,296,947
Amount attributable to operating activities		186,947	(1,651,973)	636,377
Amount attributable to investing activities		(798,421)	(1,902,519)	(760,033)
Amount attributable to financing activities		(123,104)	978,693	402,508
Surplus or deficit after imposition of general rates	25(b)	1,841,221	0	2,575,799

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



**SHIRE OF CHAPMAN VALLEY
FOR THE YEAR ENDED 30 JUNE 2025
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**SHIRE OF CHAPMAN VALLEY
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 Chapman Valley 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
- Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 23

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Initial application of accounting standards

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

- 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 did not have a 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

The Shire will apply AASB 2022-10 prospectively in the year of revaluation for relevant assets.

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 CHAPMAN VALLEY
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
Capital grants, subsidies and contributions	Community developments, facilities and infrastructure, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed project milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Refuse site charges (Non-residents only)	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 - other services	Venue hire, administration services, PO box, inspections.	Single point in time	Full payment prior to issue	None	At point of service
Fees and charges - sale of stock	Petroleum based fuel stocks	Single point in time	Monthly in arrears	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

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	3,388,199	0	3,388,199
Grants, subsidies and contributions	930,822	0	0	159,923	1,090,745
Fees and charges	0	0	474,811	0	474,811
Interest revenue	0	0	38,188	64,577	102,765
Other revenue	0	0	0	18,979	18,979
Capital grants, subsidies and contributions	0	2,392,461	0	0	2,392,461
Total	930,822	2,392,461	3,901,198	243,479	7,467,960

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,181,495	0	3,181,495
Grants, subsidies and contributions	1,162,499	0	0	772,507	1,935,006
Fees and charges	0	0	430,210	0	430,210
Interest revenue	0	0	31,354	55,134	86,488
Other revenue	0	0	0	19,554	19,554
Capital grants, subsidies and contributions	0	1,527,329	0	0	1,527,329
Total	1,162,499	1,527,329	3,643,059	847,195	7,180,082

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Interest revenue

Note	2025 Actual \$	2024 Actual \$
Interest on reserve account	18,868	19,866
Trade and other receivables overdue interest	38,188	31,354
Other interest revenue	45,709	35,268
	102,765	86,488

The 2025 original budget estimate in relation to:
Trade and other receivables overdue interest was \$31,000.

Fees and charges relating to rates receivable

Charges on instalment plan	4,945	4,086
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The 2025 original budget estimate in relation to:
Charges on instalment plan was \$3,600.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	52,308	49,000
- Other services – grant acquittals	2,900	3,250
	55,208	52,250

Employee Costs

Employee benefit costs	1,753,764	1,763,980
Other employee costs	322,767	401,148
	2,076,531	2,165,128

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	35,534	1,003
Lease liabilities	790	1,299
	36,324	2,302

Other expenditure

Sundry expenses	125,652	116,703
	125,652	116,703

**SHIRE OF CHAPMAN VALLEY
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	5,207,092	5,721,554
Total cash and cash equivalents	5,207,092	5,721,554
Held as		
- Unrestricted cash and cash equivalents	2,256,605	2,683,649
- Restricted cash and cash equivalents	2,950,487	3,037,905
	5,207,092	5,721,554

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
Movement attributable to fair value increment
Units in Local Government House Trust - closing balance

Note	2025	2024
	\$	\$
	59,715	62,378
	59,715	62,378
	62,378	61,117
	(2,663)	1,261
	59,715	62,378

MATERIAL ACCOUNTING POLICIES

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 CHAPMAN VALLEY
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	227,287	239,977
Trade receivables	71,070	4,859
GST receivable	3,278	33,198
	301,635	278,034
Non-current		
Rates and statutory receivables	8,342	8,342
	8,342	8,342

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
	\$	\$	\$
Trade and other receivables from contracts with customers	71,070	4,859	20,840
Total trade and other receivables from contracts with customers	71,070	4,859	20,840

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.

GST receivable

GST receivable represents the net amount of Goods and Services Tax (GST) paid by the Shire on eligible goods and services during the reporting period that is recoverable from the Australian Taxation Office (ATO).

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. receivable after the end of the reporting period are classified as non-current assets.

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

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

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

6. INVENTORIES

Note	2025	2024
Current	\$	\$
Liquid Fuels - Diesel	4,019	2,419
	4,019	2,419
The following movements in inventories occurred during the year:		
Balance at beginning of year	2,419	5,931
Inventories expensed during the year	(144,825)	(149,767)
Additions to inventory	146,425	146,255
Balance at end of year	4,019	2,419

MATERIAL ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

Other assets - current

Prepayments

2025	2024
\$	\$
54,752	54,570
54,752	54,570

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.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Assets not subject to operating lease		Total property			Plant and equipment			Total property, plant and equipment
Note	Land	Buildings	Land	Buildings	Total property	Furniture and equipment	Plant and equipment	Tools and equipment	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	2,508,331	12,790,427	2,508,331	12,790,427	15,298,758	189,766	3,715,647	72,868	19,277,039
Additions	0	102,486	0	102,486	102,486	0	864,884	0	967,370
Disposals	0	0	0	0	0	0	(22,600)	0	(22,600)
Depreciation	0	(398,996)	0	(398,996)	(398,996)	(5,227)	(528,584)	(11,678)	(944,485)
Balance at 30 June 2024	2,508,331	12,493,917	2,508,331	12,493,917	15,002,248	184,539	4,029,347	61,190	19,277,324
Comprises:									
Gross balance amount at 30 June 2024	2,508,331	19,339,428	2,508,331	19,339,428	21,847,759	208,498	6,287,139	110,823	28,454,219
Accumulated depreciation at 30 June 2024	0	(6,845,511)	0	(6,845,511)	(6,845,511)	(23,959)	(2,257,792)	(49,633)	(9,176,895)
Balance at 30 June 2024	8(b) 2,508,331	12,493,917	2,508,331	12,493,917	15,002,248	184,539	4,029,347	61,190	19,277,324
Additions*	0	712,591	0	712,591	712,591	0	1,122,339	12,660	1,847,590
Disposals	0	0	0	0	0	0	(113,762)	0	(113,762)
Depreciation	0	(403,787)	0	(403,787)	(403,787)	(5,226)	(589,783)	(9,078)	(1,007,874)
Balance at 30 June 2025	2,508,331	12,802,721	2,508,331	12,802,721	15,311,052	179,313	4,448,141	64,772	20,003,278
Comprises:									
Gross balance amount at 30 June 2025	2,508,331	20,052,019	2,508,331	20,052,019	22,560,350	208,498	7,088,478	123,483	29,980,809
Accumulated depreciation at 30 June 2025	0	(7,249,298)	0	(7,249,298)	(7,249,298)	(29,185)	(2,640,337)	(58,711)	(9,977,531)
Balance at 30 June 2025	8(b) 2,508,331	12,802,721	2,508,331	12,802,721	15,311,052	179,313	4,448,141	64,772	20,003,278

* Asset additions included non-cash additions of \$593,613 representing contributed assets from the Department of Fire and Emergency Services.

SHIRE OF CHAPMAN VALLEY
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		2,508,331	2,508,331	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Direct comparison to similar type recently sold properties.
Total land	8(a)	2,508,331	2,508,331					
Buildings - specialised		12,802,721	12,493,917	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2022	Residual value, useful life, pattern of consumption and asset condition in relation to level of remaining service potential of the depreciable amount, valuers professional judgement.
Total buildings	8(a)	12,802,721	12,493,917					

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

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

(ii) Cost

Furniture and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable
Plant and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable
Tools and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable

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

9. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - carparks	Total infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2023	186,270,857	162,204	4,742,906	93,876	191,269,843
Additions	1,270,769	0	206,552	0	1,477,321
Depreciation	(5,627,803)	(6,250)	(51,251)	(1,803)	(5,687,107)
Balance at 30 June 2024	181,913,823	155,954	4,898,207	92,073	187,060,057
Comprises:					
Gross balance at 30 June 2024	212,666,630	312,500	6,833,384	102,703	219,915,217
Accumulated depreciation at 30 June 2024	(30,752,807)	(156,546)	(1,935,177)	(10,630)	(32,855,160)
Balance at 30 June 2024	181,913,823	155,954	4,898,207	92,073	187,060,057
Additions	1,319,085	0	221,534	0	1,540,619
Depreciation	(5,703,128)	(6,250)	(51,759)	(1,808)	(5,762,945)
Balance at 30 June 2025	177,529,780	149,704	5,067,982	90,265	182,837,731
Comprises:					
Gross balance at 30 June 2025	213,985,715	312,500	7,054,918	102,703	221,455,836
Accumulated depreciation at 30 June 2025	(36,455,935)	(162,796)	(1,986,936)	(12,438)	(38,618,105)
Balance at 30 June 2025	177,529,780	149,704	5,067,982	90,265	182,837,731

**SHIRE OF CHAPMAN VALLEY
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	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - carparks	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Actual construction costs, residual values, asset conditions and remaining useful life assessments

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

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

SHIRE OF CHAPMAN VALLEY
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	Sub Class	Component	Useful life
Land - freehold land			Not depreciated
Buildings - specialised			10 to 100 years
Furniture and equipment			2 to 10 years
Plant and equipment			2 to 15 years
Tools and equipment			2 to 15 years
Right of Use - Land and building			Based on remaining lease
Infrastructure - Roads	Sealed	Pavement	80 years
Infrastructure - Roads	Sealed	Formation	Not depreciated
Infrastructure - Roads	Sealed	Surface	15 to 60 years
Infrastructure - Roads	Unsealed	Pavement	10 years
Infrastructure - Roads	Unsealed	Formation (Formed/Unformed)	Not depreciated
Infrastructure - Roads	Drainage	Kerbs	40 years
Infrastructure - Roads	Drainage	Table Drains	Not depreciated
Infrastructure - Footpaths			50 years
Infrastructure - Drainage	Culvert	Box	80 years
Infrastructure - Drainage	Culvert	Circular	80 years

**SHIRE OF CHAPMAN VALLEY
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.

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.

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.

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.

**SHIRE OF CHAPMAN VALLEY
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 - land and buildings \$	Total right-of-use assets \$
Balance at 1 July 2023		40,436	40,436
Depreciation		(8,100)	(8,100)
Balance at 30 June 2024		32,336	32,336
Gross balance amount at 30 June 2024		72,973	72,973
Accumulated depreciation at 30 June 2024		(40,637)	(40,637)
Balance at 30 June 2024		32,336	32,336
Depreciation		(8,100)	(8,100)
Balance at 30 June 2025		24,236	24,236
Gross balance amount at 30 June 2025		72,973	72,973
Accumulated depreciation at 30 June 2025		(48,737)	(48,737)
Balance at 30 June 2025		24,236	24,236

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 \$
Depreciation on right-of-use assets	(8,100)	(8,100)
Finance charge on lease liabilities	(790)	(1,003)
Total amount recognised in the statement of comprehensive income	(8,890)	(9,103)
Total cash outflow from leases	(9,091)	(9,090)
(b) Lease liabilities		
Current	8,517	8,301
Non-current	17,703	26,220
	26,220	34,521

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 26(c).

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 CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Bonds and deposits held
Accrued expenditure
Accrued interest

2025	2024
\$	\$
773,518	476,046
76,309	61,900
82,781	73,397
96,441	95,202
35,757	25,184
983	1,143
1,065,789	732,872

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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

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

13. OTHER LIABILITIES

Current

Contract liabilities	93,711	0
Capital grant/contributions liabilities	950,000	1,150,000
	<u>1,043,711</u>	<u>1,150,000</u>

Non-current

Contract liabilities	289,999	289,999
	<u>289,999</u>	<u>289,999</u>

Reconciliation of changes in contract liabilities

Opening balance	289,999	159,515
Additions	93,711	130,484
	<u>383,710</u>	<u>289,999</u>

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 to 60 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	1,150,000	0
Additions	0	1,150,000
Reductions	(200,000)	0
	<u>950,000</u>	<u>1,150,000</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	950,000	1,150,000
	<u>950,000</u>	<u>1,150,000</u>

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		100,478	480,614	581,092	95,932	581,092	677,024
Total secured borrowings	26(a)	100,478	480,614	581,092	95,932	581,092	677,024

Secured liabilities and assets pledged as security

Debentures were secured by a floating charge over the assets of the Shire of Chapman Valley during the 2025 financial year.

The Shire of Chapman Valley has complied with the financial covenants of its borrowing facilities during the 2025 financial year.

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 hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

2025	2024
\$	\$
307,127	298,528
256,511	283,308
563,638	581,836
563,638	581,836
33,528	19,494
33,528	19,494
33,528	19,494
597,166	601,330

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 CHAPMAN VALLEY
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	8,824,751	0	8,824,751	8,824,751	0	8,824,751
Revaluation surplus - Buildings	1,361,504	0	1,361,504	1,361,504	0	1,361,504
Revaluation surplus - Plant and equipment	496,127	0	496,127	496,127	0	496,127
Revaluation surplus - Infrastructure - roads	167,404,086	0	167,404,086	167,404,086	0	167,404,086
	178,086,468	0	178,086,468	178,086,468	0	178,086,468

SHIRE OF CHAPMAN VALLEY
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	2,950,487	3,037,905
		2,950,487	3,037,905
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	1,616,777	1,597,906
Contract liabilities	13	383,710	289,999
Capital grant liabilities	13	950,000	1,150,000
Total restricted financial assets		2,950,487	3,037,905

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Credit standby arrangements

Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(3,322)	(1,400)
Total amount of credit unused	256,678	258,600

Loan facilities

Loan facilities - current	100,478	95,932
Loan facilities - non-current	480,614	581,092
Total facilities in use at balance date	581,092	677,024

Unused loan facilities at balance date

NIL NIL

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

19. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities during the 2025 financial year. (June 2024: Nil)

20. CAPITAL COMMITMENTS

The Shire did not have any capital commitments outstanding at the end of the 2025 financial year. (June 2024: Nil)

SHIRE OF CHAPMAN VALLEY
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	10,286	10,286	10,000
President's meeting attendance fees	10,286	10,286	9,742
President's annual allowance for ICT expenses	3,500	3,500	500
President's annual allowance for travel and accommodation expenses	50	50	50
	24,122	24,122	20,292
Deputy President's annual allowance	2,572	2,571	2,500
Deputy President's meeting attendance fees	10,286	10,286	9,742
Deputy President's annual allowance for ICT expenses	3,500	3,500	500
Deputy President's annual allowance for travel and accommodation expenses	50	50	50
	16,408	16,407	12,792
All other council member's meeting attendance fees	46,287	51,430	51,145
All other council member's annual allowance for ICT expenses	15,750	17,500	2,625
All other council member's annual allowance for travel and accommodation expenses	225	250	263
	62,262	69,180	54,033
21(b)	102,792	109,709	87,117

(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	808,760	768,335
Post-employment benefits	150,638	126,995
Employee - other long-term benefits	81,376	77,513
Council member costs	102,792	87,117
21(a)	1,143,566	1,059,960

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.

Council member costs

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

**SHIRE OF CHAPMAN VALLEY
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

No transactions between related parties have occurred during the 2024/2025 financial year. If any transactions were to occur in future financial years, they will be subject to normal commercial terms and conditions, no more favourable than those available to other parties.

(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 CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Chapman Valley did not have any events occurring after the reporting date that have a significant effect on the financial statements.

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

23. 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 CHAPMAN VALLEY
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24. RATING INFORMATION

(a) General rates

RATE TYPE		Rate in	Number	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2023/24
Rate description	Basis of valuation	\$	of properties	Actual rateable value*	Actual rate revenue	Actual interim rates	Actual total revenue	Budget rate revenue	Budget interim rate	Actual total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
General Rate GRV	Gross rental valuation	0.071019	301	7,424,878	527,307	7,985	535,292	527,307	0	527,307
General Rate UV	Unimproved valuation	0.006683	428	370,746,500	2,477,699	570	2,478,269	2,477,699	0	2,477,699
Oakagee Industrial Estate Buffer Zo	Unimproved valuation	0.012231	2	17,365,000	212,391	0	212,391	212,391	0	212,391
Total general rates			731	395,536,378	3,217,397	8,555	3,225,952	3,217,397	0	3,217,397
Minimum payment		\$								
General Rate GRV	Gross rental valuation	771.50	197	1,275,117	151,986	0	151,986	151,986	0	151,986
General Rate UV	Unimproved valuation	441.00	24	287,363	10,584	0	10,584	10,584	0	10,584
Total minimum payments			221	1,562,480	162,570	0	162,570	162,570	0	162,570
Total general rates and minimum payments			952	397,098,858	3,379,967	8,555	3,388,522	3,379,967	0	3,379,967
Write Offs							(323)		0	0
Total rates							3,388,199		3,379,967	3,181,495
(b) Rates related information										
Rates instalment interest							7,539		6,000	6,306
Rates instalment plan charges							4,945		3,600	4,086
Rates overdue interest							30,649		25,000	25,048
Rates written off							323		0	0

*Rateable Value at time of raising of rate.

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25. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
Note	2024/25 (30 June 2025 carried forward)	(30 June 2025 carried forward)	(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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(83,565)	(93,756)	(134,729)
Less: Movement in liabilities associated with restricted cash	(18,198)	7,434	84,494
Less: Fair value adjustments to financial assets at fair value through profit or loss	2,663	0	(1,261)
Add: Loss on disposal of assets	0	20,000	0
Add: Depreciation	6,778,919	5,937,251	6,639,692
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	14,034	407	(2,403)
Contract liabilities	0	93,948	130,484
Non-cash amounts excluded from operating activities	6,693,853	5,965,284	6,716,277
(b) 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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27	(1,616,777)	(1,164,982)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14	100,478	175,837
- Current portion of lease liabilities	11(b)	8,517	8,517
- Employee benefit provisions		563,638	570,000
Total adjustments to net current assets		(944,144)	(410,628)
Net current assets used in the Statement of financial activity			
Total current assets		5,567,498	1,894,813
Less: Total current liabilities		(2,782,133)	(1,484,185)
Less: Total adjustments to net current assets		(944,144)	(410,628)
Surplus or deficit after imposition of general rates		1,841,221	0

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26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Actual								Budget			
	Principal at	New loans	Principal	Principal at 30	New loans	Principal	Principal at		Principal at 1	New loans	Principal	Principal at
	1 July 2023	during 2023-24	repayments	June 2024	during 2024-25	repayments	30 June 2025		July 2024	during 2024-25	repayments	30 June 2025
	\$	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$
Depot Building	0	267,024	0	267,024	0	(21,238)	245,786		267,024	0	(21,238)	245,786
Road Plant Capital - 23/24	0	410,000	0	410,000	0	(74,694)	335,306		410,000	0	(74,694)	335,306
Disaster Recovery Centre	0	0	0	0	0	0	0		0	500,000	0	500,000
Road Plant Capital - 24/25	0	0	0	0	0	0	0		0	150,000	0	150,000
Total	0	677,024	0	677,024	0	(95,932)	581,092		677,024	650,000	(95,932)	1,231,092

Borrowing finance cost payments					Actual for year	Budget for	Actual for year
Purpose	Loan	Institution	Interest rate	Date final	ending	year ending	ending
	number			payment is due	30 June 2025	30 June 2025	30 June 2024
					\$	\$	\$
Depot Building	99	WATC*	4.93%	18/06/2034	(14,784)	(13,167)	(469)
Road Plant Capital - 23/24	100	WATC*	4.61%	18/06/2029	(20,750)	(18,919)	(674)
Total					(35,534)	(32,086)	(1,143)
Total finance cost payments					(35,534)	(32,086)	(1,143)

* Western Australian Treasury Corporation

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26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New borrowings - 2024/25

Particulars/purpose	Institution	Loan type	Term years	Interest rate	Amount borrowed		Amount (used)		Total interest and charges	Actual balance unspent
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
				%	\$	\$	\$	\$	\$	\$
Disaster Recovery Centre	WATC*	Fixed Rate	10	4.61%	0	500,000	0	(500,000)	0	0
Road Plant Capital - 24/25	WATC*	Fixed Rate	4	4.61%	0	150,000	0	(150,000)	0	0
					0	650,000	0	(650,000)	0	0

* Western Australian Treasury Corporation

(c) Lease liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$
Nabawa Fuel Station		42,608	0	(8,087)	34,521	34,521	0	(8,301)	26,220
Total lease liabilities	11(b)	42,608	0	(8,087)	34,521	34,521	0	(8,301)	26,220

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
					\$	\$	\$	
Nabawa Fuel Station	LE01	Searange Holdings Pty Ltd	2.60%	30/06/2028	(790)	(790)	(1,003)	10 Years
Total finance cost payments					(790)	(790)	(1,003)	

**SHIRE OF CHAPMAN VALLEY
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27. 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 legislation/agreement												
(a) Cash-in-lieu of public open space reserve	187,464	2,214	0	189,678	187,465	0	(187,464)	1	0	187,464	0	187,464
	187,464	2,214	0	189,678	187,465	0	(187,464)	1	0	187,464	0	187,464
Restricted by council												
(b) Leave reserve	169,811	2,006	0	171,817	169,811	2,000	(17,601)	154,210	167,427	2,384	0	169,811
(c) Water reserve	14,597	173	0	14,770	14,597	200	0	14,797	14,392	205	0	14,597
(d) Communication & information technologies reserve	100,749	1,190	0	101,939	100,749	500	0	101,249	40,177	60,572	0	100,749
(e) Plant & light vehicle reserve	532,082	6,283	0	538,365	532,082	462,937	(532,000)	463,019	524,609	7,473	0	532,082
(f) Legal reserve	41,028	485	0	41,513	41,028	500	0	41,528	40,452	576	0	41,028
(g) Land development reserve	73,884	872	0	74,756	73,884	500	(68,998)	5,386	72,846	1,038	0	73,884
(h) Infrastructure reserve	289,537	3,419	0	292,956	289,538	4,000	0	293,538	285,471	4,066	0	289,537
(i) Building reserve	188,754	2,229	0	190,983	188,754	2,500	(100,000)	91,254	186,103	2,651	0	188,754
	1,410,442	16,657	0	1,427,099	1,410,443	473,137	(718,599)	1,164,981	1,331,477	78,965	0	1,410,442
	1,597,906	18,871	0	1,616,777	1,597,908	473,137	(906,063)	1,164,982	1,331,477	266,429	0	1,597,906

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 legislation/agreement	
(a) Cash-in-lieu of public open space reserve	To be used to set aside funds received from developers in lieu of land. The funds are to be used to purchase land open spaces including parks, recreation grounds and general spaces.
Restricted by council	
(b) Leave reserve	To be used to fund annual and long service leave requirements.
(c) Water reserve	To be used for the construction and operational costs of facilities for fire fighting purposes.
(d) Communication & information technologies reserve	To be used to replace Information and Communications Technology equipment.
(e) Plant & light vehicle reserve	To be used for the purchase of and/or major repair of major plant and light vehicles.
(f) Legal reserve	To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
(g) Land development reserve	To be used for further subdivisional development in the Shire of Chapman Valley.
(h) Infrastructure reserve	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.
(i) Building reserve	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.

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28. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
Construction Training Fund Levies	3,271	12,198	(11,815)	3,654
Building Commission Levies	2,300	11,595	(10,248)	3,647
Unclaimed Monies	0	1,000	(950)	50
Nomination Deposits	700	0	(700)	0
	6,271	24,793	(23,713)	7,351

9 New Business of an Urgent Nature Introduced by Decision of the Meeting

10 Closure