



MINUTES

AUDIT COMMITTEE

19 DECEMBER 2023

DISCLAIMER

No responsibility is implied or accepted by the Shire of Wagin for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Wagin 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 or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Wagin during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Wagin

The Shire of Wagin advises that anyone who has any application lodged with the Shire of Wagin shall obtain and should only rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Wagin in respect of the application.

Mark Hook

ACTING CHIEF EXECUTIVE OFFICER

GIFTS DISCLOSURE INFORMATION

The Gifts Register contains the disclosures of gifts that have been made by Elected Members, the Chief Executive Officer and Employees in their official capacity.

To adhere with the changes to gift disclosure regulations in the *Local Government Legislation Amendment Act 2019*, passed by Parliament on 27 June 2019, the Shire of Wagin provides gift disclosure information in the interests of accountability and transparency.

Elected Members and the Chief Executive Officer are required to disclose gifts which are valued over \$300 or are two or more gifts with a cumulative value over \$300 (where the gifts are received from the same donor in a 12-month period) within 10 days of receipt [Sections 5.87A & 5.87B *Local Government Act 1995*].

The Act and Regulations require the Chief Executive Officer to publish an up to date version of the Gifts Register on the Shire's website after a disclosure is made. To protect the privacy of individuals, the register published on the website does not include the address disclosed by an individual donor and will instead include the town or suburb.

SHIRE OF WAGIN

Minutes of the Audit Committee meeting to be held in the Council Chambers, Wagin on Tuesday 19 December 2023 commencing at 6.30pm.

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1. OFFICIAL OPENING

The Acting Chief Executive Officer, Mark Hook opened the meeting at 6.30pm.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Cr Bryan Kilpatrick
Cr Geoff West

Deputy Shire President
Elected Member

2.1 ATTENDANCE

Cr Phillip Blight
Cr Greg Ball
Cr Ann O'Brien
Cr Sherryl Chilcott
Mark Hook
John Fathers

Shire President
Elected Member
Elected Member
Elected Member
Acting Chief Executive Officer
Executive Manager Corporate and
Community Services

2.2 APOLOGIES

Cr Wade Longmuir

Elected Member

2.3 VISITORS

3. ELECTION OF PRESIDING MEMBER

The Acting Chief Executive Officer invited nominations for the position of Presiding Member.

Cr G R Ball nominated Cr P J Blight. There being no further nominations, Cr P J Blight was declared unopposed to the position of Presiding Member. Cr P J Blight then assumed the chair.

4. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

5. DISCLOSURE OF FINANCIAL AND OTHER INTERESTS

5.1 DISCLOSURE OF FINANCIAL INTEREST – Local Government Act
Section 5.60a

5.2 DISCLOSURE OF PROXIMITY INTEREST – Local Government Act
Section 5.6

5.3 DISCLOSURE OF IMPARTIALITY INTEREST – Administration Regulation
Section 34c

6. CONFIRMATION OF PREVIOUS MEETING MINUTES

6.1 MINUTES FROM THE AUDIT COMMITTEE MEETING HELD 14 MARCH 2023

COMMITTEE DECISION

Moved Cr G R Ball

Seconded Cr S M Chilcott

That the minutes of the Audit Committee meeting held on 14 March 2023 and circulated to all Councillors, be confirmed as a true and accurate record.

Carried 4/0

For: President Blight, Crs Ball, Chilcott, O'Brien
Against: Nil

7. CORRESPONDENCE AND REPORTS

7.1 2022/2023 INDEPENDENT AUDITOR'S REPORT AND ANNUAL FINANCIAL REPORT

PROPONENT:	Not Applicable
OWNER:	Not Applicable
LOCATION/ADDRESS:	Not Applicable
AUTHOR OF REPORT:	Executive Manager Corporate and Community Services
SENIOR OFFICER:	Acting Chief Executive Officer
DATE OF REPORT:	11 December 2023
PREVIOUS REPORT(S):	6 December 2022
DISCLOSURE OF INTEREST:	Nil
FILE REFERENCE:	FM.AD.2
ATTACHMENTS:	<ol style="list-style-type: none">1. Independent Auditor's Report;2. Shire of Wagin Annual Financial Report for the year ended 30 June 2023;3. Interim Management Letter;4. Final Management Letter.

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr S M Chilcott

Seconded Cr M A O'Brien

That the Audit Committee:

- 1. Receives and accepts the 2023 Independent Auditor's Report from the Office of the Auditor General; and**
- 2. Receives the Annual Financial Report for the year ended 30 June 2023 and recommends to the Council that it be endorsed as part of the 2022/2023 Annual Report.**

Carried 4/0

For: President Blight, Crs Ball, Chilcott, O'Brien

Against: Nil

BRIEF SUMMARY

The independent auditor's report for 2022/2023 is attached to this item as well as the 2022/2023 Annual Financial Report for consideration. The Interim and Final Management Letters are attached for reference.

BACKGROUND/COMMENT

In accordance with Part 7 of the Local Government Act 1995; the Local Government (Audit) Regulations 1996; the Local government (Financial Management) Regulations 1996; and the Local Government Amendment (Auditing) Act 2017, the Auditor-General is responsible for the annual financial report audit for local governments.

AMD Chartered Accountants ('AMD') have been contracted by the Office of the Auditor-General to perform the financial report audit for the financial year ended 30 June 2023.

An audit planning summary was published June 2023 detailing the audit approach and methodology, providing assurance as to independence and compliance with Australian Auditing Standards. That document also referenced the consideration of materiality and the risk of fraud within the scope of the audit and the Shire's responsibilities in this regard.

The planning summary also detailed planned meetings, including the exit meeting and the planned discussion of the financial report; the independent auditor's report; and the management letter (all attached to this item).

The audit also considered risk and audit issues; activity cycles; significant financial accounts and the audit approach; the management representation letter; reporting protocols and audit evidence.

The unqualified audit opinion for 2022/2023 is attached for information.

An interim audit was conducted June / July 2023 and the onsite audit was concluded October 2023. Both interim and final management letters were received after the final audit.

Three 'moderate' issues were raised in the interim audit, one relating to daily banking procedures and two relating to the review of financial management / risk management, internal controls and legislative compliance not being conducted. The daily banking procedures have been rectified and the review has been scheduled for January 2023. Further detail is provided in the attached findings.

One significant finding was raised in the final audit relating to the frequency of valuations of property and infrastructure (drainage) assets. For the 2022/2023 year, asset revaluations were carried out for footpaths, infrastructure other and infrastructure roads, but not property (land and buildings) and drainage as the five year limit since the last revaluation had not been reached. However, the OAG is of the view that Regulation 17A(4)(b) of the FM Regulations requires a local government to revalue its assets when it is of the opinion that the fair value is likely to be materially different to the carrying amount.

The current administration accepts the 2022/2023 recommendation and has included funds in the 2023/2024 budget to have the infrastructure (drainage) assets reassessed. In regard to property (land and buildings), we note that the Financial Management Regulations have been updated and from 2023/2024, will just require

the Shire to revalue its land, building (and infrastructure) assets every 5 years since the asset's last valuation date.

CONSULTATION/COMMUNICATION

Aram Madnack, OAG Representative Director; Tim Partridge, Partner AMD; Audit Committee; officers of the Shire of Wagin.

STATUTORY/LLEGAL IMPLICATIONS

Part 7 of the Local Government Act 1995 ('the Act'); Local Government (Audit) Regulations 1996; the Local Government (Financial Management) Regulations 1996; and the Local Government Amendment (Auditing) Act 2017. The Auditor-General is responsible for the annual financial report audit for local governments.

The Act requires compliance with accounting standards and the audit process provides assurance as to that compliance.

POLICY IMPLICATIONS

There are a number of relevant policies including the entire 'F.' group of financial and risk policies within Council's Policy Manual. In addition, policies A9 and C9 (Record Keeping); A18 Asset Management; A25 Internal Control; A26 Legislative Compliance; and A28 Use of Information and Communications Technology have relevance.

FINANCIAL IMPLICATIONS

There is no direct financial implication to this item.

STRATEGIC IMPLICATIONS

Audit is a key assurance and risk management tool and is therefore central to the planning and review process that facilitates strategic planning.

VOTING REQUIREMENTS

Absolute Majority



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Wagin

To the Council of the Shire of Wagin

Opinion

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

- the Statement of Financial Position as at 30 June 2023, and 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 significant 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 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

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 2023, 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 and, to the extent that they are not inconsistent with the Act, the 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 Wagin for the year ended 30 June 2023 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.

Mark Ambrose

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 November 2023

SHIRE OF WAGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

To have a community where individuals, families and businesses can invest and prosper, preserving the safe, affordable and inclusive country lifestyle and ensuring Wagin is a place people like to live in and visit.

Principal place of business:
2 Arthur Road
WAGIN WA 6315

**SHIRE OF WAGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Wagin 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 2023 and the financial position as at 30 June 2023.

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

Signed on the 28th day of November 2023



Chief Executive Officer

Mark Hook

Name of Chief Executive Officer

**SHIRE OF WAGIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),20	2,511,175	2,525,969	2,422,470
Grants, subsidies and contributions	2(a)	3,028,840	1,191,693	2,785,586
Fees and charges	2(a)	807,785	787,363	762,553
Interest revenue	2(a)	109,635	19,750	17,338
Other revenue	2(a)	424,272	384,756	339,324
		6,881,707	4,909,531	6,327,271
Expenses				
Employee costs	2(b)	(2,663,417)	(2,863,499)	(2,491,587)
Materials and contracts		(1,463,561)	(1,383,433)	(1,243,693)
Utility charges		(335,926)	(370,229)	(302,409)
Depreciation		(3,458,468)	(3,427,773)	(2,706,150)
Finance costs	2(b)	(23,078)	(24,225)	(27,605)
Insurance		(173,131)	(173,703)	(204,189)
Other expenditure	2(b)	(143,292)	(177,512)	(164,625)
		(8,260,873)	(8,420,374)	(7,140,258)
		(1,379,166)	(3,510,843)	(812,987)
Capital grants, subsidies and contributions	2(a)	1,845,297	1,298,117	1,181,295
Profit on asset disposals		6,872	80,881	7,046
Loss on asset disposals		0	0	(1,393)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,684	0	3,997
		1,855,853	1,378,998	1,190,945
Net result for the period		476,687	(2,131,845)	377,958
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	26,370,471	0	1,938,000
Total other comprehensive income for the period	15	26,370,471	0	1,938,000
Total comprehensive income for the period		26,847,158	(2,131,845)	2,315,958

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

**SHIRE OF WAGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	6,043,307	2,672,362
Trade and other receivables	5	203,917	208,082
Other financial assets	4(a)	21,164	2,030,573
Inventories	6	63,263	52,102
Other assets	7	35,709	43,168
TOTAL CURRENT ASSETS		6,367,360	5,006,286
NON-CURRENT ASSETS			
Trade and other receivables	5	69,937	58,273
Other financial assets	4(b)	137,281	154,759
Property, plant and equipment	8	20,446,427	21,136,189
Infrastructure	9	128,965,345	103,058,693
TOTAL NON-CURRENT ASSETS		149,618,990	124,407,914
TOTAL ASSETS		155,986,350	129,414,200
CURRENT LIABILITIES			
Trade and other payables	11	178,718	199,488
Other liabilities	12	278,098	515,399
Borrowings	13	66,486	74,569
Employee related provisions	14	524,737	416,164
TOTAL CURRENT LIABILITIES		1,048,039	1,205,619
NON-CURRENT LIABILITIES			
Borrowings	13	336,047	420,772
Employee related provisions	14	33,047	65,752
TOTAL NON-CURRENT LIABILITIES		369,094	486,524
TOTAL LIABILITIES		1,417,133	1,692,143
NET ASSETS		154,569,217	127,722,057
EQUITY			
Retained surplus		33,608,012	33,914,402
Reserve accounts	23	3,071,822	2,288,741
Revaluation surplus	15	117,889,383	91,518,913
TOTAL EQUITY		154,569,217	127,722,057

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

**SHIRE OF WAGIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		34,116,553	1,708,631	89,580,913	125,406,097
Comprehensive income for the period					
Net result for the period		377,958	0	0	377,958
Other comprehensive income for the period	15	0	0	1,938,000	1,938,000
Total comprehensive income for the period		377,958	0	1,938,000	2,315,958
Transfers from reserve accounts	23	185,500	(185,500)	0	0
Transfers to reserve accounts	23	(765,610)	765,610	0	0
Balance as at 30 June 2022		33,914,402	2,288,741	91,518,913	127,722,057
Comprehensive income for the period					
Net result for the period		476,687	0	0	476,687
Other comprehensive income for the period	15	0	0	26,370,471	26,370,471
Total comprehensive income for the period		476,687	0	26,370,471	26,847,158
Transfers to reserve accounts	23	(783,081)	783,081	0	0
Balance as at 30 June 2023		33,608,012	3,071,822	117,889,383	154,569,217

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

**SHIRE OF WAGIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	2,518,645	2,431,177
Grants, subsidies and contributions	3,014,291	2,819,485
Fees and charges	811,413	765,935
Interest revenue	109,635	17,338
Other revenue	418,761	339,324
	6,872,745	6,373,259
Payments		
Employee costs	(2,587,550)	(2,483,987)
Materials and contracts	(1,496,197)	(1,313,995)
Utility charges	(335,926)	(302,409)
Finance costs	(23,078)	(27,605)
Insurance paid	(173,131)	(204,189)
Other expenditure	(143,292)	(164,625)
	(4,759,174)	(4,496,810)
Net cash provided by (used in) operating activities	2,113,571	1,876,449
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	8(a) (724,919)	(344,632)
Payments for construction of infrastructure	9(a) (1,585,816)	(1,448,228)
Capital grants, subsidies and contributions	1,617,622	1,448,810
Proceeds for financial assets at amortised cost	2,000,000	(2,000,000)
Proceeds from financial assets at amortised cost - self supporting loans	30,573	9,888
Proceeds from sale of property, plant & equipment	12,718	42,727
Net cash provided by (used in) investing activities	1,350,178	(2,291,435)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	22(a) (92,808)	(70,889)
Net cash provided by (used In) financing activities	(92,808)	(70,889)
Net increase (decrease) in cash held	3,370,945	(485,875)
Cash at beginning of year	2,672,362	3,158,235
Cash and cash equivalents at the end of the year	6,043,307	2,672,362

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

**SHIRE OF WAGIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	20	2,496,320	2,509,628	2,408,172
Rates excluding general rates	20	14,855	16,341	14,298
Grants, subsidies and contributions		3,028,840	1,191,693	2,785,586
Fees and charges		807,785	787,363	762,553
Interest revenue		109,635	19,750	17,338
Other revenue		424,272	384,756	339,324
Profit on asset disposals		6,872	80,881	7,046
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,684	0	3,997
		6,892,263	4,990,412	6,338,314
Expenditure from operating activities				
Employee costs		(2,663,417)	(2,863,499)	(2,491,587)
Materials and contracts		(1,463,561)	(1,383,433)	(1,243,693)
Utility charges		(335,926)	(370,229)	(302,409)
Depreciation		(3,458,468)	(3,427,773)	(2,706,150)
Finance costs		(23,078)	(24,225)	(27,604)
Insurance		(173,131)	(173,703)	(204,189)
Other expenditure		(143,292)	(177,512)	(164,625)
Loss on asset disposals		0	0	(1,393)
		(8,260,873)	(8,420,374)	(7,141,650)
Non-cash amounts excluded from operating activities	21(a)	3,486,197	3,346,892	2,660,775
Amount attributable to operating activities		2,117,587	(83,070)	1,857,439
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,845,297	1,298,117	1,181,295
Proceeds from disposal of assets		12,718	227,972	42,727
Proceeds from financial assets at amortised cost - self supporting loans	22(a)	30,573	30,573	9,888
		1,888,588	1,556,662	1,233,910
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(724,919)	(796,987)	(344,632)
Purchase and construction of infrastructure	9(a)	(1,585,816)	(2,161,596)	(1,448,227)
		(2,310,735)	(2,958,583)	(1,792,859)
Amount attributable to investing activities		(422,146)	(1,401,921)	(558,949)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	23	0	8,000	185,500
		0	8,000	185,500
Outflows from financing activities				
Repayment of borrowings	22(a)	(92,808)	(74,569)	(70,889)
Transfers to reserve accounts	23	(783,081)	(417,322)	(765,609)
		(875,889)	(491,891)	(836,498)
Amount attributable to financing activities		(875,889)	(483,891)	(650,998)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year		1,951,632	1,968,880	1,304,140
Amount attributable to operating activities		2,117,587	(83,070)	1,857,439
Amount attributable to investing activities		(422,146)	(1,401,921)	(558,949)
Amount attributable to financing activities		(875,889)	(483,891)	(650,998)
Surplus or deficit after imposition of general rates	21(b)	2,771,184	(0)	1,951,632

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

**SHIRE OF WAGIN
FOR THE YEAR ENDED 30 JUNE 2023
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SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

The financial report of the Shire of Wagin 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 Act, 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 which would have required the Shire to measure any vested improvements at zero cost.

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.

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.

Judgements and estimates

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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

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 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

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 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
This standard will result in a terminology change for significant accounting policies
- 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
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,511,175	(0)	2,511,175
Grants, subsidies and contributions	3,028,840	0	0	0	3,028,840
Fees and charges	0	0	807,785	0	807,785
Interest revenue	0	0	9,778	99,857	109,635
Other revenue	0	0	0	424,272	424,272
Capital grants, subsidies and contributions	0	1,845,297	0	0	1,845,297
Total	3,028,840	1,845,297	3,328,738	524,129	8,727,004

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,422,470	0	2,422,470
Grants, subsidies and contributions	2,785,586	0	0	0	2,785,586
Fees and charges	0	0	762,553	0	762,553
Interest revenue	0	0	10,023	7,315	17,338
Other revenue	0	0	0	339,324	339,324
Capital grants, subsidies and contributions	0	1,181,295	0	0	1,181,295
Total	2,785,586	1,181,295	3,195,046	346,639	7,508,566

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	2,809	0
Interest on reserve account funds	58,142	6,685
Trade and other receivables overdue interest	9,778	10,023
Other interest revenue	38,906	630
	109,635	17,338
Fees and charges relating to rates receivable		
Charges on instalment plan	4,077	5,137
The 2023 original budget estimate in relation to: Charges on instalment plan was \$6,000.		

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	26,250	20,400
- Other services – grant acquittals	2,500	3,000
	28,750	23,400

Employee Costs

Employee benefit costs	2,663,417	2,491,587
Other employee costs		
	2,663,417	2,491,587

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	23,078	27,605
	23,078	27,605

Other expenditure

Sundry expenses	143,292	164,625
	143,292	164,625

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	4,009,833	2,672,362
Term deposits	2,033,474	0
Total cash and cash equivalents	6,043,307	2,672,362
Held as		
- Unrestricted cash and cash equivalents	2,670,235	2,383,621
- Restricted cash and cash equivalents	16 3,373,072	288,741
	6,043,307	2,672,362

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable
 Term deposits

Held as

- Unrestricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost
 Financial assets at fair value through profit or loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
 Financial assets at fair value through profit and loss
 Units in Local Government House Trust - closing balance

	2023	2022
	\$	\$
Financial assets at amortised cost	21,164	2,030,573
	21,164	2,030,573
Other financial assets at amortised cost		
Self supporting loans receivable	21,164	30,573
Term deposits	0	2,000,000
	21,164	2,030,573
Held as		
- Unrestricted other financial assets at amortised cost	21,164	2,030,573
	21,164	2,030,573
Financial assets at amortised cost		
Financial assets at fair value through profit or loss		
Financial assets at amortised cost	55,791	76,955
Financial assets at fair value through profit or loss	81,490	77,804
	137,281	154,759
Financial assets at amortised cost		
Self supporting loans receivable	55,791	76,955
	55,791	76,955
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	77,806	73,807
Financial assets at fair value through profit and loss	3,684	3,997
Units in Local Government House Trust - closing balance	81,490	77,804

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 22(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 19 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	66,651	77,623
Trade receivables	159,956	147,392
Receivables for employee related provisions	10,682	12,812
Allowance for credit losses of rates and statutory receivables	(29,282)	(27,732)
Allowance for credit losses of trade receivables	(4,090)	(2,013)
	203,917	208,082
Non-current		
Rates and statutory receivables	67,730	56,066
Receivables for employee related provisions	2,207	2,207
	69,937	58,273

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 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Contract assets	25,534	0	0
Total trade and other receivables from contracts with customers	21,444	0	0

SIGNIFICANT 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 as part of the ordinary course of business.

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

6. INVENTORIES

Note	2023	2022
Current	\$	\$
Fuel and materials	63,263	52,102
	63,263	52,102
The following movements in inventories occurred during the year:		
Balance at beginning of year	52,102	34,903
Additions to inventory	11,161	17,199
Balance at end of year	63,263	52,102

SIGNIFICANT 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Accrued income	10,175	3,376
Contract assets	25,534	39,792
	<u>35,709</u>	<u>43,168</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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.

	Land	Buildings - non- specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$
Balance at 1 July 2021	3,284,499	13,970,927	17,255,426	17,255,426	337,300	1,997,636	19,590,363
Additions	0	176,385	176,385	176,385	25,941	142,306	344,632
Disposals	0		0	0		(37,074)	(37,074)
Revaluation increments / (decrements) transferred to revaluation surplus	30,101	1,907,899	1,938,000	1,938,000			1,938,000
Depreciation		(379,395)	(379,395)	(379,395)	(42,191)	(278,145)	(699,732)
Balance at 30 June 2022	3,314,600	15,675,816	18,990,416	18,990,416	321,050	1,824,723	21,136,189
Comprises:							
Gross balance amount at 30 June 2022	3,314,600	15,675,816	18,990,416	18,990,416	421,676	2,533,330	21,945,422
Accumulated depreciation at 30 June 2022	0	0	0	0	(100,626)	(708,607)	(809,233)
Balance at 30 June 2022	3,314,600	15,675,816	18,990,416	18,990,416	321,050	1,824,723	21,136,189
Change in accounting policy			0				0
Restated balance at 1 July 2022	3,314,600	15,675,816	18,990,416	18,990,416	321,050	1,824,723	21,136,189
Additions	0	60,082	60,082	60,082	93,140	571,697	724,919
Disposals	0	0	0	0		(5,846)	(5,846)
Depreciation	0	(1,060,054)	(1,060,054)	(1,060,054)	(42,732)	(306,048)	(1,408,834)
Balance at 30 June 2023	3,314,600	14,675,844	17,990,444	17,990,444	371,458	2,084,525	20,446,427
Comprises:							
Gross balance amount at 30 June 2023	3,314,600	15,735,898	19,050,498	19,050,498	514,816	3,096,027	22,661,341
Accumulated depreciation at 30 June 2023	0	(1,060,054)	(1,060,054)	(1,060,054)	(143,358)	(1,011,502)	(2,214,914)
Balance at 30 June 2023	3,314,600	14,675,844	17,990,444	17,990,444	371,458	2,084,525	20,446,427

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market Approach to determine Fair Value using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Rawlinson cost data & cost indices. Building size, material, type & structure. Condition. Useful Life. Restrictions associated with site. Valuer's judgement.
Buildings - non-specialised	2	Market Approach to determine Fair Value using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Rawlinson cost data & cost indices. Building size, material, type & structure. Condition. Useful Life. Restrictions associated with site. Valuer's 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.

(ii) Cost					
Furniture and equipment		N/A	Cost	N/A	N/A
Plant and equipment		N/A	Cost	N/A	N/A

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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	Other infrastructure - Other	Other infrastructure - Drainage	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2021	88,820,151	11,516,802	3,279,930	103,616,883
Additions	1,174,035	274,192		1,448,227
Depreciation	(1,518,656)	(419,430)	(68,332)	(2,006,418)
Balance at 30 June 2022	88,475,530	11,371,564	3,211,599	103,058,692
Comprises:				
Gross balance at 30 June 2022	94,431,070	12,915,034	3,416,594	110,762,698
Accumulated depreciation at 30 June 2022	(5,955,540)	(1,543,470)	(204,995)	(7,704,005)
Balance at 30 June 2022	88,475,530	11,371,564	3,211,599	103,058,693
Additions	1,200,513	385,303		1,585,816
Revaluation increments / (decrements) transferred to revaluation surplus	24,763,736	1,606,734		26,370,470
Depreciation	(1,542,180)	(439,122)	(68,332)	(2,049,634)
Balance at 30 June 2023	112,897,599	12,924,479	3,143,267	128,965,345
Comprises:				
Gross balance at 30 June 2023	112,897,599	12,924,479	3,416,594	129,238,672
Accumulated depreciation at 30 June 2023	0	0	(273,327)	(273,327)
Balance at 30 June 2023	112,897,599	12,924,479	3,143,267	128,965,345

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Other	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Drainage	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land - freehold land	
Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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 *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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of 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.

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 fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings and infrastructure is determined at least 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 vested land acquired by the Shire.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment 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.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

An 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. TRADE AND OTHER PAYABLES

Current

	2023	2022
	\$	\$
Sundry creditors	99,926	95,448
Prepaid rates	53,651	45,487
Bonds and deposits held	23,152	19,143
Other payables - Regional Refuse Group Accrued Funds	0	37,071
Other payables - Accrued interest on loans	1,989	2,339
	178,718	199,488

SIGNIFICANT 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

12. OTHER LIABILITIES

Current

Contract liabilities	17,885	22,000
Capital grant/contributions liabilities	260,213	487,889
Other Liabilities - Accrued Creditors	0	5,510
	278,098	515,399

Reconciliation of changes in contract liabilities

Opening balance	22,000	18,329
Additions	17,885	22,000
Revenue from contracts with customers included as a contract liability at the start of the period	(22,000)	(18,329)
	17,885	22,000

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	487,889	225,884
Additions (Reductions)	(227,676)	487,889
Revenue from capital grant/contributions held as a liability at the start of the period		(225,884)
	260,213	487,889

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.

SIGNIFICANT 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		66,486	336,047	402,533	74,569	420,772	495,341
Total secured borrowings	22(a)	66,486	336,047	402,533	74,569	420,772	495,341

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Wagin. Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Wagin has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT 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 19(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 22(a).

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	194,417	173,507
Long service leave	272,389	196,277
	466,806	369,784
Employee related other provisions		
Employment on-costs	57,931	46,380
	57,931	46,380
Total current employee related provisions	524,737	416,164
Non-current provisions		
Employee benefit provisions		
Long service leave	29,890	60,020
	29,890	60,020
Employee related other provisions		
Employment on-costs	3,157	5,732
	3,157	5,732
Total non-current employee related provisions	33,047	65,752
Total employee related provisions	557,784	481,916

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.

SIGNIFICANT 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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

15. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	2,950,342		2,950,342	2,920,241	30,101	2,950,342
Revaluation surplus - Buildings - non-specialised	10,226,965		10,226,965	8,319,066	1,907,899	10,226,965
Revaluation surplus - Plant and equipment	106,181		106,181	106,181		106,181
Revaluation surplus - Infrastructure - roads	65,074,532	24,763,737	89,838,269	65,074,532		65,074,532
Revaluation surplus - Other infrastructure - Other	9,744,298	1,606,734	11,351,032	9,744,298		9,744,298
Revaluation surplus - Other infrastructure - Drainage	3,416,594		3,416,594	3,416,594		3,416,594
	91,518,912	26,370,471	117,889,383	89,580,912	1,938,000	91,518,912

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

16. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 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	3,373,072	817,773
- Financial assets at amortised cost	4	0	2,000,000
		3,373,072	2,817,773

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

Restricted reserve accounts	23	3,071,822	2,288,741
Contract liabilities	12	17,885	22,000
Capital grant liabilities	12	260,213	487,889
Bonds and deposits held	11	23,152	19,143
Total restricted financial assets		3,373,072	2,817,773

17. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Credit card limit		16,000	19,000
Credit card balance at balance date		0	0
Total amount of credit unused		16,000	19,000

Loan facilities

Loan facilities - current		66,486	74,569
Loan facilities - non-current		336,047	420,772
Total facilities in use at balance date		402,533	495,341

Unused loan facilities at balance date		0	0
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SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	12,300	12,300	12,000
President's meeting attendance fees	4,320	4,505	5,375
President's annual allowance for ICT expenses	1,040	1,240	1,000
	17,660	18,045	18,375
Deputy President's annual allowance	3,075	3,075	3,000
Deputy President's meeting attendance fees	2,002	2,482	2,125
Deputy President's annual allowance for ICT expenses	1,040	1,040	1,000
Deputy President's travel and accommodation expenses	547	150	684
	6,664	6,747	6,809
All other council member's meeting attendance fees	14,222	17,374	10,751
All other council member's annual allowance for ICT expenses	7,260	7,630	6,750
	21,482	25,004	17,501
18(b)	45,806	49,796	42,685

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	511,778	565,849
Post-employment benefits	58,789	66,333
Employee - other long-term benefits	10,403	6,975
Employee - termination benefits	42,647	58,938
Council member costs	45,806	42,685
18(a)	669,423	740,780

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 accrued during the year.

Termination benefits

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

Council member costs

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

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. 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.

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	15,766	21,203
Purchase of goods and services	23,652	58,082
Amounts outstanding from related parties:		
Trade and other receivables	3,812	3,249
Amounts payable to related parties:		
Trade and other payables	4	9,928

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 18(a) and 18(b)

ii. Other Related Parties

An Associate person of KMP was employed by the Shire under normal employment terms and conditions.

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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

19. OTHER SIGNIFICANT 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 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.

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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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20. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
GRV - Non-commercial	Gross rental valuation	0.08683	675	8,705,834	755,927	1,347	757,274	755,928	4,000	759,928	907,024
GRV Commercial	Gross rental valuation	0.11508	65	1,592,996	183,322	0	183,322	183,322	0	183,322	
UV	Unimproved valuation	0.00568	297	266,835,899	1,515,628	999	1,516,627	1,515,628	2,000	1,517,628	1,460,264
Total general rates			1,037	277,134,729	2,454,877	2,346	2,457,222	2,454,878	6,000	2,460,878	2,367,288
Minimum Payment											
Minimum payment											
GRV - Non-commercial	Gross rental valuation	625	137	211,386	85,625	0	85,625	85,625	0	85,625	87,000
GRV Commercial	Gross rental valuation	625	13	37,025	8,125	0	8,125	8,125	0	8,125	
UV	Unimproved valuation	625	84	5,800,546	52,500	0	52,500	52,500	0	52,500	51,000
Total minimum payments			234	6,048,957	146,250	0	146,250	146,250	0	146,250	138,000
Total general rates and minimum payments			1,271	283,183,686	2,601,127	2,346	2,603,472	2,601,128	6,000	2,607,128	2,505,288
Ex-gratia Rates											
CBH					14,855		14,855	16,341	0	16,341	14,298
Total amount raised from rates (excluding general rates)			0	0	14,855	0	14,855	16,341	0	16,341	14,298
Discounts							(103,144)			(97,500)	(97,116)
Concessions							(4,008)				
Total Rates							2,511,175			2,525,969	2,422,470
Rate instalment interest							4,250			4,000	3,779
Rate overdue interest							5,249			8,000	6,244

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 WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

21. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(1 July 2022 Brought Forward)	(30 June 2022 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	(6,872)	(80,881)	(7,046)	(7,046)
Less: Movement in liabilities associated with restricted cash	82,654		16,172	0
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,684)	0	(3,997)	(3,997)
Add: Loss on disposal of assets	0	0	1,393	1,393
Add: Depreciation	3,458,468	3,427,773	2,706,150	2,706,150
Non-cash movements in non-current assets and liabilities:				
Financial assets at amortised cost	0			
Pensioner deferred rates	(11,664)	0	(4,134)	(4,134)
Receivables for employee related provisions	0	0	(2,207)	0
Assets held for sale	0	0	0	0
Employee benefit provisions (non-current)	(32,705)	0	(45,556)	(45,556)
Non-cash amounts excluded from operating activities	3,486,197	3,346,892	2,660,775	2,646,810
(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	23 (3,071,822)	(2,720,952)	(2,288,741)	(2,288,741)
Less: Financial assets at amortised cost - self supporting loans	4(a) (21,164)		(30,573)	(30,573)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13 66,486	30,573	74,569	74,569
- Current portion of contract liability held in reserve		12,985		
- Employee benefit provisions	478,362	395,708	395,708	325,483
Total adjustments to net current assets	(2,548,138)	(2,281,686)	(1,849,037)	(1,919,262)
Net current assets used in the Statement of Financial Activity				
Total current assets	6,367,361	3,015,284	5,006,286	4,993,475
Less: Total current liabilities	(1,048,039)	(733,598)	(1,205,619)	(1,192,808)
Less: Total adjustments to net current assets	(2,548,138)	(2,281,686)	(1,849,037)	(1,919,262)
Surplus or deficit after imposition of general rates	2,771,184	0	1,951,632	1,881,405

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

21. DETERMINATION OF SURPLUS OR DEFICIT (Continued)

(c) Adjustments have been made between the closing 30 June 2022 and opening 1 July 2022 balances in some areas as detailed above. Some of these changes were necessitated to comply with changes to the accounting standard that now require Long Service Leave due from other councils to be held as either current or non-current assets. Previously these amounts were offset against the total employee leave provisions.

Other changes have been made to standardise the methodology used to determine the items to be included as adjustments to net current assets. The employee benefit provision to be added back is now linked to the amount held in the Shires' Leave Reserve account. This had not previously been the case. This will set the standard moving forward and is in line with most councils accounting procedures.

SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal			Principal at 30 June 2022	Principal			Principal at 30 June 2023	Principal		
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22		New Loans During 2022-23	Repayments During 2022-23	Principal at 1 July 2022		New Loans During 2022-23	Repayments During 2022-23	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Recreation Centre Development	131	40,030	0	(10,553)	29,477	0	(29,477)	0	29,477	0	(11,238)	18,239
Swimming Pool Redevelopment	139	201,300	0	(14,016)	187,284	0	(14,746)	172,538	187,284	0	(14,746)	172,538
Staff Housing	137	141,515	0	(14,778)	126,737	0	(15,693)	111,044	126,737	0	(15,693)	111,044
Doctor Housing	138	65,969	0	(11,617)	54,352	0	(12,357)	41,995	54,353	0	(12,357)	41,996
Total		448,814	0	(50,964)	397,850	0	(72,273)	325,577	397,851	0	(54,033)	343,818
Self Supporting Loans												
Wagin Ag Society	141	117,416	0	(19,925)	97,491	0	(20,535)	76,955	97,491	0	(20,535)	76,955
Total Self Supporting Loans		117,416	0	(19,925)	97,491	0	(20,535)	76,955	97,491	0	(20,535)	76,955
Total Borrowings	13	566,230	0	(70,889)	495,341	0	(92,808)	402,532	495,342	0	(74,569)	420,773

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ended 30 June 2023	Budget for year ended 30 June 2023	Actual for year ended 30 June 2022
						\$	\$	\$
Recreation Centre Development		131	NAB	6.39%	Repaid	(910)	(1,707)	(2,392)
Swimming Pool Redevelopment		139	WATC	5.11%	11/05/2032	(9,291)	(9,291)	(9,923)
Staff Housing		137	WATC	6.02%	26/03/2029	(7,201)	(7,201)	(8,101)
Doctor Housing		138	WATC	6.27%	20/04/2026	(3,217)	(3,217)	(3,819)
Total						(20,619)	(21,416)	(24,235)
Self Supporting Loans Finance Cost Payments								
Wagin Ag Society	141		WATC	3.04%	30/11/2026	(2,809)	(2,809)	(3,370)
Total Self Supporting Loans Finance Cost Payments						(2,809)	(2,809)	(3,370)
Total Finance Cost Payments						(23,428)	(24,225)	(27,604)

* WA Treasury Corporation

**SHIRE OF WAGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

23. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	395,708	82,654	0	478,362	395,708	3,957	0	399,665	379,536	56,172	(40,000)	395,708
(b) Plant Replacement Reserve	459,304	283,556	0	742,860	459,304	66,429	0	525,733	287,747	171,557	0	459,304
(c) Recreation Centre Equipment Reserve	14,751	362	0	15,113	14,751	148	0	14,899	12,926	1,825	0	14,751
(d) Aerodrome Maintenance & Development Res	23,740	8,975	0	32,715	23,740	8,737	0	32,477	17,855	5,885	0	23,740
(e) Municipal Buildings Reserve	71,902	1,764	0	73,666	71,902	719	0	72,621	71,763	139	0	71,902
(f) Admin Centre Furniture, Equipment & IT Res	15,559	381	0	15,940	15,559	156	0	15,715	10,539	5,020	0	15,559
(g) Land Development Reserve	10,774	264	0	11,038	10,774	108	0	10,882	10,753	21	0	10,774
(h) Community Bus Reserve	19,006	2,115	0	21,121	19,006	190	0	19,196	17,429	1,577	0	19,006
(i) Homecare Reserve	108,061	2,650	0	110,711	108,061	1,081	0	109,142	90,465	17,596	0	108,061
(j) Recreation Development Reserve	226,940	25,566	0	252,506	226,940	22,269	0	249,209	281,894	30,546	(85,500)	226,940
(k) Refuse Site / Waste Management Reserve	209,291	46,120	0	255,411	209,291	31,529	0	240,820	167,511	41,780	0	209,291
(l) Water Management Reserve	71,214	1,747	0	72,961	71,214	712	0	71,926	71,076	138	0	71,214
(m) Staff Housing Reserve	300,000	82,358	0	382,358	300,000	78,000	0	378,000	0	300,000	0	300,000
(n) Refuse Site Rehabilitation Reserve	138,775	23,404	0	162,179	138,775	21,388	0	160,163	118,545	20,230	0	138,775
(o) Community Events Reserve	9,017	222	0	9,239	9,017	90	0	9,107	9,000	17	0	9,017
(p) Electronic Sign Reserve	14,883	365	0	15,248	14,883	149	0	15,032	14,854	29	0	14,883
(q) Community Gym Reserve	19,174	3,786	0	22,960	19,174	2,742	(8,000)	13,916	11,888	7,286	0	19,174
(r) Sportsground Precinct Redevelopment Reser	168,573	104,134	0	272,707	168,573	101,686	0	270,259	128,324	100,249	(60,000)	168,573
(s) Emergency/Bushfire Control Reserve	12,069	12,658	0	24,727	12,069	121	0	12,190	6,526	5,543	0	12,069
(t) Roadwork Reserve	0	100,000	0	100,000	0	100,000	0	100,000	0	0	0	0
	2,288,741	783,081	0	3,071,822	2,288,741	440,211	(8,000)	2,720,952	1,708,631	765,610	(185,500)	2,288,741

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave Reserve	Provide provisions to meet Council's Long Service and Accrued Annual Leave liabilities to minimise effect on Council's budget annually.
(b) Plant Replacement Reserve	Provide funds for the ongoing replacement and upgrading of Plant necessary in the performance of Council's core functions.
(c) Recreation Centre Equipment Reserve	Provide funds for the purchase of equipment, fixtures and fittings at the Wagin Community Recreation Centre.
(d) Aerodrome Maintenance & Development Reserve	Provide funds for major maintenance (eg resealing runway area) and development works (eg runway reconstruction) at the Wagin Airstrip.
(e) Municipal Buildings Reserve	Provide for the upgrading, renovating and restoration of existing Council owned buildings as well as construction of new Council owned buildings.
(f) Admin Centre Furniture, Equipment & IT Reserve	Provide for the purchase of furniture, fittings, equipment and IT requirements in relation to the Council Administration Building.
(g) Land Development Reserve	Provide funds for the purchase and development of land within the Wagin Shire as the need arises and Council see fit.
(h) Community Bus Reserve	Provide funds for the maintenance, upgrade and change-over of the Wagin Community Bus.
(i) Homecare Reserve	Provide funds to meet Homecare staff leave provisions, replacement of plant and equipment and on-going operations of the Homecare program.
(j) Recreation Development Reserve	Provide funds for the expansion, upgrading and development of Council's recreation and sporting facilities.
(k) Refuse Site / Waste Management Reserve	Provide funds for a new waste site, on-going operation with the Shire's waste management and recycling program and working towards zero waste.
(l) Water Management Reserve	To ensure Council spends the surplus Rural Towns Funds on measures and projects in line with Council's Water Management Plan.
(m) Staff Housing Reserve	Provide funds for future staff housing requirements
(n) Refuse Site Rehabilitation Reserve	Provide funds to rehabilitate the existing refuse site once the site has been decommissioned.
(o) Community Events Reserve	Provide funds for future Community Events.
(p) Electronic Sign Reserve	Provide funds for the purchase and installation of an electronic sign in the Wagin townsite in the future.
(q) Community Gym Reserve	Provide funds for the maintenance, upgrade and change-over of the Wagin Community Gym equipment as required.
(r) Sportsground Precinct Redevelopment Reserve	Provide funds for the future Sportsground Precinct Redevelopment.
(s) Emergency/Bushfire Control Reserve	Provide funds for unexpected times of extreme emergency recovery and provide adequate assistance for bushfire requirements.
(t) Roadwork Reserve	Provide funds for weather events or other circumstances that would have an impact on the road work programme.



Our Ref: 8384

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

Mr Mark Hook
Chief Executive Officer
Shire of Wagin
PO Box 200
WAGIN WA 6315

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

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

Email: ceo@wagin.wa.gov.au

Dear Mr Hook

**ANNUAL FINANCIAL REPORT
INTERIM AUDIT RESULTS FOR THE YEAR ENDED 30 JUNE 2023**

We have completed the interim audit for the year ended 30 June 2023. 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 listing of deficiencies in internal control and other 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 that 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 7674 if you would like to discuss these matters further.

Yours faithfully

Aram Madnack
Director
Financial Audit
27 October 2023

SHIRE OF WAGIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
	Yes/No – Financial/Control/KPI	Significant	Moderate	Minor	
1. Daily banking procedures	No		✓		✓
2. Financial management systems review not conducted	No		✓		
3. Risk management, internal controls and legislative compliance review not conducted	No		✓		

Key to ratings

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

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

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

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

SHIRE OF WAGIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1. Daily banking procedures

Finding

During our receipts testing, we noted instances where the daily banking summaries for the swimming pool and refuse site are not signed as evidence of an independent review.

A similar finding was issued in 2021-22.

Rating: Moderate (2022: Moderate)

Implication

Increased risk of error or fraud due to lack of an independent review.

Recommendation

End of day reconciliations are a key control and should be reviewed by someone independent of the reconciliation function. These reconciliations should be signed off as evidence of an independent review.

Management comment

Relevant staff were reminded of the requirement for an independent review of cash receipting from outcentres after the interim audit. The Shire has now checked all daily banking summaries done since then and the review has taken place in all instances for receipts from Homecare, the caravan park and waste disposal site. The swimming pool has not yet re-opened since that time, however we will again remind relevant staff to ensure this check takes place on a daily basis during the pool season.

Responsible person: Manager of Finance
Completion date: 26/10/2023

SHIRE OF WAGIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. Financial management systems review not conducted

Finding

Section 5(2)(c) of the Local Government (Financial Management) Regulations 1996 requires a financial management systems review to be undertaken "not less than once every 3 financial years".

This review was last undertaken in May 2020; the next review was due by May 2023 - however this was not undertaken.

Rating: Moderate

Implication

Non-compliance with Local Government (Financial Management) Regulations 1996 Section 5(2)(c).

Recommendation

Financial management systems review be conducted every three years to ensure compliance with the Local Government (Financial Management) Regulations 1996 Section 5(2)(c).

Management comment

The Shire was aware that this review was required but did not provide funds in the 2022/2023 budget for it. It is understood that this was due to competing organisational priorities and difficulties caused by key staff changeovers. The funds were included in the 2023/2024 budget and a suitable firm has now been appointed to undertake a combined review of financial management systems and risk management, internal controls and legislative compliance.

Responsible person: Chief Executive Officer

Completion date: 26/10/2023

SHIRE OF WAGIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. Risk management, internal controls and legislative compliance review not conducted**Finding**

Section 17(1) of the Local Government (Audit) Regulations 1996 requires a review of risk management, internal controls and legislative compliance be conducted "not less than once in every 3 financial years".

This review was last undertaken in May 2020; the next review was due by May 2023 - however this was not undertaken.

Rating: Moderate

Implication

Non-compliance with Local Government (Audit) Regulations 1996 Section 17(1).

Recommendation

Risk management, internal controls and legislative compliance review be conducted every three years to ensure compliance with the Local Government (Audit) Regulations 1996 Section 17(1).

Management comment

The Shire was aware that this review was required but did not provide funds in the 2022/2023 budget for it. It is understood that this was due to competing organisational priorities and difficulties caused by key staff changeovers. The funds were included in the 2023/2024 budget and a suitable firm has now been appointed to undertake a combined review of financial management systems and risk management, internal controls and legislative compliance.

Responsible person: Chief Executive Officer

Completion date: 26/10/2023



Our Ref: 8384

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Dear Mr Hook

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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.

Unresolved matters from prior audits

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

The date that entities provided their annual financial report to the Office has been recorded for purposes of reporting to Parliament. The date recorded for the receipt of your financial statements was 3 October 2023.

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.

Feel free to contact me on 6557 7674 if you would like to discuss these matters further.

Yours sincerely

Aram Madnack
Director
Financial Audit
29 November 2023

Attach

SHIRE OF WAGIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Fair value of property and infrastructure assets	No	✓			✓

Key to ratings

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

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

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

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

SHIRE OF WAGIN**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****1. Fair value of property and infrastructure assets - frequency of valuations****Finding**

The Shire has not performed a robust fair value assessment in 2022-23 to determine whether its property and infrastructure (drainage) assets represent fair value at the end of the reporting period.

Regulation 17A(4)(b) of the FM Regulations requires a local government to revalue its revalued assets when it is of the opinion that the fair value is likely to be materially different to the carrying amount.

This finding was first raised in 2021-22.

Update to the FM Regulations:

We acknowledged that the FM Regulations was updated on 18 October 2023 and the fair value amendment, which applies from 2023-24, will just require the Shire to revalue its land, building and infrastructure assets every 5 years since the asset's last valuation date (Regulations 17A(4A)). The Shire may also revalue earlier if it chooses to do so (Regulation 17A(4B)).

Rating: Significant (2022: Significant)

Implication

Without a robust assessment of fair value of the Shire's property and infrastructure (drainage) assets, there is a risk that the fair value of property and infrastructure (drainage) assets may not have been assessed adequately, and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Regulations.

Recommendation

We recommend that the Shire comply with the fair value requirements of the updated FM Regulations for 2023-24 and onwards.

Management comment

I note the view of the former Chief Executive Officer (Ian McCabe) in respect to this issue last year; a relevant excerpt of that opinion is as follows.

'The Shire of Wagin will complete valuation / revaluations in accordance with regulations and the Standard.

I do note the AASB exposure draft ED320 of earlier this year and the likely change this will bring for not for profit entities, of which local governments will be included. I am confident the Shire of Wagin will respond professionally and appropriately to the changes in Standards and any subsequent regulatory amendment.

The Shire of Wagin will consider what mechanisms will add value to financial statements and assist in the mitigation of risk. It is the intention of management to manage risk appropriately and seek best practice as soon as practicable.

SHIRE OF WAGIN

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

However, where the auditor recommendation may be good business practice but not a regulatory requirement there is a case for sector examination of the issue. This may result in change to regulations, industry support or changes in approach.

The Shire of Wagin accepts the recommendation but believes the rating misjudged as Significant and more correctly Moderate.'

Mr McCabe guided action on asset revaluations for the 2022/2023 year whereby asset revaluations were carried out for footpaths, infrastructure other and infrastructure roads, but not property (land and buildings) and drainage as the five year limit since the last revaluation had not been reached.

The current administration accepts the 2022/2023 recommendation and has included funds in the 2023/2024 budget to have the infrastructure (drainage) assets reassessed.

In regard to property (land and buildings), we note that the FM Regulations have been updated and from 2023/2024, will just require the Shire to revalue its land, building (and infrastructure) assets every 5 years since the asset's last valuation date.

Responsible person: John Fathers, Executive Manager Community and Corporate Services

Completion date: 23 November 2023

8. GENERAL BUSINESS

Nil

9. CLOSURE

There being no further business the Presiding Member thanked those in attendance and closed the meeting at 6.41pm.

I certify that this copy of the minutes is a true and correct record of the meeting held on 19 December 2023

Signed:



.....
Presiding Elected Member

Date:

14-3-2024

.....