UNCONFIRMED MINUTES

PLEASE NOTE: These Minutes have yet to be confirmed by Council as a true record of proceedings.

SHIRE OF LAVERTON

Discover the Outback Spirit

MINUTES

FOR THE AUDIT AND RISK COMMITTEE MEETING

4 DECEMBER 2025

MINUTES

AGENDA FOR AUDIT AND RISK COMMITTEE MEETING HELD ON THURSDAY 4 DECEMBER 2025 AT 5:08PM

1. DECLARATION OF OPENING

The presiding Member, Cr Patrick Hill, declared the Committee Meeting open at 5:08PM.

2. RECORD OF ATTENDANCE

2.1 PRESENT

Cr P Hill	Member
Cr S Weldon	Member
Cr R Weldon	Member
Cr B Conway-Cox	Member
Cr P Ovans	Member
Cr M Pedder	Member
Mr P Marshall	Chief Executive Officer
Mr J Hawkins	Deputy Executive Officer
Mr P Kerp	Manager of Works and Services

2.2 APOLOGIES

2.3 LEAVE OF ABSENCE

Cr R Wedge	Member

2.4 VISITORS

RSM – Amit Kabra, Shruti Maharaj and Young Han

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 MINUTES OF AUDIT COMMITTEE MEETING HELD 5TH DECEMBER 2024

ATTACHMENT

ARC051224.3.1.A Minutes of Audit and Risk Committee Meeting 5th December 2024

RESOLUTION **COUNCIL DECISION**

MOVED: **Cr R Weldon** SECONDED: **Cr M Pedder**

That the Minutes of the Audit and Risk Committee Meeting (Attachment ARC051224.3.1.A) held on 5th December 2024, be confirmed as a true and accurate record of proceedings.

CARRIED 6/0

For: Cr P Hill, Cr R Weldon, Cr M Pedder, Cr S Weldon, Cr P Ovans, Cr B Conway-Cox

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4. REPORTS OF COMMITTEE AND OFFICERS

4.1 AUDIT REPORTS FOR THE YEAR ENDING 30TH JUNE 2025

REPORT TO WHICH MEETING/COMMITTEE	Audit and Risk Committee, 4th December 2025
DISCLOSURE OF INTEREST	The author has no financial interest in the matter presented to the Council
OWNER/APPLICANT	Not Applicable
AUTHOR	Jackie Hawkins, Deputy Chief Executive Officer
RESPONSIBLE OFFICER	Phil Marshall, Chief Executive Officer
PREVIOUS MEETING REFERENCE IF APPLICABLE	The 2024 Audit report was reported to the Committee on the 5th December 2024.

MATTER FOR CONSIDERATION BY THE COUNCIL

That the Audit and Risk Committee to receive and consider the following documents and recommend to the Council for adoption:

- Management Letter from the Office of Auditor General (OAG)
- Independent Audit report for the year ending 30 June 2025
- Findings identified during the Final Audit 30 June 2025

ATTACHMENTS – To be provided separately

ARC041225.4.1. A	Independent Auditors report for the year ending 30 June 2025.
ARC041225.4.1. B	Management Letter for the year ending (to the Shire President and CEO) 30 June 2025.
ARC041225.4.1.C	Findings identified during the Final audit 30 June 2025
ARC041225.4.1.D	Auditor's Closing Report for 30 June 2025(Attached)

BACKGROUND

In accordance with section 7.9 of the Local Government Act 1995, the audit was conducted by the OAG and RSM.

STATUTORY IMPLICATIONS
Local Government Act 1995

1.3. Content and intent

(2) This Act is intended to result in —

(a) better decision-making by local governments; and

(b) greater community participation in the decisions and affairs of local governments; and

(c) greater accountability of local governments to their communities; and

(d) more efficient and effective local government.

(3) In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement, and economic prosperity.

2.7. Role of council

(1) The council —

(a) governs the local government's affairs; and

(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government's finances and resources; and

(b) determine the local government's policies.

3.1. General function

(1) The general function of a local government is to provide for the good government of persons in its district.

(2) The scope of the general function of a local government is to be construed in the context of its other functions under this Act or any other written law and any constraints imposed by this Act or any other written law on the performance of its functions.

(3) A liberal approach is to be taken to the construction of the scope of the general function of a local government.

LOCAL GOVERNMENT ACT 1995 - SECT 7.9

7.9. Audit to be conducted

(1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —

(a) the mayor or president; and

(b) the CEO of the local government; and

(c) the Minister.

(2) Without limiting the generality of subsection (1), where the auditor considers that —

(a) there is any error or deficiency in an account or financial report submitted for audit; or

(b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or

(c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,

details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

(3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —

(a) prepare a report thereon; and

(b) forward a copy of that report to the Minister,

and that direction has effect according to its terms.

(4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

LOCAL GOVERNMENT ACT 1995 - SECT 7.12A

7.12A. Duties of local government with respect to audits

(1) A local government is to do everything in its power to —

(a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and

(b) ensure that audits are conducted successfully and expeditiously.

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3) A local government must —

(aa) examine an audit report received by the local government; and

(a) determine if any matters raised by the audit report, require action to be taken by the local government; and

(b) ensure that appropriate action is taken in respect of those matters.

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996 - REG 16

16. Functions of audit committee

An audit committee has the following functions —

(a) to guide and assist the local government in carrying out —

(i) its functions under Part 6 of the Act; and

(ii) its functions relating to other audits and other matters related to financial management;

(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;

(c) to review a report given to it by the CEO under regulation 17(3) (the ***CEO's report***) and is to —

(i) report to the council the results of that review; and

(ii) give a copy of the CEO's report to the council;

(d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —

(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;

(f) to oversee the implementation of any action that the local government —

(i) is required to take by section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and

(iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);

(g) to perform any other function conferred on the audit committee by these regulations or another written law.

STRATEGIC PLAN IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community.

- Outcome 4.3 Improved planning
- 4.3.1 Continue to review and improve organisational plans.
- 4.3.2 Seek high level of statutory compliance.

POLICY IMPLICATIONS

There are no policy implications to the Council.

FINANCIAL IMPLICATIONS

A budget allocation of $80,000.00 for the cost of the 24/25 financial year audit in the 25/26 budget.

RISK MANAGEMENT

As the Council is meeting the requirements of the Local Government Act in both the acceptance of the Auditors Report and The Management Letter and with a non qualified audit, the level of Risk is considered Minor.

5x5 RISK MATRIX

PROBABILITY					
Highly Probable	5 Moderate	10 Major	15 Major	20 Severe	25 Severe
Probable	4 Moderate	8 Moderate	12 Major	16 Major	20 Severe
Possible	3 Minor	6 Moderate	9 Moderate	12 Major	15 Major
Unlikely	2 Minor	4 Moderate	6 Moderate	8 Moderate	10 Major
Rare	1 Minor	2 Minor	3 Minor	4 Moderate	5 Moderate
	Very Low	Low	Medium	High	Very High

IMPACT

CONSULTATION

Nil

COMMENT

The findings identified during the audit and of importance is that there were no significant findings. The administration is mindful of several issues including:

- Unrecorded Liabilities – Administration will monitor the invoices closely at the end of the year to ensure that all transactions that should be included in the statements are taken up.

- Related Party Transactions – Councillors need to ensure that all information supplied to them on their Related Party Transaction forms are correct and completed in full. This includes any transactions that may have occurred between yourselves as supplies and the Shire.

- Identified misstatements – This includes 2 transactions from the prior year period of 23/24 totalling a net figure of $7,233 and two transactions for the current year audit affecting expenses of ($46,014) which would effectively reduce the surplus by $38,781 should the transactions be corrected and taken up in the relevant year.

INDEX OF FINDINGS	**RATING**		
	Significant	**Moderate**	**Minor**
CURRENT YEAR FINDINGS			
1. Unrecorded Liabilities			**P**
2. Related party disclosures – Undisclosed Councillor Transactions			
3. Identified Misstatements			

In the 23/24 financial year, the following items were raised in the audit.

Index of findings	**Potential impact on audit opinion**	**Rating**			**Prior year finding**
		Significant	**Moderate**	**Minor**	
1. Timely lodgement of Annual Returns	No		✓		
2. Unrecorded Liabilities	No			✓	✓

Please see attachment ARC041225.4.1.C for the comments from the CEO.

The staff involved in the audit and through the Council's consultancy has been strong in their endeavours to clarify and provide all relevant information.

I recommend the auditor's report to the Audit and Risk committee for recommendation to the Council for adoption.

RESOLUTION **COUNCIL DECISION**

MOVED : **Cr S Weldon** SECONDED: **Cr P Ovans**

That the Audit and Risk Committee recommends to the Council that the:

- **Independent Auditors report for the year ending 30 June 2025. Shown as Attachment ARC041225.4.1.A**
- **Management Letter for the year ending (to the Shire President and CEO) 30 June 2025.Shown as Attachment OMC041225.4.1.B**
- **Findings identified during the Final audit 30 June 2025. Shown as Attachment OMC041225.4.1.C**
- **Auditor's Closing report for the year ending 30 June 2025, shown as Attachment ARC041225.4.1.D.**

and as prepared by the Office of Auditor General and RSM be accepted and that the reports be published on the Shire of Laverton website in accordance with the Local Government Act 1995.

CARRIED 6/0

For: Cr P Hill, Cr R Weldon, Cr M Pedder, Cr S Weldon, Cr P Ovans, Cr B Conway-Cox

STRICTLY PRIVATE AND CONFIDENTIAL

Shire of Laverton

Auditor’s Closing Report

30 June 2025

Contents

1. Executive Summary

Introduction
The primary purpose of the Auditor's Closing Report is to brief the Shire of Laverton (**"the Shire"** or **"the Local Government"**) on the results of our audit of financial statements for the year ended 30 June 2025.

This report should be read in conjunction with our Audit Planning Memorandum (**APM**) presented to the Shire at our entrance meeting on 17 April 2025.

The financial statements and key performance indicators were submitted by the Commission and considered to be of audit ready quality on 10 September 2025.

Based on RSM's recommendation, the Office of the Auditor General (**OAG**) intends to issue an unmodified auditor's report for the year ended 30 June 2025. The audit procedures were designed to support our auditor's opinion, and they cannot be expected to identify all weaknesses or inefficiencies in your systems and working practices.

Reassessment of risk and audit approach
There have been no changes in the risk assessment or audit approach set out in the APM.

Matters of significance
In accordance with section 24(1) of the *Auditor General Act 2006*, the Auditor General is required to report on matters arising out of the performance of the Auditor General's functions that are, in the opinion of the Auditor General, of such significance as to require reporting. We confirm that no such matters came to our attention during our audit work.

Our appreciation
We express our appreciation for the cooperation shown by the Finance staff and other Business Functions during the audit.

AMIT KABRA
Partner – Assurance & Advisory
RSM Australia

CARLY MEAGHER
Director – Financial Audit
Office of the Auditor General of Western Australia

OVERALL SUMMARY	
STATUS OF AUDIT **5** *Outstanding matters for audit completion*	**KEY AREAS OF AUDIT FOCUS** **2** *Areas assessed as audit risks*
INTERNAL CONTROL OBSERVATIONS **-** *Improvements to the design and implementation of internal controls which remain open*	**IDENTIFIED MISSTATEMENTS** **4** *Number of adjusted and unadjusted misstatements identified*

2. Outstanding Matters

The following items relating to the completion of our audit procedures are outstanding at the date of release of this report:

No	Item	Action	Responsibility	Due on/by
1.	**Financial Report**	Receipt of the signed financial report	Management	4 December 2025
2.	**Management representation letter**	Receipt of signed management representation letter	Management	4 December 2025
3.	**Subsequent events**	Completion of subsequent events procedures to the date of signing the audit report	RSM / Management	4 December 2025
4.	**Issue of Contractor's Auditor's Report**	Issue of signed contract auditor's report to the Office of the Auditor General	RSM	4 December 2025
5.	**Issue of Audit Report**	Issue of signed auditor's report	OAG	Within 3 business days of receiving the signed financial statements

RSM

3. Areas of Focus

In performing our audit using our optimal risk-based audit methodology, RSM Orb, we have identified the following areas which we consider, in our professional judgment, of most significance in the audit of the financial report for the year ended 30 June 2025:

No.	Focus area	Significant accounting estimates and judgments involved	Identified misstatements	Control findings
1.	Management override of controls	● None	● None	● None
2.	Revenue recognition – Grants, subsidies and contributions	● None	● None	● None

OAG Office of the Auditor General Serving the Public Interest

Areas of Focus: Management Override of Controls

Summary of response
Our audit procedures, among other things, included: ▪ Testing journal entries recorded in the general ledger and adjustments on a sample basis based on data analytics to identify journal entries that exhibit characteristics of audit interest. ▪ Assessing accounting estimates for evidence of biases. ▪ Reviewing unusual, significant transactions and related party transactions; and ▪ Conducting an unpredictability test.

Findings and Conclusions
Conclusion Based on our work, we are satisfied that there are reasonable processes and controls in place to manage the risk of management override of controls.

Area of Focus: Revenue Recognition – Grants, subsidies and contributions

	2025 $	2024 $
Statement of profit or loss and other comprehensive income		
Revenue		
Grants, subsidies and contributions	2,398,217	4,934,732
Capital grants, subsidies and contributions	4,547,154	1,915,466
Statement of financial position		
Contract liabilities	1,500,000	2,004,809

Summary of response

Our audit procedures, among other things, included:

Substantive Testing:

- Performing test of details, on a sample basis, over grants, subsidies and contributions throughout the year and including transactions near year end to ensure they are correctly and completely accounted for in line with the Local Government's revenue recognition policy.
- Performing calculation checks for contract liabilities related to grants, subsidies and contributions and vouching to agreements.
- Reviewing receivables balances on a sample basis and performing subsequent receipt testing.
- Performing testing on journal entries for any management override of internal controls related to revenue recognition.

Findings and Conclusion

Conclusion:

Based on our procedures, we are satisfied that revenue, in all material respects, has been accounted in accordance with the requirements of the LG Act and the Financial Management Regulations.

Areas of Focus: Other critical disclosures within the financial statements

RSM has also audited the following critical disclosures in the financial statements by verifying the underlying calculations and auditing the evidence to support the amounts disclosed. Our findings are outlined in the below table.

Description of disclosure	RSM Audit response	Findings
1. Related party disclosures	We have reviewed the disclosures and supporting material to ensure compliance with AASB 124 *Related Party Disclosures*. We have also assessed the Shire's internal controls around the identification and proper disclosure of related party transactions and related party transactions and the Elected Members' and senior officer remuneration.	We note the Shire has transactions with entities related to two Councillors and those transactions are appropriately disclosed in Note 20 to the financial statements. However, we note that the related party declaration form by the two Councillors did not include the transactions their related party entities have entered into with the Shire during the year. The Shire has identified these transactions based on previous knowledge. We recommend the Shire consider reminding all key management personnel of the need to disclose the transactions with the Shire even if the arrangements have not changed since previous year. Except as noted above, our procedures regarding related parties did not identify any significant matters.
2. Capital and other commitments for expenditure	We have reviewed the underlying calculations and review the evidence to support the amounts disclosed.	Our procedures regarding capital and other commitments for expenditure did not identify any significant matters.
3. Areas subject to accounting estimates	We have considered the areas of the Local Government's financial report that are subject to estimation uncertainty, few are of sufficient quantum to be susceptible to material misstatement. We determined that the balances listed below include estimates that may be susceptible to material misstatement due to the measurement of the monetary amount. ▪ Financial and non-financial assets – Valuations and assessment of impairment indicators; ▪ Employee benefits provisions – the probability of leave vesting, discount rates, wage inflation rates and timing of future cash . Our additional audit work encompassed performing more granular assessments regarding the risk that accounting estimates are materially misstated. In addition, we	Our procedures regarding accounting estimates did not identify any significant matters.

Description of disclosure	RSM Audit response	Findings
	focused on appropriately responding to the levels of estimation uncertainty, complexity and subjectivity in the accounting estimate.	

4. Internal Control Findings

Findings

Based on our testing, we have included an update on the status of prior year findings as well as the following new findings identified during the interim and final audit stages.

Status of prior year audit issues:

No control weakness identified during the prior year's audit remains open.

Audit issues reported at final:

No control weaknesses identified during the final audit.

Opportunities for improvement

The following areas of improvement were identified during the final audit:

Area	Observation and implication	Recommendation
Unrecorded liabilities	During the final audit, from our procedures and testing over subsequent payments and liabilities, we noted that there were a few issues relating to accounts payables as of 30 June 2025. We initially tested 11 samples, from subsequent bank payments for the period 1st July 2025 to 31 August 2025 and have noted that 3 of the 11 samples have not been recorded in the correct financial year. The invoices for the samples were for services provided during FY25, however no accrual was made to record the payable as of 30 June 2025. It was deemed that the samples were incorrectly excluded from payables as of 30 June 2025. The total value of the samples that were not recorded as of 30 June 2024 was $24,650. **Implication:** The exclusion of $24,650 from the accounts payables as of 30 June 2025 results in a misstatement of the financial position of the company. This misstatement could affect the accuracy and reliability of the financial statements.	**Strengthen Controls:** Implement stronger internal controls and procedures to ensure timely and accurate recording of accounts payables. This may include regular reconciliations, periodic reviews, and enhanced oversight of the accounts payable process. **Continuous Monitoring:** Establish a continuous monitoring system to regularly review and assess the accuracy of financial records. This will help in early detection and correction of any discrepancies in accounts payables.

5. Identified Misstatements

Materiality

We have not included misstatements identified that are considered by management or us to be clearly trivial, either taken individually or in aggregate.

Adjusted Misstatements

We did not identify any material misstatements during our audit that management were required to adjust.

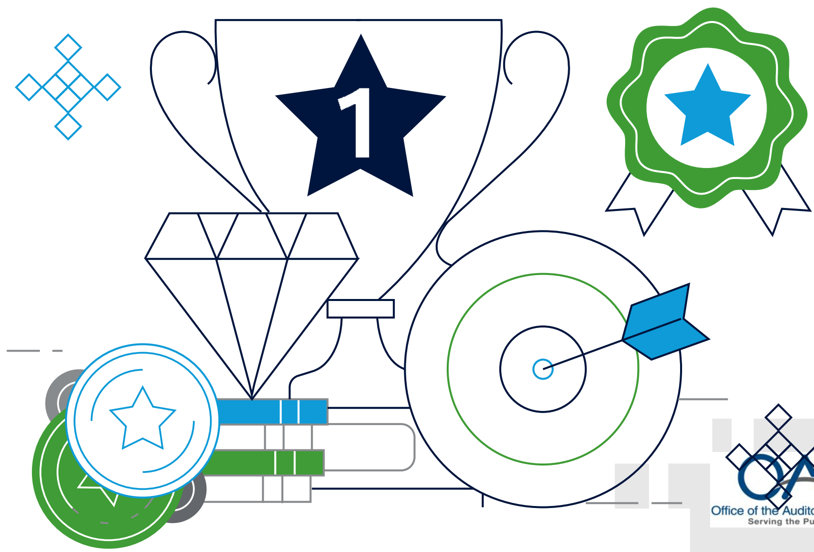
Unadjusted Misstatements

The following unadjusted amounts have been identified during the conduct of our audit. Management has determined that these amounts are immaterial and do not require adjustment to the financial report. We concur with management's determination.

Description	Assets Dr/(Cr) $	Liabilities Dr/(Cr) $	Equity Dr/(Cr) $	Profit and Loss Dr/(Cr) $
1. Airport revenue for June 2024 was incorrectly accounted in July 2024 – carried forward from prior year audit	-	-	(88,960)	88,960
2. Expenses cut-off – expenses incurred before 30 June 2024 not accrued – carried forward from prior year audit	-	-	96,193	(96,193)
3. Expenses cut off – expenses incurred before 30 June 2025 recorded in FY26	-	(23,011)	-	23,011
4. Unrecorded credit card transactions as at 30 June 2025	-	(23,003)	-	23,003
Total	**-**	**(46,014)**	**7,233**	**38,781**

Uncorrected Disclosures in the Financial Report

We did not identify any disclosure deficiencies in the financial statements for the year ended 30 June 2025.



Appendices

Appendix 1 – Required Communication to Those Charged with Governance

Appendix 2 – Changes in Accounting Standards

RSM

Appendix 1 – Required Communication to Those Charged with Governance

In accordance with Australian Auditing Standards, we are required to communicate the following matters to the Committee:

Matter	How we addressed this matter	Result
Independence	We have fully satisfied ourselves that we do not have any actual or perceived conflict of interest.	
Environmental matters	Based on our work within the scope of our engagement, nothing came to our attention to indicate the key controls around contaminated sites are ineffective.	
Subsequent events	Based on our work within the scope of our engagement, nothing came to our attention to indicate the subsequent events are not adequately disclosed or adjusted for within the financial report.	
Compliance with laws and regulations	Based on our work within the scope of our engagement, nothing came to our attention to indicate the key controls around compliance with laws and regulations are ineffective.	
External confirmations	There were no instances where management refused or denied us to send a request for external confirmation.	

Matter	How we addressed this matter	Result
Contingent liabilities or commitments	Based on our work within the scope of our engagement, except as noted above, nothing came to our attention to indicate the contingent liabilities or commitments are not adequately disclosed within the financial report.	
Going concern	No events or conditions have been identified during the audit that may cast doubt on the Shire's ability to continue as a going concern for 12 months from the date of our auditor's report.	
Responsibilities relating to fraud	Based on our inquiries and audit procedures, we did not become aware of any fraud during our audit.	
Other Information	Our procedures have not identified any material misstatement within the other information contained within the financial report.	

OAG Office of the Auditor General Serving the Public Interest

Appendix 2 – Changes in Accounting Standards

Standard	Matter	Key requirements	Application date
AASB 18 Presentation and Disclosure in Financial Statements	New Standard – Presentation and Disclosure in Financial Statements	AASB 18 Presentation and Disclosure in Financial Statements will replace AASB 101 Presentation of Financial Statements. AASB 18 will enable organisations to tell their story better through their financial statements. Stakeholders will benefit from greater consistency of presentation of the income and cash flow statements, and more disaggregated information. Organisations net profit will not change. AASB 18 requires all organisations to: • Classify income and expenses between operating, investing and financing, and to report a newly defined subtotal, “operating profit” • disclose certain “non-GAAP” measures – management performance measures (MPMs) – in a note to the financial statements, meaning that they will now be subject to audit – e.g. “adjusted EBITDA; and • improve how they aggregate information. Entities are encouraged to consider the implications of AASB 18 on their financial reporting as soon as possible, particularly where MPMs are applicable. For more information, please see our article: https://www.rsm.global/australia/insights/ifrs-news/new-ifrs-standard-will-reshape-income-statement	Periods beginning on or after 1 January 2028

For more information, visit: www.rsm.global/australia/service/audit-and-assurance services

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4.2 ANNUAL FINANCIAL REPORT FOR YEAR ENDING 30TH JUNE 2025

REPORT TO WHICH MEETING/COMMITTEE	Audit and Risk Committee, 4th December 2025
DISCLOSURE OF INTEREST	The author has no financial interest in the matter presented to the Council
OWNER/APPLICANT	Not Applicable
AUTHOR	Jackie Hawkins, Deputy Chief Executive Officer
RESPONSIBLE OFFICER	Phil Marshall, Chief Executive Officer
PREVIOUS MEETING REFERENCE IF APPLICABLE	Last Annual Report was considered at the 5th December 2024 meeting of the Audit and Risk Committee

MATTER FOR CONSIDERATION BY THE COUNCIL

That the Audit and Risk Committee receive and consider the Annual Financial Report for the year ending 30 June 2025 and recommend to the full Council meeting for adoption of the Annual Financial Report and setting of the Annual Electors meeting date.

ATTACHMENTS

ARC041225.4.2.A Shire of Laverton Financial Statements for the 30 June 2025
ARC041225.4.2.B Representation Letter in Respect of the Shire of Laverton Annual Financial Report (To be tabled)

BACKGROUND

The Audit Report for the 2024-2025 Annual Financial Statements is to be received from the Office of Auditor General (OAG) on the 4 December 2025. The Annual Report is to be accepted by the Shire of Laverton no later than two months after the Auditor's Report becomes available in accordance with the Local Government Act 1995, section 5.27(2) refers.

STATUTORY IMPLICATIONS
Local Government Act 1995

1.3. Content and intent

(2) This Act is intended to result in —

(a) better decision-making by local governments; and

(b) greater community participation in the decisions and affairs of local governments; and

(c) greater accountability of local governments to their communities; and

(d) more efficient and effective local government.

(3) In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement, and economic prosperity.

2.7. Role of council

(1) The council —

(a) governs the local government's affairs; and

(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —

(a) oversee the allocation of the local government's finances and resources; and

(b) determine the local government's policies.

3.1. General function

(1) The general function of a local government is to provide for the good government of persons in its district.

(2) The scope of the general function of a local government is to be construed in the context of its other functions under this Act or any other written law and any constraints imposed by this Act or any other written law on the performance of its functions.

(3) A liberal approach is to be taken to the construction of the scope of the general function of a local government.

LOCAL GOVERNMENT ACT 1995 - SECT 5.53

5.53 Annual reports

(1) The local government is to prepare an annual report for each financial year.

(2) The annual report is to contain —

(a) a report from the mayor or president; and

(b) a report from the CEO; and

(e) 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 to continue in the next financial year; and

(f) the financial report for the financial year; and

(g) such information as may be prescribed in relation to the payments made to employees; and

(h) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and

(ha) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993* ; and

(hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —

(i) the number of complaints recorded in the register of complaints; and

(ii) how the recorded complaints were dealt with; and

(iii) any other details that the regulations may require;

and

(i) such other information as may be prescribed.

LOCAL GOVERNMENT ACT 1995 - SECT 5.54

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.*

(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

LOCAL GOVERNMENT ACT 1995 - SECT 5.55

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.

LOCAL GOVERNMENT ACT 1995 - SECT 5.27

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.

STRATEGIC PLAN IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community.

- 4.3.2 Seek high level of statutory compliance.

POLICY IMPLICATIONS

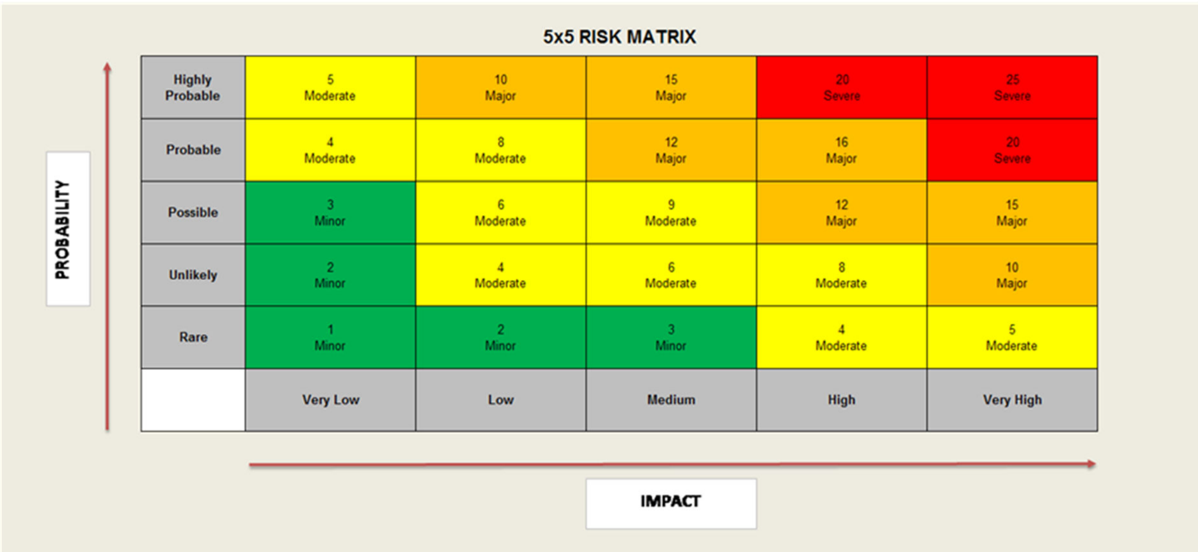
There are no policy implications to this report.

FINANCIAL IMPLICATIONS

The Council at the time of receiving the report has not received the final accounts for the audit. A Budget allocation of $80,000 under account no 2140484 Admin- Audit Fees

RISK MANAGEMENT

As the Council is meeting the requirements of the Local Government Act, the level of risk is very low.



5x5 RISK MATRIX

PROBABILITY					
Highly Probable	5 Moderate	10 Major	15 Major	20 Severe	25 Severe
Probable	4 Moderate	8 Moderate	12 Major	16 Major	20 Severe
Possible	3 Minor	6 Moderate	9 Moderate	12 Major	15 Major
Unlikely	2 Minor	4 Moderate	6 Moderate	8 Moderate	10 Major
Rare	1 Minor	2 Minor	3 Minor	4 Moderate	5 Moderate
	Very Low	Low	Medium	High	Very High

IMPACT

CONSULTATION

Nil

COMMENT

The purpose of the Annual Report and acceptance is to meet statutory reporting requirements and to set a date for the Annual Electors meeting to be within 56 days of the 4 December 2025, and the intended date of is well within this timeline.

RESOLUTION **COUNCIL DECISION**

MOVED: **Cr B Conway-Cox** SECONDED: **Cr M Pedder**

1. **That the Audit and Risk Committee recommends to the Council that by an absolute majority in accordance with section 5.54 of the Local Goverment Act 1995 ACCEPT the Financial Statements for the year ending 30 June 2025 as shown as attachment ARC041225.4.2.A**

2. **That the Audit and Risk Committee recommends to the Council to set the Electors General Meeting in accordance with section 5.27 of the Local Government Act 1995 to be held on the 29 January 2026 at 6.00pm in the Council Chambers to present the Annual Report for the year ending 30 June 2025.**

CARRIED 6/0

For: Cr P Hill, Cr R Weldon, Cr M Pedder, Cr S Weldon, Cr P Ovans, Cr B Conway-Cox

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5. CLOSURE OF MEETING

The presiding person declared the meeting closed at 5:27PM.

6. CERTIFICATION OF MINUTES

I, Patrick Hill, hereby certify that the Minutes of the Audit and Risk Committee Meeting held on 4 December 2025 are confirmed as a true and correct record, by resolution of the meeting of the Audit and Risk Committee held on ………………

SIGNED: ……………………………… **DATED:** ………………………………