

SHIRE OF KOJONUP



# Audit & Risk Committee Agenda

6 February 2024

TO: AUDIT & RISK COMMITTEE MEMBERS

NOTICE is given that a meeting of the Audit & Risk Committee will be held in the Reception Lounge, Shire Administration Building, 93 Albany Highway, Kojonup on Tuesday, 6 February 2024 commencing at 9.00am.

Your attendance is respectfully requested.

GRANT THOMPSON  
CHIEF EXECUTIVE OFFICER  
2 February 2024

## TERMS OF REFERENCE

### AUDIT & RISK COMMITTEE

Established under Section 7.1 of the *Local Government Act 1995 (Act)* - every local government must have an Audit and Risk Committee (ARC).

#### **Terms of Reference**

ARC is responsible for assisting and independently advising Council in recommending appropriate actions and controls with regards to audit, risk oversight, governance, finances and systems of internal control.

Its role is to provide oversight related to significant risk exposures and control issues, including fraud risks, governance issues and other matters as necessary or requested by the CEO or Council. This is to ensure the Shire's activities are fully compliant with legislation, regulations, accounting and reporting Standards and that the Shire is executing its responsibility to the community in efficiently utilising their assets.

The ARC is not responsible for the executive management of these functions. The ARC will engage with management in a constructive and professional manner in discharging its advisory responsibilities and formulating its advice to Council.

#### **Duties and Responsibilities:**

Members of the ARC are expected to observe the legal and regulatory obligations of the Local Government.

Committee members must not use or disclose information obtained through the ARC except in meeting the ARC's responsibilities, or unless expressly agreed by the President of the Shire.

Committee Members must adhere to the Code of Conduct for Council Members, Committee Members and Candidates and demonstrate behaviour which reflects the Shire's desired culture.

#### **ARC Members are expected to:**

1. act in the best interests of the Shire as a whole;
2. apply good analytical skills, objectivity and good judgement;
3. express opinions constructively and openly, raise issues that relate to the ARC's responsibilities and pursue lines of enquiry in relation to the "Risk Controls" the Shire has in place;
4. contribute the time required to meet their responsibilities; and
5. exercise due care, diligence and skill when performing their duties.

#### **Member Duties/Responsibilities:**

- Oversee the Shire's risk management, through:
  - a) Biennial review of the Shire's Risk Management Policy;
  - b) Recommending and reviewing the Shire's Risk Appetite Statement in order to recommend the organisation's Risk Tolerance to the Council;
  - c) Reviewing reports on the movement of the Shire's current strategic risks, and the emergence of new strategic risks;
  - d) Overseeing strategic risks which sit outside of the Shire's Risk Appetite ; and
  - e) Monitor and receive reports concerning the development, implementation and on-going management of the Shire's Risk Management Plan and the effectiveness of its Risk Management Framework;
- Overseeing the Shire's processes for managing fraud and corruption, by:
  - a) Performing oversight responsibilities and advising Council;

- b) Enquiring with the CEO and the Office of the Auditor General (OAG) about whether they are aware of any actual, suspected, or alleged fraud or corruption affecting the Shire; and
- c) Reviewing summary reports from the CEO on communication from external parties including regulators that indicate problems in the internal control system or inappropriate management actions.
- Overseeing the Shire’s financial management and legislative compliance, by:
  - a) Reviewing the Shire’s annual Compliance Audit Return and reporting the results of that review to Council, in accordance with the Local Government (Audit) Regulations 1996;
  - b) Receiving and reviewing reports from the CEO regarding the appropriateness and effectiveness of the Shire’s legislative compliance and ensuring any non-compliances are rectified on a timely basis;
  - c) Considering and recommending adoption of the annual financial report to Council;
  - d) Receive and review the biannual reports from the Chief Executive Officer (CEO) regarding the appropriateness and effectiveness of the Shire's risk management, internal controls and legislative compliance and make recommendations to Council; and
  - e) Consider and recommend adoption of the Annual Financial Report to the Council;
- Overseeing the internal audit function, by;
  - a) Assessing and making a recommendation to Council on an Internal Audit Plan to ensure that it comprehensively covers material business risks that may threaten the achievement of strategic objectives and which identifies key risks and control mechanisms;
  - b) Reviewing the quality and timeliness of internal audit reports;
  - c) Monitoring the implementation of internal audit recommendations; and
  - d) Considering the implications of internal audit findings on the organisation, its risks, and controls.
- Fulfilling responsibilities pertaining to external audit, by:
  - a) Reviewing reports from the OAG, including auditor’s reports, closing reports and management letters;
  - b) Reviewing management’s response to OAG findings and recommendations;
  - c) Monitoring the implementation of recommendations from external audits;
  - d) Reviewing results of relevant OAG audit reports and better practice publications for guidance on good practices, including any assessment by the CEO; and
  - e) Examine the reports of the auditor after receiving a report from the CEO on the matters and:
    - a. determine if any matters raised require action to be taken by the Shire; and
    - b. ensure that appropriate action is taken in respect of those matters.

Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee’s terms of reference following authorisation from the Council.

### **Membership**

Four (4) Councillors; and

Two (2) Community Members

### **Supporting Team Members**

Manager Financial & Corporate Services  
Manager Governance & Administration  
Chief Executive Officer or delegated nominee

### **Meetings**

Quarterly for ordinary meetings and as required related to audit functions.

**Open to Public:** No

**Voting:** Voting is in accordance with Section 5.21 of the *Act*.

**Confidentiality:** All Committee members will be required to adhere to the Shire's confidentiality requirements as per the Code of Conduct for Council Members, Committee Members and Candidates.

**Conduct of Meetings:** ARC Meetings will be held in accordance with the *Act*, subsidiary legislation, and the Shire's Standing Orders.

### **Committee Sitting Fees and Reimbursements**

The Shire is prohibited under Section 5.98-5.99 of the *Act*, and Regulation 30 of the Local Government (Administration) Regulations 1996, to pay a council member a fee for attending the ARC.

Currently, the Shire is prohibited from remunerating independent committee members; however, reimbursement of approved expenses for independent members may be paid to each independent external member in accordance with Section 5.100 of the *Act*.

The rules regarding remuneration for independent committee members are currently under review as part of the Local Government Reforms (2023). These guidelines are subject to any legislation changes.

**AGENDA FOR AN AUDIT AND RISK COMMITTEE MEETING**  
**TO BE HELD ON 6 FEBRUARY 2024**

**TABLE OF CONTENTS**

|           |                                                                            |           |
|-----------|----------------------------------------------------------------------------|-----------|
| <b>1</b>  | <b>DECLARATION OF OPENING</b>                                              | <b>6</b>  |
| <b>2</b>  | <b>ATTENDANCE, APOLOGIES &amp; LEAVE OF ABSENCE</b>                        | <b>6</b>  |
| <b>3</b>  | <b>SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE</b>           | <b>6</b>  |
| <b>4</b>  | <b>CONFIRMATION OF MINUTES</b>                                             | <b>6</b>  |
| <b>6</b>  | <b>DECLARATIONS OF INTEREST</b>                                            | <b>6</b>  |
| <b>8</b>  | <b>COMMITTEE TIMETABLE</b>                                                 | <b>7</b>  |
| <b>9</b>  | <b>COMMITTEE STATUS REPORT</b>                                             | <b>8</b>  |
| <b>10</b> | <b>SUMMARY OF RISK MANAGEMENT</b>                                          | <b>10</b> |
| <b>11</b> | <b>OFFICER REPORTS</b>                                                     | <b>11</b> |
| 11.1      | <i>ANNUAL FINANCIAL REPORT 2022/2023 AND GENERAL MEETING OF ELECTORS</i>   | <b>11</b> |
| 11.2      | <i>COMPLIANCE AUDIT RETURN 2023</i>                                        | <b>16</b> |
| 11.3      | <i>REVIEW OF VOLUNTEER HANDBOOK</i>                                        | <b>19</b> |
| <b>12</b> | <b>CEO UPDATES</b>                                                         | <b>22</b> |
| 12.1      | <i>BUDGET UPDATE</i>                                                       | <b>22</b> |
| 12.2      | <i>RISK REVIEW</i>                                                         | <b>22</b> |
| 12.3      | <i>WORK HEALTH AND SAFETY UPDATE</i>                                       | <b>22</b> |
| 12.4      | <i>SPRINGHAVEN UPDATE - CEO</i>                                            | <b>22</b> |
| <b>13</b> | <b>OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS</b> | <b>22</b> |
| <b>13</b> | <b>NEXT MEETING</b>                                                        | <b>22</b> |
| <b>14</b> | <b>CLOSURE</b>                                                             | <b>22</b> |

## AGENDA

**1 DECLARATION OF OPENING**

The Chairman will declare the meeting open at \_\_\_\_\_ am and alert the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

**2 ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

**MEMBERS**

|                  |                      |
|------------------|----------------------|
| Cr Roger Bilney  | Member (Chairperson) |
| Cr Paul Webb     | Member               |
| Cr Mick Mathwin  | Member               |
| Cr Kerryn Mickle | Member               |
| Cathrine Ivey    | Community Member     |

**STAFF (OBSERVERS)**

|                |                                          |
|----------------|------------------------------------------|
| Grant Thompson | Chief Executive Officer                  |
| Jill Johnson   | Manager Financial and Corporate Services |
| Judy Stewart   | Manager Governance and Administration    |

**APOLOGIES**

**3 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

**4 CONFIRMATION OF MINUTES**

Audit & Risk Committee Meeting held 5 September 2023 ([Attachment 5.1](#))

**OFFICER RECOMMENDATION**

That the minutes of the Audit & Risk Committee Meeting held on 5 September 2023 be confirmed as a true and accurate record.

**5 BUSINESS ARISING**

**6 DECLARATIONS OF INTEREST**

## **7 SENIOR MANAGEMENT TEAM DISCUSSION**

In accordance with the Financial Management Review adopted in February 2019, one senior manager will attend the Audit & Risk Committee on a rotational basis to discuss the following:

- Update on Manager's areas of responsibility and current projects/issues;
- Questions on Notice from the Audit and Risk Committee;
- Management's own recommendations for improvement in key areas.

## **8 COMMITTEE TIMETABLE**

As a guide and subject to availability, each Audit & Risk Committee agenda will contain the following (list to be expanded at the suggestion of members):

### **1st Quarter (January – March)**

- Committee Status Report
- Compliance Audit Return
- Summary of Risk Management
- Volunteer Management
- Leave Provision Adequacy

### **2nd Quarter (April – June)**

- Committee Status Report
- Summary of Risk Management
- Business Continuity Plan Review
- Shire President's Vehicle Log Book

### **3<sup>rd</sup> Quarter (July – September)**

- Committee Status Report
- Interim Audit Report
- Summary of Risk Management
- Insurance Overview

### **4<sup>th</sup> Quarter (October – December)**

- Committee Status Report
- Audit Report & Management Letter
- Annual Financial Report
- Annual Report
- Financial Management Review (each 3 years – 2021, 2024...)
- Risk, Legal Compliance & Internal Controls review (each 3 years – 2021, 2024...)
- Summary of Risk Management

The above list will remain at the commencement of each Committee agenda to act as a timetable and enable members to add to the items to be considered.

9 **COMMITTEE STATUS REPORT**

| Date             | Item Number & Title                | Issue                                                                                                                                          | Response                                                                                           | Status                                               |
|------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------|
| 2 November 2022  | 10.1 – Risk Management Update      | Risk Management Framework, Risk Register and Key Organisational Risks Review.                                                                  | To progress by September 2023                                                                      | To be commenced                                      |
| 2 November 2022  | 11.2 – Financial Management Review | The recommendations and observations raised within the Report be reported back to the Audit and Risk Committee for monitoring.                 | FMR adopted by Council, issues currently being addressed by Manager Financial & Corporate Services | Ongoing                                              |
| 28 February 2023 | Comment                            | Council to adopt and publish policies dealing with Communications and Attendance of Council members and the Chief Executive Officer at events. | To progress by July 2023                                                                           | <i>Completed – Policies 3.27 and 3.28 – CM141/23</i> |
| 5 September 2023 | Information Request                | Roger House - Netball Courts costing (1/2 grant funded) figures – CEO/MFCS                                                                     |                                                                                                    |                                                      |
| 5 September 2023 | Information Request                | Cr P Webb - List of vehicles containing trackers – CEO                                                                                         |                                                                                                    |                                                      |
| 5 September 2023 | Information Request                | Cr Gale - Expenditure - machinery maintenance and repairs – analyse to see if worthwhile upgrading or not – CEO/MFCS                           |                                                                                                    |                                                      |
| 5 September 2023 | 10.1 - Documentation               | Risk Assessment and Acceptance Criteria including Likelihood x Consequence Matrix (Risk Management Framework)                                  | To be forwarded to Committee members                                                               | <i>Attachment – 10.1.3 Completed</i>                 |
| 5 September 2023 | 13.1 - Information Request         | CEO and MFCS to look into feasibility of reduction in insurance premiums if the Shire was to increase insurance excesses                       |                                                                                                    |                                                      |



| Date             | Item Number & Title | Issue                                        | Response                                                        | Status |
|------------------|---------------------|----------------------------------------------|-----------------------------------------------------------------|--------|
| 5 September 2023 | Documentation       | New Organisational Workforce Structure – CEO | To be forwarded to Committee members after announcement of same |        |

**10 SUMMARY OF RISK MANAGEMENT**

**10.1 RISK MANAGEMENT UPDATE**

Please refer to the following attachments:

- 10.1.1 Risk Dashboard Report – February 2024
- 10.1.2 Risk Actions Report – February 2024

**10.2 WORK HEALTH AND SAFETY**

The CEO will provide an update on Work Health and Safety matters.

**11 OFFICER REPORTS**

**11.1 ANNUAL FINANCIAL REPORT 2022/2023 AND GENERAL MEETING OF ELECTORS**

|                      |                                                                                                                                                                                                                                                                                           |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AUTHOR</b>        | Grant Thompson – Chief Executive Officer                                                                                                                                                                                                                                                  |
| <b>DATE</b>          | Tuesday, 23 January 2024                                                                                                                                                                                                                                                                  |
| <b>FILE NO</b>       | FM.AUD.2 & FM.FNR.1                                                                                                                                                                                                                                                                       |
| <b>ATTACHMENT(S)</b> | <p>11.1.1 - Annual Financial Report - Shire of Kojonup - 30 June 2023</p> <p>11.1.2 - Final Management Letter - Shire of Kojonup - 30 June 2023</p> <p>11.1.3 - Transmittal Letter to CEO - Shire of Kojonup - 30 June 2023</p> <p>11.1.4 - Opinion - Shire of Kojonup - 30 June 2023</p> |

|                                                                                                                                                                                                                   |                               |                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------|
| <p><b>‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033</b><br/>                 To be <i>“The Cultural Experience Centre of the Great Southern”</i><br/> <b>STRATEGIC/CORPORATE IMPLICATIONS</b></p> |                               |                                                                    |
| <b>Key Strategic Pillar/s</b>                                                                                                                                                                                     | <b>Community Goal/s</b>       | <b>Corporate Objective/s</b>                                       |
| Performance                                                                                                                                                                                                       | 12. A High Performing Council | 12.1 SoK finances and funding<br>12.2 SoK monitoring and reporting |

**DECLARATION OF INTEREST**

Nil

**SUMMARY**

The purpose of this report is to consider the 2022/2023 Annual Financial Report, incorporating the Audit Report, and make a recommendation to Council.

**BACKGROUND**

Each local government is to prepare an annual report for each financial year. The report is a record of the Shire of Kojonup’s (Shire) activities for the financial year and is an integral part of the accountability principles established for local governments in Western Australia.

**COMMENT**

The Audit Report and Annual Financial Report will be considered by the Council at its 20 February 2024 Ordinary Meeting. The Auditor’s Management Letter is provided as additional information to the Committee and Council for transparency and full disclosure. It is suggested that the Annual Report, incorporating the aforementioned documents, be considered by Council at a Special Council Meeting to be called for 3.00pm, Tuesday, 5 March 2024.

The Annual Electors Meeting must be held within 56 days of the Council accepting the Annual Financial Report, with appropriate time being allowed after adoption to give notice of the meeting, say 14 days. This effectively means that the Annual Electors Meeting needs to be held by 30 April 2024. In previous years, the Annual Electors Meeting has been held in the evening following the Council Ordinary Meeting. It is recommended that the Annual Electors

Meeting be held after the 16 April 2024 Ordinary Meeting at the Kojonup Sporting Complex.

The Annual Electors Meeting will be publicised in the Great Southern Herald, on the Shire website and Shire Facebook page as soon as possible after the date is set, and in the next available Kojonup News and Shire mediums.

Significant Matters Raised in the Audit:

Contained within the 2022/2023 Audit Report were matters identified as significant by the Auditor. The matters raised as significant by the Auditor were as follows:

*1. Cost reallocation journal procedures*

*Finding*

*During the final audit several general journals posted to roads infrastructure job ledgers (for reallocation and allocation of capital costs) that were not adequately supported by documented evidence outlining the reasons and purpose of these journals.*

*Implication*

*Journals posted without appropriate evidence supporting adjustments to the financial report significantly increases the risk of material misstatement whether due to fraud or error, particularly in respect of capital costs recognised during the period. The implications could also extend to the Shire's responsibilities for performing acquittals of grants funding received, these acquittal reports rely on the accurate recognition and treatment of capital costs within the Shire's annual financial report.*

*Recommendation*

*The Shire should ensure procedures for reviewing and recognising cost allocation journals are adequately designed and implemented at all times. Reasons for allocations and adjustments should be documented and evidence for every journal posted, including appropriate rationale for capitalising costs associated with roads and other infrastructure projects with direct reference to the actual costs incurred.*

*Management comment*

*A process has been put in place to ensure that journals are justified with supporting documents before they are processed, along with two approval signatures. This two-step verification will include the Finance Officer raising the journal and the Manager Financial & Corporate Services approving as a second check. Re-journaling should decline materially over the next twelve months as we procure better oversight of the financial controls across the organisation.*

*2. General Journal Review Processes*

*Finding*

*While testing general journals four out of the ten tested general journals were not recorded as being reviewed by an authorised reviewer.*

*We also noted that journals being prepared by your external consultant are not*

*being reviewed and approved by an authorised reviewer at the Shire.*

*In 2022 5 out of the 30 general journals that tested were not marked as being reviewed by an independent authorised officer. This has been upgraded from moderate to significant.*

*Implication*

*In the absence of adequate review of all general journals posted, there is an increased risk of unauthorised journals being posted whether due to fraud or error which may result in errors posted to the annual financial report.*

*Recommendation*

*We recommend that all general journals are reviewed by an appropriate person who is independent of the person performing the tasks. All general journals and supporting documentation should be reviewed by an appropriate officer and signed as evidence of review.*

*Management comment*

*Journals (along with backing paperwork) received from the External Consultant will be reviewed and signed by the Manager Financial & Corporate Services.*

*The Shire acknowledges that a number of previous journals did not follow due process.*

*With a restructure and appointment of new financial people in March 2023, the Shire believes these audit findings are the lag time between the business process changes.*

*3. Employee related provisions*

*Finding*

*During the auditors review of employee long-service leave provisions at 30 June 2023 it was noted provisions balances still exist for 51 employees that are no longer employed by the Shire. The estimated overstatement of the Shire's long-service leave provision is \$92,840 at 30 June 2023.*

*This finding was present in previous periods, however in 2023 the balance has continued to grow with no improvement in the Shire's processes for recording and reviewing provisions balances.*

*Implication*

*Where inaccurate employee data is used to estimate the Shire's employee related provisions, there is an increased risk of material errors occurring in the annual financial report.*

*Recommendation*

*The Shire should review the employee data used to develop and recognise employee related provisions and ensure this is current and up to date each year. Adjustments should be recognised to reduce the liability balances for any*

*entitlements paid or where the entitlement is no longer required to be recognised.*

*Management comment*

*The Shire is committed to fixing this problem of our payroll records and processes removing ex-employees from the system as the benefits are paid out.*

*The LSL entitlements are currently being reviewed by the Finance Payroll Officer. These will be amended as required and any payments outstanding forwarded to the Australian Taxation Office for distribution to terminated employees.*

*An LSL reconciliation process will become part of the EOFY process (along with other leave entitlements) to ensure all leave balances are correctly calculated and recorded.*

All other findings can be read in the management letter attached.

**CONSULTATION**

Auditors – Lincolns Accountants Albany  
The Office of the Auditor General  
Manager Financial and Corporate Services

**STATUTORY REQUIREMENTS**

Section 5.26 to 5.33; 5.53 & 5.54 of the *Local Government Act 1995*  
Section 7.12A (Duties of local government with respect to audits) of the *Local Government Act 1995*  
Regulation 50(1) (c) of the Local Government (Financial Management) Regulations 1996

**POLICY IMPLICATIONS**

There are no policy implications for this report.

**FINANCIAL IMPLICATIONS**

This item reports on the financial position of the Shire as at 30 June 2023. The recommendation does not in itself have a financial implication.

**RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications for this report.

**ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications for this report.

**SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Absolute Majority

**OFFICER RECOMMENDATION**

That it be recommended to the Council that:

1. The 2022/2023 Audited Annual Financial Report be adopted;
2. The Chief Executive Officer be requested to forward a copy of this Audit Committee recommendation, and the Council agenda item, to the Minister for Local Government and place them on the Shire of Kojonup website in accordance with Section 7.12A (Duties of local government with respect to audits) of the *Local Government Act 1995*;
3. The matters raised in the Auditor's Management Letter be noted, a report produced internally on how the significant items will be addressed, and those actions be included in the Committee Status Report of future Audit and Risk Committee agendas; and
4. The Council direct the Chief Executive Officer to complete the Annual Report compilation and schedule:
  - a Special Council Meeting to be held at 3.00pm, Tuesday, 5 March 2024 to adopt the Annual Report; and
  - an Annual Electors Meeting to be held at 6.00pm, Tuesday, 16 April 2024 at the Kojonup Sporting Complex.

## 11.2 COMPLIANCE AUDIT RETURN 2023

|               |                                                       |
|---------------|-------------------------------------------------------|
| AUTHOR        | Judy Stewart – Manager Governance and Administration  |
| DATE          | Friday, 2 February 2024                               |
| FILE NO       | CM.REP.1                                              |
| ATTACHMENT(S) | <a href="#">11.2.1 - Compliance Audit Return 2023</a> |

|                                                                                                                                                                                        |                               |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------|
| <b>‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033</b><br>To be <i>“The Cultural Experience Centre of the Great Southern”</i><br><b>STRATEGIC/CORPORATE IMPLICATIONS</b> |                               |                                   |
| <b>Key Strategic Pillar/s</b>                                                                                                                                                          | <b>Community Goal/s</b>       | <b>Corporate Objective/s</b>      |
| Performance                                                                                                                                                                            | 12. A High Performing Council | 12.2 SoK monitoring and reporting |

### DECLARATION OF INTEREST

Nil

### SUMMARY

The purpose of this report is for the Audit and Risk Committee’s consideration and recommendation to Council for adoption of the Compliance Audit Return for 2023.

### BACKGROUND

Completion of the Compliance Audit Return (CAR) is mandatory for each local government. Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* require a local government to carry out a compliance audit for each calendar year. A local government’s Audit and Risk Committee must review the CAR and report same to Council to adopt after which a certified copy, together with a copy of the section of Council minutes adopting the CAR plus any other relevant information, must be submitted to the Department of Local Government, Sport and Cultural Industries (Department) by 31 March each year.

Items of note in the 2022 CAR included the following:

- all relevant persons to have lodged an annual return by 31 August annually;
- delayed receipt of the Shire’s Audit Report;
- the need to complete a report on the training completed by Council members in the 2021/2022 year, by 31 July 2022; and
- the need for Council to adopt and publish a policy dealing with attendance of Council members and the Chief Executive Officer (CEO) at events.

All of the above requirements have been dealt with accordingly. A policy dealing with Councillor and CEO attendance at events was adopted by Council at its 12 December 2023 Ordinary Meeting (CM 141/23).

### COMMENT

The 2023 CAR has been completed following a review of processes and documentation for each activity/area in which compliance is being assessed against the *Local Government Act 1995* and its associated regulations.



Items of note in the 2023 CAR include the following:

Finance – Question 5 – Due to the date of receipt of the Auditor’s Report (19 December 2023), Council can still comply with the requirement to provide a copy of the Auditor’s Report to the Minister within the required three month timeframe; however, cannot state that it has done so already.

Integrated Planning and Reporting – Question 2 – Council has not yet adopted its Corporate Business Plan; it is anticipated that this will occur at its 20 February 2024 Ordinary Meeting.

This item is for the Audit and Risk Committee’s consideration and recommendation to the Council for adoption and subsequent submission to the Department by 31 March 2024.

## **CONSULTATION**

Chief Executive Officer  
Project Manager/Community Services

## **STATUTORY REQUIREMENTS**

### **14. *Compliance audits by local governments***

(1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*

(2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*

(3A) *The local government’s audit committee is to review the compliance audit return and is to report to the council the results of that review.*

(3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —*

*(a) presented to the council at a meeting of the council; and*

*(b) adopted by the council; and*

*(c) recorded in the minutes of the meeting at which it is adopted.*

*[Regulation 14 inserted: Gazette 23 Apr 1999 p. 1724-5; amended: Gazette 30 Dec 2011 p. 5580-1.]*

### **15. *Certified copy of compliance audit return and other documents to be given to Departmental CEO***

(1) *After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —*

*(a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*

*(b) any additional information explaining or qualifying the compliance audit,*

*is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.*

(2) *In this regulation —*

**certified** in relation to a compliance audit return means signed by —

- (a) the mayor or president; and
- (b) the CEO.

[Regulation 15 inserted: Gazette 23 Apr 1999 p. 1725; amended: Gazette 26 Jun 2018 p. 2386.]

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**RISK MANAGEMENT IMPLICATIONS**

| RISK MANAGEMENT FRAMEWORK                                                                                                                                                                                        |                                 |                         |                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------|------------------------------------|
| Risk Profile                                                                                                                                                                                                     | Risk Description/Cause          | Key Control             | Current Action                     |
| 3. Failure to Fulfil Compliance Requirements (Statutory/Regulatory)                                                                                                                                              | Inadequate compliance framework | Compliance Audit Report | Nil (key control being undertaken) |
| Risk rating - Adequate                                                                                                                                                                                           |                                 |                         |                                    |
| IMPLICATIONS                                                                                                                                                                                                     |                                 |                         |                                    |
| Maximising compliance with legislation mitigates risk of damage to image and reputation as well as penalties associated with non-compliance; compliance demonstrates that best practice methodology is in place. |                                 |                         |                                    |

**ASSET MANAGEMENT IMPLICATIONS**

Nil

**SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

That it be recommended to the Council that the Compliance Audit Return for 2023, as attached, be adopted.

### 11.3 REVIEW OF VOLUNTEER HANDBOOK

|                      |                                                                            |
|----------------------|----------------------------------------------------------------------------|
| <b>AUTHOR</b>        | Judy Stewart – Manager Governance and Administration                       |
| <b>DATE</b>          | Friday, 2 February 2024                                                    |
| <b>FILE NO</b>       | CM.POL.1                                                                   |
| <b>ATTACHMENT(S)</b> | 11.3.1 - Volunteer Handbook – existing (2022) copy showing proposed change |

|                                                                                                                                                                                        |                               |                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------|
| <b>‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033</b><br>To be <i>“The Cultural Experience Centre of the Great Southern”</i><br><b>STRATEGIC/CORPORATE IMPLICATIONS</b> |                               |                                   |
| <b>Key Strategic Pillar/s</b>                                                                                                                                                          | <b>Community Goal/s</b>       | <b>Corporate Objective/s</b>      |
| Performance                                                                                                                                                                            | 12. A High Performing Council | 12.2 SoK monitoring and reporting |

#### DECLARATION OF INTEREST

Nil

#### SUMMARY

The purpose of this report is to review the Shire of Kojonup’s (Shire) Volunteer Handbook.

#### BACKGROUND

The Shire’s Volunteer Management Handbook (Handbook) was originally produced in 2016 in line with Council’s adoption of its Volunteer Management Policy (Policy 2.3.8). Significant changes were made in November 2018 to form a less cumbersome and more user friendly Handbook and further reviews have been undertaken on an annual basis.

With the exception of volunteer firefighters who are recognised and supported via the Bush Fire Advisory Committee and relevant legislation, the Handbook represents a detailed point of reference for other Shire volunteers, provides guidance to managers overseeing volunteer programmes and recognises volunteers as an integral part of our organisation. The provision of a Handbook for volunteers is also in keeping with Work Health and Safety best practice principles, working to protect the employer and the volunteer.

The Shire has many different activities that volunteers engage in (mainly at the Kodja Place precinct, Springhaven Frail Aged Lodge, the Kojonup Library and as Friends of Myrtle Benn) working alongside staff to deliver and enhance services and initiatives offered by the Shire. Without the support and contribution provided by volunteers, some of these services and initiatives would be difficult to sustain into the future.

#### COMMENT

There are nil suggested updates as of this review – the only change has been to the document’s date of review ([attachment 11.3.1](#)).

#### CONSULTATION

Chief Executive Officer  
 Managers  
 Senior Horticulturist  
 Senior Library Officer

## STATUTORY REQUIREMENTS

Section 5.40 (e) of the *Local Government Act 1995*

### *5.40. Principles affecting employment by local governments*

*The following principles apply to a local government in respect of its employees –*

*(e) employees are to be provided with safe and healthy working conditions in accordance with the Work Health and Safety Act 2020;*

Division 4, Subdivision 1 - 4. - *Work Health and Safety Act 2020 (replacing OSH Act 1984)* - Definitions –

***volunteer** means a person who is acting on a voluntary basis (irrespective of whether the person receives out-of-pocket expenses);*

*Section 7. Meaning of worker*

*(1) A person is a worker if the person carries out work in any capacity for a person conducting a business or undertaking, including work as –*

*(h) a volunteer;*

## POLICY IMPLICATIONS

Policy 2.3.8 – Volunteer Management

## FINANCIAL IMPLICATIONS

In addition to the social and community benefits associated with volunteering, the value adding that occurs without incurring wage expenses contributes to the ongoing provision of services and initiatives that otherwise may not happen.

**RISK MANAGEMENT IMPLICATIONS**

| RISK MANAGEMENT FRAMEWORK                                                                                                                                                                                                               |                                                                                                                                                          |                                            |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------|
| Risk Profile                                                                                                                                                                                                                            | Risk Description/Cause                                                                                                                                   | Key Control                                | Current Action |
| 5 - Employment Practices                                                                                                                                                                                                                | Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).<br><br>Inadequate induction practices. | Induction process                          | Nil            |
| 14 - Safety and Security                                                                                                                                                                                                                | Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, volunteers, contractors and/or tenants.                   | Contractor/Staff/Volunteer site inductions | Nil            |
| Risk rating – Adequate/Adequate                                                                                                                                                                                                         |                                                                                                                                                          |                                            |                |
| IMPLICATIONS                                                                                                                                                                                                                            |                                                                                                                                                          |                                            |                |
| A Volunteer Handbook ensures that the Shire’s volunteers, and their managers, are provided with the necessary information to ensure duties are undertaken in a safe manner and volunteers are informed of their rights and obligations. |                                                                                                                                                          |                                            |                |

**ASSET MANAGEMENT IMPLICATIONS**

Nil

**SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

That the revised Volunteer Handbook 2024, as attached, be adopted.

12 CEO UPDATES

12.1 BUDGET UPDATE

12.2 RISK REVIEW

12.3 WORK HEALTH AND SAFETY UPDATE

12.4 SPRINGHAVEN UPDATE - CEO

13 OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS

13 NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled to be held Tuesday, 7 May 2024 at 9:00am.

14 CLOSURE

There being no further business to discuss, the Chairperson thanked members for their attendance and declared the meeting closed at \_\_\_\_\_am.

ATTACHMENTS (SEPARATE)

5.1 - Audit & Risk Committee Minutes 5 September 2023

10.1.1 - Risk Dashboard Report – January 2024

10.1.2 - Risk Actions Report – January 2024

11.1.1 - Annual Financial Report - Shire of Kojonup - 30 June 2023

11.1.2 - Final Management Letter - Shire of Kojonup - 30 June 2023

11.1.3 - Transmittal Letter to CEO - Shire of Kojonup - 30 June 2023

11.1.4 - Opinion - Shire of Kojonup - 30 June 2023

11.2.1 – Compliance Audit Return 2023

11.3.1 – Volunteer Handbook – existing copy (2022) showing proposed change

SHIRE OF KOJONUP

Kojonup



Audit & Risk Committee

Minutes

5 September 2023



## TERMS OF REFERENCE

### AUDIT & RISK COMMITTEE

#### Function:

This Committee is responsible for assisting Council in recommending appropriate actions to Council with regards to audit, risk and governance management to ensure accountability to the community in its responsibilities.

#### Duties and Responsibilities:

- Receive and review the biannual reports from the Chief Executive Officer (CEO) regarding the appropriateness and effectiveness of the Shires risk management, internal controls and legislative compliance and make recommendations to Council;
- Recommend and review the Shire's Risk Appetite Statement in order to set the Risk Tolerance of the Council;
- Monitor and receive reports concerning the development, implementation and on-going management of the Shire's Risk Management Plan and the effectiveness of its Risk Management Framework;
- Provide advice and assistance to Council as to the carrying out of its functions in relation to audits and recommend;
  - a) a list of those matters to be audited; and
  - b) the scope of the audit to be undertaken;
- Meet with the auditor yearly and provide a report to Council on the matters discussed and the outcome of the discussions;
- Liaise with the (CEO) to ensure that the Shire does everything in its power to:
  - a) assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - b) ensure that audits are conducted successfully and expeditiously;
- Examine the reports of the auditor after receiving a report from the CEO on the matters and:
  - a) determine if any matters raised require action to be taken by the Shire; and
  - b) ensure that appropriate action is taken in respect of those matters;
  - c) Review the report prepared by the CEO in respect of any matters raised in the report of the auditor and present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the auditor is received, whichever is the latest;
- Review the scope of the Audit Plan and its effectiveness;
- Consider and recommend adoption of the Annual Financial Report to the Council;
- Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference;
- Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council; and
- Review the annual Statutory Compliance Return and make a recommendation on its adoption to Council.

#### Membership

Four (4) Councillors; and

Two (2) Community Members.

**MINUTES OF AN AUDIT AND RISK COMMITTEE MEETING**  
**HELD ON 5 SEPTEMBER 2023**

**TABLE OF CONTENTS**

|    |                                                                     |    |
|----|---------------------------------------------------------------------|----|
| 1  | DECLARATION OF OPENING                                              | 4  |
| 2  | ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE                            | 4  |
| 3  | PUBLIC QUESTION TIME                                                | 4  |
| 4  | SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE           | 4  |
| 5  | CONFIRMATION OF MINUTES                                             | 4  |
| 6  | BUSINESS ARISING                                                    | 5  |
| 7  | DECLARATIONS OF INTEREST                                            | 5  |
| 8  | COMMITTEE TIMETABLE                                                 | 6  |
| 9  | COMMITTEE STATUS REPORT                                             | 7  |
| 10 | SUMMARY OF RISK MANAGEMENT                                          | 8  |
| 11 | OFFICER REPORTS                                                     | 9  |
| 12 | CEO UPDATES                                                         | 12 |
| 13 | OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS | 12 |
| 14 | NEXT MEETING                                                        | 12 |
| 15 | CLOSURE                                                             | 12 |

## MINUTES

### 1 DECLARATION OF OPENING

The Chairman declared the meeting open at 9.14am and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

### 2 ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE

#### **MEMBERS**

|                      |                  |
|----------------------|------------------|
| Cr Gale              | Member (Chair)   |
| Cr P Webb            | Member           |
| Cr Egerton-Warburton | Member           |
| Cr Bilney            | Member           |
| Roger House          | Community Member |

#### **STAFF (OBSERVERS)**

|                |                                                       |
|----------------|-------------------------------------------------------|
| Grant Thompson | Chief Executive Officer (CEO)                         |
| Jill Johnson   | Manager Financial and Corporate Services (MFCS)       |
| Judy Stewart   | Manager Governance and Administration (MGA) (Minutes) |

#### **APOLOGIES**

|            |                  |
|------------|------------------|
| James Hope | Community Member |
|------------|------------------|

#### **VISITORS**

|            |                      |
|------------|----------------------|
| Cr Radford | President (10.25am)  |
| Cr F Webb  | Councillor (10.35am) |

### 3 PUBLIC QUESTION TIME

Nil

### 4 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

### 5 CONFIRMATION OF MINUTES

Audit & Risk Committee Meeting held 2 May 2023 ([Attachment 5.1](#))

#### **OFFICER RECOMMENDATION/COMMITTEE DECISION**

AR8/24 Moved Cr Egerton-Warburton      Seconded Cr Bilney  
That the minutes of the Audit & Risk Committee Meeting held on 2 May 2023 be confirmed as a true and accurate record.

CARRIED 5/0

*For: Cr Gale, Cr P Webb, Cr Egerton-Warburton, Cr Bilney, Roger House*

6 **BUSINESS ARISING**

**6.1 CASHFLOWS**

- Cashflow reports will be generated for Springhaven, Kodja Place, and the Shire Administration cost centres.
- A cashflow for 2024/2025 (cash in/cash out) will be commenced noting that some of the revenue streams included in 2023/2024 will not be available in 2024/2025.

**6.2 2023-2024 BUDGET**

- This year's budget has not included plant and machinery expenditure; in lieu \$360,000 has been allocated to an Information Communication Technology (ICT) upgrade.
- Labour costs – reduced numbers but wage increase across the board (5.8%) has resulted in a \$350,000 increase in total wage bill.
- Enterprise Bargaining Agreement negotiations – affected by move from Federal system to WA Industrial Relations Commission.
- Currently collecting Plant and Equipment hours to analyse/consider pushing out replacement timeframes.
- Pool – operations satisfactory, the chlorinator has recently been replaced.
- Long Term plans related to integrated planning are due this year.

**COMMITTEE RECOMMENDATION**

AR9/25 Moved Cr Bilney

Seconded Roger House

That it be recommended to Council that 2024/2025 cashflows be developed separately for the entire Shire organisation, Springhaven, and Black Cockatoo Café over the course of the next twelve months.

CARRIED 5/0

*For: Cr Gale, Cr P Webb, Cr Egerton-Warburton, Cr Bilney, Roger House*

*The Manager Financial and Corporate Services left the meeting at 9.35am and returned at 9.38am.*

7 **DECLARATIONS OF INTEREST**

Nil

## 8 COMMITTEE TIMETABLE

As a guide and subject to availability, each Audit & Risk Committee agenda will contain the following (list to be expanded at the suggestion of members):

### 1st Quarter (January – March)

- Committee Status Report
- Compliance Audit Return
- Summary of Risk Management
- Volunteer Management
- Leave Provision Adequacy

### 2nd Quarter (April – June)

- Committee Status Report
- Summary of Risk Management
- Business Continuity Plan Review
- Shire President's Vehicle Log Book

### 3<sup>rd</sup> Quarter (July – September)

- Committee Status Report
- Interim Audit Report
- Summary of Risk Management
- Insurance Overview

### 4<sup>th</sup> Quarter (October – December)

- Committee Status Report
- Audit Report & Management Letter
- Annual Financial Report
- Annual Report
- Financial Management Review (each 3 years – 2018, 2021...)
- Risk, Legal Compliance & Internal Controls review (each 3 years – 2021, 2024...)
- Summary of Risk Management

The above list will remain at the commencement of each Committee agenda to act as a timetable and enable members to add to the items to be considered.

9 COMMITTEE STATUS REPORT

| Date             | Item Number & Title                | Issue                                                                                                                                          | Response                                                                                           | Status              |
|------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------|
| 2 November 2022  | 10.1 – Risk Management Update      | Risk Management Framework, Risk Register and Key Organisational Risks Review.                                                                  | To progress by September 2023                                                                      | To be commenced     |
| 2 November 2022  | 11.2 – Financial Management Review | The recommendations and observations raised within the Report be reported back to the Audit and Risk Committee for monitoring.                 | FMR adopted by Council, issues currently being addressed by Manager Financial & Corporate Services | Ongoing             |
| 28 February 2023 | Comment                            | Council to adopt and publish policies dealing with Communications and Attendance of Council members and the Chief Executive Officer at events. | To progress by July 2023                                                                           | In progress         |
| 5 September 2023 | Information Request                | Roger House - Netball Courts costing (1/2 grant funded) figures – CEO/MFCS                                                                     |                                                                                                    |                     |
| 5 September 2023 | Information Request                | Cr P Webb - List of vehicles containing trackers – CEO                                                                                         |                                                                                                    |                     |
| 5 September 2023 | Information Request                | Cr Gale - Expenditure - machinery maintenance and repairs – analyse to see if worthwhile upgrading or not – CEO/MFCS                           |                                                                                                    |                     |
| 5 September 2023 | 10.1 - Documentation               | Risk Assessment and Acceptance Criteria including Likelihood x Consequence Matrix (Risk Management Framework)                                  | To be forwarded to Committee members                                                               | Attachment – 10.1.3 |
| 5 September 2023 | 13.1 - Information Request         | CEO and MFCS to look into feasibility of reduction in insurance premiums if the Shire was to increase insurance excesses                       |                                                                                                    |                     |
| 5 September 2023 | Documentation                      | New Organisational Workforce Structure – CEO                                                                                                   | To be forwarded to Committee members after announcement of same                                    |                     |

## 10 SUMMARY OF RISK MANAGEMENT

### 10.1 RISK MANAGEMENT UPDATE

Please refer to the following attachments:

- 10.1.1 Risk Dashboard Report – September 2023
- 10.1.2 Risk Actions Report – September 2023
- 10.1.3 Risk Assessment and Acceptance Criteria

### 10.2 WORK HEALTH AND SAFETY

The CEO provided an update on Work Health and Safety (WHS) matters –

- Currently seeking WHS representatives in order to meet the quota of management representatives/WHS representatives at WHS meetings and fulfil quorum requirements
- Currently have two active Workers Compensation claims

UNCONFIRMED

## 11 OFFICER REPORTS

### 11.1 INSURANCE POLICIES

|                      |                                                                   |
|----------------------|-------------------------------------------------------------------|
| <b>AUTHOR</b>        | Jill Johnson – Manager Financial & Corporate Services             |
| <b>DATE</b>          | Tuesday, 29 August 2023                                           |
| <b>FILE NO</b>       | RM.REG.1                                                          |
| <b>ATTACHMENT(S)</b> | 11.1.1 - Vehicle and Plant Register<br>11.1.2 - Property Register |

| STRATEGIC/CORPORATE IMPLICATIONS      |                                                                |                                                                                                                       |
|---------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| “Smart Possibilities – Kojonup 2027+” |                                                                | “Smart Implementation – Kojonup 2018-2022”                                                                            |
| Key Pillar                            | Community Outcomes                                             | Corporate Actions                                                                                                     |
| KP 3 – Performance                    | 3.4 Be organised and transparent with our financial management | 3.4.2 Act with sound long-term and transparent financial management and deliver residents considered value for money. |

#### DECLARATION OF INTEREST

Nil

#### SUMMARY

The purpose of this report is to inform the Audit and Risk Committee of the insurance levels and associated costs held by the Shire of Kojonup (Shire) for the 2023/2024 financial year.

#### BACKGROUND

Insurance is one of the Shire’s largest annual expenses and most important risk management tasks and, therefore, it is appropriate that the Council, in addition to staff, be comfortable with the levels of insurance taken out.

#### COMMENT

The Shire of Kojonup obtains insurance cover through LGIS (Local Government Insurance Services). LGIS is partly owned by WALGA and offers insurance through its Scheme Membership and also through policies taken out with insurers. It is able to obtain policies from main stream insurance at a reduced rate as it brokers on behalf of all scheme members.

Below is a list of insurances held by the Shire for the 2023/2024 financial year including the insurance provider, limit of liability and the cost of premium.

There has been an overall increase of 13.81% on last year; this is, however, lower than the predicted 15% forecast.

- LGIS Property has a scheme portfolio rate increase of 3%.
- LGIS Motor Vehicle Fleet has a minor rate increase due to 5yr claims loss ratio at 66% and a small uplift in total fleet value.
- Workcare has a minor increase from 2.75% to 3% due to 5yr claims loss ratio at 127% and minor lift in salaries.



| Policy                                       | 2022/2023 Premium | 2023/2024 Premium | Insurer           | Liability | Interest Protected                                                                                                                                           |
|----------------------------------------------|-------------------|-------------------|-------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LGIS Bushfire                                | \$36,775          | \$52,605          | Scheme            | \$500k    | Volunteer Bushfire members, medical expenses, loss of salary/wages and death benefits                                                                        |
| LGIS Liability                               | \$40,920          | \$40,920          | Scheme            | \$500m    | Public liability - Death or Personal Injury, Loss or Damage to Property                                                                                      |
| Casual Hirers Liability                      | \$ 0              | \$0               | Covered by Scheme | \$10m     | Legal liability to third parties for death, illness or personal injury and loss of damage to property at hired facility                                      |
| Commercial Crime and Cyber Liability         | \$4,428           | \$4,198           | Scheme            | \$400k    | Direct financial loss sustained by member                                                                                                                    |
| LGIS Property                                | \$122,431         | \$114,555         | Scheme            | \$600m    | Physical loss, destruction or damage to property including machinery breakdown and electronic equipment                                                      |
| LGIS Workcare                                | \$140,663         | \$149,250         | Scheme            | \$500k    | Workers Compensation and Injury Management including Journey Accident Cover                                                                                  |
| Corporate Travel                             | \$878             | \$854             | Scheme            | \$10m     | External Journey beyond 50km                                                                                                                                 |
| Management Liability                         | \$40,025          | \$38,136          | Scheme            | \$4.25m   | Councillors and Officers Liability and Employment practices Liability                                                                                        |
| Marine Cargo                                 | \$693             | \$725             | QBE               | \$400k    | All goods &/or interests belonging &/or appertaining whilst in transit by land, air, water and parcel post                                                   |
| Motor Vehicle                                | \$70,966          | \$72,441          | Scheme            | \$3.2m    | All motor vehicles and trailers owned leased or mortgaged under hire purchase or hired in or let out. Includes volunteer bushfire brigade members' vehicles. |
| Personal Accident - Volunteers , Councillors | \$517             | \$508             | Scheme            | \$300k    | Elected members and volunteers if injured or die whilst engaged in work for the Shire if said work is authorised by the Shire                                |
| Medical Malpractice Liability                | \$7,519           | \$6,835           | Vero Insurance    | \$20m     | Cover of Medical Practice lawsuits for Springhaven                                                                                                           |
| <b>TOTAL</b>                                 | <b>\$465,815</b>  | <b>\$481,027</b>  |                   |           |                                                                                                                                                              |

#### CONSULTATION

David Woods – Account Manager, LGIS

Grant Thompson – Chief Executive Officer

Jill Johnson – Manager Financial & Corporate Services

## STATUTORY REQUIREMENTS

*Local Government Act 1995* Section 5.42(1)

Delegation Register – Admin 007 – Entering into Contracts of Insurance

*The Chief Executive Officer (CEO) is Delegated Authority to enter into appropriate contracts of insurance. In exercising the delegation, the CEO is to have regard to the provisions of the Annual Budget.*

Section 5.49(2) (Workers' compensation arrangement) of the *Local Government Act 1995* states:

*(2) WALGA is to establish and manage, for the benefit of itself and any eligible body that chooses to participate, a group self-insurance arrangement against liability to pay compensation under the WCIM Act.*

## POLICY IMPLICATIONS

2.1.8 – Financial Governance – Management of financial risk prudently, having regard to economic circumstances.

## FINANCIAL IMPLICATIONS

Insurance is the most important risk management task undertaken each year. Insurance is the Shire's single largest ongoing external cost and without adequate cover the Shire is extremely exposed to financial and property loss and open to liability.

## RISK MANAGEMENT IMPLICATIONS

Without sufficient insurance cover the Shire runs the risk of being unable to maintain its current level of service in the event of a major/catastrophic loss and possibly exposes itself to litigation costs if not adequately insured.

## ASSET MANAGEMENT IMPLICATIONS

Nil

## SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

## VOTING REQUIREMENTS

Simple Majority

### OFFICER RECOMMENDATION/COMMITTEE RECOMMENDATION

AR10/26 Moved Cr P Webb

Seconded Cr Egerton-Warburton

That it be recommended to Council that the information regarding the levels of the Shire of Kojonup's insurance for the 2023/2024 financial year be noted.

CARRIED 5/0

*For: Cr Gale, Cr P Webb, Cr Egerton-Warburton, Cr Bilney, Roger House*

## 12 CEO UPDATES

*Cr Radford entered the meeting at 10.25am.*

*Cr F Webb entered the meeting at 10.35am.*

### **12.1 DRAFT RESPONSE TO INTERIM AUDIT LETTER**

(see attached correspondence 12.1.1 – CEO to present on matters raised in correspondence)

The CEO discussed the findings contained in the Interim Audit Letter and the actions being taken to address identified issues.

### **12.2 BUDGET AND ANNUAL OPERATING PLAN UPDATE – PRESENTATION BY CEO**

The CEO gave a summarised presentation of the 2023/2024 Annual Budget and an operating plan update.

### **12.3 JOURNAL ENTRY ISSUES RELATED TO PRIOR GRANT FUNDING - CEO**

The CEO explained journal entry issues relating to prior grant funding and actions being taken to address those issues.

### **12.4 SPRINGHAVEN UPDATE - CEO**

The CEO advised that the Shire will review possible aged care facility grant funding which may be available to grow Aged Care in Kojonup. The Shire has access to land that it may be able to leverage to attract capital.

*Cr F Webb left the meeting at 10.50am and re-entered at 10.54am.*

## 13 OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS

### **13.1 INSURANCE PREMIUMS**

Cr Gale – request for research into higher insurance excesses to potentially result in reduced insurance premiums.

## 14 NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled to be held Tuesday, 7 November 2023 at 9:00am.

## 15 CLOSURE

There being no further business to discuss, the Chairman thanked members for their attendance and declared the meeting closed at 10.56am.

**ATTACHMENTS (SEPARATE)**

- 5.1 - Audit & Risk Committee Minutes 2 May 2023
- 10.1.1 - Risk Dashboard Report – September 2023
- 10.1.2 - Risk Actions Report – September 2023
- 10.1.3 – Risk Assessment and Acceptance Criteria
- 11.1.1 - Vehicle and Plant Register
- 11.1.2 - Property Register
- 12.1.1 – Draft Response to Interim Audit Letter

UNCONFIRMED

## Shire of Kojonup Risk Dashboard Report February 2024

| <b>Asset Sustainability Practices</b>                                                                            |          | Risk           | Control  |
|------------------------------------------------------------------------------------------------------------------|----------|----------------|----------|
|                                                                                                                  |          | Moderate       | Adequate |
| Current Actions                                                                                                  | Due Date | Responsibility |          |
| Restrict access to non-compliant/damaged/dangerous buildings until the future of these facilities is determined. | May-22   | MRS            |          |
| Risk Assessment on Showgrounds                                                                                   | May-22   | CEO            |          |

| <b>External Theft and Fraud (inc. Cyber Crime)</b>                                                                     |          | Risk           | Control  |
|------------------------------------------------------------------------------------------------------------------------|----------|----------------|----------|
|                                                                                                                        |          | Moderate       | Adequate |
| Current Actions                                                                                                        | Due Date | Responsibility |          |
| Fobs security improvements for administration building - fob quotes requested                                          | Dec-23   | CEO            |          |
| Update fixed assets record (RAMM) to include Parks, Reserves, street furniture and signage and drainage infrastructure | Apr-22   | MWS            |          |

| <b>Business &amp; Community Disruption</b>        |          | Risk           | Control  |
|---------------------------------------------------|----------|----------------|----------|
|                                                   |          | Moderate       | Adequate |
| Current Actions                                   | Due Date | Responsibility |          |
| Review and test LEMA Plan                         | Apr-22   | MRS            |          |
| Commence annual building inspections              | Mar-22   | MRS            |          |
| Draft Bushfire Risk Management Plan - progressing | Dec-23   | MRS            |          |

| <b>Management of Facilities, Venues and Events</b>                                                                                                                  |          | Risk           | Control  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|----------|
|                                                                                                                                                                     |          | Moderate       | Adequate |
| Current Actions                                                                                                                                                     | Due Date | Responsibility |          |
| Draft improved Events planning process guidelines (including Planning Approvals, risk assessments, event management plans, food safety at stalls etc) - progressing | Jun-22   | MRS            |          |
| Develop post event procedures and event evaluation debrief - progressing                                                                                            | Mar-22   | MRS            |          |
| Develop Lease agreements register for all Shire facilities - progressing community hall agreements, sporting group agreements                                       | Jul-23   | CEO            |          |
| Community education re public events on private property - progressing                                                                                              | Jul-23   | MRS            |          |
| Annual tenancy inspections for staff and public housing - scheduled & notice in writing                                                                             | Mar-22   | MRS            |          |

| <b>Failure to Fulfil Compliance Requirements (Statutory, Regulatory)</b> |          | Risk           | Control  |
|--------------------------------------------------------------------------|----------|----------------|----------|
|                                                                          |          | Low            | Adequate |
| Current Actions                                                          | Due Date | Responsibility |          |
|                                                                          |          |                |          |

| <b>IT, Communication Systems and Infrastructure</b>    |          | Risk           | Control  |
|--------------------------------------------------------|----------|----------------|----------|
|                                                        |          | Moderate       | Adequate |
| Current Actions                                        | Due Date | Responsibility |          |
| Add additional generator input points (Admin building) | Jul-23   | MRS            |          |
| Negotiate Service level agreement with Vendors - IT    | Jun-22   | CEO            |          |

| <b>Document Management Processes</b> |          | Risk           | Control  |
|--------------------------------------|----------|----------------|----------|
|                                      |          | Low            | Adequate |
| Current Actions                      | Due Date | Responsibility |          |
|                                      |          |                |          |

| <b>Misconduct</b>                                                                                 |          | Risk           | Control  |
|---------------------------------------------------------------------------------------------------|----------|----------------|----------|
|                                                                                                   |          | Moderate       | Adequate |
| Current Actions                                                                                   | Due Date | Responsibility |          |
| Implement user-friendly stock control and reconciliation (fuel) procedure - FO to work with Depot | Jul-22   | CEO            |          |

| <b>Employment Practices</b>                                                                                  |          | Risk           | Control  |
|--------------------------------------------------------------------------------------------------------------|----------|----------------|----------|
|                                                                                                              |          | High           | Adequate |
| Current Actions                                                                                              | Due Date | Responsibility |          |
| Formalise exit interview procedure - template for review                                                     | Apr-22   | CEO            |          |
| Finalise EBA - M Fitzgerald, on behalf of Council, is following up with the ASU week commencing 3 March 2020 | Dec-23   | CEO            |          |

| <b>Project/Change Management</b>               |          | Risk           | Control  |
|------------------------------------------------|----------|----------------|----------|
|                                                |          | High           | Adequate |
| Current Actions                                | Due Date | Responsibility |          |
| Implement formal project management guidelines | May-22   | CEO            |          |

| <b>Engagement practices</b>                              |            | Risk           | Control  |
|----------------------------------------------------------|------------|----------------|----------|
|                                                          |            | Moderate       | Adequate |
| Current Actions                                          | Due Date   | Responsibility |          |
| Review and assess Community Engagement Strategy and Plan | 31/04/2023 | CEO            |          |

| <b>Safety and Security Practices</b>              |          | Risk           | Control  |
|---------------------------------------------------|----------|----------------|----------|
|                                                   |          | High           | Adequate |
| Current Actions                                   | Due Date | Responsibility |          |
| Conduct annual evacuation drill at all facilities | Apr-23   | CEO            |          |

| <b>Environment Management</b> |          | Risk           | Control  |
|-------------------------------|----------|----------------|----------|
|                               |          | Low            | Adequate |
| Current Actions               | Due Date | Responsibility |          |
|                               |          |                |          |

| <b>Supplier and Contract Management</b> |          | Risk           | Control  |
|-----------------------------------------|----------|----------------|----------|
|                                         |          | Moderate       | Adequate |
| Current Actions                         | Due Date | Responsibility |          |
|                                         |          |                |          |

| <b>Errors, Omissions and Delays</b>    |          | Risk           | Control  |
|----------------------------------------|----------|----------------|----------|
|                                        |          | Low            | Adequate |
| Current Actions                        | Due Date | Responsibility |          |
| Implement a formal peer review process | Dec-23   | CEO            |          |

| Actions                                                                   | Risk Profile | Due Date | Responsibility   | Action Status                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------|--------------|----------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commence annual building inspections                                      | 2            | Mar-22   | MRS              | 14/7/21 Spreadsheet being developed. BMC to start doing tenanted building inspections end of March - 2 weeks' notice (3 per week) BMC started inspections (2022) but not recorded on spreadsheet. <b>Due to BMC resigning the Shire is behind on annual building inspections. Restructuring the Property Management area will support getting this back on schedule.</b> |
| Formalise exit interview procedure - template for review                  | 5            | Apr-22   | CEO              |                                                                                                                                                                                                                                                                                                                                                                          |
| Implement user-friendly stock control and reconciliation (fuel) procedure | 12           | Jul-22   | CEO/MWS/<br>MFCS | Work group addressing the issue led by FO. Finance Officer to work with Depot. Monthly reconciliations are now greatly improved, albeit still a manual process. Once procedure has been decided.<br><br><b>New MFCS to review inventory and stock management process in 2024</b>                                                                                         |

| Actions                                                                                                         | Risk Profile | Due Date | Responsibility | Action Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------|--------------|----------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Formation of Position Descriptions for Volunteers - progressing.                                                | 4            | Apr-22   | CEO            | Managers to form position descriptions. SH has volunteers' handbook which acts as a PD. Library PD completed. In draft form. 14/7/21 - Volunteer PD's completed for Parks/Reserves, KP and Library and are now in use. Volunteer Manual also updated to reflect minor amendments. 80% completed Volunteer handbook being updated for KP. Handbook completed with November 2022 updates. Completed.                                                                                                                                                                                                                                                                                                                                                                                             |
| Finalise EBA                                                                                                    | 5            | Dec-23   | CEO            | CEO will take the lead and is currently reviewing the process to undertake EBA negotiations 2nd Quarter 2022. After strategic planning process. 1 quarter behind on Strategic Planning and there interdependency on this item means the EBA discussion pushed out until 1 Quarter 2023. New EBA must align to the WA Industrial relations framework as local government is now covered by the WAIRC not Fairworks Australia. Underway - delays with implementation of WAIRC, EBA negotiations forecast late 202. CEO discussed timeline with ASU (Union), back end of year. ASU distracted by other areas of local government, CEO expecting to be approached with timeframe soon. <b>Expected to commence first half of 2024. CEO to update on industrial issues occurring in the sector.</b> |
| Restrict access to non-compliant/damaged/dangerous buildings until the future of these buildings is determined. | 1            | May-22   | MRS            | Inspection of public buildings required to establish any non-compliance, damage or danger. MRS/BS to coordinate annual inspection of buildings. List to be compiled of relevant buildings; produce checklist and assess as part of budgetary process. Annual inspections now scheduled pre-budget (March) each year - No buildings                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                                                                                             |    |        |     |                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------|----|--------|-----|--------------------------------------------------------------------------------------------------------------------------------------|
| Risk assessment of Showgrounds                                                                                              | 1  | Dec-23 | CEO | LGIS assessment completed. Budget for consultant - existing or move - community/stakeholder views. Need to review Showground report. |
| MOU for Community Halls - together with previous                                                                            | 1  | Jul-23 | CEO | Community Halls management - draft MOU with CEO/MCCS<br>Governance issue. <b>Ongoing.</b>                                            |
| Review and test LEMA Plan                                                                                                   | 2  | Apr-22 | MRS | Plan to be tested asap Done, approved and endorsed.                                                                                  |
| Develop post event procedures and event evaluation debrief - together with previous end to end process for event management | 10 | Mar-22 | MRS | Progressing - In process                                                                                                             |

|                                                                                                                                                           |    |        |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop Lease agreements register for all Shire facilities - progressing community hall agreements, sporting group agreements.<br><i>Governance issue</i> | 10 | Jul-23 | CEO | Community Halls management - draft MOU with CEO/MCCS.<br>Kojonup Historical Society (Elverd Cottage, Barracks and Post Office) lease agreement - draft forwarded to CEO & MCCS 27/05/21 for comment.<br>Kojonup Bowling Club - draft in progress. So many buildings still without leases. Not completed, a priority for this financial year (2022/23) to finalise relationships with Community groups and assets.<br>List being compiled<br>CEO auditing currently<br>Documents to be completed July 2023.<br>Ongoing. <b>Governance identifying areas of review</b> |
| Negotiate Service level agreement with Vendors.                                                                                                           | 11 | Jun-22 | CEO | Ramped Technology. New licencing agreement due in April 2023, CEO investigating preferred vendors to replace hardware, architecture and software requirements for the Shire. Request for Proposal being developed; to be advertised shortly. RFP documentation drafted and finalised, will be advertised first two weeks of May. CEO has discussed risks with Ramped, Request for Proposal drafted for managed services and cyber security and expected to be advertised in September. <b>ICT Managed Service tender 02 2023 under analysis and review</b>           |
| Draft Improved Events planning process guidelines (including Planning Approvals, risk assessments, event management plans, food safety at stalls etc).    | 10 | Jun-22 | MRS | Event plan application has been established. Itinerant traders - Done new events application with all                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Community education re public events on private property - together                                                                                       | 10 | Mar-22 | MRS | Progressing - In process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                                                                                  |    |        |     |                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------|----|--------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual tenancy inspections for staff and public housing - scheduled & notice in writing - same date as for no. 1 | 10 | Mar-22 | MRS | Starting early 2022 - Completed Inspections done but not captured on spreadsheet<br>Annual inspections occurring, <b>Delayed due BMC resinging and no replacement</b>                                                                                                                                                           |
| Conduct annual evacuation drill at all facilities                                                                | 14 | Apr-23 | CEO | Progressing, training of fire wardens to occur. Drill to be scheduled 1st Quarter 2022 Ongoing - to be placed on Governance Calendar<br>Ongoing. Needs scheduling                                                                                                                                                               |
| Fobs security improvements for administration building                                                           | 9  | Dec-23 | CEO | Fob quotes requested. Whole of Security review to commence 1st half of 2022. Monitor through security review.<br>Security review deferred to late 2023 in line with holistic technology review.<br>CCTV Grants being applied for now, initial high level concept only. <b>Tender for CCTV to be advertised 1st quarter 2024</b> |

|                                                          |    |        |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------|----|--------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Implement formal project management guidelines           | 13 | May-22 | CEO | Implementation 2nd Quarter 2022 - framework back to SMT. Related to new system changes regarding ICT, Project Management Framework (PMF) being rolled out 2023.<br>Biannual inspections take plac.<br>Project Management body of knowledge being rolled out in new Corporate Business Plan and aligned to structural changes July 1st 2023.<br>Project Manager contracted, new structure rolling out as of 19 May 2023.<br>CEO can provide verbal presentation at meeting. <b>Currently rolling out with the appointment of Project Manager/Community Services (PMCS), forms being developed and team being educated on PM Framework within the Shire.</b> |
| Implement a formal peer review process                   | 8  | Dec-23 | CEO | Link to PM framework - SMT to discuss. CEO to investigate what this is, not started<br>Ongoing This is a benchmarking exercise Shire Vs Shire. CEO to progress early 2024 after 6 months of SCP. <b>Benchmarking exercise to commence 2024</b>                                                                                                                                                                                                                                                                                                                                                                                                             |
| Review and assess Community Engagement Strategy and Plan | 6  | Apr-23 | CEO | Organisation wide, Community engagement is tied to the new strategic plan rollout and actions from the operating plan.<br>SCP to be rolled out in April.<br>Stakeholder Engagement Plan being formulated (CEO) in readiness for July roll out of new Community Business Plan. Completed and rolled out with new budget 1st September.<br><b>Stakeholder Plan under development and being aligned to the Corporate Business Plan (CBP) rollout in 1st Quarter 2024.</b>                                                                                                                                                                                     |



|                                                                                                                        |    |        |         |                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------|----|--------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Update fixed assets record (RAMM) to include Parks, Reserves, street furniture and signage and drainage infrastructure | 9  | Apr-22 | CEO/MWS | Ongoing including buildings - Pocket RAMM? Training - BCM Ref: ICT Plan as per previous discussion. Technical Officer to take on RAMM training and ongoing updates. Status. New TO and WAO to receive training via WALGA/Roadwise TBC to enable road data to be updated. <b>Enterprise Resource Planning (ERP) Tender including Asset Management under review and analysis. Expected rollout second half of 2024.</b> |
| Add additional generator input points (Admin building)                                                                 | 11 | Jul-23 | MRS     | To be arranged. Generator on a trailer? Link to LEMA Looking for funding Still in progress - no money in budget. <b>CESM Reviewing, Grant dependent.</b>                                                                                                                                                                                                                                                              |

|                                      |   |        |     |                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------|---|--------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Draft Bush Fire Risk Management Plan | 2 | Dec-23 | MRS | Bushfire Planning and Risk Coordinator BPRC employed to commence undertaking assessments and mitigation planning. Done by BFRP Coordinator and sent to DFES. Kojonup Plan drafted and under review by DFES. Awaiting DFES feedback. <b>Kojonup Plan completed awaiting final wrap up from DFES, program finishes in March.</b> |
|                                      |   |        |     |                                                                                                                                                                                                                                                                                                                                |

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

**TABLE OF CONTENTS**

|                                        |    |
|----------------------------------------|----|
| Statement by Chief Executive Officer   | 2  |
| Statement of Comprehensive Income      | 3  |
| Statement of Financial Position        | 4  |
| Statement of Changes in Equity         | 5  |
| Statement of Cash Flows                | 6  |
| Statement of Financial Activity        | 7  |
| Index of Notes to the Financial Report | 8  |
| Independent Auditor's Report           | 41 |

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

Kojonup is a smart region featuring a technologically advanced agricultural community, an educational and historical destination, and a healthy and enviable lifestyle

Principal place of business:  
93 Albany Highway  
Kojonup WA 6395

**SHIRE OF KOJONUP  
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 Kojonup 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 11<sup>th</sup> day of January 2024



Chief Executive Officer

GRANT THOMPSON

Name of Chief Executive Officer



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

|                                                                                 | NOTE    | 2023<br>Actual   | 2023<br>Budget   | 2022<br>Actual      |
|---------------------------------------------------------------------------------|---------|------------------|------------------|---------------------|
|                                                                                 |         | \$               | \$               | \$                  |
| <b>Revenue</b>                                                                  |         |                  |                  |                     |
| Rates                                                                           | 2(a),24 | 4,593,076        | 4,517,462        | 4,244,756           |
| Grants, subsidies and contributions                                             | 2(a)    | 4,133,200        | 2,236,715        | 3,717,380           |
| Fees and charges                                                                | 2(a)    | 1,455,695        | 1,463,986        | 1,372,148           |
| Interest revenue                                                                | 2(a)    | 78,200           | 43,019           | 40,717              |
| Other revenue                                                                   | 2(a)    | 339,984          | 419,371          | 374,820             |
|                                                                                 |         | 10,600,155       | 8,680,553        | 9,749,821           |
| <b>Expenses</b>                                                                 |         |                  |                  |                     |
| Employee costs                                                                  | 2(b)    | (4,842,312)      | (4,641,287)      | (4,801,960)         |
| Materials and contracts                                                         |         | (2,272,579)      | (1,291,155)      | (2,713,786)         |
| Utility charges                                                                 |         | (381,105)        | (307,140)        | (349,845)           |
| Depreciation                                                                    |         | (4,822,083)      | (3,774,415)      | (3,546,351)         |
| Finance costs                                                                   | 2(b)    | (132,107)        | (133,718)        | (68,234)            |
| Insurance                                                                       |         | (422,807)        | (395,462)        | (370,354)           |
| Other expenditure                                                               | 2(b)    | (130,121)        | (1,074,777)      | (120,480)           |
|                                                                                 |         | (13,003,114)     | (11,617,954)     | (11,971,010)        |
|                                                                                 |         | (2,402,959)      | (2,937,401)      | (2,221,189)         |
| Capital grants, subsidies and contributions                                     | 2(a)    | 4,786,956        | 4,479,712        | 1,628,250           |
| Profit on asset disposals                                                       |         | 16,320           | 16,000           | 43,698              |
| Loss on asset disposals                                                         |         | (12,308)         | (26,000)         | (28,879)            |
| Fair value adjustments to financial assets at fair value through profit or loss | 4       | 4,608            | 0                | 4,996               |
|                                                                                 |         | 4,795,576        | 4,469,712        | 1,648,065           |
| <b>Net result for the period</b>                                                |         | <b>2,392,617</b> | <b>1,532,311</b> | <b>(573,124)</b>    |
| <b>Other comprehensive income for the period</b>                                |         |                  |                  |                     |
| <i>Items that will not be reclassified subsequently to profit or loss</i>       |         |                  |                  |                     |
| Changes in asset revaluation surplus                                            | 15      | 0                | 0                | (12,775,208)        |
| <b>Total other comprehensive income for the period</b>                          | 15      | <b>0</b>         | <b>0</b>         | <b>(12,775,208)</b> |
| <b>Total comprehensive income for the period</b>                                |         | <b>2,392,617</b> | <b>1,532,311</b> | <b>(13,348,332)</b> |

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



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

|                                      | NOTE | 2023               | 2022               |
|--------------------------------------|------|--------------------|--------------------|
|                                      |      | \$                 | \$                 |
| <b>CURRENT ASSETS</b>                |      |                    |                    |
| Cash and cash equivalents            | 3    | 6,019,273          | 5,500,684          |
| Trade and other receivables          | 5    | 2,307,951          | 850,427            |
| Inventories                          | 6    | 166,878            | 171,905            |
| Other assets                         | 7    | 12,760             | 0                  |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>8,506,862</b>   | <b>6,523,016</b>   |
| <b>NON-CURRENT ASSETS</b>            |      |                    |                    |
| Trade and other receivables          | 5    | 110,473            | 96,882             |
| Other financial assets               | 4    | 101,862            | 97,254             |
| Inventories                          | 6    | 18,861             | 0                  |
| Property, plant and equipment        | 8    | 33,568,228         | 33,885,752         |
| Infrastructure                       | 9    | 122,628,808        | 122,316,129        |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>156,428,232</b> | <b>156,396,017</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>164,935,094</b> | <b>162,919,033</b> |
| <b>CURRENT LIABILITIES</b>           |      |                    |                    |
| Trade and other payables             | 11   | 2,588,706          | 3,051,095          |
| Other liabilities                    | 12   | 819,546            | 1,049,302          |
| Borrowings                           | 13   | 447,038            | 413,134            |
| Employee related provisions          | 14   | 786,161            | 731,667            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>4,641,451</b>   | <b>5,245,198</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                    |                    |
| Borrowings                           | 13   | 4,988,862          | 4,835,981          |
| Employee related provisions          | 14   | 176,707            | 102,397            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>5,165,569</b>   | <b>4,938,378</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>9,807,020</b>   | <b>10,183,576</b>  |
| <b>NET ASSETS</b>                    |      | <b>155,128,074</b> | <b>152,735,457</b> |
| <b>EQUITY</b>                        |      |                    |                    |
| Retained surplus                     |      | 71,068,011         | 67,659,417         |
| Reserve accounts                     | 27   | 3,003,937          | 4,019,914          |
| Revaluation surplus                  | 15   | 81,056,126         | 81,056,126         |
| <b>TOTAL EQUITY</b>                  |      | <b>155,128,074</b> | <b>152,735,457</b> |

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



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

|                                           | NOTE | RETAINED<br>SURPLUS<br>\$ | RESERVE<br>ACCOUNTS<br>\$ | REVALUATION<br>SURPLUS<br>\$ | TOTAL<br>EQUITY<br>\$ |
|-------------------------------------------|------|---------------------------|---------------------------|------------------------------|-----------------------|
| <b>Balance as at 1 July 2021</b>          |      | <b>68,713,276</b>         | <b>3,539,179</b>          | <b>93,831,334</b>            | <b>166,083,789</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | (573,124)                 | 0                         | 0                            | (573,124)             |
| Other comprehensive income for the period | 15   | 0                         | 0                         | (12,775,208)                 | (12,775,208)          |
| Total comprehensive income for the period |      | (573,124)                 | 0                         | (12,775,208)                 | (13,348,332)          |
| Transfers from reserve accounts           | 27   | 1,455,620                 | (1,455,620)               | 0                            | 0                     |
| Transfers to reserve accounts             | 27   | (1,936,355)               | 1,936,355                 | 0                            | 0                     |
| <b>Balance as at 30 June 2022</b>         |      | <b>67,659,417</b>         | <b>4,019,914</b>          | <b>81,056,126</b>            | <b>152,735,457</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | 2,392,617                 | 0                         | 0                            | 2,392,617             |
| Total comprehensive income for the period |      | 2,392,617                 | 0                         | 0                            | 2,392,617             |
| Transfers from reserve accounts           | 27   | 1,062,701                 | (1,062,701)               | 0                            | 0                     |
| Transfers to reserve accounts             | 27   | (46,724)                  | 46,724                    | 0                            | 0                     |
| <b>Balance as at 30 June 2023</b>         |      | <b>71,068,011</b>         | <b>3,003,937</b>          | <b>81,056,126</b>            | <b>155,128,074</b>    |

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

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

|                                                            | NOTE  | 2023<br>Actual<br>\$    | 2022<br>Actual<br>\$    |
|------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |       |                         |                         |
| <b>Receipts</b>                                            |       |                         |                         |
| Rates                                                      |       | 4,611,407               | 4,193,292               |
| Grants, subsidies and contributions                        |       | 2,576,965               | 3,768,762               |
| Fees and charges                                           |       | 1,455,695               | 1,371,508               |
| Interest revenue                                           |       | 78,200                  | 40,717                  |
| Goods and services tax received                            |       | 87,441                  | 99,500                  |
| Other revenue                                              |       | 339,984                 | 374,820                 |
|                                                            |       | <u>9,149,692</u>        | <u>9,848,599</u>        |
| <b>Payments</b>                                            |       |                         |                         |
| Employee costs                                             |       | (4,695,030)             | (4,719,660)             |
| Materials and contracts                                    |       | (2,800,692)             | (1,713,009)             |
| Utility charges                                            |       | (381,105)               | (349,845)               |
| Finance costs                                              |       | (132,107)               | (53,697)                |
| Insurance paid                                             |       | (422,807)               | (370,354)               |
| Goods and services tax paid                                |       | 0                       | (85,703)                |
| Other expenditure                                          |       | (130,121)               | (78,515)                |
|                                                            |       | <u>(8,561,862)</u>      | <u>(7,370,783)</u>      |
| <b>Net cash provided by (used in) operating activities</b> |       | <b>587,830</b>          | <b>2,477,816</b>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |       |                         |                         |
| Payments for purchase of property, plant & equipment       | 8(a)  | (830,662)               | (1,784,651)             |
| Payments for construction of infrastructure                | 9(a)  | (4,052,337)             | (4,084,135)             |
| Capital grants, subsidies and contributions                |       | 4,557,200               | 2,350,456               |
| Proceeds from sale of property, plant & equipment          |       | 69,773                  | 251,659                 |
| <b>Net cash provided by (used in) investing activities</b> |       | <b>(256,026)</b>        | <b>(3,266,671)</b>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |       |                         |                         |
| Repayment of borrowings                                    | 26(a) | (413,215)               | (255,019)               |
| Proceeds from new borrowings                               | 26(a) | 600,000                 | 2,586,078               |
| <b>Net cash provided by (used in) financing activities</b> |       | <b>186,785</b>          | <b>2,331,059</b>        |
| <b>Net increase (decrease) in cash held</b>                |       | <b>518,589</b>          | <b>1,542,204</b>        |
| Cash at beginning of year                                  |       | 5,500,684               | 3,958,480               |
| <b>Cash and cash equivalents at the end of the year</b>    | 3     | <u><b>6,019,273</b></u> | <u><b>5,500,684</b></u> |

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

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

| NOTE                                         | 2023<br>Actual<br>\$                                                            | 2023<br>Budget<br>\$ | 2022<br>Actual<br>\$ |                     |                     |
|----------------------------------------------|---------------------------------------------------------------------------------|----------------------|----------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                  |                                                                                 |                      |                      |                     |                     |
| <b>Revenue from operating activities</b>     |                                                                                 |                      |                      |                     |                     |
|                                              | General rates                                                                   | 24                   | 4,590,857            | 4,517,462           | 4,243,289           |
|                                              | Rates excluding general rates                                                   | 24                   | 2,219                | 0                   | 1,467               |
|                                              | Grants, subsidies and contributions                                             |                      | 4,133,200            | 2,236,715           | 3,717,380           |
|                                              | Fees and charges                                                                |                      | 1,455,695            | 1,463,986           | 1,372,148           |
|                                              | Interest revenue                                                                |                      | 78,200               | 43,019              | 40,717              |
|                                              | Other revenue                                                                   |                      | 339,984              | 419,371             | 374,820             |
|                                              | Profit on asset disposals                                                       |                      | 16,320               | 16,000              | 43,698              |
|                                              | Fair value adjustments to financial assets at fair value through profit or loss | 4                    | 4,608                | 0                   | 4,996               |
|                                              |                                                                                 |                      | <b>10,621,083</b>    | <b>8,696,553</b>    | <b>9,798,515</b>    |
| <b>Expenditure from operating activities</b> |                                                                                 |                      |                      |                     |                     |
|                                              | Employee costs                                                                  |                      | (4,842,312)          | (4,641,287)         | (4,801,960)         |
|                                              | Materials and contracts                                                         |                      | (2,272,579)          | (1,291,155)         | (2,713,786)         |
|                                              | Utility charges                                                                 |                      | (381,105)            | (307,140)           | (349,845)           |
|                                              | Depreciation                                                                    |                      | (4,822,083)          | (3,774,415)         | (3,546,351)         |
|                                              | Finance costs                                                                   |                      | (132,107)            | (133,718)           | (68,234)            |
|                                              | Insurance                                                                       |                      | (422,807)            | (395,462)           | (370,354)           |
|                                              | Other expenditure                                                               |                      | (130,121)            | (1,074,777)         | (120,480)           |
|                                              | Loss on asset disposals                                                         |                      | (12,308)             | (26,000)            | (28,879)            |
|                                              |                                                                                 |                      | <b>(13,015,422)</b>  | <b>(11,643,954)</b> | <b>(11,999,889)</b> |
|                                              | Non-cash amounts excluded from operating activities                             | 25(a)                | 4,658,060            | 3,786,415           | 3,781,900           |
|                                              | <b>Amount attributable to operating activities</b>                              |                      | <b>2,263,721</b>     | <b>839,014</b>      | <b>1,580,526</b>    |
| <b>INVESTING ACTIVITIES</b>                  |                                                                                 |                      |                      |                     |                     |
| <b>Inflows from investing activities</b>     |                                                                                 |                      |                      |                     |                     |
|                                              | Capital grants, subsidies and contributions                                     |                      | 4,786,956            | 4,479,712           | 1,628,250           |
|                                              | Proceeds from disposal of assets                                                |                      | 69,773               | 72,000              | 251,659             |
|                                              |                                                                                 |                      | <b>4,856,729</b>     | <b>4,551,712</b>    | <b>1,879,909</b>    |
| <b>Outflows from investing activities</b>    |                                                                                 |                      |                      |                     |                     |
|                                              | Payments for development of land held for resale                                | 6                    | 0                    | (94,000)            | 0                   |
|                                              | Purchase of property, plant and equipment                                       | 8(a)                 | (830,662)            | (2,770,429)         | (1,784,651)         |
|                                              | Purchase and construction of infrastructure                                     | 9(a)                 | (4,052,337)          | (3,833,364)         | (4,084,135)         |
|                                              |                                                                                 |                      | <b>(4,882,999)</b>   | <b>(6,697,793)</b>  | <b>(5,868,786)</b>  |
|                                              | <b>Amount attributable to investing activities</b>                              |                      | <b>(26,270)</b>      | <b>(2,146,081)</b>  | <b>(3,988,877)</b>  |
| <b>FINANCING ACTIVITIES</b>                  |                                                                                 |                      |                      |                     |                     |
| <b>Inflows from financing activities</b>     |                                                                                 |                      |                      |                     |                     |
|                                              | Proceeds from borrowings                                                        | 26(a)                | 600,000              | 600,000             | 2,586,078           |
|                                              | Transfers from reserve accounts                                                 | 27                   | 1,062,701            | 759,623             | 1,455,620           |
|                                              |                                                                                 |                      | <b>1,662,701</b>     | <b>1,359,623</b>    | <b>4,041,698</b>    |
| <b>Outflows from financing activities</b>    |                                                                                 |                      |                      |                     |                     |
|                                              | Repayment of borrowings                                                         | 26(a)                | (413,215)            | (413,134)           | (255,019)           |
|                                              | Transfers to reserve accounts                                                   | 27                   | (46,724)             | (114,867)           | (1,936,355)         |
|                                              |                                                                                 |                      | <b>(459,939)</b>     | <b>(528,001)</b>    | <b>(2,191,374)</b>  |
|                                              | <b>Amount attributable to financing activities</b>                              |                      | <b>1,202,762</b>     | <b>831,622</b>      | <b>1,850,324</b>    |
| <b>MOVEMENT IN SURPLUS OR DEFICIT</b>        |                                                                                 |                      |                      |                     |                     |
|                                              | Surplus or deficit at the start of the financial year                           | 25(b)                | 475,453              | 475,446             | 1,033,480           |
|                                              | Amount attributable to operating activities                                     |                      | 2,263,721            | 839,014             | 1,580,526           |
|                                              | Amount attributable to investing activities                                     |                      | (26,270)             | (2,146,081)         | (3,988,877)         |
|                                              | Amount attributable to financing activities                                     |                      | 1,202,762            | 831,622             | 1,850,324           |
|                                              | <b>Surplus or deficit after imposition of general rates</b>                     | 25(b)                | <b>3,915,666</b>     | <b>1</b>            | <b>475,453</b>      |

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



**SHIRE OF KOJONUP  
FOR THE YEAR ENDED 30 JUNE 2023  
INDEX OF NOTES TO THE FINANCIAL REPORT**

|                                                |                                                              |    |
|------------------------------------------------|--------------------------------------------------------------|----|
| Note 1                                         | Basis of Preparation                                         | 9  |
| Note 2                                         | Revenue and Expenses                                         | 10 |
| Note 3                                         | Cash and Cash Equivalents                                    | 12 |
| Note 4                                         | Other Financial Assets                                       | 12 |
| Note 5                                         | Trade and Other Receivables                                  | 13 |
| Note 6                                         | Inventories                                                  | 14 |
| Note 7                                         | Other Assets                                                 | 15 |
| Note 8                                         | Property, Plant and Equipment                                | 16 |
| Note 9                                         | Infrastructure                                               | 18 |
| Note 10                                        | Fixed Assets                                                 | 20 |
| Note 11                                        | Trade and Other Payables                                     | 22 |
| Note 12                                        | Other Liabilities                                            | 23 |
| Note 13                                        | Borrowings                                                   | 24 |
| Note 14                                        | Employee Related Provisions                                  | 25 |
| Note 15                                        | Revaluation Surplus                                          | 26 |
| Note 16                                        | Restrictions Over Financial Assets                           | 27 |
| Note 17                                        | Undrawn Borrowing Facilities and Credit Standby Arrangements | 27 |
| Note 18                                        | Contingent Liabilities                                       | 28 |
| Note 19                                        | Capital Commitments                                          | 28 |
| Note 20                                        | Related Party Transactions                                   | 29 |
| Note 21                                        | Joint Arrangements                                           | 31 |
| Note 22                                        | Events Occurring After the End of the Reporting Period       | 32 |
| Note 23                                        | Other Significant Accounting Policies                        | 33 |
| <br><b>Information required by legislation</b> |                                                              |    |
| Note 24                                        | Rating Information                                           | 34 |
| Note 25                                        | Determination of Surplus or Deficit                          | 35 |
| Note 26                                        | Borrowing and Lease Liabilities                              | 36 |
| Note 27                                        | Reserve accounts                                             | 38 |
| Note 28                                        | Trust Funds                                                  | 40 |

SHIRE OF KOJONUP  
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 Kojonup, 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. A separate statement of those monies appears at Note 28 of the financial report.

**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 KOJONUP**  
**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:

| <b>Revenue Category</b>                                                         | <b>Nature of goods and services</b>                                                                                 | <b>When obligations typically satisfied</b> | <b>Payment terms</b>                                                   | <b>Returns/Refunds/Warranties</b>           | <b>Timing of revenue recognition</b>                                                                                                 |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Rates                                                                           | General Rates                                                                                                       | Over time                                   | Payment dates adopted by Council during the year                       | None                                        | When rates notice is issued                                                                                                          |
| Specified area rates                                                            | Rates charge for specific defined purpose                                                                           | Over time                                   | Payment dates adopted by Council during the year                       | Refund in event monies are unspent          | When rates notice is issued                                                                                                          |
| Service charges                                                                 | Charge for specific service                                                                                         | Over time                                   | Payment dates adopted by Council during the year                       | Refund in event monies are unspent          | When rates notice is issued                                                                                                          |
| Grant contracts with customers                                                  | 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 as inputs are shared             |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government           | 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 as inputs are shared             |
| Grants with no contract commitments                                             | General appropriations and contributions with no reciprocal commitment                                              | No obligations                              | Not applicable                                                         | Not applicable                              | When assets are controlled                                                                                                           |
| Fees and charges                                                                | Building, cemetery services, library fees, property hire, private works, planning, development, animal management.. | Single point in time                        | Full payment prior to issue                                            | None                                        | Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval |
| Commissions                                                                     | Commissions on licencing and ticket sales                                                                           | Over time                                   | Payment in full on sale                                                | None                                        | When assets are controlled                                                                                                           |
| Reimbursements                                                                  | Insurance claims and reimbursable expenses                                                                          | Single point in time                        | Payment in arrears for claimable event                                 | None                                        | When claim is agreed or when expense is incurred                                                                                     |

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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                                       | -                        | -                           | 4,590,857              | 2,219            | 4,593,076         |
| Grants, subsidies and contributions         | 1,957,774                | -                           | -                      | 2,175,426        | 4,133,200         |
| Fees and charges                            | 1,138,483                | -                           | 317,212                | -                | 1,455,695         |
| Interest revenue                            | -                        | -                           | 39,544                 | 38,656           | 78,200            |
| Other revenue                               | 101,517                  | -                           | -                      | 238,467          | 339,984           |
| Capital grants, subsidies and contributions | -                        | 4,786,956                   | -                      | -                | 4,786,956         |
| <b>Total</b>                                | <b>3,197,774</b>         | <b>4,786,956</b>            | <b>4,947,613</b>       | <b>2,454,768</b> | <b>15,387,111</b> |

For the year ended 30 June 2022

| Nature                                      | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other            | Total             |
|---------------------------------------------|--------------------------|-----------------------------|------------------------|------------------|-------------------|
|                                             | \$                       | \$                          | \$                     | \$               | \$                |
| Rates                                       | -                        | -                           | 4,243,289              | 1,467            | 4,244,756         |
| Grants, subsidies and contributions         | 1,683,272                | -                           | -                      | 2,034,108        | 3,717,380         |
| Fees and charges                            | 1,071,169                | -                           | 300,979                | 0                | 1,372,148         |
| Interest revenue                            | -                        | -                           | 36,750                 | 3,967            | 40,717            |
| Other revenue                               | 43,762                   | -                           | -                      | 331,058          | 374,820           |
| Capital grants, subsidies and contributions | -                        | 1,628,250                   | -                      | 0                | 1,628,250         |
| <b>Total</b>                                | <b>2,798,203</b>         | <b>1,628,250</b>            | <b>4,581,018</b>       | <b>2,370,600</b> | <b>11,378,071</b> |

| Note                                                 | 2023 Actual   | 2022 Actual   |
|------------------------------------------------------|---------------|---------------|
|                                                      | \$            | \$            |
| <b>Interest revenue</b>                              |               |               |
| Interest on reserve account funds                    | 38,584        | 3,967         |
| Rates instalment and penalty interest                | 39,544        | 36,750        |
| Other interest revenue                               | 72            | -             |
|                                                      | <b>78,200</b> | <b>40,717</b> |
| <b>Fees and charges relating to rates receivable</b> |               |               |
| Charges on instalment plan                           | 3,951         | 7,609         |

The 2023 original budget estimate in relation to:  
Charges on instalment plan was \$3,500.

(b) Expenses

Auditors remuneration

|                                        |               |               |
|----------------------------------------|---------------|---------------|
| - Audit of the Annual Financial Report | 34,200        | 32,400        |
| - Other services – grant acquittals    | 3,500         | 500           |
|                                        | <b>37,700</b> | <b>32,900</b> |

Employee Costs

|                        |                  |                  |
|------------------------|------------------|------------------|
| Employee benefit costs | 4,842,312        | 4,801,960        |
|                        | <b>4,842,312</b> | <b>4,801,960</b> |

Finance costs

|            |                |               |
|------------|----------------|---------------|
| Borrowings | 132,107        | 68,234        |
|            | <b>132,107</b> | <b>68,234</b> |

|                                                   |   |                |                |
|---------------------------------------------------|---|----------------|----------------|
| Write down of inventories to net realisable value | 6 | -              | 41,966         |
| Sundry expenses                                   |   | 130,121        | 78,514         |
|                                                   |   | <b>130,121</b> | <b>120,480</b> |

**SHIRE OF KOJONUP**  
**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                 | 6,019,273        | 5,500,684        |
| <b>Total cash and cash equivalents</b>   | <b>6,019,273</b> | <b>5,500,684</b> |
| Held as                                  |                  |                  |
| - Unrestricted cash and cash equivalents | 2,721,457        | 977,401          |
| - Restricted cash and cash equivalents   | 3,297,816        | 4,523,283        |
| 16                                       | <b>6,019,273</b> | <b>5,500,684</b> |

**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.

**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**

|                                                              | 2023           | 2022          |
|--------------------------------------------------------------|----------------|---------------|
|                                                              | \$             | \$            |
| <b>Non-current assets</b>                                    |                |               |
| Financial assets at fair value through profit or loss        | 101,862        | 97,254        |
|                                                              | <b>101,862</b> | <b>97,254</b> |
| <b>Financial assets at fair value through profit or loss</b> |                |               |
| Units in Local Government House Trust - opening balance      | 97,254         | 92,258        |
| Movement attributable to fair value increment                | 4,608          | 4,996         |
| Units in Local Government House Trust - closing balance      | <b>101,862</b> | <b>97,254</b> |

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 23 (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 KOJONUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates and statutory receivables  
Trade receivables  
GST receivable  
Allowance for credit losses of trade receivables

**Non-current**

Pensioner's rates and ESL deferred

| Note | 2023      | 2022    |
|------|-----------|---------|
|      | \$        | \$      |
|      | 451,798   | 449,477 |
|      | 1,857,295 | 314,651 |
|      | 0         | 87,441  |
|      | (1,142)   | (1,142) |
|      | 2,307,951 | 850,427 |
|      | 110,473   | 96,882  |
|      | 110,473   | 96,882  |

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

**6. INVENTORIES**

|                                                                       | Note | 2023    | 2022    |
|-----------------------------------------------------------------------|------|---------|---------|
|                                                                       |      | \$      | \$      |
| <b>Current</b>                                                        |      |         |         |
| Fuel and materials                                                    |      | 15,878  | 20,905  |
| Land held for resale                                                  |      |         |         |
| Acquisition & development costs for lots listed for sale              |      | 151,000 | 151,000 |
|                                                                       |      | 166,878 | 171,905 |
| <b>Non-current</b>                                                    |      |         |         |
| Land held for resale                                                  |      |         |         |
| Acquisition & development costs for ongoing land lots being developed |      | 18,861  | 0       |
|                                                                       |      | 18,861  | 0       |

The following movements in inventories occurred during the year:

|                                                   |      |           |           |
|---------------------------------------------------|------|-----------|-----------|
| <b>Balance at beginning of year</b>               |      | 171,905   | 314,281   |
| Inventories expensed during the year              |      | (320,158) | (307,443) |
| Write down of inventories to net realisable value | 2(b) | 0         | (41,966)  |
| Additions to inventory                            |      | 333,992   | 207,033   |
| <b>Balance at end of year</b>                     |      | 185,739   | 171,905   |

**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.

**Land held for resale**

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

**Land held for resale (Continued)**

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

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

**7. OTHER ASSETS**

|                        | 2023   | 2022 |
|------------------------|--------|------|
|                        | \$     | \$   |
| Other assets - current |        |      |
| Contract assets        | 12,760 | 0    |
|                        | 12,760 | 0    |

**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 KOJONUP  
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 | Buildings - specialised | Total land and buildings | Furniture and equipment | Plant and equipment | Tools    | Total property, plant and equipment |
|--------------------------------------------------------------------------|-----------|-----------------------------|-------------------------|--------------------------|-------------------------|---------------------|----------|-------------------------------------|
|                                                                          | \$        | \$                          | \$                      |                          | \$                      | \$                  | \$       | \$                                  |
| <b>Balance at 1 July 2021</b>                                            | 2,152,526 | 12,705,563                  | 16,239,205              | 31,097,294               | 265,419                 | 4,041,919           | 2,548    | 35,407,180                          |
| Additions                                                                | -         | 222,008                     | 698,940                 | 920,948                  | 122,531                 | 741,172             | -        | 1,784,651                           |
| Disposals                                                                | -         | -                           | (5,325)                 | (5,325)                  | -                       | (231,515)           | -        | (236,840)                           |
| Revaluation increments / (decrements) transferred to revaluation surplus | 128,898   | (1,898,015)                 | (74,294)                | (1,843,411)              | -                       | -                   | -        | (1,843,411)                         |
| Depreciation                                                             | -         | (274,671)                   | (468,132)               | (742,803)                | (19,495)                | (462,654)           | (876)    | (1,225,828)                         |
| <b>Balance at 30 June 2022</b>                                           | 2,281,424 | 10,754,885                  | 16,390,394              | 29,426,703               | 368,455                 | 4,088,922           | 1,672    | 33,885,752                          |
| <b>Comprises:</b>                                                        |           |                             |                         |                          |                         |                     |          |                                     |
| Gross balance amount at 30 June 2022                                     | 2,281,424 | 10,754,885                  | 16,390,846              | 29,427,155               | 418,507                 | 5,404,070           | 12,541   | 35,262,273                          |
| Accumulated depreciation at 30 June 2022                                 | -         | -                           | (452)                   | (452)                    | (50,052)                | (1,315,148)         | (10,869) | (1,376,521)                         |
| <b>Balance at 30 June 2022</b>                                           | 2,281,424 | 10,754,885                  | 16,390,394              | 29,426,703               | 368,455                 | 4,088,922           | 1,672    | 33,885,752                          |
| Additions                                                                | -         | 21,541                      | 450,756                 | 472,297                  | 9,243                   | 349,122             | -        | 830,662                             |
| Disposals                                                                | -         | -                           | -                       | -                        | -                       | (65,761)            | -        | (65,761)                            |
| Assets classified as held for sale                                       | -         | -                           | -                       | -                        | -                       | -                   | -        | -                                   |
| Depreciation                                                             | -         | (226,849)                   | (427,343)               | (654,192)                | (20,776)                | (406,582)           | (875)    | (1,082,425)                         |
| <b>Balance at 30 June 2023</b>                                           | 2,281,424 | 10,549,577                  | 16,413,807              | 29,244,808               | 356,922                 | 3,965,701           | 797      | 33,568,228                          |
| <b>Comprises:</b>                                                        |           |                             |                         |                          |                         |                     |          |                                     |
| Gross balance amount at 30 June 2023                                     | 2,281,424 | 10,776,426                  | 16,841,602              | 29,899,452               | 427,750                 | 5,593,893           | 12,541   | 35,933,636                          |
| Accumulated depreciation at 30 June 2023                                 | -         | (226,849)                   | (427,795)               | (654,644)                | (70,828)                | (1,628,192)         | (11,744) | (2,365,408)                         |
| <b>Balance at 30 June 2023</b>                                           | 2,281,424 | 10,549,577                  | 16,413,807              | 29,244,808               | 356,922                 | 3,965,701           | 797      | 33,568,228                          |

SHIRE OF KOJONUP  
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                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>(i) Fair Value</b>                                                                                                                                                                                                                                                        |                      |                                                                                                                                    |                                |                        |                                                                                                                             |
| <b>Land and buildings</b>                                                                                                                                                                                                                                                    |                      |                                                                                                                                    |                                |                        |                                                                                                                             |
| Land                                                                                                                                                                                                                                                                         | 2                    | Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology | Independent registered valuers | June 2022              | Price per m <sup>2</sup> /market borrowing rate                                                                             |
| Buildings - non-specialised                                                                                                                                                                                                                                                  | 2                    | Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology | Independent registered valuers | June 2022              | Observable open market values of similar assets adjusted for condition and comparability at the highest value and best use. |
| Buildings - specialised                                                                                                                                                                                                                                                      | 3                    | Cost approach using current replacement cost                                                                                       | Independent registered valuers | June 2022              | Construction costs and current condition, residual values and remaining useful life assessment 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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.                                                                        |                      |                                                                                                                                    |                                |                        |                                                                                                                             |
| <b>(ii) Cost</b>                                                                                                                                                                                                                                                             |                      |                                                                                                                                    |                                |                        |                                                                                                                             |
| Furniture and equipment                                                                                                                                                                                                                                                      |                      | N/A                                                                                                                                | Cost                           | N/A                    | N/A                                                                                                                         |
| Plant and equipment                                                                                                                                                                                                                                                          |                      | N/A                                                                                                                                | Cost                           | N/A                    | N/A                                                                                                                         |

SHIRE OF KOJONUP  
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 -<br>roads | Infrastructure<br>kerbing | Infrastructure<br>drainage | Infrastructure<br>bridges | Infrastructure<br>footpaths | Infrastructure<br>parks | Other<br>infrastructure | Total<br>Infrastructure |
|--------------------------------------------------------------------------|---------------------------|---------------------------|----------------------------|---------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
|                                                                          | \$                        | \$                        | \$                         | \$                        | \$                          | \$                      | \$                      | \$                      |
| <b>Balance at 1 July 2021</b>                                            | 101,924,808               | 2,428,096                 | 13,109,389                 | 5,201,109                 | 1,084,938                   | 1,414,946               | 6,321,028               | 131,484,314             |
| Additions                                                                | 1,527,260                 | -                         | -                          | -                         | 36,343                      | 2,362,264               | 158,268                 | 4,084,135               |
| Revaluation increments / (decrements) transferred to revaluation surplus | (7,721,593)               | 255,999                   | (1,616,890)                | 592,245                   | (10,831)                    | (1,735,325)             | (695,402)               | (10,931,797)            |
| Depreciation                                                             | (1,424,621)               | (109,785)                 | (283,120)                  | (53,620)                  | (39,918)                    | (67,843)                | (341,616)               | (2,320,523)             |
| Transfers                                                                | (895,902)                 | 109,785                   | 283,120                    | 53,620                    | 39,918                      | 67,843                  | 341,616                 | -                       |
| <b>Balance at 30 June 2022</b>                                           | 93,409,952                | 2,684,095                 | 11,492,499                 | 5,793,354                 | 1,110,450                   | 2,041,885               | 5,783,894               | 122,316,129             |
| <b>Comprises:</b>                                                        |                           |                           |                            |                           |                             |                         |                         |                         |
| Gross balance at 30 June 2022                                            | 144,325,294               | 4,985,965                 | 24,994,145                 | 11,332,778                | 1,823,976                   | 2,053,074               | 5,783,894               | 195,299,126             |
| Accumulated depreciation at 30 June 2022                                 | (50,915,342)              | (2,301,870)               | (13,501,646)               | (5,539,424)               | (713,526)                   | (11,189)                | -                       | (72,982,997)            |
| <b>Balance at 30 June 2022</b>                                           | 93,409,952                | 2,684,095                 | 11,492,499                 | 5,793,354                 | 1,110,450                   | 2,041,885               | 5,783,894               | 122,316,129             |
| Additions                                                                | 3,483,009                 | -                         | 26,403                     | -                         | -                           | 427,935                 | 114,990                 | 4,052,337               |
| Depreciation                                                             | (2,474,061)               | (199,439)                 | (499,926)                  | (113,328)                 | (60,738)                    | (117,193)               | (274,973)               | (3,739,658)             |
| <b>Balance at 30 June 2023</b>                                           | 94,418,900                | 2,484,656                 | 11,018,976                 | 5,680,026                 | 1,049,712                   | 2,352,627               | 5,623,911               | 122,628,808             |
| <b>Comprises:</b>                                                        |                           |                           |                            |                           |                             |                         |                         |                         |
| Gross balance at 30 June 2023                                            | 147,808,303               | 4,985,965                 | 25,020,548                 | 11,332,778                | 1,823,976                   | 2,481,009               | 5,898,884               | 199,351,463             |
| Accumulated depreciation at 30 June 2023                                 | (53,389,403)              | (2,501,309)               | (14,001,572)               | (5,652,752)               | (774,264)                   | (128,382)               | (274,973)               | (76,722,655)            |
| <b>Balance at 30 June 2023</b>                                           | 94,418,900                | 2,484,656                 | 11,018,976                 | 5,680,026                 | 1,049,712                   | 2,352,627               | 5,623,911               | 122,628,808             |

SHIRE OF KOJONUP  
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                                                                                                                 |
|--------------------------|----------------------|--------------------------------------------------|-----------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <b>(i) Fair Value</b>    |                      |                                                  |                                                     |                        |                                                                                                                             |
| Infrastructure - roads   | 3                    | Cost Approach using depreciated replacement cost | Management valuation                                | June 2022              | Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure kerbing   | 3                    | Cost Approach using depreciated replacement cost | Management valuation                                | June 2022              | Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure drainage  | 3                    | Cost Approach using depreciated replacement cost | Management valuation                                | June 2022              | Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure bridges   | 3                    | Cost Approach using depreciated replacement cost | Management valuation                                | June 2022              | Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure footpaths | 3                    | Cost Approach using depreciated replacement cost | Management valuation                                | June 2022              | Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure parks     | 3                    | Cost Approach using depreciated replacement cost | Independent registered valuers/Management Valuation | June 2022              | Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs |
| Other infrastructure     | 3                    | Cost Approach using depreciated replacement cost | Independent registered valuers/Management Valuation | June 2022              | Construction costs (Level 2) and current condition , 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 KOJONUP  
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:

| <b>Asset Class</b>          | <b>Useful life</b> |
|-----------------------------|--------------------|
| Buildings - non-specialised | 30 to 50 years     |
| Buildings - specialised     | 30 to 50 years     |
| Furniture and equipment     | 4 to 10 years      |
| Plant and equipment         | 5 to 15 years      |
| Tools                       | 4 to 10 years      |
| Infrastructure - roads      | 12 to 50 years     |
| Infrastructure kerbing      | 12 to 50 years     |
| Infrastructure drainage     | 20 to 50 years     |
| Infrastructure bridges      | 20 to 50 years     |
| Infrastructure footpaths    | 20 to 50 years     |
| Infrastructure parks        | 20 to 100 years    |
| Other infrastructure        | 20 to 100 years    |

SHIRE OF KOJONUP  
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, infrastructure and investment properties 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. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties 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 KOJONUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**11. TRADE AND OTHER PAYABLES**

**Current**

|                                          |  |
|------------------------------------------|--|
| Sundry creditors                         |  |
| Prepaid rates                            |  |
| Accrued payroll liabilities              |  |
| ATO liabilities                          |  |
| Accrued interest on long term borrowings |  |
| Springhaven accommodation bonds          |  |
| Accrued expenses                         |  |

|  | 2023             | 2022             |
|--|------------------|------------------|
|  | \$               | \$               |
|  | 234,601          | 495,644          |
|  | 60,913           | 40,261           |
|  | 134,868          | 107,296          |
|  | 153,273          | 162,367          |
|  | 25,851           | 27,606           |
|  | 1,945,000        | 2,195,000        |
|  | 34,200           | 22,921           |
|  | <b>2,588,706</b> | <b>3,051,095</b> |

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

12. OTHER LIABILITIES

|                                                                                         | 2023           | 2022             |
|-----------------------------------------------------------------------------------------|----------------|------------------|
|                                                                                         | \$             | \$               |
| <b>Current</b>                                                                          |                |                  |
| Capital grant/contributions liabilities                                                 | 819,546        | 1,049,302        |
|                                                                                         | <u>819,546</u> | <u>1,049,302</u> |
| <b>Reconciliation of changes in capital grant/contribution liabilities</b>              |                |                  |
| Opening balance                                                                         | 1,049,302      | 327,096          |
| Additions                                                                               | 819,546        | 1,049,302        |
| Revenue from capital grant/contributions held as a liability at the start of the period | (1,049,302)    | (327,096)        |
|                                                                                         | <u>819,546</u> | <u>1,049,302</u> |
| <b>Expected satisfaction of capital grant/contribution liabilities</b>                  |                |                  |
| Less than 1 year                                                                        | 819,546        | 1,049,302        |
|                                                                                         | <u>819,546</u> | <u>1,049,302</u> |

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.

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



SHIRE OF KOJONUP  
 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               |       | 447,038 | 4,988,862   | 5,435,900 | 413,134 | 4,835,981   | 5,249,115 |
| Total secured borrowings | 26(a) | 447,038 | 4,988,862   | 5,435,900 | 413,134 | 4,835,981   | 5,249,115 |

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowings costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

|                                                      | <b>2023</b>   | <b>2022</b>   |
|------------------------------------------------------|---------------|---------------|
|                                                      | <b>\$</b>     | <b>\$</b>     |
| <b>Current provisions</b>                            |               |               |
| <b>Employee benefit provisions</b>                   |               |               |
| Annual leave                                         | 472,479       | 399,510       |
| Long service leave                                   | 313,682       | 332,157       |
|                                                      | <hr/> 786,161 | <hr/> 731,667 |
| <b>Total current employee related provisions</b>     | <hr/> 786,161 | <hr/> 731,667 |
| <b>Non-current provisions</b>                        |               |               |
| <b>Employee benefit provisions</b>                   |               |               |
| Long service leave                                   | 176,707       | 102,397       |
|                                                      | <hr/> 176,707 | <hr/> 102,397 |
| <b>Total non-current employee related provisions</b> | <hr/> 176,707 | <hr/> 102,397 |
| <b>Total employee related provisions</b>             | <hr/> 962,868 | <hr/> 834,064 |

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.

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

**15. REVALUATION SURPLUS**

|                                               | <b>2023<br/>Opening<br/>Balance</b> | <b>2023<br/>Closing<br/>Balance</b> | <b>2022<br/>Opening<br/>Balance</b> | <b>Total<br/>Movement on<br/>Revaluation</b> | <b>2022<br/>Closing<br/>Balance</b> |
|-----------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------------------------------|-------------------------------------|
|                                               | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                                    | <b>\$</b>                           |
| Revaluation surplus - Land - freehold land    | 11,589,786                          | 11,589,786                          | 13,433,197                          | (1,843,411)                                  | 11,589,786                          |
| Revaluation surplus - Furniture and equipment | 77,021                              | 77,021                              | 77,021                              | -                                            | 77,021                              |
| Revaluation surplus - Plant and equipment     | 497,970                             | 497,970                             | 497,970                             | -                                            | 497,970                             |
| Revaluation surplus - Infrastructure - roads  | 62,404,223                          | 62,404,223                          | 70,905,293                          | (8,501,070)                                  | 62,404,223                          |
| Revaluation surplus - Other infrastructure    | 6,487,126                           | 6,487,126                           | 8,917,853                           | (2,430,727)                                  | 6,487,126                           |
|                                               | <b>81,056,126</b>                   | <b>81,056,126</b>                   | <b>93,831,334</b>                   | <b>(12,775,208)</b>                          | <b>81,056,126</b>                   |

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

**16. RESTRICTIONS OVER FINANCIAL ASSETS**

|                                                                                                                                                                                                    | Note | 2023<br>Actual<br>\$ | 2022<br>Actual<br>\$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------|----------------------|
| 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    | 3,297,816            | 4,523,283            |
|                                                                                                                                                                                                    |      | 3,297,816            | 4,523,283            |

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

|                                          |       |           |           |
|------------------------------------------|-------|-----------|-----------|
| Restricted reserve accounts              | 27    | 3,003,937 | 4,019,914 |
| Unspent loans                            | 26(c) | 293,879   | 503,369   |
| <b>Total restricted financial assets</b> |       | 3,297,816 | 4,523,283 |

**17. UNDRAWN BORROWING FACILITIES AND CREDIT**

**STANDBY ARRANGEMENTS**

|                                      |  |         |         |
|--------------------------------------|--|---------|---------|
| Bank overdraft limit                 |  | 200,000 | 200,000 |
| Bank overdraft at balance date       |  | -       | -       |
| Credit card limit                    |  | 30,000  | 30,000  |
| Credit card balance at balance date  |  | (7,545) | -       |
| <b>Total amount of credit unused</b> |  | 222,455 | 230,000 |

**Loan facilities**

|                                                |  |           |           |
|------------------------------------------------|--|-----------|-----------|
| Loan facilities - current                      |  | 447,038   | 413,134   |
| Loan facilities - non-current                  |  | 4,988,862 | 4,835,981 |
| <b>Total facilities in use at balance date</b> |  | 5,435,900 | 5,249,115 |
| <b>Unused loan facilities at balance date</b>  |  | 293,879   | 503,369   |

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

**18. CONTINGENT LIABILITIES**

The Shire is not aware of any reportable contingent liabilities as at the reporting date.

**19. CAPITAL COMMITMENTS**

|                                                                                       | <b>2023</b> | <b>2022</b> |
|---------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                       | <b>\$</b>   | <b>\$</b>   |
| Contracted for:                                                                       |             |             |
| - capital expenditure projects                                                        | -           | 457,330     |
|                                                                                       | -           | 457,330     |
| Payable:                                                                              |             |             |
| - not later than one year                                                             | -           | 457,330     |
| The capital expenditure commitments for 2022 relate to construction works as follows: |             |             |
| Kojonup Play Space                                                                    | -           | 457,330     |

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

**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

| Note                                                                              | 2023<br>Actual<br>\$ | 2023<br>Budget<br>\$ | 2022<br>Actual<br>\$ |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| President's annual allowance                                                      | 28,411               | 28,800               | 28,847               |
| President's meeting attendance fees                                               | 19,482               | 21,400               | 14,188               |
| President's annual allowance for ICT expenses                                     | 3,000                | 2,667                | 2,372                |
|                                                                                   | <u>50,893</u>        | <u>52,867</u>        | <u>45,407</u>        |
| Deputy President's annual allowance                                               | 5,327                | 7,200                | 6,928                |
| Deputy President's meeting attendance fees                                        | 9,436                | 10,700               | 17,868               |
| Deputy President's annual allowance for ICT expenses                              | 2,250                | 2,667                | 3,750                |
|                                                                                   | <u>17,013</u>        | <u>20,567</u>        | <u>28,546</u>        |
| All other council member's meeting attendance fees                                | 72,270               | 74,900               | 70,013               |
| All other council member's annual allowance for ICT expenses                      | 17,250               | 18,666               | 15,994               |
| All other council member's annual allowance for travel and accommodation expenses | 339                  | 700                  | 687                  |
|                                                                                   | <u>89,859</u>        | <u>94,266</u>        | <u>86,694</u>        |
|                                                                                   | <u>157,765</u>       | <u>167,700</u>       | <u>160,647</u>       |

**(b) Key Management Personnel (KMP) Compensation**

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

| Note                                | 2023<br>Actual<br>\$ | 2022<br>Actual<br>\$ |
|-------------------------------------|----------------------|----------------------|
| Short-term employee benefits        | 685,886              | 899,131              |
| Post-employment benefits            | 75,300               | 94,059               |
| Employee - other long-term benefits | 14,288               | 5,723                |
| Council member costs                | 157,765              | 160,647              |
|                                     | <u>933,239</u>       | <u>1,159,560</u>     |

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

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

**20. 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.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

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

|                                                  | <u>2023<br/>Actual</u> | <u>2022<br/>Actual</u> |
|--------------------------------------------------|------------------------|------------------------|
|                                                  | \$                     | \$                     |
| Sale of goods and services                       | 4,698                  | 3,054                  |
| Purchase of goods and services                   | 301,012                | 248,392                |
| <b>Amounts outstanding from related parties:</b> |                        |                        |
| Trade and other receivables                      | 2,018                  | 0                      |
| <b>Amounts payable to related parties:</b>       |                        |                        |
| Trade and other payables                         | 11,687                 | 0                      |

**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 20(a) and 20(b)

*ii. Other Related Parties*

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

*iii. Entities subject to significant influence by the Shire*

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

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

**21. JOINT ARRANGEMENTS**

**Share of joint operations**

In 1998/99, the Shire in conjunction with Homeswest, constructed 2 units for low income residents in the Kojonup townsite. In 2002 an additional 3 units were constructed. The Shire's interest in these units is as follows:

5A and 5B Vanzuilecom Street (2 x 2 Bedroom Units) - 18.20%  
2,4 and 6 Elverd Street (2 x 2 Bedroom Units & 1x3 bedroom Unit) - 20.65%

|                                                            | <b>2023<br/>Actual</b> | <b>2022<br/>Actual</b> |
|------------------------------------------------------------|------------------------|------------------------|
|                                                            | \$                     | \$                     |
| <b>Statement of Financial Position</b>                     |                        |                        |
| Land and Buildings                                         | 227,409                | 219,709                |
| Less: accumulated depreciation                             | (4,108)                | 0                      |
| <b>Total assets</b>                                        | <b>223,301</b>         | <b>219,709</b>         |
| Accumulated surplus                                        | 223,301                | 219,709                |
| <b>Total equity</b>                                        | <b>223,301</b>         | <b>219,709</b>         |
| <b>Statement of Comprehensive Income</b>                   |                        |                        |
| Other revenue                                              | 37,960                 | 37,960                 |
| Depreciation                                               | (4,108)                | 0                      |
| Other expense                                              | (19,372)               | (15,168)               |
| <b>Profit/(loss) for the period</b>                        | <b>14,480</b>          | <b>22,792</b>          |
| <b>Statement of Cash Flows</b>                             |                        |                        |
| Other revenue                                              | 37,960                 | 37,960                 |
| Other expense                                              | (19,372)               | (15,168)               |
| <b>Net cash provided by (used in) operating activities</b> | <b>18,588</b>          | <b>22,792</b>          |

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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



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

**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

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

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

23. 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 KOJONUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

24. 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 - Urban                                                     | Gross rental valuation | 0.138150   | 555                  | 7,017,621                      | 969,484                     | 70,573                       | 1,040,057                    | 969,484                     | -                           | 969,484                      | 927,324                      |
| UV - Rural                                                      | Unimproved valuation   | 0.007420   | 484                  | 464,233,010                    | 3,444,600                   | 1,813                        | 3,446,413                    | 3,443,058                   | 400                         | 3,443,458                    | 3,213,281                    |
| <b>Total general rates</b>                                      |                        |            | 1,039                | 471,250,631                    | 4,414,084                   | 72,386                       | 4,486,470                    | 4,412,542                   | 400                         | 4,412,942                    | 4,140,605                    |
| <b>Minimum Payment \$</b>                                       |                        |            |                      |                                |                             |                              |                              |                             |                             |                              |                              |
| GRV - Urban                                                     | Gross rental valuation | 780        | 78                   | 113,133                        | 60,840                      | -                            | 60,840                       | 60,840                      | -                           | 60,840                       | 56,250                       |
| UV - Rural                                                      | Unimproved valuation   | 780        | 56                   | 2,983,489                      | 43,680                      | -                            | 43,680                       | 45,240                      | -                           | 45,240                       | 46,500                       |
| <b>Total minimum payments</b>                                   |                        |            | 134                  | 3,096,622                      | 104,520                     | -                            | 104,520                      | 106,080                     | -                           | 106,080                      | 102,750                      |
| <b>Total general rates and minimum payments</b>                 |                        |            | 1,173                | 474,347,253                    | 4,518,604                   | 72,386                       | 4,590,990                    | 4,518,622                   | 400                         | 4,519,022                    | 4,243,355                    |
| <b>Ex-gratia Rates</b>                                          |                        |            |                      |                                |                             |                              |                              |                             |                             |                              |                              |
| CBH Ex-gratia rates                                             |                        |            |                      |                                | 2,219                       | -                            | 2,219                        |                             |                             | 1,500                        | 1,467                        |
| <b>Total amount raised from rates (excluding general rates)</b> |                        |            | 0                    | -                              | 2,219                       | -                            | 2,219                        | -                           | -                           | 1,500                        | 1,467                        |
| Rate write-offs                                                 |                        |            |                      |                                |                             |                              | (133)                        |                             |                             | (100)                        | (66)                         |
| Concessions                                                     |                        |            |                      |                                |                             |                              | -                            |                             |                             | (1,560)                      | -                            |
| <b>Total Rates</b>                                              |                        |            |                      |                                |                             |                              | 4,593,076                    |                             |                             | 4,518,862                    | 4,244,756                    |
| Rate instalment interest                                        |                        |            |                      |                                |                             |                              | 12,432                       |                             |                             | 8,000                        | 7,609                        |
| Rate overdue interest                                           |                        |            |                      |                                |                             |                              | 27,112                       |                             |                             | 30,000                       | 29,141                       |

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

25. DETERMINATION OF SURPLUS OR DEFICIT

| Note                                                                                                                                                                                                                                                                      | 2022/23                              | 2022/23                                        | 2021/22                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------|--------------------------------------|
|                                                                                                                                                                                                                                                                           | (30 June 2023<br>Carried<br>Forward) | Budget<br>(30 June 2023<br>Carried<br>Forward) | (30 June 2022<br>Carried<br>Forward) |
|                                                                                                                                                                                                                                                                           | \$                                   | \$                                             | \$                                   |
| <b>(a) Non-cash amounts excluded from operating activities</b>                                                                                                                                                                                                            |                                      |                                                |                                      |
| 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> .                                               |                                      |                                                |                                      |
| <b>Adjustments to operating activities</b>                                                                                                                                                                                                                                |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | (16,320)                             | (16,000)                                       | (43,698)                             |
|                                                                                                                                                                                                                                                                           | (4,608)                              | 0                                              | (4,996)                              |
| 4                                                                                                                                                                                                                                                                         | 12,308                               | 26,000                                         | 28,879                               |
|                                                                                                                                                                                                                                                                           | 0                                    | 0                                              | 41,965                               |
| 6                                                                                                                                                                                                                                                                         | (250,000)                            | 0                                              | 147,855                              |
|                                                                                                                                                                                                                                                                           | 4,822,083                            | 3,774,415                                      | 3,546,351                            |
| 8(a), 9(a)                                                                                                                                                                                                                                                                |                                      | 2,000                                          |                                      |
| Non-cash movements in non-current assets and liabilities:                                                                                                                                                                                                                 |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | (13,591)                             | 0                                              | (19,130)                             |
|                                                                                                                                                                                                                                                                           | 128,804                              | 0                                              | (7,223)                              |
|                                                                                                                                                                                                                                                                           | (1,755)                              | 0                                              | 14,537                               |
|                                                                                                                                                                                                                                                                           | 0                                    | 0                                              | (640)                                |
|                                                                                                                                                                                                                                                                           | (18,861)                             | 0                                              | 78,000                               |
|                                                                                                                                                                                                                                                                           | 4,658,060                            | 3,786,415                                      | 3,781,900                            |
| <b>(b) Surplus or deficit after imposition of general rates</b>                                                                                                                                                                                                           |                                      |                                                |                                      |
| 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. |                                      |                                                |                                      |
| <b>Adjustments to net current assets</b>                                                                                                                                                                                                                                  |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | (3,003,937)                          | (3,375,160)                                    | (4,019,914)                          |
| 27                                                                                                                                                                                                                                                                        |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | (151,000)                            | (673,045)                                      | (151,000)                            |
| 6                                                                                                                                                                                                                                                                         |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 1,142                                | 3,142                                          | 1,142                                |
| 5                                                                                                                                                                                                                                                                         |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 447,038                              | 150,000                                        | 413,134                              |
| 13                                                                                                                                                                                                                                                                        |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 25,851                               | 27,606                                         | 27,606                               |
| 11                                                                                                                                                                                                                                                                        |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 1,945,000                            | 2,195,000                                      | 2,195,000                            |
| 11                                                                                                                                                                                                                                                                        |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 786,161                              | 731,667                                        | 731,667                              |
| 14                                                                                                                                                                                                                                                                        |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 50,255                               | (940,790)                                      | (802,365)                            |
| <b>Total adjustments to net current assets</b>                                                                                                                                                                                                                            |                                      |                                                |                                      |
| <b>Net current assets used in the Statement of Financial Activity</b>                                                                                                                                                                                                     |                                      |                                                |                                      |
|                                                                                                                                                                                                                                                                           | 8,506,862                            | 4,838,704                                      | 6,523,016                            |
|                                                                                                                                                                                                                                                                           | (4,641,451)                          | (3,897,913)                                    | (5,245,198)                          |
|                                                                                                                                                                                                                                                                           | 50,255                               | (940,790)                                      | (802,365)                            |
|                                                                                                                                                                                                                                                                           | 3,915,666                            | 1                                              | 475,453                              |

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

| Purpose                             | Note | Actual                   |                          |                                     |                           |                          |                                     | Budget                    |                          |                          |                                     |                           |
|-------------------------------------|------|--------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
|                                     |      | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 | Principal at 1 July 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| Medical Centre Donation             |      | 131,928                  | -                        | (8,405)                             | 123,523                   | 0                        | (4,294)                             | 119,229                   | 123,523                  | -                        | (8,551)                             | 114,972                   |
| Bagg Street unit                    |      | 73,130                   | -                        | (9,517)                             | 63,613                    | 0                        | (9,811)                             | 53,802                    | 68,407                   | -                        | (9,811)                             | 58,596                    |
| GR0H Housing - GSHI                 |      | 1,043,456                | -                        | (109,398)                           | 934,058                   | 0                        | (115,236)                           | 818,822                   | 934,059                  | -                        | (110,979)                           | 823,080                   |
| Aged Units - GSHI                   |      | 40,259                   | -                        | (9,892)                             | 30,377                    | 0                        | (10,006)                            | 20,369                    | 30,377                   | -                        | (10,006)                            | 20,369                    |
| Staff Housing - GSHI                |      | 914,071                  | -                        | (58,234)                            | 855,837                   | 0                        | (64,268)                            | 791,569                   | 855,837                  | -                        | (59,246)                            | 796,591                   |
| Sports Complex                      |      | 232,211                  | -                        | (16,344)                            | 215,867                   | 0                        | (17,162)                            | 198,705                   | 224,140                  | -                        | (17,162)                            | 206,978                   |
| Sports Complex Retaining Wall       |      | 81,552                   | -                        | (9,501)                             | 72,051                    | 0                        | (9,692)                             | 62,359                    | 72,050                   | -                        | (9,692)                             | 62,358                    |
| Oval Lighting                       |      | 255,000                  | -                        | (23,872)                            | 231,128                   | 0                        | (24,220)                            | 206,908                   | 231,128                  | -                        | (24,220)                            | 206,908                   |
| Netball Courts & Roof               |      | -                        | 1,390,000                | -                                   | 1,390,000                 | 0                        | (52,268)                            | 1,337,732                 | 1,390,000                | -                        | (52,268)                            | 1,337,732                 |
| Airstrip Lighting                   |      | 146,439                  | -                        | (9,856)                             | 136,583                   | 0                        | (4,984)                             | 131,599                   | 136,944                  | -                        | (10,005)                            | 126,939                   |
| Staff Housing                       |      | -                        | 55,000                   | -                                   | 55,000                    | 0                        | (10,594)                            | 44,406                    | 55,000                   | -                        | (10,594)                            | 44,406                    |
| GR0H Housing                        |      | -                        | 400,000                  | -                                   | 400,000                   | 0                        | (33,385)                            | 366,615                   | 400,000                  | -                        | (33,385)                            | 366,615                   |
| Harrison Place Toilets & Park       |      | -                        | 386,078                  | -                                   | 386,078                   | 0                        | (32,223)                            | 353,855                   | 386,078                  | -                        | (32,223)                            | 353,855                   |
| Land development                    |      | -                        | 300,000                  | -                                   | 300,000                   | 0                        | (14,476)                            | 285,524                   | 300,000                  | -                        | (14,396)                            | 285,604                   |
| Staff Housing Renovations           |      | -                        | -                        | -                                   | 0                         | 400,000                  | 0                                   | 400,000                   | -                        | 400,000                  | -                                   | 400,000                   |
| Communications Tower                |      | -                        | -                        | -                                   | 0                         | 200,000                  | 0                                   | 200,000                   | -                        | 200,000                  | -                                   | 200,000                   |
| Harrison Place Toilets & Park (New) |      | -                        | -                        | -                                   | 0                         | 0                        | 0                                   | 0                         | -                        | -                        | -                                   | 0                         |
| <b>Total</b>                        |      | <b>2,918,056</b>         | <b>2,586,076</b>         | <b>(255,019)</b>                    | <b>5,249,115</b>          | <b>600,000</b>           | <b>(413,215)</b>                    | <b>5,435,900</b>          | <b>5,262,543</b>         | <b>600,000</b>           | <b>(413,134)</b>                    | <b>5,448,409</b>          |

All 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 ending | Budget for year ending | Actual for year ending |
|-------------------------------------|------|-------------|-------------|---------------|---------------------------|------------------------|------------------------|------------------------|
|                                     |      |             |             |               |                           | 30 June 2023           | 30 June 2023           | 30 June 2022           |
| Medical Centre Donation             |      | 137         | WATC*       | 1.73%         | 28/02/2035                | (2,050)                | (2,100)                | (2,197)                |
| Bagg Street unit                    |      | 135         | WATC*       | 3.07%         | 22/06/2028                | (1,871)                | (1,878)                | (2,165)                |
| GR0H Housing - GSHI                 |      | 138         | WATC*       | 1.44%         | 28/02/2030                | (12,509)               | (13,052)               | (14,098)               |
| Aged Units - GSHI                   |      | 139         | WATC*       | 1.17%         | 28/02/2025                | (287)                  | (526)                  | (403)                  |
| Staff Housing - GSHI                |      | 140         | WATC*       | 1.73%         | 28/02/2035                | (14,203)               | (14,551)               | (15,220)               |
| Sports Complex                      |      | 134         | WATC*       | 4.94%         | 29/06/2032                | (10,450)               | (10,454)               | (11,267)               |
| Sports Complex Retaining Wall       |      | 136         | WATC*       | 1.98%         | 31/05/2029                | (1,370)                | (1,385)                | (1,560)                |
| Oval Lighting                       |      | 142         | WATC*       | 1.45%         | 28/04/2031                | (3,206)                | (3,268)                | (3,555)                |
| Netball Courts & Roof               |      | 143         | WATC*       | 2.88%         | 4/03/2042                 | (39,136)               | (39,623)               | (42,932)               |
| Airstrip Lighting                   |      | 141         | WATC*       | 1.51%         | 28/08/2034                | (1,876)                | (1,669)                | (2,127)                |
| Staff Housing                       |      | 144         | WATC*       | 1.87%         | 4/03/2027                 | (915)                  | (990)                  | (333)                  |
| GR0H Housing                        |      | 145         | WATC*       | 1.87%         | 4/03/2027                 | (915)                  | (980)                  | (333)                  |
| Harrison Place Toilets & Park       |      | 146         | WATC*       | 3.92%         | 8/06/2032                 | (15,263)               | (15,345)               | (985)                  |
| Land development                    |      | 147         | WATC*       | 3.92%         | 8/06/2032                 | (14,732)               | (14,811)               | (950)                  |
| Staff Housing Renovations           |      | 148         | WATC*       | 4.49%         | 28/06/2037                | (13,076)               | (13,296)               | (109)                  |
| Communications Tower                |      | 150         | WATC*       | 4.52%         | 29/06/2033                | (49)                   | -                      | -                      |
| Harrison Place Toilets & Park (New) |      | 149         | WATC*       | 4.52%         | 29/06/2033                | (99)                   | -                      | -                      |
| <b>Total</b>                        |      |             |             |               |                           | <b>(132,107)</b>       | <b>(133,718)</b>       | <b>(66,234)</b>        |
| <b>Total Finance Cost Payments</b>  |      |             |             |               |                           | <b>(132,107)</b>       | <b>(133,718)</b>       | <b>(66,234)</b>        |

\* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

| Particulars/Purpose                 | Institution | Loan Type      | Term Years | Interest Rate % | Amount Borrowed |             | Amount (Used) |             | Total Interest & Charges | Actual Balance Unspent |
|-------------------------------------|-------------|----------------|------------|-----------------|-----------------|-------------|---------------|-------------|--------------------------|------------------------|
|                                     |             |                |            |                 | 2023 Actual     | 2023 Budget | 2023 Actual   | 2023 Budget |                          |                        |
| Communications Tower                | WATC*       | Fixed Interest | 10         | 4.52%           | 400,000         | 400,000     | -             | (400,000)   | 101,586                  | 400,000                |
| Harrison Place Toilets & Park (New) | WATC*       | Fixed Interest | 10         | 4.52%           | 200,000         | 200,000     | (68,871)      | (200,000)   | 50,793                   | 131,129                |
|                                     |             |                |            |                 | 600,000         | 600,000     | (68,871)      | (600,000)   | 152,379                  | 531,129                |

\* WA Treasury Corporation

(c) Unspent Borrowings

| Particulars                              | Institution | Date Borrowed | Unspent Balance 1 July 2022 | Borrowed During Year | Expended During Year | Unspent Balance 30 June 2023 |
|------------------------------------------|-------------|---------------|-----------------------------|----------------------|----------------------|------------------------------|
| Loan 143 - Netball courts                | WATC*       | 4/03/2022     | 158,815                     | -                    | (158,815)            | -                            |
| Loan 146 - Harrison Place Toilets & Park | WATC*       | 8/05/2022     | 44,554                      | -                    | (44,554)             | -                            |
| Loan 148 - Staff house renovations       | WATC*       | 24/05/2022    | 300,000                     | -                    | (6,121)              | 293,879                      |
|                                          |             |               | 503,369                     | -                    | (209,490)            | 293,879                      |

\* WA Treasury Corporation

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

27. RESERVE ACCOUNTS

|                                                             | 2023<br>Actual<br>Opening<br>Balance | 2023<br>Actual<br>Transfer to | 2023<br>Actual<br>Transfer<br>(from) | 2023<br>Actual<br>Closing<br>Balance | 2023<br>Budget<br>Opening<br>Balance | 2023<br>Budget<br>Transfer to | 2023<br>Budget<br>Transfer<br>(from) | 2023<br>Budget<br>Closing<br>Balance | 2022<br>Actual<br>Opening<br>Balance | 2022<br>Actual<br>Transfer to | 2022<br>Actual<br>Transfer<br>(from) | 2022<br>Actual<br>Closing<br>Balance |
|-------------------------------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
|                                                             | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   |
| <b>Restricted by council</b>                                |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |
| (a) Leave reserve                                           | 235,650                              | 11,771                        | -                                    | 247,421                              | 235,650                              | 10,236                        | -                                    | 245,886                              | 225,393                              | 10,257                        | -                                    | 235,650                              |
| (b) Plant reserve                                           | 582,448                              | 6,733                         | (337,835)                            | 251,346                              | 582,448                              | -                             | (202,470)                            | 379,978                              | 489,415                              | 583,567                       | (490,534)                            | 582,448                              |
| (c) Economic development reserve                            | 88,507                               | 786                           | (89,293)                             | -                                    | 88,507                               | 89                            | (64,000)                             | 24,596                               | 88,409                               | 98                            | -                                    | 88,507                               |
| (d) Springhaven lodge reserve                               | 2,195,000                            | -                             | (250,000)                            | 1,945,000                            | 2,195,000                            | -                             | -                                    | 2,195,000                            | 2,047,145                            | 930,000                       | (782,145)                            | 2,195,000                            |
| (e) Low income housing reserve                              | 83,483                               | 1,267                         | -                                    | 84,750                               | 83,483                               | 11,583                        | (10,000)                             | 85,066                               | 67,408                               | 16,075                        | -                                    | 83,483                               |
| (f) Sporting facility reserve                               | 62,737                               | 918                           | -                                    | 63,655                               | 62,737                               | 63                            | (42,178)                             | 20,622                               | 78,120                               | 20,067                        | (35,450)                             | 62,737                               |
| (g) Springhaven buildings upgrade and renewal reserve       | 2,165                                | 15,904                        | (18,069)                             | -                                    | 2,165                                | 2,197                         | -                                    | 4,362                                | 18                                   | 2,147                         | -                                    | 2,165                                |
| (h) Bushfire communications reserve                         | 89,346                               | 793                           | (90,139)                             | -                                    | 89,346                               | 89                            | (89,346)                             | 89                                   | 109,492                              | 118                           | (20,264)                             | 89,346                               |
| (i) Landfill waste management reserve                       | 80,047                               | 1,215                         | -                                    | 81,262                               | 80,047                               | 26,550                        | (50,000)                             | 56,597                               | 55,304                               | 25,743                        | (1,000)                              | 80,047                               |
| (j) Energy efficiency reserve                               | -                                    | -                             | -                                    | -                                    | -                                    | -                             | -                                    | -                                    | 4,130                                | 4                             | (4,134)                              | 0                                    |
| (k) Land acquisition and development reserve                | 37,289                               | 333                           | (37,622)                             | -                                    | 37,289                               | 37                            | (37,000)                             | 326                                  | 37,247                               | 42                            | -                                    | 37,289                               |
| (l) Community grants reserve                                | 9,745                                | 149                           | -                                    | 9,894                                | 9,745                                | 10                            | -                                    | 9,755                                | 9,735                                | 10                            | -                                    | 9,745                                |
| (m) Independent living units reserve                        | 158,168                              | 2,401                         | -                                    | 160,569                              | 158,168                              | 158                           | (18,793)                             | 139,533                              | 38,324                               | 125,044                       | (5,200)                              | 158,168                              |
| (n) Spencer street youth precinct reserve                   | 31,270                               | 278                           | (31,548)                             | -                                    | 31,270                               | 31                            | (20,000)                             | 11,301                               | 11,245                               | 20,025                        | -                                    | 31,270                               |
| (o) Natural resource management reserve                     | 97,430                               | 1,479                         | -                                    | 98,909                               | 97,430                               | 60,097                        | (83,164)                             | 74,363                               | 111,578                              | 60,165                        | (74,313)                             | 97,430                               |
| (p) Memorial hall & lesser hall upgrades reserve            | 7,146                                | 63                            | (7,209)                              | -                                    | 7,146                                | 7                             | -                                    | 7,153                                | 12,118                               | 30,028                        | (35,000)                             | 7,146                                |
| (q) Day care building maintenance reserve                   | 14,766                               | 146                           | (14,912)                             | -                                    | 14,766                               | 15                            | (7,000)                              | 7,781                                | 12,051                               | 2,715                         | -                                    | 14,766                               |
| (r) Swimming pool reserve                                   | 40,469                               | 614                           | -                                    | 41,083                               | 40,469                               | 40                            | -                                    | 40,509                               | 20,433                               | 20,036                        | -                                    | 40,469                               |
| (s) Springhaven equipment reserve                           | 16,503                               | 146                           | (16,649)                             | -                                    | 16,503                               | 17                            | (10,000)                             | 6,520                                | 6,489                                | 10,014                        | -                                    | 16,503                               |
| (t) Saleyards reserve                                       | 39,555                               | 351                           | (39,906)                             | -                                    | 39,555                               | -                             | (9,570)                              | 29,985                               | 39,511                               | 44                            | -                                    | 39,555                               |
| (u) RSL hall renewal reserve                                | 10,300                               | 92                            | (10,392)                             | -                                    | 10,301                               | 10                            | -                                    | 10,311                               | 10,289                               | 11                            | -                                    | 10,300                               |
| (v) Benn parade multi-facility reserve                      | 14,301                               | 119                           | (14,420)                             | -                                    | 14,301                               | 14                            | (14,301)                             | 14                                   | 14,289                               | 12                            | -                                    | 14,301                               |
| (w) Townscape reserve                                       | 49,801                               | 442                           | (50,243)                             | -                                    | 49,801                               | 50                            | (49,801)                             | 50                                   | 25,333                               | 30,048                        | (5,580)                              | 49,801                               |
| (x) Kodja place building upgrade & renewal reserve          | 17,630                               | 250                           | -                                    | 17,880                               | 17,628                               | 18                            | (10,000)                             | 7,646                                | 9,611                                | 10,019                        | (2,000)                              | 17,630                               |
| (y) Kodja place masterplan implementation                   | 10,007                               | 89                            | (10,079)                             | 17                                   | -                                    | -                             | -                                    | -                                    | 0                                    | 10,007                        | -                                    | 10,007                               |
| (z) Shire office/library building upgrade & renewal reserve | 1,007                                | -                             | (1,007)                              | -                                    | 1,007                                | 1                             | -                                    | 1,008                                | 1,007                                | -                             | -                                    | 1,007                                |
| (aa) Works depot building upgrade & renewal reserve         | 1,006                                | -                             | (1,006)                              | -                                    | 1,006                                | 1                             | -                                    | 1,007                                | 1,006                                | -                             | -                                    | 1,006                                |
| (ab) Netball court resurface reserve                        | 1,007                                | 6                             | -                                    | 1,013                                | 1,007                                | 3,501                         | -                                    | 4,508                                | 1,007                                | -                             | -                                    | 1,007                                |
| (ac) The spring reserve                                     | 16,018                               | 142                           | (16,160)                             | -                                    | 16,018                               | 16                            | (16,000)                             | 34                                   | 1,007                                | 15,011                        | -                                    | 16,018                               |
| (ad) Sporting complex building upgrade & renewal reserve    | 1,080                                | 56                            | -                                    | 1,136                                | 1,080                                | 1                             | -                                    | 1,081                                | 1,049                                | 31                            | -                                    | 1,080                                |
| (ae) Playgrounds & parks reserve                            | 20,026                               | 179                           | (20,205)                             | -                                    | 20,027                               | 20                            | (10,000)                             | 10,047                               | 10,009                               | 10,017                        | -                                    | 20,026                               |
| (af) Trails network construction reserve                    | 6,007                                | 2                             | (6,007)                              | 2                                    | 6,009                                | 6                             | (6,000)                              | 15                                   | 1,007                                | 5,000                         | -                                    | 6,007                                |
| (ag) Kodja place tourist precinct reserve                   | -                                    | -                             | -                                    | -                                    | 10,007                               | 10                            | (10,000)                             | 17                                   | 0                                    | -                             | -                                    | 0                                    |
|                                                             | 4,019,914                            | 46,724                        | (1,062,701)                          | 3,003,937                            | 4,019,916                            | 114,867                       | (759,623)                            | 3,375,160                            | 3,539,179                            | 1,936,355                     | (1,455,620)                          | 4,019,914                            |

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                                           | Ongoing | To be used to fund annual and long service leave requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| (b) Plant reserve                                           | Ongoing | To smooth funding allocations over financial years for the purchase of major plant items.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (c) Economic development reserve                            | Ongoing | To be used for Pillar 5 - 'Digital' within 'Smart Possibilities' in the Kojonup Community Strategic Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (d) Springhaven lodge reserve                               | Ongoing | To cash back refundable bonds paid by residents of the facility.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (e) Low income housing reserve                              | Ongoing | To be used for major maintenance of Jean Sullivan Units. All operating profit is to be transferred to this reserve in accordance with the joint venture agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| (f) Sporting facility reserve                               | Ongoing | To fund Council contribution to CSRFF Funding grants or to fund construction or renewal of Shire sporting facilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (g) Springhaven buildings upgrade and renewal reserve       | Ongoing | To be used for major maintenance and capital renewal of Springhaven facility buildings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (h) Bushfire communications reserve                         | Ongoing | To construct and maintain critical bushfire communication infrastructure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (i) Landfill waste management reserve                       | Ongoing | To be used for future upkeep, maintenance, expansion, post closure activities and or reclamation of the Shire's waste management facilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (j) Energy efficiency reserve                               | Ongoing | To fund energy efficiency initiatives within the Shire's operations. 50% of any savings resulting from expenditure of this reserve account is to be transferred back into                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (k) Land acquisition and development reserve                | Ongoing | To fund the purchase of land, sub-division expenses and receipt sub-division sales revenue.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (l) Community grants reserve                                | Ongoing | To finance community grant scheme rounds and to financially manage larger community grants that may extend over more than one financial year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (m) Independent living units reserve                        | Ongoing | To transfer operating profits from Loton Close units to this reserve to fund major maintenance and future asset replacement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (n) Spencer street youth precinct reserve                   | Ongoing | To fund development, planning and construction of a skate park, pump track and youth centre at the Spencer Street site.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (o) Natural resource management reserve                     | Ongoing | For the Shire of Kojonup to progress the following projects:-<br>1. Bridal Creeper and tagasaste Eradication program.<br>2. Managing water resources including water harvesting and re-use opportunities in the Shire for the use in Kojonup parks and reserves during summer.<br>3. Undertake weed management and planting of native trees and shrubs in conjunction with Schools, Kojonup Aboriginal Corporation and community groups within ic<br>a) Myrtle Benn, Farrar and Quin Quin;<br>b) Showground's area; and<br>c) Blackwood Road arboretum<br>to improve bio diversity, fauna habitat and natural resource management outcomes. |
| (p) Memorial hall & lesser hall upgrades reserve            | Ongoing | To construct a medical centre as defined within the existing Shire of Kojonup Town Planning Scheme No.3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (q) Day care building maintenance reserve                   | Ongoing | For the expenditure of major building maintenance items on the Kojonup Day Care Centre building, corner of Elverd & Honner Streets, Kojonup.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (r) Swimming pool reserve                                   | Ongoing | To fund major refurbishment and/or asset replacement of the Kevin O'Halloran Memorial Swimming Pool.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| (s) Springhaven equipment reserve                           | Ongoing | To fund major equipment purchases at Springhaven Lodge.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (t) Saleyards reserve                                       | 2023    | To fund capital renewal and upgrades to the Kojonup Saleyards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (u) RSL hall renewal reserve                                | 2023    | To be used for major refurbishment and/or re-purposing of the Kojonup RSL Hall.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (v) Benn parade multi-facility reserve                      | 2023    | To be used to fund the co-locatyon of Historical Society, Men's Shed and Kojonup Tourist Railway facilities to the Benn Parade Railway precinct.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (w) Townscape reserve                                       | Ongoing | To be used for major townscape improvements to the Kojonup Town Centre.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (x) Kodja place building upgrade & renewal reserve          | Ongoing | To be used for building upgrades and renewals to Kodja Place.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (y) Kodja place masterplan implementation                   | Ongoing | To be used to fund the implementation of the recommendations contained within the Kodja Place Master Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| (z) Shire office/library building upgrade & renewal reserve | Ongoing | To be used for major upgrade and capital renewal of the Shire Administration Centre and library buildings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| (aa) Works depot building upgrade & renewal reserve         | Ongoing | To be used for major upgrade and capital renewal of the Works & Services Depot buildings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (ab) Netball court resurface reserve                        | Ongoing | To be used for the future replacement of the netball court playing surfaces.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (ac) The spring reserve                                     | Ongoing | To be used for major capital upgrades and improvements at the Kojonup Spring aea.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| (ad) Sporting complex building upgrade & renewal reserve    | Ongoing | To be used for major upgrade and renewal of the Sporting Complex Building.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| (ae) Playgrounds & parks reserve                            | Ongoing | To be used to fund the major asset renewal of playground equipment and park infrastructure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (af) Trails network construction reserve                    | Ongoing | To be used to construct recreational trails within the Shire of Kojonup in accordance with the Great Southern Master Trails Plan and the Shire of Kojonup Trails Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (ag) Kodja place tourist precinct reserve                   | Ongoing | To be used for funding projects after considering advice from 'Storyplace/Gallery Work Group'.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |



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

**28. TRUST FUNDS**

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

|                   | <u>1 July 2022</u> | <u>Amounts Received</u> | <u>Amounts Paid</u> | <u>30 June 2023</u> |
|-------------------|--------------------|-------------------------|---------------------|---------------------|
|                   | \$                 | \$                      | \$                  | \$                  |
| Loton Close bonds | 761                | -                       | -                   | 761                 |
|                   | <u>761</u>         | <u>-</u>                | <u>-</u>            | <u>761</u>          |

## SHIRE OF KOJONUP

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. Cost reallocation journal procedures | No                                | ✓           |          |       |                    |
| 2. General journal review processes     | No                                | ✓           |          |       | ✓                  |
| 3. Employee related provisions          | No                                | ✓           |          |       |                    |
| 4. Monthly reconciliation - Debtors     | No                                |             | ✓        |       |                    |
| 5. Monthly reconciliation - Creditors   | No                                |             | ✓        |       |                    |
| 6. Builders' retention funds            | No                                |             | ✓        |       |                    |
| 7. Job card procedures                  | No                                |             | ✓        |       |                    |
| 8. Purchasing policy deviation          | No                                |             | ✓        |       |                    |
| 9. Superannuation guarantee calculation | 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 KOJONUP****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****1. Cost reallocation journal procedures****Finding**

During the final audit we identified several general journals posted to roads infrastructure job ledgers (for reallocation and allocation of capital costs) that were not adequately supported by documented evidence outlining the reasons and purpose of these journals.

Upon completing additional audit procedures and subsequent review and investigation with the Shire, we have been able to substantiate that the rationale and accounting treatment of these journals was reasonable and appropriate.

**Rating:** Significant

**Implication**

Journals posted without appropriate evidence supporting adjustments to the financial report significantly increases the risk of material misstatement whether due to fraud or error, particularly in respect of capital costs recognised during the period. The implications could also extend to the Shire's responsibilities for performing acquittals of grants funding received, these acquittal reports rely on the accurate recognition and treatment of capital costs within the Shire's annual financial report.

**Recommendation**

The Shire should ensure procedures for reviewing and recognising cost allocation journals are adequately designed and implemented at all times. Reasons for allocations and adjustments should be documented and evidence for every journal posted, including appropriate rationale for capitalising costs associated with roads and other infrastructure projects with direct reference to the actual costs incurred.

**Management comment**

*Acknowledged that better checks and traceable documentation is required.*

*A process has been put in place to ensure that journals are justified with supporting documents before they are processed, along with two approval signatures. This two-step verification will include the Finance Officer raising the journal and the Manager Financial & Corporate Services approving as a second check. Re-journaling should decline materially over the next twelve months as we procure better oversight of the financial controls across the organisation.*

**Responsible person:** Manager Financial & Corporate Services  
**Completion date:** Imminent December 2023 (changes already commenced)

## SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**2. General journal review processes****Finding 2023**

While testing general journals we noted four out of the ten tested general journals that were not recorded as being reviewed by an authorised reviewer.

We also noted that journals being prepared by your external consultant are not being reviewed and approved by an authorised reviewer at the Shire.

**Finding 2022**

We noted that 5 out of the 30 general journals that we tested were not marked as being reviewed by an independent authorised officer.

**Rating:** Significant (2022: Moderate)

**Implication**

In the absence of adequate review of all general journals posted, there is an increased risk of unauthorised journals being posted whether due to fraud or error which may result in errors posted to the annual financial report.

**Recommendation**

We recommend that all general journals are reviewed by an appropriate person who is independent of the person performing the tasks. All general journals and supporting documentation should be reviewed by an appropriate officer and signed as evidence of review.

**Management comment**

*Journals (along with backing paperwork) received from the External Consultant will be reviewed and signed by the Manager Financial & Corporate Services.*

*The Shire acknowledges that a number of previous journals did not follow due process. With a restructure and appointment of new financial people in March 2023, the Shire believes these audit findings are the lag time between the business process changes.*

**Responsible person:** Manager Financial & Corporate Services  
**Completion date:** Imminent December 2023 (changes already commenced)

## SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**3. Employee related provisions****Finding**

During our review of employee long-service leave provisions at 30 June 2023 we noted provisions balances still exist for 51 employees that are no longer employed by the Shire. The estimated overstatement of the Shire's long-service leave provision is \$92,840 at 30 June 2023.

This finding was present in previous periods, however in 2023 the balance has continued to grow with no improvement in the Shire's processes for recording and reviewing provisions balances.

**Rating:** Significant

**Implication**

Where inaccurate employee data is used to estimate the Shire's employee related provisions, there is an increased risk of material errors occurring in the annual financial report.

**Recommendation**

The Shire should review the employee data used to develop and recognise employee related provisions and ensure this is current and up to date each year. Adjustments should be recognised to reduce the liability balances for any entitlements paid or where the entitlement is no longer required to be recognised.

**Management comment**

*The Shire is committed to fixing this problem of our payroll records and processes removing ex-employees from the system as the benefits are paid out.*

*The LSL entitlements are currently being reviewed by the Finance Payroll Officer. These will be amended as required and payments outstanding forwarded to the Australian Taxation Office for distribution to terminated employees.*

*An LSL reconciliation process will become part of the EOFY process (along with other leave entitlements) to ensure all leave balances are correctly calculated and recorded.*

**Responsible person:** Finance & Payroll Officer

**Completion date:** 30 March 2024

**SHIRE OF KOJONUP****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****4. Monthly reconciliations - Debtors****Finding**

During our review of debtor reconciliations, we noted the following:

- One instance of the reconciliation (April 2023) being completed resulting in a negative balance with no explanation for amount or reasoning for a negative balance in a normally positive account.
- One instance of the reconciliation (May 2023) having been completed but no record was retained of the reconciliation or its review by an authorised person.

The Shire has elected not to correct the negative balance identified of \$14,513, we have reported this error as an uncorrected misstatement.

**Rating:** Moderate

**Implication**

Monthly reconciliations and reviews create stronger internal controls and reduce the instances of errors occurring and not being picked up in a timely manner. Variances or unusual differences identified should be investigated and actioned to reduce the likelihood of misstatements occurring in the annual financial report.

**Recommendation**

Management should ensure that all month-end reconciliations are completed and adequately reviewed as soon as practicable following the completion of month-end procedures. Evidence of review should be retained and any variances should be adequately actioned in a timely manner.

**Management comment**

*The Shire acknowledges this and will work to improve its detailed reporting alongside the two-step authorisation. The Debtor monthly reconciliation process will produce a more detailed report than currently in place. This is to ensure transparency over transactions along with the two-step authorisation process.*

**Responsible person:** Manager Financial & Corporate Services  
**Completion date:** Process commenced, finalisation 30 January 2024

## SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**5. Monthly reconciliations - Creditors****Finding**

During our review of creditor reconciliations at 30 June 2023 we noted the trade creditors balance differed from the filed reconciliation by \$14,513 significantly and there was no evidence noted to explain the reason for the variance.

The Shire has elected not to correct the error identified of \$14,513, we have reported this error as an uncorrected misstatement.

**Rating:** Moderate

**Implication**

Monthly reconciliations and reviews create stronger internal controls and reduce the instances of errors occurring and not being picked up in a timely manner. Variances or unusual differences identified should be investigated and actioned to reduce the likelihood of misstatements occurring in the annual financial report.

**Recommendation**

Management should ensure that all month-end reconciliations are completed and adequately reviewed as soon as practicable following the completion of month-end procedures. Evidence of review should be retained and any variances should be adequately actioned in a timely manner.

**Management comment**

*The Shire acknowledges this and will work to improve its detailed reporting alongside the two-step authorisation. The Creditor monthly reconciliation process will produce a more detailed report than currently in place. This is to ensure transparency over transactions along with the two-step authorisation process.*

**Responsible person:** Manager Financial & Corporate Services  
**Completion date:** Process commenced, finalisation 30 January 2024

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

6. Builders' retention funds

**Finding**

During our review of Builders' retention funds at 30 June 2023 we noted that the amounts held as a liability have not been reconciled in the last 2 years and records of individual amounts held were unable to be located during the audit.

**Rating:** Moderate

**Implication**

In the absence of appropriate records of Builders' retention funds retained and updated on a regular basis, there is an increased risk that Shire may not meet its obligations or commitments to pay or reimburse retention funds when legally required to do so.

**Recommendation**

The Shire should appropriately reconcile all retention funds, bonds and deposits held by the Shire by each individual party. A process to reconcile and review these balances and movements during the year should be performed on a regular basis and this should be reviewed by second officer to ensure its complete and accurate.

**Management comment**

*Current administration wasn't aware of this so acknowledge this area requires fixing. The newly appointed Project Manager role will monitor and work closely with finance to manage building retention fund accounts.*

**Responsible person:** Project Manager

**Completion date:** 30 March 2024



## SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

## 7. Job card procedures

**Finding**

We noted 1 instance where a new infrastructure job cost ledger was set up that was incorrectly allocating costs posted from this code to another earlier job ledger.

**Rating:** Moderate

**Implication**

Although there is no overall effect on the Shire's total value of infrastructure assets, the incorrect allocation of costs between jobs may result in misstatements of amounts reported for the purpose of budgeting vs actuals and reporting to funding bodies for the acquittal of grant funding received for these projects.

**Recommendation**

The Shire should establish an implement a process to review all newly created job ledgers and close older/completed job ledgers on a regular basis to reduce the risk of misstatements being made by allocating expenses to the incorrect job code.

**Management comment**

*All road project accounts and job ledgers will be set up by the Manager Financial and Corporate Services and reviewed as an ongoing process. Changes to timesheets (including employee and plant allocations) will need to be documented and signed by the Works Supervisor and then approved by the Manager Financial & Corporate Services. As a standard policy the Shire will not journal any costing between jobs unless substantiated with working papers to explain any alterations.*

*This will also align to project management framework the Shire is implementing to monitor execution and costs on a regular basis.*

**Responsible person:** Manager Financial & Corporate Services  
**Completion date:** Imminent December 2023

## SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**8. Purchasing Policy Deviation****Finding**

During our audit we identified one instance out of 31 samples tested where the Shire's purchasing policy was not followed. This related to a purchase of \$27,000 which as per the Shire's Purchasing Policy requires two written quotes where possible. In this instance, no quotes were obtained.

**Rating:** Moderate

**Implication**

Non-compliance with the Shire's purchasing policy. This policy requires that before the local government enters into a contract for supply of goods and services the Shire has obtained the appropriate number of quotations in order to deliver a best practice approach to purchasing activities.

**Recommendation**

Prior to payments being made for goods and services a review should be made to ensure the purchasing policy has been followed in respect to number of quotes required and any deviations followed up with the appropriate person.

**Management comment**

*Purchase order and procurement process to be reviewed. The Shire implemented a two-step authorisation on PO's in 2021 and reinforced the purchasing policies re quotes, tenders at that stage. The Shire has made material improvement in the purchasing process. This is a one off and the manager and team members involved will be retrained on the process of the purchasing policy. After discussing with the Manager involved the difficulty of seeking other contractors to quote was a variable in this purchase however it is acknowledged that this must be verified through the process.*

**Responsible person:** Chief Executive Officer  
**Completion date:** 30 September 2023

## SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**9 Superannuation guarantee calculation**

Testing of superannuation calculations in payroll noted that for the pay period ended 17 January 2023, one employee in the sample selected for testing that had taken annual leave did not have superannuation paid on the leave loading component of their pay.

**Rating:** Moderate

**Implication**

Non-compliance with the Shire's obligations as regards superannuation payments to employees which may result in a significant material loss to the Shire. It is important to ensure that superannuation guarantee is paid on all eligible components of an employees pay to comply with these legislative provisions.

**Recommendation**

That further investigation be undertaken to identify if there were other employees who may not have had leave loading included in their super guarantee calculations and assess the extent of any potential underpayment.

We further recommend a review of set up of employees in the payroll system be conducted. This will ensure all components of pay that should be included in the calculation of super guarantee are included.

**Management comment**

*This was a systemic issue which is also historical. The disconcerting factor is this had not been identified since the inception of the current system. The payroll system has been updated to include correct superannuation calculation. The payments error will be corrected.*

*A review of all payroll functions and setup of employees will be undertaken.*

**Responsible person:** Manager Financial & Corporate Services

**Completion date:** November 2023



Our Ref: 8326

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

Mr Grant Thompson  
Chief Executive Officer  
Shire of Kojonup  
PO Box 163  
KOJONUP WA 6395

**Mail to:** Perth BC  
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PERTH WA 6849

**Tel:** 08 6557 7500  
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Email: [council@kojonup.wa.gov.au](mailto:council@kojonup.wa.gov.au)

Dear Mr Thompson

### **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**

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 31 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 7534 if you would like to discuss these matters further.

Yours sincerely

Mikey Fiorucci  
Director  
Financial Audit  
17 January 2024

Attach



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2023 Shire of Kojonup

To the Council of the Shire of Kojonup

### Opinion

I have audited the financial report of the Shire of Kojonup (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](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 Kojonup 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.

Tim Sanya  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
17 January 2024





## Kojonup – Compliance Audit Return

| Commercial Enterprises by Local Governments |                                     |                                                                                                                                                                                                                                                                   |          |          |
|---------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| No                                          | Reference                           | Question                                                                                                                                                                                                                                                          | Response | Comments |
| 1                                           | s3.59(2)(a) F&G<br>Regs 7,9,10      | Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2023?                                                                                                                                                 | N/A      |          |
| 2                                           | s3.59(2)(b) F&G<br>Regs 7,8A, 8, 10 | Has the local government prepared a business plan for each major land transaction that was not exempt in 2023?                                                                                                                                                    | N/A      |          |
| 3                                           | s3.59(2)(c) F&G<br>Regs 7,8A, 8,10  | Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2023?                                                                                                 | N/A      |          |
| 4                                           | s3.59(4)                            | Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2023? | N/A      |          |
| 5                                           | s3.59(5)                            | During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?                                                                                                                                     | N/A      |          |

| Delegation of Power/Duty |                                   |                                                                                                                       |          |          |
|--------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------|----------|
| No                       | Reference                         | Question                                                                                                              | Response | Comments |
| 1                        | s5.16 (1)                         | Were all delegations to committees resolved by absolute majority?                                                     | N/A      |          |
| 2                        | s5.16 (2)                         | Were all delegations to committees in writing?                                                                        | N/A      |          |
| 3                        | s5.17                             | Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?      | N/A      |          |
| 4                        | s5.18                             | Were all delegations to committees recorded in a register of delegations?                                             | N/A      |          |
| 5                        | s5.18                             | Has council reviewed delegations to its committees in the 2022/2023 financial year?                                   | Yes      |          |
| 6                        | s5.42(1) & s5.43<br>Admin Reg 18G | Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? | Yes      |          |



|           |                           |                                                                                                                                                                                                   |     |  |
|-----------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| <b>7</b>  | s5.42(1)                  | Were all delegations to the CEO resolved by an absolute majority?                                                                                                                                 | Yes |  |
| <b>8</b>  | s5.42(2)                  | Were all delegations to the CEO in writing?                                                                                                                                                       | Yes |  |
| <b>9</b>  | s5.44(2)                  | Were all delegations by the CEO to any employee in writing?                                                                                                                                       | Yes |  |
| <b>10</b> | s5.16(3)(b) & s5.45(1)(b) | Were all decisions by the Council to amend or revoke a delegation made by absolute majority?                                                                                                      | N/A |  |
| <b>11</b> | s5.46(1)                  | Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?                                                                                      | Yes |  |
| <b>12</b> | s5.46(2)                  | Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2022/2023 financial year?                                                                | Yes |  |
| <b>13</b> | s5.46(3) Admin Reg 19     | Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19? | Yes |  |

#### Disclosure of Interest

| <b>No</b> | <b>Reference</b>                  | <b>Question</b>                                                                                                                                                                                                                                                                                       | <b>Response</b> | <b>Comments</b> |
|-----------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>1</b>  | s5.67                             | Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? | Yes             |                 |
| <b>2</b>  | s5.68(2) & s5.69(5) Admin Reg 21A | Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?      | Yes             |                 |
| <b>3</b>  | s5.73                             | Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?                                                                                                                                    | Yes             |                 |
| <b>4</b>  | s5.75 Admin Reg 22, Form 2        | Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?                                                                                                                                                                                    | Yes             |                 |
| <b>5</b>  | s5.76 Admin Reg 23, Form 3        | Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?                                                                                                                                                                                                         | Yes             |                 |

|    |                                       |                                                                                                                                                                                                                                                                              |     |  |
|----|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| 6  | s5.77                                 | On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the return?                                                                                                                                    | Yes |  |
| 7  | s5.88(1) & (2)(a)                     | Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?                                                                                                                         | Yes |  |
| 8  | s5.88(1) & (2)(b)<br>Admin Reg 28     | Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? | Yes |  |
| 9  | s5.88(3)                              | When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?                                                                      | Yes |  |
| 10 | s5.88(4)                              | Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?                     | Yes |  |
| 11 | s5.89A(1), (2) & (3)<br>Admin Reg 28A | Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?                         | Yes |  |
| 12 | s5.89A(5) & (5A)                      | Did the CEO publish an up-to-date version of the gift register on the local government's website?                                                                                                                                                                            | Yes |  |
| 13 | s5.89A(6)                             | When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?                                                              | Yes |  |
| 14 | s5.89A(7)                             | Have copies of all records removed from the register under section 5.89A(6) of the Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?                                             | Yes |  |
| 15 | s5.70(2) & (3)                        | Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?                           | Yes |  |



|           |                       |                                                                                                                                                                                                                                                                                                                                                 |     |  |
|-----------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| <b>16</b> | s5.71A & s5.71B(5)    | Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? | N/A |  |
| <b>17</b> | s5.71B(6) & s5.71B(7) | Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?                                                                                                                                                             | N/A |  |
| <b>18</b> | s5.104(1)             | Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members candidates that incorporates the model code of conduct?                                                                                                                                                | Yes |  |
| <b>19</b> | s5.104(3) & (4)       | Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?                                                                                                                                                         | N/A |  |
| <b>20</b> | s5.104(7)             | Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?                                                                                                                                                                                     | Yes |  |
| <b>21</b> | s5.51A(1) & (3)       | Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?                                                                                                         | Yes |  |

| Disposal of Property |           |                                                                                                                                                                                                                                      |          |          |
|----------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| No                   | Reference | Question                                                                                                                                                                                                                             | Response | Comments |
| <b>1</b>             | s3.58(3)  | Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?         | Yes      |          |
| <b>2</b>             | s3.58(4)  | Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property? | Yes      |          |



| Elections |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |          |
|-----------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| No        | Reference               | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Response | Comments |
| 1         | Elect Regs 30G(1) & (2) | Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997? | N/A      |          |
| 2         | Elect Regs 30G(3) & (4) | Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?                                                                                                  | N/A      |          |
| 3         | Elect Regs 30G(5) & (6) | Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?                                                                                                                                                                                                                                            | N/A      |          |

| Finance |           |                                                                                                                                                                      |          |                                                            |
|---------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------|
| No      | Reference | Question                                                                                                                                                             | Response | Comments                                                   |
| 1       | s7.1A     | Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? | Yes      | Current Audit and Risk Committee established in 2021/2022. |
| 2       | s7.1B     | Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?            | N/A      |                                                            |



|          |                       |                                                                                                                                                                                                                                                                                                                                                                           |     |                                             |
|----------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------------------|
| <b>3</b> | s7.9(1)               | Was the auditor's report for the financial year ended 30 June 2023 received by the local government by 31 December 2023?                                                                                                                                                                                                                                                  | Yes |                                             |
| <b>4</b> | s7.12A(3)             | Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?                                                                                         | Yes |                                             |
| <b>5</b> | s7.12A(4)(a) & (4)(b) | Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? | No  | Preparing report - within 3 month timeframe |
| <b>6</b> | s7.12A(5)             | Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?                                                                                                                                                  | N/A | As per Question 5                           |
| <b>7</b> | Audit Reg 10(1)       | Was the auditor's report for the financial year ending 30 June 2023 received by the local government within 30 days of completion of the audit?                                                                                                                                                                                                                           | Yes |                                             |

#### Local Government Employees

| <b>No</b> | <b>Reference</b>                  | <b>Question</b>                                                                                                                                                                             | <b>Response</b> | <b>Comments</b> |
|-----------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>1</b>  | s5.36(4) & s5.37(3) Admin Reg 18A | Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?                                             | N/A             |                 |
| <b>2</b>  | Admin Reg 18E                     | Was all information provided in applications for the position of CEO true and accurate?                                                                                                     | N/A             |                 |
| <b>3</b>  | Admin Reg 18F                     | Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995? | N/A             |                 |
| <b>4</b>  | s5.37(2)                          | Did the CEO inform council of each proposal to employ or dismiss senior employee?                                                                                                           | N/A             |                 |
| <b>5</b>  | s5.37(2)                          | Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?                                                    | N/A             |                 |



| Official Conduct |                 |                                                                                                                                                                                                             |          |                                                                                           |
|------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------|
| No               | Reference       | Question                                                                                                                                                                                                    | Response | Comments                                                                                  |
| 1                | s5.120          | Has the local government designated an employee to be its complaints officer?                                                                                                                               | Yes      |                                                                                           |
| 2                | s5.121(1) & (2) | Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995? | Yes      | Nil complaints                                                                            |
| 3                | S5.121(2)       | Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?                                                                                         | Yes      | Nil complaints; however, has all necessary sections for completion should an entry occur. |
| 4                | s5.121(3)       | Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?                                                                                   | Yes      |                                                                                           |

| Tenders for Providing Goods and Services |                                                  |                                                                                                                                                                                                                                                                                                                                                 |          |          |
|------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| No                                       | Reference                                        | Question                                                                                                                                                                                                                                                                                                                                        | Response | Comments |
| 1                                        | F&G Reg 11A(1) & (3)                             | Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? | Yes      |          |
| 2                                        | s3.57 F&G Reg 11                                 | Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?   | Yes      |          |
| 3                                        | F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4) | When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?                                                                                  | Yes      |          |

|    |                     |                                                                                                                                                                                                                                                                                                                          |     |  |
|----|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| 4  | F&G Reg 12          | Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?                                                                                                                              | Yes |  |
| 5  | F&G Reg 14(5)       | If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?                                                                                        | Yes |  |
| 6  | F&G Regs 15 & 16    | Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?                                                                                                                                  | Yes |  |
| 7  | F&G Reg 17          | Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? | Yes |  |
| 8  | F&G Reg 18(1)       | Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?                                                                                                                                                                            | Yes |  |
| 9  | F&G Reg 18(4)       | Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?                                                                                                                         | Yes |  |
| 10 | F&G Reg 19          | Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?                                                                                                                                                                                   | Yes |  |
| 11 | F&G Regs 21 & 22    | Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?                                                                                                                        | Yes |  |
| 12 | F&G Reg 23(1) & (2) | Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?                                                                                              | N/A |  |
| 13 | F&G Reg 23(3) & (4) | Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?                                                                            | Yes |  |





|    |                                 |                                                                                                                                                                                                                                                                                                                                                     |     |  |
|----|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
| 14 | F&G Reg 24                      | Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?                                                                                                                                                | Yes |  |
| 15 | F&G Regs 24AD(2) & (4) and 24AE | Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?                                                                                                                              | N/A |  |
| 16 | F&G Reg 24AD(6)                 | If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?                                                                                     | N/A |  |
| 17 | F&G Reg 24AF                    | Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? | N/A |  |
| 18 | F&G Reg 24AG                    | Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?                                                                                                                          | N/A |  |
| 19 | F&G Reg 24AH(1)                 | Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?                                                                                                                                                | N/A |  |
| 20 | F&G Reg 24AH(3)                 | Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?                                                                                                                                     | N/A |  |
| 21 | F&G Reg 24AI                    | Did the CEO send each applicant written notice advising them of the outcome of their application?                                                                                                                                                                                                                                                   | N/A |  |
| 22 | F&G Regs 24E & 24F              | Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?                                                                                                                                              | N/A |  |

| Integrated Planning and Reporting |                         |                                                                                                                                                                                              |          |                                                                    |
|-----------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------|
| No                                | Reference               | Question                                                                                                                                                                                     | Response | Comments                                                           |
| 1                                 | Admin Reg 19C           | Has the local government adopted by absolute majority a strategic community plan?<br>If Yes, please provide the adoption date or the date of the most recent review in the Comments section? | Yes      | 21/03/2023                                                         |
| 2                                 | Admin Reg 19DA(1) & (4) | Has the local government adopted by absolute majority a corporate business plan?<br>If Yes, please provide the adoption date or the date of the most recent review in the Comments section?  | No       | Anticipated for adoption 20 February 2024 Ordinary Council Meeting |
| 3                                 | Admin Reg 19DA(2) & (3) | Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?                                                           | N/A      | Will comply                                                        |

| Optional Questions |                                  |                                                                                                                                                                                                                                                                                                                                                                                                           |          |            |
|--------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| No                 | Reference                        | Question                                                                                                                                                                                                                                                                                                                                                                                                  | Response | Comments   |
| 1                  | Financial Management Reg 5(2)(c) | Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2023?<br>If yes, please provide the date of council's resolution to accept the report.                           | Yes      | 21/03/2023 |
| 2                  | Audit Reg 17                     | Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2023?<br>If yes, please provide date of council's resolution to accept the report. | Yes      | 16/11/2021 |
| 3                  | s5.87C                           | Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt                                                                                                                                                                                                                                                        | N/A      |            |



|          |                           |                                                                                                                                                                                                                  |     |  |
|----------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
|          |                           | of the gift? Did the disclosure include the information required by section 5.87C of the Act?                                                                                                                    |     |  |
| <b>4</b> | s5.90A(2) & (5)           | Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events? | Yes |  |
| <b>5</b> | s5.96A(1), (2), (3) & (4) | Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?                                                      | Yes |  |
| <b>6</b> | s5.128(1)                 | Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?                                                            | Yes |  |
| <b>7</b> | s5.127                    | Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government's official website by 31 July 2023?                | Yes |  |
| <b>8</b> | s6.4(3)                   | By 30 September 2023, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2023?                                                         | Yes |  |
| <b>9</b> | s.6.2(3)                  | When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?                                                                                             | Yes |  |

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mayor/President

\_\_\_\_\_  
Date



Department of  
**Local Government, Sport  
and Cultural Industries**



## VOLUNTEER HANDBOOK

February November  
2024



## Contents

|                                                             |    |
|-------------------------------------------------------------|----|
| Introduction.....                                           | 3  |
| Benefits of Volunteering .....                              | 3  |
| Opportunities for Volunteering and Activities.....          | 4  |
| The Kodja Place Cultural Precinct .....                     | 4  |
| Springhaven Lodge .....                                     | 4  |
| Kojonup Library .....                                       | 5  |
| Shire of Kojonup – other areas.....                         | 6  |
| Volunteer Charter .....                                     | 7  |
| Applications and Recruitment .....                          | 8  |
| Volunteer Supervision .....                                 | 8  |
| Induction and Orientation .....                             | 9  |
| Reimbursements .....                                        | 9  |
| Communication .....                                         | 9  |
| Hazardous Materials and Personal Protective Equipment ..... | 9  |
| Insurance .....                                             | 9  |
| Feedback/Training and Development.....                      | 10 |
| Resignation/Stop Volunteering .....                         | 10 |
| Recognition.....                                            | 10 |
| Volunteer Documentation and Records.....                    | 11 |
| Gratuities.....                                             | 11 |
| Continuous Improvement .....                                | 11 |
| Volunteer Registration Form .....                           | 13 |
| Volunteer Agreement.....                                    | 16 |

## Introduction

Thank you for giving, or considering giving, your time to the Shire of Kojonup (Shire).

A volunteer is an individual who undertakes work of their own free will, without financial payment and for the mutual benefit of the Shire of Kojonup, the volunteer and the community. Volunteers extend, enhance and support the work of paid staff but do not displace paid staff. Individuals participate directly in programs organised by the Shire of Kojonup in a designated volunteer role, both short and long term. Volunteering supports skill development, socialisation, fun and can also address human, environmental and social needs.

As a volunteer, you are a very important part of our organisation and an integral part of what makes living in country towns so amazing.

## Benefits of Volunteering

You will be invited to our 'Thank a Volunteer' Day and our annual Christmas Party, and be informally and formally recognised for your contribution, as described later in this Handbook. Where Council requires a Working with Children Check, 1<sup>st</sup> Aid Certificate, National Police Clearance, Medical report, etc., Council will pay or reimburse a volunteer the expense incurred. The Shire recognises the value and importance of volunteering and sees increased levels of volunteering as one of the key components of a cohesive and harmonious community.

The Shire engages many volunteers through a number of different programs, mainly:

- The Kodja Place Cultural Centre
- Springhaven Frail Aged Lodge; and
- Kojonup Library.

As with employees, our volunteers will:

- Undergo a selection process;
- Be provided with a written position outline clearly showing the duties to be performed;
- Undergo a formal induction process;
- Have access to training and development; and
- Be able to participate in an annual feedback process.

Each volunteer, or prospective volunteer, is given a copy of this Volunteer Handbook (Handbook) – if you choose to volunteer with the Shire of Kojonup, please use this resource to help ensure a safe working environment for all volunteers and staff.

A number of Shire of Kojonup policies and procedures apply to volunteers as well as staff, contractors and other workers. A copy of the Shire's Policy Manual and Risk Management and Business Continuity and Disaster Recovery Plan are available on the Shire of Kojonup website; a hardcopy of these documents is also available on request.

## Opportunities for Volunteering and Activities

### The Kodja Place Cultural Precinct

The Kodja Place Cultural Precinct was created by the local community and was funded by the Shire, Kojonup Aboriginal Corporation and the community. This award winning centre is unique within Australia and incorporates the Visitor Information Centre, Aboriginal Cultural Heritage Centre, Historical Interpretive Museum and the Australian Rose Maze.

The most powerful aspect of the Centre is the “One Story Many Voices” approach which tells the stories jointly of the local Kaneang Noongar community alongside Settler stories. The Rose Maze offers the cultural interpretations of three women and their stories (Kaneang, English and Italian) of survival and life experiences in the twentieth century. Complementing these stories are the Kodja Gallery and Storyplace displays in which many local Noongar and non-indigenous people’s experiences and perspectives are also combined in imaginative and richly layered interpretations.

Kojonup celebrates the wildflower season by holding events which coincide with the Bloom Festival each spring. Visitors flock to Kojonup for the Festival and the wonderful bushwalks in the many reserves displaying a rich diversity of orchid species. Bird lovers can keep their eyes peeled for some of the 80 species of native birds found in the district.

#### **Volunteer Roles**

- Working in the Cultural Centre retail shop
- Working in conjunction with the manager and staff at events
- Visitor meet and greet and providing Visitor Centre Information
- Marketing
- Leading and teaching new activities
- Festivals and Events
- Tours
- Assistance with pruning of roses in Rose Maze and maintaining the courtyard
- Assistance with updating museum items and multimedia upgrades
- Maintenance of MoSAIC database

### Springhaven Lodge

Springhaven Lodge was established in 1982, is managed by the Shire of Kojonup and provides aged care accommodation to 22 residents in a friendly and supportive environment.



**Volunteer Roles**

- Fundraising
- Gardening
- Minor maintenance
- Transport and outings
- Music
- Arts and crafts
- Hobbies
- In-house activities
- Reading and writing
- Chatting to residents

**Kojonup Library**

The Library provides many services including free internet access for school work and research, project and assignment information, computer access, photocopying, laminating, research assistance, links to online services of the WA State Library, language learning centre, books, talking books, e-streaming, DVDs, jigsaw puzzles, and e-magazines for borrowing. Library staff are also heavily involved in early childhood programs e.g.; A Smart Start (early childhood literacy), Play Café (3yo kindergarten) and Better Beginnings.

**Volunteer Roles**

- Meet and greet
- Assist with reading stories to young children
- Assist with filing of books etc.
- Play in the Park
- Craft Activities

**Shire of Kojonup – other areas****Volunteer Roles**

As they present, for example:

- Community Sport and Recreation Programs
- Youth Programs
- Natural Resource Management/Landcare Projects
- Townscape Projects
- Sport Coaching

## Volunteer Charter

### Shire of Kojonup Volunteer Charter

#### Volunteers can expect the Shire of Kojonup to:

- ✓ involve volunteers in meaningful and worthwhile tasks
- ✓ recognise the different roles of volunteers and paid staff
- ✓ provide and maintain a safe and healthy work environment
- ✓ assess volunteer skills to match tasks with expectations, interests and time commitments
- ✓ respect and acknowledge the contribution of volunteers
- ✓ provide an agreed level of supervision, support, resources, instruction and training
- ✓ maintain effective dialogue and build trusting relationships with volunteers
- ✓ provide adequate formal and informal channels of communication for positive and constructive feedback, consultation and the exchange of relevant information
- ✓ provide personal accident and public liability insurance

#### The Shire of Kojonup requires volunteers to:

- ✓ abide by the Shire's Code of Conduct which strictly applies to all employees, contractors, members and volunteers
- ✓ work as part of the Shire of Kojonup team and demonstrate professional behaviour towards Shire staff, other volunteers and the community
- ✓ respect and maintain confidentiality and privacy
- ✓ comply with the Shire's Work Health and Safety requirements and to wear any personal protective equipment (PPE) provided
- ✓ have a clear understanding of the duties of the role and follow specific instructions, requirements, policies and guidelines and take reasonable care of themselves and others
- ✓ undertake appropriate orientation and training relevant and necessary to the volunteer role
- ✓ recognise and not exceed individual physical and skill limits
- ✓ provide feedback and constructive comment aimed at improving the Shire of Kojonup's volunteer activities

### Applications and Recruitment

Volunteer recruitment is planned and follows standardised procedures to ensure a fair, inclusive and transparent approach in line with relevant legislation. All volunteers complete Registration and Agreement forms before commencement. The Shire of Kojonup complies with non-discriminatory principles and promotes diversity in its recruitment process.

In some circumstances, for specific volunteer roles, volunteers may be required to undergo a medical check (at the Shire's cost) with their own General Practitioner (GP) to ensure they have the capability to perform the volunteer role and associated tasks outlined in the Volunteer Position Outline. If a volunteer's health condition significantly changes, they may be requested to undergo a medical check (at the Shire's cost) to ensure ongoing suitability for the role.

Volunteers may be requested to undergo 'buddy' sessions for a specific volunteer program before officially commencing a role; volunteers may also prefer to participate in a trial before a commitment is made. Before undergoing a trial period or commencement of volunteering, volunteers must be inducted in accordance with the Shire of Kojonup's induction process.

The Shire of Kojonup will select volunteers based on merit and suitability for the role. The following may be required (at the Shire's cost):

- Volunteers may be required to submit a satisfactory National Police Clearance (where relevant to a volunteer program). A *satisfactory* police check for volunteering with the Shire of Kojonup will not include any convictions which may place staff, volunteers, clients or the Shire of Kojonup at any risk (*unsatisfactory* police checks may include, but are not restricted to, violence, fraud, sexual abuse and theft);
- Applicants may organise to obtain their own National Police Clearance or the Shire can assist with the provision of an application form (and will reimburse volunteers for the cost of the National Police Clearance if obtained for Shire of Kojonup volunteering purposes);
- The Shire of Kojonup will not undertake any screening process that could be deemed unnecessary for the role or potentially discriminating.

### Volunteer Supervision

A Manager or designated staff member is assigned to each volunteer, taking into consideration the skills required for the task, health and safety matters and the volunteer program. On occasion, it may be appropriate for a volunteer to act as a leader to supervise other volunteer/s. Any such additional responsibility will be reflected in position outlines. The relevant Manager, or designated staff member, will ensure a volunteer supervisor is adequately briefed and supported to undertake supervision responsibilities.

In some programs, volunteers may work alone; however, for safety reasons, individual volunteers are encouraged to work with at least one other person, where possible. If

supervision and management is required but not available, volunteers will be informed of the situation and asked to suspend work until the situation can be resolved.

### **Induction and Orientation**

All new volunteers with the Shire of Kojonup will be provided with an induction and orientation to the organisation and program area as soon as possible upon commencement. Volunteers currently in other volunteering roles within the Shire of Kojonup may participate in an adapted induction and orientation process at the discretion of the relevant Manager, if changing roles.

### **Reimbursements**

The Shire of Kojonup will offer to reimburse reasonable out-of-pocket expenses incurred by volunteers (receipt required); any such expenses, wherever possible, must be pre-approved by the relevant Manager.

### **Communication**

The Shire of Kojonup is committed to a work environment where volunteers are included, informed, consulted, and have the opportunity to provide feedback. Where issues arise, volunteers will be informed and consulted as appropriate regarding potential solutions.

All volunteers are expected to sign a confidentiality agreement and it is an expectation of management that volunteers do not discuss confidential issues related to Shire facilities, staff or residents (Springhaven and tenanted housing) or customers outside the organisation. This includes posting or commenting on all social media outlets.

The Shire of Kojonup will ensure an environment that provides for regular, clear and open communication which is professional, respectful and mutually beneficial.

### **Hazardous Materials and Personal Protective Equipment**

Along with appropriate information, instruction, training and supervision needed to ensure health and safety while participating in volunteer activities, volunteers will be provided with appropriate equipment to undertake their role safely.

As our facilities are smoke free, smoking by staff/volunteers is only permitted in designated smoking areas.

### **Insurance**

The Shire is committed to providing an attractive and beneficial volunteering experience for all of its volunteers. In meeting this commitment the Shire considers it important to ensure that should volunteers injure themselves or cause a loss or damage to a third party, they are provided with the protection of insurance in order to minimise any personal financial impact.

The Shire commits to having in place a Personal Accident Policy and Public Liability Policy which will provide cover for volunteers of the Shire. This policy will be subject to conditions and limitations which may vary from time to time. Volunteers are not covered by WorkCover WA

and are, therefore, not entitled to workers compensation in respect of any injury suffered whilst working as a volunteer.

### **Feedback/Training and Development**

Feedback opportunities provide volunteers and supervising staff with an opportunity to discuss the following:

- Updating of personal records e.g.; medical, contact details and emergency contacts
- Volunteer satisfaction with the role, service delivery and workplace
- Review of the volunteer position outline for currency and relevance
- Addressing of issues or raising of concerns
- Identification of professional development requirements/training goals and achievements
- Suggested improvements or new initiatives

Feedback will be sought on an annual basis at a mutually convenient time but can be provided at any time. Volunteers will be given an Annual Feedback form and a copy of their position outline prior to the meeting to assist in considering/identifying any position changes/updates, any training or support required, and any other matters that either party may wish to raise.

### **Resignation/Stop Volunteering**

If you cease volunteering, your Manager or supervising staff member may undertake an exit meeting or interview with you to gain feedback regarding your experiences and satisfaction while volunteering with the Shire of Kojonup. An exit interview document is used to capture feedback and may be beneficial for continuous improvement purposes.

### **Recognition**

The Shire of Kojonup will both informally and formally recognise, acknowledge and affirm the value of volunteers who are involved in the delivery of Shire of Kojonup programs. This recognition may take the form of, but is not limited to, the following:

- Acknowledgement in reports and/or program newsletters and other communication materials
- Special volunteer recognition events, including the Shire's Community Volunteer Awards program
- Recognition of personal milestones such as birthdays and anniversaries
- Media releases
- Personal thank you's
- Participation opportunities in events, conferences, seminars etc.
- Leadership and training opportunities
- Provision of references upon request

- Acknowledgement during National Volunteer Week and International Volunteer Day

### **Volunteer Documentation and Records**

Access to, generation and storage of accurate records and documents is vital to the efficient operation of the Shire of Kojonup.

All volunteers will be adequately briefed in documentation and record-keeping requirements and processes, relevant to their role.

Examples of records and documents may include:

- Volunteer records
- Project or work-related documents and materials
- Minutes from meetings
- Reference materials, resources and presentations
- Reporting back on participation in training, conferences and events
- Volunteer attendance records
- Monthly statistics and reports
- Statement of attendance

At any time volunteers may seek clarification or advice regarding documentation and recording processes. Volunteers may request access to their own record from the relevant Manager. All information is to be kept confidential; information should only be provided to relevant staff for the purpose for which it is intended.

### **Gratuities**

As with staff, volunteers are not permitted to accept gifts from the residents of Springhaven Lodge – residents can be referred to the Manager if they wish to express their appreciation.

For other volunteering work areas, please refer to Council's Code of Conduct for guidance as to the acceptance of gifts (in accordance with s. 5.74 of the *Local Government Act 1995*).

### **Continuous Improvement**

The Shire of Kojonup is building a corporate culture of quality and customer care that is responsive to business and community expectations, encourages a supportive and participative work environment for its volunteers and employees, and promotes improvement of its work practices.

Volunteers will be encouraged to provide feedback about their role and input into relevant operational and strategic processes via supervising staff. Volunteers may elect to maintain anonymity with regard to feedback and suggestions for improvement. For Continuous

Improvement purposes, feedback and information is sought from the Shire of Kojonup's relevant stakeholders including ratepayers, volunteers, employees, and supervising staff.

Changes made to relevant aspects of the Volunteer Handbook will be communicated to all volunteers and other stakeholders.





**Volunteer Registration Form**

| Personal Details                          |                                            |               |                        |
|-------------------------------------------|--------------------------------------------|---------------|------------------------|
| Title (Circle one)                        | Mr/Mrs<br>/Ms                              | First<br>Name | Surname                |
| Home address                              |                                            |               |                        |
| Postal address                            | Post Code                                  |               |                        |
| Phone                                     | Mobile                                     |               |                        |
| Email                                     | Preferred contact method                   |               |                        |
| Date of Birth                             | Date of application                        |               |                        |
| Do you speak other languages?             | Are you a permanent resident of Australia? |               | YES NO<br>(Circle one) |
| Emergency Contact Details Primary Contact |                                            |               |                        |
| Name                                      |                                            |               |                        |
| Relationship                              |                                            |               |                        |
| Address                                   |                                            |               |                        |
| Phone number                              |                                            |               |                        |
| Emergency Contact Details Second Contact  |                                            |               |                        |
| Name                                      |                                            |               |                        |
| Relationship                              |                                            |               |                        |
| Address                                   |                                            |               |                        |
| Phone number                              |                                            |               |                        |

Medical Information

Do you have an existing medical disability/condition/injury? (including allergic reactions) Please detail:

|  |
|--|
|  |
|  |

Do you take any medication that may affect your volunteer work? Please provide details:

|  |
|--|
|  |
|--|

Volunteer Position

Please provide details of the program or specific volunteer role(s) that you are interested in (in order of preference, if more than one):

| Program Area | Location | Volunteer Role |
|--------------|----------|----------------|
|              |          |                |
|              |          |                |
|              |          |                |

Skills and Qualifications

|                          |  |
|--------------------------|--|
| Knowledge and experience |  |
|--------------------------|--|

|                          |     |    |                            |  |
|--------------------------|-----|----|----------------------------|--|
| Current Driver's Licence | YES | NO | If yes, please list number |  |
|--------------------------|-----|----|----------------------------|--|

Availability to Volunteer

| No. hours/week                 | Start Date |         |           |          |        |          |        |
|--------------------------------|------------|---------|-----------|----------|--------|----------|--------|
|                                | Monday     | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday |
| Preferred Days (Please circle) |            |         |           |          |        |          |        |
| Preferred Time/s               |            |         |           |          |        |          |        |

|                                                                                                                                                                                                       |              |                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------|
| Employment and/or Volunteering History                                                                                                                                                                |              |                                       |
| Have you worked/volunteered for the Shire of Kojonup before (Circle one)?      YES                  NO                                                                                                |              |                                       |
| If yes, in what capacity and when? _____                                                                                                                                                              |              |                                       |
| Have you, or do you currently, volunteer for other organisations (Circle One)?      YES                  NO                                                                                           |              |                                       |
| If yes, please specify:                                                                                                                                                                               |              |                                       |
| Referees                                                                                                                                                                                              |              |                                       |
| Please provide the contact details of two people who are not family members and who are willing to act as referees for your chosen voluntary role. One referee is mandatory and a second is optional. |              |                                       |
| Referee 1<br>Name                                                                                                                                                                                     | Relationship | How long have you known this referee? |
| Phone                                                                                                                                                                                                 | Mobile       | Email                                 |
| Referee 2<br>Name                                                                                                                                                                                     | Relationship | How long have you known this referee? |
| Phone                                                                                                                                                                                                 | Mobile       | Email                                 |
| How did you become aware of the Volunteering opportunities at the Shire?                                                                                                                              |              |                                       |
| Friend                                                                                                                                                                                                | Newspaper    | Other                                 |

Thank you for registering to become a volunteer with the Shire of Kojonup.

You will be advised if a suitable volunteer placement is available.

Please forward your completed registration form to:

Shire of Kojonup, PO Box 163, Kojonup, WA, 6395 or via email at:

[council@kojonup.wa.gov.au](mailto:council@kojonup.wa.gov.au)

### Volunteer Agreement

I, \_\_\_\_\_

- Agree I have been shown and will abide by the Volunteer Charter, which includes my rights and responsibilities as a volunteer with the Shire of Kojonup.
- Agree to abide by the Shire of Kojonup Code of Conduct and to represent the organisation in a positive way.
- Agree to not discuss or disclose confidential information that I may come across in my volunteering role.
- Will not take illegal drugs or consume alcohol, or be under the influence of same, whilst engaged in volunteer activities.
- Give permission for the Shire of Kojonup to maintain on file, my personal information relevant to my voluntary duties, which may be accessed by relevant staff members of the organisation in the case of an emergency. I understand this information will not be given to any other person or agency unless I give my specific permission.
- Understand photographs may be taken by and of people participating in activities with the Shire of Kojonup. I understand it is my responsibility to remove myself if I do not wish to appear in photographs.
- Agree to follow grievance procedures as set out by the Shire of Kojonup.
- Agree to support a non-discriminatory and harassment-free work environment.
- Agree to treat clients, staff and volunteers with respect, courtesy and consideration.
- Agree to participate in essential orientation and ongoing training arranged by the Shire of Kojonup as required.
- Verify I have received all documents in the Volunteer Induction and Orientation Kit.
- Agree to work as part of a team.
- Agree to sign the Attendance Register at each volunteering session.
- Agree to inform the Volunteer Supervisor/Relevant Manager if I am unable to attend a rostered session.
- Agree to inform the Relevant Manager if I am unable to continue as a volunteer.
- Agree to a 3 month review of the volunteer role, where required, leading to a mutual evaluation of the suitability of the role for me.
- Agree to maintain a current driver's licence and third party or comprehensive insurance if I am required to use my own vehicle for volunteering purposes.
- Hereby authorise/do not authorise (strike whichever does not apply) the Shire of Kojonup and its licensees and associates permission to use my image/s and/or the reproduction of any or all images in any form or composite representation by the Shire of Kojonup and its licensees and associates without compensation to me. I agree that all images shall remain the property of the Shire of Kojonup in all forms.

\_\_\_\_\_  
**Name and Signature of Volunteer**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Name and Signature of Staff Member**

\_\_\_\_\_  
**Date**

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