



CITY OF VINCENT

MINUTES

Audit and Risk Committee

12 November 2025

Table of Contents

1	Introduction and Welcome	3
2	Apologies / Members on Approved Leave of Absence	3
3	Declarations of Interest	3
4	Confirmation of Minutes	4
5	Business Arising	5
5.1	Audited Financial Statements and Management letters for year ended 30 June 2025	5
5.2	Audit and Risk Committee Meeting Dates 2026	70
5.3	Cyber Security Resilience and Testing Insights	72
5.4	Integrity Framework – Year 1 Review, Maturity Self-Assessment and Fraud & Corruption Risk Register	73
5.5	Administation of Personal Leave	91
5.6	Monthly Review of the City's Corporate Risk Register	110
5.7	Excess Leave Update	127
5.8	Review of the City's Audit Log	128
5.9	Year 3 Internal Audit Program – Status and Progress Report.....	129
5.10	Evaluation of the City's Land Transaction Processes against OAG Recommendations.....	136
5.11	Audit Committee - Action Register and Consideration of 2026 Forward Agenda	137
6	General Business	142
7	Next Meeting	142
8	Closure	142

**MINUTES OF CITY OF VINCENT
AUDIT AND RISK COMMITTEE
HELD AT THE E-MEETING AND ADMINISTRATION AND CIVIC CENTRE
244 VINCENT STREET, LEEDERVILLE
ON WEDNESDAY, 12 NOVEMBER 2025 AT 4:15 PM**

PRESENT:	Mr George Araj Mr Conley Manifis Mr Baptiste Isambert Mayor Alison Xamon Cr Alex Castle Cr Ashlee La Fontaine Cr Reece Wheadon	Independent External Member (Chair) Independent External Member Independent External Member Presiding Member North Ward South Ward South Ward
IN ATTENDANCE:	David MacLennan Emma Simmons Rhys Taylor Jay Naidoo Anthony Wishart Main Bhuiyan Mitchell Hoad Mona Wong Peter van Gent Alex Harris Caitlin McGowan David Kilgren	Chief Executive Officer Chief Audit Executive Executive Director Community & Business Services Executive Director Strategy & Development Executive Manager Information and Communication Technology Manager Financial Services Manager Strategic Planning & Sustainability Senior Land & Legal Advisor A/Manager City Buildings & Asset Management Governance Officer OAG, Director Financial Audit (item 5.1 only) Office of the Auditor General (item 5.1 only)

1 INTRODUCTION AND WELCOME

The Presiding Member, George Araj, declared the meeting open at 4:30pm and read the following Acknowledgement of Country statement:

“The City of Vincent would like to acknowledge the Traditional Owners of the land, the Whadjuk people of the Noongar nation and pay our respects to Elders past, present and emerging”.

2 APOLOGIES / MEMBERS ON APPROVED LEAVE OF ABSENCE

Nil

3 DECLARATIONS OF INTEREST

Conley Manifis declared an impartiality interest. The extent of his interest is that his company is contracted by the Office of the Auditor General to complete external audits.

4 CONFIRMATION OF MINUTES

COMMITTEE DECISION

Moved: Mr Manifis, Seconded: Cr Castle

That the minutes of the Audit and Risk Committee held on 3 September 2025 be confirmed.

CARRIED (7-0)

For: Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine

Against: Nil

5 BUSINESS ARISING

Caitlin McGowan and David Kilgren from the Office of the Auditor General presented the Audit Exit Report as included in Attachment 3 and outlined matters arising from the audit of the Annual Financial Statements to 30 June 2025.

5.1 AUDITED FINANCIAL STATEMENTS AND MANAGEMENT LETTERS FOR YEAR ENDED 30 JUNE 2025

TRIM Ref: D25/108452

Authors: Main Bhuiyan, Manager Financial Services
Anthony Wishart, Executive Manager Information and Communication Technology

Authoriser: David MacLennan, Chief Executive Officer

Attachments:

1. Audit Management Letter - Financial Audit - Confidential
2. Audit Management Letter - Information Systems - Confidential
3. Annual Financial Audit - Exit Report - Confidential
4. Financial Statements as at 30 June 2025 [↓](#) 
5. DRAFT Audit Opinion - 30 June 2025 [↓](#) 

RECOMMENDATION:

That the Audit Committee:

1. RECEIVES the Auditor's Management Letters (Financial Audit and Information System Audit) and Exit Report, prepared for the year ended 30 June 2025 at Attachments 1, 2 and 3; and
2. RECEIVES the Audited Annual Financial Statements for the year ended 30 June 2025 at Attachment 4;
3. RECEIVES the Draft Audit Opinion for the year ended 30 June 2025 at Attachment 5; and
4. RECOMMENDS to Council the adoption of the Audited Annual Financial Statements for the year ended 30 June 2025.

COMMITTEE DECISION ITEM

Moved: Mr Manifis, Seconded: Mr Isambert

That the recommendation be adopted.

CARRIED (7-0)

For: Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine

Against: Nil

After item 5.1, at 4.50pm, Caitlin McGowan and David Kilgren left the meeting and did not return.

At 4.50pm, Manager Financial Services left the room prior to item 5.2.

City of Vincent

GENERAL PURPOSE FINANCIAL REPORT
for the year ended 30 June 2025



City of Vincent

Financial Report 2025

General Purpose Financial Report
for the year ended 30 June 2025

Contents	Page
Statement by CEO	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
Notes to the Financial Report	8
Independent auditor's report	60

Content Overview

The City of Vincent conducts the operations of a local government with the following community vision:

To be a clever, creative and courageous local government.

Principal place of business:
244 Vincent Street (cnr Loftus Street)
Leederville, Western Australia, 6007

City of Vincent

Financial Report 2025

General Purpose Financial Report
for the year ended 30 June 2025

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

Statement by CEO

The accompanying financial report of the City of Vincent have been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

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

Signed on the 12th day of November 2025

Chief Executive Officer

David MacLennan

City of Vincent

Financial Report 2025

Statement of comprehensive income
for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	27,2a	44,154,743	44,452,033	42,303,270
Grants, subsidies and contributions	2a	1,462,442	1,693,715	1,892,616
Fees and charges	2a	27,279,657	24,628,387	24,465,289
Interest revenue	2a	2,955,188	2,080,000	2,739,828
Other revenue	2a	2,330,831	1,332,125	1,585,336
		<u>78,182,861</u>	<u>74,186,260</u>	<u>72,986,339</u>
Expenses				
Employee costs	2b	33,611,368	33,656,433	30,716,334
Materials and contracts		26,382,210	24,802,697	23,055,423
Utility charges		2,076,344	1,968,786	2,031,663
Depreciation		14,545,325	13,122,588	13,630,524
Finance costs	2b	415,894	378,944	536,983
Insurance		722,759	801,318	701,026
Other expenditure		1,621,968	881,243	1,291,171
		<u>79,375,868</u>	<u>75,612,009</u>	<u>71,963,124</u>
		<u>(1,193,007)</u>	<u>(1,425,749)</u>	<u>1,023,215</u>
Capital grants, subsidies and contributions	2a	11,578,896	4,552,261	3,370,570
Profit on asset disposals		305,252	451,752	334,433
Loss on asset disposals		(91,010)	(13,043)	(227,574)
Share of net profit of associates accounted for using the equity method	22	316,715	3,750,000	699,586
Profit/(Loss) from sale of Catalina Regional Council Land		2,750,716	–	3,292,208
Change in Equity Local Govt House Trust	4b	(1,776)	–	841
		<u>14,858,793</u>	<u>8,740,970</u>	<u>7,470,064</u>
Net result for the period	26a	<u>13,665,786</u>	<u>7,315,221</u>	<u>8,493,279</u>
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	240,375	–	84,901
Total other comprehensive income for the period	17	<u>240,375</u>	<u>–</u>	<u>84,901</u>
Total comprehensive income for the period		<u>13,906,161</u>	<u>7,315,221</u>	<u>8,578,180</u>

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

City of Vincent

Financial Report 2025

Statement of financial position
as at 30 June 2025

	Note	2025 Actual \$	2024 Actual \$
Assets			
Current assets			
Cash and cash equivalents	3	6,699,259	6,209,612
Trade and other receivables	5	5,198,538	5,248,716
Other financial assets	4a	35,000,000	30,300,000
Inventories	6	1,932,767	1,106,193
Other assets	7a	2,085,717	1,774,051
Total current assets		50,916,281	44,638,572
Non-current assets			
Trade and other receivables	5	271,497	259,398
Other financial assets	4b	39,810	41,585
Inventories	6	14,774	15,398
Investment in associate	22	13,466,665	16,862,523
Property, plant and equipment	8	254,904,208	251,075,213
Infrastructure	9	154,855,365	149,258,994
Right of use assets	11a	540,211	702,317
Intangible assets	12	45,796	145
Other assets	7a	564,298	726,798
Total non-current assets		424,702,624	418,942,371
Total assets	26b	475,618,905	463,580,943
Liabilities			
Current liabilities			
Trade and other payables	13	7,903,952	7,604,532
Contract liabilities	14	581,057	682,729
Capital grant/contributions liabilities	14	4,031	673,959
Lease liabilities	11b	303,002	264,318
Borrowings	15	1,488,799	1,498,010
Employee related provisions	16	6,337,611	5,700,443
Total current liabilities		16,618,452	16,423,991
Non-current liabilities			
Lease liabilities	11b	232,057	424,601
Borrowings	15	6,733,907	8,676,198
Employee related provisions	16	664,345	592,170
Total non-current liabilities		7,630,309	9,692,969
Total liabilities		24,248,761	26,116,960
Net assets		451,370,144	437,463,983
Equity			
Retained surplus		120,354,891	113,742,048
Reserve accounts	30	29,931,772	22,878,829
Revaluation surplus	17	301,083,481	300,843,106
Total equity		451,370,144	437,463,983

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

City of Vincent

Financial Report 2025

Statement of changes in equity
for the year ended 30 June 2025

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total Equity \$
Balance as at 1 July 2023		110,933,953	17,193,645	300,758,205	428,885,803
Comprehensive income for the period					
Net result for the period		8,493,279	–	–	8,493,279
Increase/(decrease) in asset revaluation surplus		–	–	84,901	84,901
Other comprehensive income for the period		–	–	84,901	84,901
Total comprehensive income for the period		8,493,279	–	84,901	8,578,180
Transfers from reserve accounts	30	4,522,306	(4,522,306)	–	–
Transfers to reserve accounts	30	(10,207,490)	10,207,490	–	–
Balance as at 30 June 2024		113,742,048	22,878,829	300,843,106	437,463,983
Balance as at 1 July 2024		113,742,048	22,878,829	300,843,106	437,463,983
Comprehensive income for the period					
Net result for the period		13,665,786	–	–	13,665,786
Increase/(decrease) in asset revaluation surplus		–	–	240,375	240,375
Total comprehensive income for the period		13,665,786	–	240,375	13,906,161
Transfers from reserve accounts	30	3,403,227	(3,403,227)	–	–
Transfers to reserve accounts	30	(10,456,170)	10,456,170	–	–
Balance as at 30 June 2025		120,354,891	29,931,772	301,083,481	451,370,144

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

City of Vincent

Financial Report 2025

Statement of cash flows
for the year ended 30 June 2025

	Note	2025 Actual \$	2024 Actual \$
Cash flows from operating activities			
Receipts			
Rates		44,324,474	41,991,871
Grants, subsidies and contributions		1,462,442	1,892,616
Fees and charges		27,177,985	24,583,619
Interest revenue		2,955,188	2,739,828
Goods and services tax received		5,405,997	4,499,207
Other revenue		2,279,099	1,406,384
Total receipts		83,605,185	77,113,525
Payments			
Employee costs		(32,902,025)	(30,487,702)
Materials and contracts		(26,278,465)	(22,619,346)
Utility charges		(2,076,344)	(2,031,663)
Finance costs		(415,894)	(536,983)
Insurance paid		(722,759)	(701,026)
Goods and services tax paid		(5,250,719)	(4,238,613)
Other expenditure		(1,714,466)	(1,291,171)
Total payments		(69,360,672)	(61,906,504)
Net cash provided by operating activities	18b	14,244,513	15,207,021
Cash flows from investing activities			
Payments for financial assets at amortised cost		(4,700,001)	(5,619,999)
Payments for purchase of property, plant & equipment	8a	(8,181,640)	(7,036,008)
Payments for construction of infrastructure	9a	(12,439,143)	(7,715,630)
Payments for intangible assets	12	(52,400)	–
Proceeds from capital grants, subsidies and contributions		7,660,337	2,939,888
Distributions from investments in associates		5,833,333	2,500,000
Proceeds from sale of property, plant & equipment		261,821	1,157,453
Proceeds from sale of infrastructure		87,673	–
Net cash (used in) investing activities		(11,530,020)	(13,774,296)
Cash flows from financing activities			
Repayment of borrowings	29a	(1,951,502)	(2,886,914)
Payments for principal portion of lease liabilities	29d	(273,344)	(126,469)
Net cash (used in) financing activities		(2,224,846)	(3,013,383)
Net increase /(decrease) in cash held		489,647	(1,580,658)
Cash at beginning of year		6,209,612	7,790,270
Cash and cash equivalents at the end of the year	3	6,699,259	6,209,612

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

City of Vincent

Financial Report 2025

Statement of financial activity
for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27	44,154,743	44,452,032	42,303,270
Grants, subsidies and contributions		1,462,442	1,693,715	1,892,616
Fees and charges		27,279,657	24,628,387	24,465,289
Interest revenue		2,955,188	2,080,000	2,739,828
Other revenue		5,081,547	1,332,125	4,878,385
Profit on asset disposals		305,252	451,752	334,433
Share of net profit of associates accounted for using the equity method	22	316,715	3,750,000	699,586
		81,555,544	78,388,011	77,313,407
Expenditure from operating activities				
Employee costs		33,611,368	33,656,433	30,716,334
Materials and contracts		26,382,210	24,802,697	23,055,423
Utility charges		2,076,344	1,968,786	2,031,663
Depreciation		14,545,325	13,122,588	13,630,524
Finance costs		415,894	378,943	536,983
Insurance		722,759	801,318	701,026
Other expenditure		1,621,968	881,243	1,291,171
Loss on asset disposals		91,010	13,043	227,574
		79,466,878	75,625,051	72,190,698
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	28	11,324,355	8,933,879	9,513,359
Amount attributable to operating activities		13,413,021	11,696,839	14,636,068
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		10,908,968	4,552,261	2,939,888
Proceeds from disposal of assets		349,494	552,350	1,157,453
Distributions from investments in associates	22	5,833,333	3,750,000	2,500,000
		17,091,795	8,854,611	6,597,341
Outflows from investing activities				
Acquisition of property, plant and equipment	8a	(11,430,271)	(9,197,061)	(7,036,008)
Acquisition of infrastructure	9a	(12,439,143)	(10,935,546)	(7,715,630)
Right of use assets received - non cash	11a	(119,484)	-	(815,388)
Payments for intangible assets	12	(52,400)	-	-
		(24,041,298)	(20,132,607)	(15,567,026)
Non-cash amounts excluded from investing activities	28	954,339	-	1,246,070
Amount attributable to investing activities		(5,995,164)	(11,277,996)	(7,723,615)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	30	3,403,227	2,982,397	4,522,306
Proceeds from new leases - non cash	29d	119,484	-	815,388
		3,522,711	2,982,397	5,337,694
Outflows from financing activities				
Repayment of borrowings	29a	(1,951,502)	(1,498,010)	(2,886,914)
Payments for principal portion of lease liabilities	29d	(273,344)	(264,318)	(126,469)
Transfers to reserve accounts	30	(10,456,170)	(6,179,099)	(10,207,490)
		(12,681,016)	(7,941,427)	(13,220,873)
Non-cash amounts excluded from financing activities		(119,484)	-	(815,388)
Amount attributable to financing activities		(9,277,789)	(4,959,030)	(8,698,567)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	28	6,962,305	4,689,661	8,748,419
Amount attributable to operating activities		13,413,021	11,696,839	14,636,068
Amount attributable to investing activities		(5,995,164)	(11,277,996)	(7,723,615)
Amount attributable to financing activities		(9,277,789)	(4,959,030)	(8,698,567)
Surplus/(deficit) after imposition of general rates	28	5,102,373	149,474	6,962,305

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

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

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	14
Note 4	Other financial assets	15
Note 5	Trade and other receivables	16
Note 6	Inventories	17
Note 7	Other assets	18
Note 8	Property, plant and equipment	19
Note 9	Infrastructure	21
Note 10	Fixed assets	23
Note 11	Leases	25
Note 12	Intangible assets	27
Note 13	Trade and other payables	28
Note 14	Other liabilities	29
Note 15	Borrowings	30
Note 16	Employee related provisions	30
Note 17	Revaluation surplus	32
Note 18	Notes to the statement of cash flows	33
Note 19	Contingent liabilities	35
Note 20	Capital commitments	36
Note 21	Related party transactions	37
Note 22	Investment in associates	39
Note 23	Financial risk management	42
Note 24	Events occurring after the end of the reporting period	45
Note 25	Other Material Accounting Policies	46
Note 26	Function and activity	48
Information required by legislation		
Note 27	Rating information	51
Note 28	Determination of surplus or deficit	52
Note 29	Borrowing and lease liabilities	54
Note 30	Reserve accounts	57
Note 31	Trust funds	59

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 1. Basis of preparation

The financial report of the City of Vincent which is a Class 2 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 where no inconsistencies exist.

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 City to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls;

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

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

Critical accounting estimates and judgements

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

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

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

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:

- Property, plant and equipment - note 8
- Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Assets held for sale - note 7
- Impairment losses of non-financial assets - note 8 and 9
- Estimated useful life of intangible assets - note 12
- Measurement of employee benefits - note 16

Fair value hierarchy information can be found in note 25.

The local government reporting entity

All funds through which the City 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 31 to these financial statements.

Initial application of accounting standards

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

These amendment may result in changes to fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standard - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statement- (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11

These amendments are not expected to have any material impact on the financial report on initial application.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions - 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 and contributions -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, subsidies and contributions -Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges - Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs

continued on next page ...

Page 10 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Fees and charges - Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges - Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges - Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - Sale of stock	Beatty Park kiosk	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Fees and charges - Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Fees and charges - Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

Revenue Recognition

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

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

continued on next page ...

Page 11 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Nature	Contracts with customers Actual	Capital grant/ contributions Actual	Statutory requirements Actual	Other Actual	Total Actual
For the year ended 30 June 2025					
Rates	-	-	44,154,743	-	44,154,743
Grants, subsidies and contributions	-	-	-	1,462,442	1,462,442
Fees and charges	12,057,366	-	13,478,214	1,744,077	27,279,657
Interest revenue	-	-	486,157	2,469,031	2,955,188
Other revenue	-	-	579,920	1,750,911	2,330,831
Capital grants, subsidies and contributions	-	11,578,896	-	-	11,578,896
Total	12,057,366	11,578,896	58,699,034	7,426,461	89,761,757
For the year ended 30 June 2024					
Rates	-	-	42,303,270	-	42,303,270
Grants, subsidies and contributions	-	-	-	1,892,616	1,892,616
Fees and charges	10,645,757	-	12,179,763	1,639,769	24,465,289
Interest revenue	-	-	466,269	2,273,559	2,739,828
Other revenue	-	-	385,270	1,200,066	1,585,336
Capital grants, subsidies and contributions	-	3,370,570	-	-	3,370,570
Total	10,645,757	3,370,570	55,334,572	7,006,010	76,356,909
			2025 Actual \$	2025 Budget \$	2024 Actual \$
Interest revenue					
Rate instalment interest			232,864	220,000	215,075
Pensioner Deferred Interest			5,610	-	4,470
Rates penalty interest			247,682	200,000	246,724
Interest on reserve funds			1,200,000	800,000	887,673
Other interest earnings			1,269,032	860,000	1,385,886
Total interest earnings			2,955,188	2,080,000	2,739,828
Other revenue					
Other revenue					
Reimbursements and recoveries			2,231,644	1,242,015	1,500,605
Other revenue			99,187	90,110	84,731
Total other revenue			2,330,831	1,332,125	1,585,336

continued on next page ...

Page 12 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(b) Expenses

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Auditors remuneration				
- Audit of the annual financial report		111,661	96,500	104,600
- Other services – grant acquittals		5,800	8,500	8,500
Total Auditors remuneration		117,461	105,000	113,100
Employee costs				
Employee benefit costs		32,876,222	32,828,296	29,977,124
Other employee costs		735,146	828,137	739,210
Total employee costs		33,611,368	33,656,433	30,716,334
Finance costs				
Borrowings	29a	387,073	352,098	522,264
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	29d	28,821	26,846	14,719
Total		415,894	378,944	536,983

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 3. Cash and cash equivalents

	Note	2025 Actual \$	2024 Actual \$
Cash at bank and on hand		6,699,259	6,209,612
Total cash and cash equivalents	18a	6,699,259	6,209,612
Held as			
- Unrestricted cash and cash equivalents		2,182,399	774,095
- Restricted cash and cash equivalents	18a	4,516,860	5,435,517
Total		6,699,259	6,209,612

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

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.

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 4. Other financial assets

	Note	2025 Actual \$	2024 Actual \$
(a) Current assets			
Financial assets at amortised cost		35,000,000	30,300,000
Total current financial assets		35,000,000	30,300,000
Financial assets at amortised cost			
Term deposits		35,000,000	30,300,000
		35,000,000	30,300,000
Held as			
- Unrestricted other financial assets at amortised cost		9,000,000	11,500,000
- Restricted other financial assets at amortised cost	18a	26,000,000	18,800,000
Total		35,000,000	30,300,000

(b) Non current assets

Financial assets at fair value through profit or loss		39,810	41,585
Total non-current financial assets		39,810	41,585
Financial assets at fair value through profit or loss			
Investment in Local Government House Trust - opening balance		41,585	40,744
Movement attributable to fair value increment		(1,775)	841
Investment in Local Government House Trust - closing balance		39,810	41,585

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

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The City 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 25 (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 City 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 Council has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 5. Trade and other receivables

	Note	2025 Actual \$	2024 Actual \$
Current			
Rates outstanding		1,440,722	1,345,454
Sundry debtors		800,608	964,500
GST receivable		419,160	574,438
Receivables for employee related provisions	16	283,534	312,429
Allowance for impairment of receivables		(96,291)	(218,356)
Infringement Debtor		2,991,454	2,920,197
Infringement Debtor impairment allowance		(640,649)	(649,946)
		<u>5,198,538</u>	<u>5,248,716</u>
Non-current			
Rates outstanding - pensioners		178,853	208,654
Receivables for employee related provisions	16	92,644	50,744
		<u>271,497</u>	<u>259,398</u>

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the City of Vincent has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. Late payment and credit risk has been remained with the City of Vincent, therefore the City continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing as other loans at Note 15. The City considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

MATERIAL ACCOUNTING POLICIES**Rates and statutory receivables**

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

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

Trade and other 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 City 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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 6. Inventories

	2025 Actual \$	2024 Actual \$
Current		
Depot	162,115	116,874
Beatty Park Leisure Centre	165,643	142,147
Catalina - Developed land and land under construction ^(*)	1,605,009	847,172
Total current inventories	1,932,767	1,106,193
Non-current		
Catalina - Land held for development ^(*)	14,774	15,398
Total non-current inventories	14,774	15,398

MATERIAL ACCOUNTING POLICIES**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

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

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 City's intentions to release for sale.

(*) The City recognised its share of Inventory (Catalina - Developed land and land under construction) based on its equity in Catalina Regional Council prospectively as at 30 June 2025.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 7. Other assets

	2025 Actual \$	2024 Actual \$
7a Other assets		
Other assets - current		
Deposits and Prepayments	565,903	637,751
Lease Incentives	162,500	162,500
Accrued income	1,357,314	973,800
Total other assets - current	2,085,717	1,774,051
Other assets - non-current		
Lease Incentives	564,298	726,798
Total other assets - non-current	564,298	726,798

7b Non-current assets held for sale

Non-current assets held for sale - current		
Opening Balance	-	843,000
Assets reclassified as held for sale - Land	-	-
Less asset sold	-	(843,000)
Total Non-current assets held for sale - current	-	-

MATERIAL ACCOUNTING POLICIES**Other current assets**

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 25(i).

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 8. Property, plant and equipment

(a) Movements in balances

Note	Assets not subject to operating lease			Subject to operating lease -		Work in progress	Total Property	Plant and equipment		Total property, plant and equipment
	Land	Buildings non-specialised	Buildings non-specialised	Buildings non-specialised	Buildings non-specialised			Furniture and equipment	Plant and equipment	
	\$	\$	Actual	Actual	\$	\$	\$	\$	\$	\$
Measurement basis	Fair Value	Fair Value	Fair Value			Fair Value		Fair Value	Fair Value	
Balance at 1 July 2023	148,122,215	57,751,283	39,156,333	148,122,215	96,907,616	1,637,201	246,667,032	1,406,153	3,111,213	251,184,398
Additions	-	2,157,849	387,588	-	2,545,437	2,297,411	4,842,848	54,178	2,138,982	7,036,008
Disposals	-	-	-	-	-	-	-	-	(40,825)	(40,825)
Depreciation	-	(3,349,338)	(2,480,611)	-	(5,829,949)	-	(5,829,949)	(317,551)	(956,866)	(7,104,366)
Transfers	-	812,492	34,002	-	846,494	(877,906)	(31,412)	-	31,410	(2)
Balance at 30 June 2024	148,122,215	57,372,286	37,097,312	148,122,215	94,469,598	3,056,706	245,648,519	1,142,780	4,283,914	251,075,213
Comprises:										
Gross balance amount at 30 June 2024	148,122,215	124,837,095	91,359,026	148,122,215	216,196,121	3,056,706	367,375,042	4,932,097	11,391,070	383,698,209
Accumulated depreciation at 30 June 2024	-	(67,464,809)	(54,261,714)	-	(121,726,523)	-	(121,726,523)	(3,789,317)	(7,107,156)	(132,622,996)
Balance at 30 June 2024	148,122,215	57,372,286	37,097,312	148,122,215	94,469,598	3,056,706	245,648,519	1,142,780	4,283,914	251,075,213
Balance at 1 July 2024	148,122,215	57,372,286	37,097,312	148,122,215	94,469,598	3,056,706	245,648,519	1,142,780	4,283,914	251,075,213
Additions	773,333	4,191,072	822,248	773,333	5,013,320	2,481,182	8,267,835	345,924	2,816,512	11,430,271
Disposals	-	-	-	-	-	-	-	-	(47,579)	(47,579)
Revaluation increments / (decrements)	113,117	-	-	113,117	-	-	113,117	-	-	113,117
Depreciation	-	(3,571,262)	(2,503,894)	-	(6,075,156)	-	(6,075,156)	(391,728)	(1,170,406)	(7,637,290)
Transfers	-	1,029,750	105,059	-	1,134,809	(1,261,224)	(126,415)	126,415	-	-
Other	-	-	-	-	-	(29,524)	(29,524)	-	-	(29,524)
Balance at 30 June 2025	149,008,665	59,021,846	35,520,725	149,008,665	94,542,571	4,247,140	247,798,376	1,223,391	5,882,441	254,904,208
Comprises:										
Gross balance amount at 30 June 2025	149,008,665	130,057,917	92,286,333	149,008,665	222,344,250	4,247,140	375,600,055	5,404,436	13,394,088	394,398,579
Accumulated depreciation at 30 June 2025	-	(71,036,071)	(56,765,608)	-	(127,801,679)	-	(127,801,679)	(4,181,045)	(7,511,647)	(139,494,371)
Balance at 30 June 2025	149,008,665	59,021,846	35,520,725	149,008,665	94,542,571	4,247,140	247,798,376	1,223,391	5,882,441	254,904,208

(*) Asset additions included non-cash additions. Refer to note 18(c).

continued on next page ...

Page 19 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Note	Carrying amount 2025 Actual \$	Carrying amount 2024 Actual \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date								
Land and buildings								
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.								
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.								
Land		149,008,665	148,122,215	Level 2 & Level 3	Market and Cost Approach	Independent Valuation	June 2023	Sales evidence of similar assets, estimates of replacement cost, residual value.
Total land	8a	<u>149,008,665</u>	<u>148,122,215</u>					
Buildings - non-specialised		94,542,571	94,469,598	Level 2 & Level 3	Market and Cost Approach	Independent Valuation	June 2023	Estimates of useful life, pattern of consumption, asset condition, residual value and relationship to the assessed remaining service potential of the depreciable amount.
Total buildings	8a	<u>94,542,571</u>	<u>94,469,598</u>					

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 9. Infrastructure

(a) Movements in balances

	Infrastructure roads	Infrastructure footpaths	Infrastructure Rights of Way	Infrastructure drainage	Infrastructure Park Development	Infrastructure Car Park Development	Other Infrastructure Assets	Infrastructure Work in Progress	Total infrastructure
	\$	\$	Actual \$	\$	Actual \$	Actual \$	\$	\$	\$
Measurement basis									-
Balance as at 1 July 2023	73,128,160	29,081,538	5,072,297	9,098,843	10,736,976	5,054,017	13,323,117	2,501,218	147,996,166
Additions	3,353,235	131,884	274,018	-	473,285	46,440	1,169,604	2,267,164	7,715,630
(Disposals)	-	-	-	-	-	-	(166,769)	-	(166,769)
Depreciation	(3,025,778)	(910,599)	(231,001)	(177,103)	(939,645)	(216,750)	(785,157)	-	(6,286,033)
Transfers	235,458	64,619	42,343	-	728,931	50,525	245,715	(1,367,591)	-
Balance at 30 June 2024	73,691,075	28,367,442	5,157,657	8,921,740	10,999,547	4,934,232	13,786,510	3,400,791	149,258,994
Comprises:									
Gross balance amount at 30 June 2024	123,502,582	48,026,930	9,681,619	17,713,863	19,537,352	7,793,195	20,521,288	3,400,791	250,177,620
Accumulated depreciation at 30 June 2024	(49,811,507)	(19,659,488)	(4,523,962)	(8,792,123)	(8,537,805)	(2,858,963)	(6,734,778)	-	(100,918,626)
Balance at 30 June 2024	73,691,075	28,367,442	5,157,657	8,921,740	10,999,547	4,934,232	13,786,510	3,400,791	149,258,994
Balance as at 1 July 2024	73,691,075	28,367,442	5,157,657	8,921,740	10,999,547	4,934,232	13,786,510	3,400,791	149,258,994
Additions	2,828,888	204,886	47,920	576,714	5,544,111	242,559	1,424,893	1,569,172	12,439,143
(Disposals)	-	-	-	-	(25,220)	-	(62,453)	-	(87,673)
Depreciation	(3,187,923)	(901,879)	(239,321)	(177,103)	(1,069,469)	(225,561)	(818,440)	-	(6,619,696)
Transfers	158,547	-	-	781,358	1,175,130	44,181	521,715	(2,680,931)	-
Other	-	-	-	-	-	-	-	(135,403)	(135,403)
Balance at 30 June 2025	73,490,587	27,670,449	4,966,256	10,102,709	16,624,099	4,995,411	14,852,225	2,153,629	154,855,365
Comprises:									
Gross balance amount at 30 June 2025	126,490,017	48,231,815	9,729,539	19,071,935	26,215,013	8,079,935	22,350,341	2,153,629	262,322,224
Accumulated depreciation at 30 June 2025	(52,999,430)	(20,561,366)	(4,763,283)	(8,969,226)	(9,590,914)	(3,084,524)	(7,498,116)	-	(107,466,859)
Balance at 30 June 2025	73,490,587	27,670,449	4,966,256	10,102,709	16,624,099	4,995,411	14,852,225	2,153,629	154,855,365

continued on next page ...

Page 21 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Rights of Way	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Park Development	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Car Park Development	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other Infrastructure Assets	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments 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 infrastructure using level 3 inputs.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 10. Fixed assets

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Building	15 to 80 years
Furniture and equipment	1 to 35 years
Plant and equipment	1 to 27 years
<u>Sealed roads and streets:</u>	
Subgrade structure	not depreciated
Formation	not depreciated
Pavement	60 to 100 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	30 years
Footpaths	5 to 60 years
Water supply and Drainage systems	30 to 120 years
<u>Car park infrastructure:</u>	
Subgrade structure	not depreciated
Other infrastructure	10 to 60 years
<u>Parks infrastructure:</u>	
Reticulation	10 - 40 years
Parks other infrastructure	3 to 80 years
Right of use Asset (plant and equipment)	3 years
Intangible	3 - 5 years

	2025 Actual \$	2024 Actual \$
--	----------------------	----------------------

(b) Fully depreciated assets in use

The gross carrying amount of assets held by the City which are currently in use yet fully depreciated are shown in the table below.

Buildings	1,771,000	592,000
Furniture and equipment	3,253,210	3,232,652
Plant and equipment	3,814,447	2,968,619
Other property, plant and equipment	612,094	345,270
Infrastructure - Park Development	1,138,306	1,141,286
	<u>10,589,057</u>	<u>8,279,827</u>

continued on next page ...

Page 23 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 10. Fixed assets (continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

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

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

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

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

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 11. Leases

(a) Right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year

	Plant & Equipment \$	Total \$
2024		
Additions	815,388	815,388
Depreciation	(113,071)	(113,071)
Balance at 30 June 2024	702,317	702,317
Gross balance amount at 30 June 2024	815,388	815,388
Accumulated depreciation at 30 June 2024	(113,071)	(113,071)
Balance at 30 June 2024	702,317	702,317
2025		
Additions	119,484	119,484
Depreciation	(281,590)	(281,590)
Balance at 30 June 2025	540,211	540,211
Gross balance amount at 30 June 2025	934,872	934,872
Accumulated depreciation at 30 June 2025	(394,661)	(394,661)
Balance at 30 June 2025	540,211	540,211

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

	Note	2025 Actual \$	2024 Actual \$
Depreciation on right-of-use assets		(281,590)	(113,071)
Finance charge on lease liabilities	29d	(28,821)	(14,719)
Short-term lease payments recognised as expense		(273,344)	(126,469)
Total amount recognised in the statement of comprehensive income		(583,755)	(254,259)
Total cash outflow from leases		(302,165)	(141,188)

(b) Lease liabilities

Current	303,002	264,318
Non-current	232,057	424,601
Total lease liabilities	535,059	688,919

The City has four leases relating to plant and equipment (parking meters, laptops, printers, and dashcams). The lease term is 3 years for parking meters, laptops, and dashcams, while the printers are leased over five years. All leases have fixed payments. The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the City is committed.

Secured liabilities and assets pledged as security

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

continued on next page ...

Page 25 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 11. Leases (continued)

MATERIAL ACCOUNTING POLICIES**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 29(d).

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

	2025 Actual \$	2024 Actual \$

Council as a lessor

Lessor - property, plant and equipment subject to lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year	1,117,894	1,192,478
1 to 2 years	1,067,127	1,062,532
2 to 3 years	933,944	1,014,208
3 to 4 years	719,761	881,938
4 to 5 years	422,909	667,258
> 5 years	596,651	774,839
	4,858,286	5,593,253

The City leases buildings to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

MATERIAL ACCOUNTING POLICIES**The City as Lessor**

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies *AASB 15 Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 12. Intangible assets

Intangible assets are as follows:

	2025 Actual \$	2024 Actual \$
Software		
Non-current		
Computer software development	664,494	612,094
Less: Accumulated amortisation	(618,698)	(611,949)
Total software – net book value	45,796	145
Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	145	127,197
Recognition of computer software	52,400	–
Amortisation	(6,749)	(127,052)
Balance at 30 June	45,796	145
TOTAL INTANGIBLE ASSETS	45,796	145

Amortisation

The estimated useful life of intangible assets is 3 years for the current and prior years.

MATERIAL ACCOUNTING POLICIES**Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the City are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 13. Trade and other payables

	2025 Actual \$	2024 Actual \$
Current		
Sundry creditors	178,369	170,815
Prepaid rates	716,900	481,702
Contribution Liabilities - Bonds	2,310,448	1,877,948
Accrued Expenses	4,698,235	5,074,067
Total current trade and other payables	7,903,952	7,604,532

MATERIAL ACCOUNTING POLICIES**Financial liabilities**

Financial liabilities are initially recognised at fair value when the City becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City 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 City recognises income for the prepaid rates that have not been refunded.

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 14. Other liabilities

	2025 Actual \$	2024 Actual \$
(a) Other liabilities		
Current		
Contract liabilities		
Contract liabilities from contracts with customers - Other	581,057	682,729
	<u>581,057</u>	<u>682,729</u>
Capital grant/contributions liabilities		
Capital grant liabilities from transfers for recognisable non financial assets	4,031	673,959
	<u>4,031</u>	<u>673,959</u>
	<u>585,088</u>	<u>1,356,688</u>
Reconciliation of changes in contract liabilities		
Opening balance	682,729	564,399
Additions	581,057	682,729
Revenue from contracts with customers included as a contract liability at the start of the period	<u>(682,729)</u>	<u>(564,399)</u>
	<u>581,057</u>	<u>682,729</u>
The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	673,959	1,104,641
Additions	6,751,002	605,166
Revenue from capital grant/contributions held as a liability at the start of the period	<u>(7,420,930)</u>	<u>(1,035,848)</u>
	<u>4,031</u>	<u>673,959</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	4,031	673,959
	<u>4,031</u>	<u>673,959</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.

MATERIAL ACCOUNTING POLICIES**Contract Liabilities**

Contract liabilities represent the the City's obligation to transfer goods or services to a customer for which the City 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 City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 15. Borrowings

Note	2025			2024		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured						
Debentures	1,488,799	6,733,907	8,222,706	1,498,010	8,676,198	10,174,208
Total secured borrowings	1,488,799	6,733,907	8,222,706	1,498,010	8,676,198	10,174,208

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the City of Vincent.

The City of Vincent has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

MATERIAL ACCOUNTING POLICIES**Borrowing costs**

The City has elected to recognise borrowings costs as an expense when incurred regardless of how the borrowings are applied.

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29(a).

Note 16. Employee related provisions

	2025 Actual \$	2024 Actual \$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	3,412,488	3,242,410
Long service leave	2,925,123	2,458,033
	6,337,611	5,700,443
Total current employee related provisions	6,337,611	5,700,443
Non-current provisions		
Employee benefit provisions		
Long service leave	664,345	592,170
	664,345	592,170
Total non-current employee related provisions	664,345	592,170
Total employee related provisions	7,001,956	6,292,613

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

continued on next page ...

Page 30 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 16. Employee related provisions (continued)

	Note	2025 \$	2024 \$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,989,009	1,345,424
More than 12 months from reporting date		5,012,947	4,947,189
		<u>7,001,956</u>	<u>6,292,613</u>
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	(376,178)	(363,173)

MATERIAL ACCOUNTING POLICIES**Employee benefits**

The City'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 City'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 City'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 City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City 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.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 17. Revaluation surplus

	2025 Opening Balance \$	2025 Revaluation Increment \$	2025 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2025 Closing Balance \$	2024 Opening Balance \$	2024 Revaluation Increment \$	2024 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2024 Closing Balance \$
Revaluation surplus - Land	146,085,829	-	-	-	146,085,829	146,085,829	-	-	-	146,085,829
Revaluation surplus - Buildings - non-specialised	52,971,319	-	-	-	52,971,319	52,971,319	-	-	-	52,971,319
Revaluation surplus - Furniture and equipment	206,609	-	-	-	206,609	206,609	-	-	-	206,609
Revaluation surplus - Plant and equipment	2,948,368	-	-	-	2,948,368	2,948,368	-	-	-	2,948,368
Revaluation surplus - Investment in Mindarie Regional Council	4,587,364	127,258	-	127,258	4,714,622	4,502,463	84,901	-	84,901	4,587,364
Revaluation surplus - Investment in Catalina Regional Council	1,662,415	113,117	-	113,117	1,775,532	1,662,415	-	-	-	1,662,415
Revaluation surplus - Assets subject to operating lease - Buildings non-specialised	8,946,064	-	-	-	8,946,064	8,946,064	-	-	-	8,946,064
Revaluation surplus - Infrastructure - roads	47,800,541	-	-	-	47,800,541	47,800,541	-	-	-	47,800,541
Revaluation surplus - Infrastructure - footpaths	22,547,750	-	-	-	22,547,750	22,547,750	-	-	-	22,547,750
Revaluation surplus - Infrastructure - other	8,038,872	-	-	-	8,038,872	8,038,872	-	-	-	8,038,872
Infrastructure - Rights of Way	2,319,448	-	-	-	2,319,448	2,319,448	-	-	-	2,319,448
Infrastructure - Park Development	612,276	-	-	-	612,276	612,276	-	-	-	612,276
Infrastructure - Car Park Development	2,116,251	-	-	-	2,116,251	2,116,251	-	-	-	2,116,251
	300,843,106	240,375	-	240,375	301,083,481	300,758,205	84,901	-	84,901	300,843,106

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 18. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Cash and cash equivalents	3	<u>6,699,259</u>	<u>7,055,916</u>	<u>6,209,612</u>
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	4,516,860	1,504,641	5,435,517
- Financial assets at amortised cost	4	26,000,000	25,507,557	18,800,000
		<u>30,516,860</u>	<u>27,012,198</u>	<u>24,235,517</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	30	29,931,772	25,507,557	22,878,829
Contract liabilities from contracts with customers	14	581,057	–	682,729
Capital grant liabilities from transfers for recognisable non financial assets	14	4,031	1,504,641	673,959
Total restricted financial assets		<u>30,516,860</u>	<u>27,012,198</u>	<u>24,235,517</u>

continued on next page ...

Page 33 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 18. Notes to the statement of cash flows (continued)

	2025 Actual \$	2025 Budget \$	2024 Actual \$
(b) Reconciliation of net result to net cash provided by operating activities			
Net result	13,665,786	7,315,221	8,493,279
Non-cash items:			
Depreciation/amortisation	14,545,325	13,122,588	13,630,524
(Profit)/loss on sale of asset	(214,242)	(438,709)	(106,859)
Share of profits of associates	(316,715)	–	(699,586)
Profit/(Loss) from sale of Catalina Regional Council Land	(2,750,716)	(3,750,000)	(3,292,208)
Change in Equity Local Govt House Trust	1,776	–	(841)
Movement in Work-In Progress	164,928	–	–
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	38,079	(147,949)	(182,878)
(Increase)/decrease in inventories	(68,737)	(13,862)	(71,400)
(Increase)/decrease in other assets	(149,166)	(47,694)	(222,147)
Increase/(decrease) in trade and other payables	299,420	574,719	682,745
Increase/(decrease) in employee related provisions	709,343	378,000	228,632
Increase/(decrease) in other liabilities	(771,600)	500,000	(312,352)
Capital grants, subsidies and contributions	(10,908,968)	(4,552,261)	(2,939,888)
Net cash provided by/(used in) operating activities	14,244,513	12,940,053	15,207,021
(c) Non-cash investing and financing activities			
Acquisition of property plant and equipment below fair value	8a	3,248,631	–
(d) Undrawn borrowing facilities credit standby arrangements			
Credit card limit		60,000	60,000
Total amount of credit unused		60,000	60,000
Loan facilities			
Loan facilities - current		1,488,799	1,498,010
Loan facilities - non-current		6,733,907	8,676,198
Total facilities in use at balance date		8,222,706	10,174,208

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 19. Contingent liabilities

In compliance with the *Contaminated Sites Act 2003*, the City has listed sites to be possible sources of contamination. Details of those sites are:

Mindarie Regional Council (MRC)

MRC operates the Tamala Park Waste Management Facility (the Site), which provides waste disposal services for the seven local government members. The Site has operated as a licensed landfill since 1991. In July 2007, the Site was initially classified as "possibly contaminated – investigation required" by the Department of Environment and Conservation (DEC).

In 2023-24, the previous MRC contaminated site approved auditor (Senversa) recommended that MRC should continue to provide the auditor with updated information as it becomes available (i.e. at least a 6 monthly update following sampling and annual reporting, plus immediate notification if things change). Communication received on 3 May 2024 stated, "as there has been no change in the risk profile and nothing to indicate that restrictions should change, a Mandatory Auditors Report (MAR) should be submitted in 2025 following 2 years of monitoring".

On 28 November 2024, the Department of Water and Environmental Regulation (DWER) issued an environmental protection notice (EPN) to the MRC stating that "there is, or is likely to be an emission or emissions from the Premises and that the emissions have caused or are likely to cause pollution".

- i. The EPN consisted of 11 odour emission and groundwater emission requirements. At 30 June 2025, 7 of the requirements had been completed by the MRC, i.e. requirements 1, 2, 3, 4, 7, 8, and 10.
- ii. Requirement 5 was completed on 1 July 2025.
- iii. Requirement 6 requires the MRC to implement recommended improvements including landfill gas collection and management infrastructure to prevent odour impacts outside the premises, in accordance with a direction from DWER. After submitting the required report, MRC are waiting for a reply on this requirement from DWER.
- iv. Requirement 9 is an option for DWER to require further action to be taken to manage odour emissions on the Site, and to date no further actions have been required.
- v. Requirement 11 provides that DWER may vary the requirements of the EPN, including the specified requirements and timeframes. No requests were made to vary any of the EPN requirements for the period 28 November 2024 to 30 June 2025, no further action to be taken by MRC.

The 2025 MAR Report was completed by the contaminated site approved auditor, Australian Environmental Auditors Pty Ltd (the auditor). A summary of findings for the Source and Affected site, which were submitted to DWER on 9 April 2025, are listed below:

Source Site - Part of Lot 9020 on Plan 408820:

- i. Suitable for ongoing use as a Class II landfill, subject to implementation of a site management plan to prevent exposure to landfill gas, soil and groundwater contamination.
- ii. The land use is restricted to the current commercial/industrial use and configuration and shall not be developed for any other purposes without further contamination assessment or remediation.
- iii. Groundwater should not be abstracted for drinking purposes without appropriate treatment and testing to confirm its suitability.
- iv. Ongoing assessment of landfill gas and groundwater should be conducted as part of an ongoing site management plan to inform long term trends and to inform the need or otherwise for mitigation measures.
- v. No change in classification – "Contaminated-Remediation Required".

Affected Site - Previously known as portion of Lot 9043 - Subject Area N1 on Deposited Plan 424903:

- i. Site remains suitable for its current use as a development "buffer zone" and shall not be developed for any other purposes without further contamination assessment or remediation.
- ii. May not be suitable for more sensitive uses without further investigation and remediation.
- iii. Groundwater should not be abstracted for drinking purposes without appropriate treatment and testing to confirm its suitability.
- iv. No change in classification – "Contaminated-Restricted use".

The MAR and reports were received by DWER on 9 April 2025 from the auditor. On 24 April 2025, DWER confirmed to the auditor that "The site's classification of contaminated – remediation required under the Contaminated Sites Act 2003 (the CS Act) will be retained at this time. The classification of contaminated – restricted use for the affected site adjacent to the north, known as Subject Area N1, will also be retained at this time".

At 30 June 2025 the MRC has an ongoing obligation to remediate the Site for which there is a rehabilitation provision in place (refer to note 15); any future liability as a result of the Site's contaminated status cannot be reliably measured at this time.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 20. Capital commitments

	2025 Actual \$	2024 Actual \$
Capital expenditure commitments		
Contracted for:		
- capital expenditure projects	4,839,843	3,520,938
- plant & equipment purchases	82,358	1,924,683
Total capital expenditure commitments	<u>4,922,201</u>	<u>5,445,621</u>
Payable:		
- not later than one year	4,922,201	5,445,621
Total capital expenditure commitments	<u>4,922,201</u>	<u>5,445,621</u>

The capital expenditure projects outstanding at the end of the current reporting period represent tennis centre: multisport courts under the Robertson Park Development Plan, heritage grandstand repair at Beatty Park Leisure Centre and other various projects.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 21. Related party transactions

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Note			
(a) Council Member Remuneration			
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
Child care expenses	1,193	1,998	–
Other expenses	71	495	25
Mayor's annual allowance	68,552	68,552	65,738
Deputy Mayor's annual allowance	17,138	17,138	16,869
Meeting attendance fees	234,802	234,802	224,843
Annual allowance for ICT expenses	22,500	22,500	22,500
Travel and accommodation expenses	1,223	495	59
Total	345,479	345,980	330,034

	2025 Actual \$	2024 Actual \$
Note		

(b) Key management personnel

Key Management Personnel (KMP) Compensation

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

Short-term employee benefits ^(*)	980,626	801,472
Post-employment benefits ^(*)	114,987	96,092
Employee - other long-term benefits ^(*)	153,885	110,280
Council member costs	345,479	330,034
Total	1,594,977	1,337,878

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 estimated cost of providing for the City'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.

(*) Comparatives for 2023-24 have been restated due to a reclassification between benefit types.

continued on next page ...

Page 37 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 21. Related party transactions (continued)

(c) Transactions with related parties

Transactions between related parties and the City 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.

	Note	2025 Actual \$	2024 Actual \$
In addition to KMP compensation above the following transactions occurred with related parties:			
Sale of goods and services ^a		90,021	87,060
Purchase of goods and services ^b		890,045	650,181
		980,066	737,241
Investments in associates:			
Distributions received from investments in associates	22	5,833,333	2,500,000
		5,833,333	2,500,000

(a) Relates to a lease agreement with Mindarie Regional Council.

(b) Relates to a contract with Mindarie Regional Council for waste collection services.

(d) Related parties

The City'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 City, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

Outside of normal citizen type transactions with the City, 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 City

Associates detailed in Note 22.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 22. Investment in associates

(a) Investment in associates

Set out in the table below are the associates of the City. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

	% of ownership interest	2025 \$	2024 \$
Mindarie Regional Council	8.33	10,905,481	11,719,214
Catalina Regional Council	8.33	2,561,185	5,143,309
		<u>13,466,666</u>	<u>16,862,523</u>

Mindarie Regional Council

The Mindarie Regional Council was formally constituted in December 1987. The City of Vincent (along with the Cities of Perth, Wanneroo, Joondalup, Stirling and the Towns of Victoria Park and Cambridge) is a member of the Mindarie Regional Council. The primary function of the Regional Council under the constitution agreement is for the orderly and efficient treatment and / or disposal of waste. City of Vincent is a participant in the Mindarie Regional council and has a one twelfth (1/12) equity in the land and assets of the refuse facility as per the constitution agreement (dated 25 November 1996) that recognises the City as a member of the Mindarie Regional Council.

The City's interest in the MRC joint arrangement is represented by the following breakdown of the joint arrangement's financial position (1/12 share). The valuation as shown below is, at the time of preparation of these statements.

	2025 Actual \$	2024 Actual \$
Summarised statement of financial position		
Other current assets	88,939,663	79,426,688
Total current assets	<u>88,939,663</u>	<u>79,426,688</u>
Non-current assets	100,809,040	103,118,451
Total non-current assets	<u>100,809,040</u>	<u>103,118,451</u>
Other current liabilities	27,086,794	16,570,400
Total current liabilities	<u>27,086,794</u>	<u>16,570,400</u>
Non-current liabilities	31,796,157	25,344,186
Total non-current liabilities	<u>31,796,157</u>	<u>25,344,186</u>
Net assets	<u>130,865,752</u>	<u>140,630,553</u>
Reconciliation to carrying amounts		
Opening net assets 1 July	140,630,553	132,714,810
Profit/(Loss) for the period	(11,023,444)	6,896,935
Other comprehensive income	1,258,643	1,018,808
Closing net assets 1 July	<u>130,865,752</u>	<u>140,630,553</u>
Carrying amount at 1 July	11,719,214	11,059,568
Net Share of Interests in Mindarie Regional Council	(940,991)	574,745
Changes on Revaluation of Non-Current Assets	127,258	84,901
Carrying amount at 30 June (Based on audited Financials)	<u>10,905,481</u>	<u>11,719,214</u>
Net Share of Interests in Mindarie Regional Council	(940,991)	574,745
Total	<u>(940,991)</u>	<u>574,745</u>

continued on next page ...

Page 39 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 22. Investment in associates (continued)

Catalina Regional Council

The City is a participant (along with the Cities of Perth, Wanneroo, Joondalup, Stirling and the Towns of Victoria Park and Cambridge) in the operations of Catalina Regional Council (CRC). The CRC was created in 2006 to develop approximately 173 hectares of land for sale immediately north of the land leased by the Mindarie Regional Council. The City of Vincent has a one twelfth (1/12) equity in the assets and liabilities of the development as well as a one twelfth (1/12) equity in the assets and liabilities of CRC as the operator of the development, and a one twelfth (1/12) share in the asset of the land held for development.

The City's interest in the CRC joint venture is represented by the following breakdown of the joint venture's financial position (1/12 share).

	2025 Actual \$	2024 Actual \$
Summarised statement of financial position		
Other current assets	31,740,180	58,594,820
Total current assets	31,740,180	58,594,820
Non-current assets	56,606	3,841,864
Total non-current assets	56,606	3,841,864
Other current liabilities	1,024,416	628,116
Total current liabilities	1,024,416	628,116
Non-current liabilities	38,154	88,862
Total non-current liabilities	38,154	88,862
Net assets	30,734,216	61,719,706
Reconciliation to carrying amounts		
Opening net assets 1 July	61,719,706	46,839,922
Profit/(loss) for the period	1,278,794	2,556,064
Changes in members contribution	(32,264,284)	12,323,720
Closing net assets 1 July	30,734,216	61,719,706
Carrying Amount at 1 July	5,143,309	3,903,327
Proceeds from Sale of Land	7,502,513	6,474,450
Land Development Expenses	(4,751,797)	(3,182,242)
Proceeds Distribution	(5,833,333)	(2,500,000)
Net Share of Interests in Catalina Regional Council - Retained surplus	106,566	213,005
Net Share of Interests in Catalina Regional Council - Members Equity	393,927	234,769
Carrying amount at 30 June (Based on audited Financials)	2,561,185	5,143,309
Net Share of Interest in Catalina Regional Council - Retained Surplus	106,566	213,005
Net Share of Interests in Catalina Regional Council - Members Equity	393,927	234,769
Net Share of Catalina Land in Catalina Regional Council *	757,212	(322,933)
Total	1,257,705	124,841

(*) The City recognised its share of Inventory (Catalina Land - Developed land and land under construction -Note 6) based on its equity in Catalina Regional Council as at 30 June 2025.

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the City has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

continued on next page ...

Page 40 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 22. Investment in associates (continued)

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 23. Financial risk management

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
2025					
Cash and cash equivalents	3.62%	6,699,259	–	6,694,809	4,450
Financial assets at amortised cost - term deposits	4.69%	35,000,000	35,000,000	–	–
2024					
Cash and cash equivalents	4.80%	6,209,612	–	6,205,162	4,450
Financial assets at amortised cost - term deposits	5.24%	30,300,000	30,300,000	–	–

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2025 \$	2024 \$
Impact of a 1% movement in interest rates on profit or loss and equity ⁽¹⁾	66,948	62,052

(¹) Holding all other variables constant

continued on next page ...

Page 42 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 23. Financial risk management (continued)

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 29(a).

(b) Credit risk**Trade and Other Receivables**

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
30 June 2025					
Trade receivables					
Expected credit loss	0.38%	0.32%	34.40%	40.63%	
Gross carrying amount	446,928	121,573	1,376	230,731	800,608
Loss allowance	1,690	393	473	93,735	96,291
Other receivables					
Expected credit loss	10.00%	10.00%	10.00%	23.47%	
Gross carrying amount	256,101	120,380	78,880	2,536,093	2,991,454
Loss allowance	25,610	12,038	7,888	595,113	640,649
30 June 2024					
Trade receivables					
Expected credit loss	0.22%	1.19%	70.23%	54.60%	
Gross carrying amount	495,170	73,855	2,809	392,666	964,500
Loss allowance	1,096	876	1,973	214,412	218,357
Other receivables					
Expected credit loss	10.00%	10.00%	10.00%	24.69%	
Gross carrying amount	267,150	137,882	78,909	2,436,256	2,920,197
Loss allowance	26,715	13,788	7,891	601,551	649,945

continued on next page ...

Page 43 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 23. Financial risk management (continued)

The loss allowances for trade and other receivables as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables	
	2025 Actual \$	2024 Actual \$	2025 Actual \$	2024 Actual \$
Opening loss allowance as at 1 July	218,357	207,794	649,945	601,167
Increase in loss allowance recognised in profit or loss during the year	15,742	10,563	110,049	150,587
Receivables written off during the year as uncollectible	(137,808)	–	(119,345)	(101,809)
Closing loss allowance at 30 June	96,291	218,357	640,649	649,945

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(d).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2025					
Trade and other payables	7,187,052	–	–	7,187,052	7,903,952
Borrowings	1,701,387	5,477,406	1,737,868	8,916,661	8,222,706
Lease liabilities	321,745	241,907	–	563,652	535,059
	9,210,184	5,719,313	1,737,868	16,667,365	16,661,717
2024					
Trade and other payables	7,163,252	–	–	7,163,252	7,604,532
Borrowings	1,783,624	7,589,980	1,868,077	11,241,681	10,174,208
Lease liabilities	291,164	441,140	–	732,304	688,919
	9,238,040	8,031,120	1,868,077	19,137,237	18,467,659

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 24. Events occurring after the end of the reporting period

Non-adjusting event after the reporting period

In August 2025, the City received a donation of Hostile Vehicle Mitigation (HVM) assets at HBF Park valued at \$4 million from VenuesWest. The donation will formally be accepted through a Memorandum of Understanding by the Council in 2026 financial year.

The donation will be recognised in the financial statements for the year ending 30 June 2026. However, due to its material nature, the event is disclosed in financial statements for the year ending 30 June 2025 to ensure users are aware of significant event affecting the City.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 25. Other Material Accounting Policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City 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 City'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 City 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 City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the City 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 City at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

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

h) Interest revenue

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

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level 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 City 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 City 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 City 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

continued on next page ...

Page 46 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 25. Other Material Accounting Policies (continued)

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 City 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 City's assets are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 26. Function and activity

City operations as disclosed in these financial statements encompass the following service orientated functions and activities.

NAME AND OBJECTIVES	DESCRIPTION
GOVERNANCE To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre and senior citizen centre. Provision and maintenance of home care programs and youth services.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES To help promote the local government and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES To monitor and control operating accounts.	Private works operation, plant repair and costs.

continued on next page ...

Page 48 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report

for the year ended 30 June 2025

Note 26. Function and activity (continued)

(a) Income and expenses

	2025 Actual \$	2024 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	394,536	94,445
General purpose funding	47,511,492	45,408,922
Law, order, public safety	238,845	204,088
Health	172,375	128,056
Education and welfare	153,450	174,056
Community amenities	969,840	843,660
Recreation and culture	13,632,058	12,080,562
Transport	12,072,841	11,357,288
Economic services	598,671	301,289
Other property and services	4,348,994	4,828,424
	<u>80,093,102</u>	<u>75,420,790</u>
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	4,261,021	1,358,050
Law, order, public safety	–	49,952
Health	1,486	51,863
Education and welfare	15,000	8,500
Community amenities	111,295	135,053
Recreation and culture	6,493,806	2,154,385
Transport	2,120,973	1,468,113
Economic services	2,258	2,750
Other property and services	35,499	34,521
	<u>13,041,338</u>	<u>5,263,187</u>
Total income	<u>93,134,440</u>	<u>80,683,977</u>
Expenses		
Governance	(4,259,919)	(3,706,031)
General purpose funding	(3,096,929)	(890,594)
Law, order, public safety	(6,158,697)	(5,478,146)
Health	(1,765,298)	(1,756,869)
Education and welfare	(634,552)	(572,710)
Community amenities	(17,998,250)	(16,661,107)
Recreation and culture	(32,274,891)	(30,229,592)
Transport	(10,079,917)	(10,003,350)
Economic services	(715,127)	(733,678)
Other property and services	(2,485,074)	(2,158,621)
	<u>(79,468,654)</u>	<u>(72,190,698)</u>
Net result for the period	<u>13,665,786</u>	<u>8,493,279</u>

continued on next page ...

Page 49 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 26. Function and activity (continued)

(b) Assets

	2025 Actual \$	2024 Actual \$
General purpose funding	58,500,865	57,168,499
Law, order, public safety	8,120,051	8,048,509
Health	5,015,210	5,034,495
Education and welfare	24,057,784	24,301,895
Community amenities	8,210,256	6,311,843
Recreation and culture	180,463,563	174,758,371
Transport	166,341,963	166,849,773
Other property and services	24,909,213	21,107,558
Total assets	475,618,905	463,580,943

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 27. Rating information

Rate type	Basis of valuation	Rate in \$	Number of properties	2024/25 Actual Rate revenue \$	2024/25 Actual Interim rates \$	2024/25 Actual Back rates \$	2024/25 Actual Total revenue \$	2024/25 Budget rate revenue \$	2024/25 Budget interim rate \$	2024/25 Budget total revenue \$	2023/24 Actual Total revenue \$
(a) General Rates											
Rate Description											
Residential	Gross rental valuation	0.07826	11,373	24,117,127	174,006	7,167	24,298,300	24,063,766	180,000	24,243,766	23,093,746
Other	Gross rental valuation	0.07374	1,647	10,273,654	(58,744)	(23,036)	10,191,874	407,516	20,000	427,516	9,873,701
Vacant Commercial	Gross rental valuation	0.14216	38	327,785	6,229	-	334,014	10,281,819	60,000	10,341,819	315,699
Vacant Residential	Gross rental valuation	0.08447	197	414,363	(15,865)	762	399,260	326,505	50,000	376,505	392,768
Total general rates			13,255	35,132,929	105,626	(15,107)	35,223,448	35,079,606	310,000	35,389,606	33,675,914
Minimum payment											
Residential	Gross rental valuation	1,451.23	5,957	8,644,977	(30,758)	(3,591)	8,610,628	8,644,977	60,000	8,704,977	8,319,034
Other	Gross rental valuation	1,400.59	144	201,685	(4,179)	-	197,506	203,086	20,000	223,086	192,581
Vacant Commercial	Gross rental valuation	1,773.27	-	-	-	-	-	-	-	-	-
Vacant Residential	Gross rental valuation	1,331.75	185	246,374	7,655	1,317	255,346	254,364	10,000	264,364	235,367
Total minimum payments			6,286	9,093,036	(27,282)	(2,274)	9,063,480	9,102,427	90,000	9,192,427	8,746,982
Total general rates and minimum payments			19,541	44,225,965	78,344	(17,381)	44,286,928	44,182,033	400,000	44,582,033	42,422,896
							<u>44,286,928</u>			<u>44,582,033</u>	<u>42,422,896</u>
Discounts											
Rates Waived							(132,185)			(130,000)	(119,626)
Total rates							<u>44,154,743</u>			<u>44,452,033</u>	<u>42,303,270</u>
(b) Rates related information											
Rates instalment interest							232,864			235,000	215,075
Rates instalment administration fee							130,896			132,000	127,264
Rates penalty interest							247,682			200,000	246,724

The rate revenue was recognised from the rate record as soon as practicable after the City 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.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 28. Determination of surplus or deficit

	2024/25 30 June 2025 Carried Forward Note	2024/25 Budget 30 June 2025 Carried Forward	2023/24 30 June 2024 Carried Forward
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(305,252)	(451,752)	(334,433)
Less: Share of net profit of associates accounted for using the equity method	(316,715)	(3,750,000)	(699,586)
Add: Loss on disposal of assets	91,010	13,043	227,574
Less: Profit from sale of Catalina Regional Council Land	(2,750,716)	-	(3,292,208)
Add: Depreciation	14,545,325	13,122,588	13,630,524
Non-cash movements in non-current assets and liabilities:			
Financial assets at amortised cost	1,775	-	(841)
Pensioner deferred rates	29,801	-	(77,271)
Employee benefit provisions	28,503	-	74,998
Inventory	624	-	(15,398)
Non-cash amounts excluded from operating activities	11,324,355	8,933,879	9,513,359
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Non cash Capital grants, subsidies and contributions	669,928	-	430,682
Right of use assets received - non cash	119,484	-	815,388
Movement in Work-In Progress	164,927	-	-
Non-cash amounts excluded from investing activities	954,339	-	1,246,070
(c) Non-cash amounts excluded from financing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to financing activities			
Non cash proceeds from new leases	(119,484)	-	(815,388)
Non-cash amounts excluded from financing activities	(119,484)	-	(815,388)

continued on next page ...

Page 52 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 28. Determination of surplus or deficit (continued)

		2024/25	2024/25	2023/24
		30 June 2025	Budget	30 June 2024
		Carried Forward	30 June 2025	Carried Forward
	Note	\$	\$	\$
(d) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	30	(29,931,772)	(25,507,557)	(22,878,829)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	1,488,799	1,547,604	1,498,007
- Current portion of lease liabilities	11	303,002	264,318	264,318
Less: Land held for resale		(1,619,783)	(1,143,517)	(862,570)
Add: Other assets Non-current		564,298	972,732	726,798
Total adjustments to net current assets		(29,195,456)	(23,866,420)	(21,252,276)
Net current assets used in the Statement of Financial Activity				
Total current assets		50,916,281	42,465,679	44,638,572
Less: Total current liabilities		(16,618,452)	(18,449,785)	(16,423,991)
Less: Total adjustments to net current assets		(29,195,456)	(23,866,420)	(21,252,276)
Surplus or deficit after imposition of general rates		5,102,373	149,474	6,962,305

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 29. Borrowing and lease liabilities

(a) Borrowings liabilities

Purpose	Note	Principal at 1 July 2023	Principal repayments during 2023-24	Actual		Principal at 30 June 2025	Principal at 1 July 2024	Budget	
				Principal at 30 June 2024	Principal repayments during 2024-25			Principal repayments during 2024-25	Principal at 30 June 2025
Strength Equipment- BPLC		344,091	(93,109)	250,982	(97,181)	153,801	250,983	(97,181)	153,802
Resource Recovery Facility		6,073,974	(683,016)	5,390,958	(691,217)	4,699,741	5,390,959	(691,217)	4,699,742
Beatty Park Redevelopment		4,618,761	(1,734,741)	2,884,020	(768,826)	2,115,194	2,821,083	(315,334)	2,505,749
Cardio Equipment- BPLC		406,437	(66,730)	339,707	(69,752)	269,955	339,706	(69,752)	269,954
246 Vincent Street DLGSC building		666,198	(98,492)	567,706	(99,915)	467,791	567,706	(99,915)	467,791
Loftus Centre Redevelopment		951,662	(210,827)	740,835	(224,611)	516,224	740,834	(224,611)	516,223
Total		13,061,123	(2,886,915)	10,174,208	(1,951,502)	8,222,706	10,111,271	(1,498,010)	8,613,261
Total Borrowings	15	13,061,123	(2,886,915)	10,174,208	(1,951,502)	8,222,706	10,111,271	(1,498,010)	8,613,261

Borrowing Finance Cost Payments

Purpose	Loan number	Institution	Interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
Strength Equipment- BPLC	12	WATC*	4.33%	Recreation and culture	08/08/26	(13,806)	(11,147)	(14,308)
Loftus Centre Redevelopment	5	WATC*	6.35%	Recreation and culture	01/07/27	(48,811)	(46,121)	(60,116)
246 Vincent Street DLGSC building	2B	WATC*	1.44%	Recreation and culture	02/12/29	(12,048)	(11,561)	(13,580)
Cardio Equipment- BPLC	13	WATC*	4.48%	Recreation and culture	08/08/28	(21,263)	(16,504)	(18,840)
Beatty Park Redevelopment	10	WATC*	5.49%	Recreation and culture	03/01/32	(174,857)	(169,430)	(307,757)
Resource Recovery Facility	14	WATC*	1.20%	Community amenities	25/08/31	(116,288)	(97,335)	(107,663)
Total						(387,073)	(352,098)	(522,264)
Total Finance Cost Payments						(387,073)	(352,098)	(522,264)

* WA Treasury Corporation

continued on next page ...

Page 54 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 29. Borrowing and lease liabilities (continued)

(b) New Borrowings

The Council does not have any new borrowing for FY2024/25.

(c) Unspent Borrowings

The Council does not have any unspent borrowings for FY2024/25.

continued on next page ...

Page 55 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 29. Borrowing and lease liabilities (continued)

(d) Lease liabilities

Purpose	Note	Actual						Budget			
		Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
EMV kits for Parking ticket machines		-	184,606	(58,448)	126,158	-	(61,480)	64,678	84,635	(61,480)	23,155
HP Laptops		-	630,782	(68,021)	562,761	-	(202,838)	359,923	577,305	(202,838)	374,467
Netstar Dashcam		-	-	-	-	27,013	(3,530)	23,483	-	-	-
Printer		-	-	-	-	92,471	(5,496)	86,975	-	-	-
Total lease liabilities	11b	-	815,388	(126,469)	688,919	119,484	(273,344)	535,059	661,940	(264,318)	397,622

Lease Finance Cost Payments

Purpose	Lease number	Institution	Lease interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
						\$	\$	\$	
EMV kits for Parking ticket machines	E3R0164125	Maia Financial	5.20%	Law, order, public safety	01/04/2026	(4,720)	(4,720)	(7,752)	36 months
HP Laptops	5678123292AUSS1	HP Financial Services (Australia)	4.80%	Governance	01/03/2027	(22,126)	(22,126)	(6,967)	36 months
Netstar Dashcam	NS0001	Netstar	5.00%	Law, order, public safety	31/01/2028	(510)	-	-	36 months
Printers	WKD_RTL1223	Kyocera	5.00%	General Purpose funding	28/02/2030	(1,465)	-	-	60 Months
Total Finance Cost Payments						(28,821)	(26,846)	(14,719)	

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 30. Reserve accounts

	2025 Opening Balance Actual \$	2025 Transfer to Actual \$	2025 Transfer (from) Actual \$	2025 Closing Balance Actual \$	2025 Opening Balance Budget \$	2025 Transfer to Budget \$	2025 Transfer (from) Budget \$	2025 Closing Balance Budget \$	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$
Restricted by council												
Asset Sustainability Reserve	9,406,911	3,607,855	(2,762,876)	10,251,890	9,171,284	1,719,902	(2,035,360)	8,855,826	7,263,819	5,863,829	(3,720,737)	9,406,911
Beatty Park Leisure Centre Reserve	273,462	14,343	(85,000)	202,805	241,529	8,772	(85,000)	165,301	311,189	11,335	(49,062)	273,462
Cash in Lieu Parking Reserve	1,014,538	53,213	(239,465)	828,286	884,575	32,029	(576,800)	339,804	1,297,503	45,257	(328,222)	1,014,538
Hyde Park Lake Reserve	175,492	9,205	-	184,697	177,411	6,481	-	183,892	167,069	8,423	-	175,492
Land and Building Acquisition Reserve	323,439	16,964	-	340,403	326,965	11,944	-	338,909	307,816	15,623	-	323,439
Leederville Oval Reserve	107,344	38,843	-	146,187	76,166	2,782	-	78,948	71,705	35,639	-	107,344
Loftus Community Centre Reserve	149,713	7,852	-	157,565	151,353	5,529	-	156,882	142,550	7,163	-	149,713
Loftus Recreation Centre Reserve	285,115	85,993	(207,113)	163,995	127,553	77,460	(60,000)	145,013	274,392	83,909	(73,186)	285,115
246 Vincent Street Building Reserve	216,638	11,363	-	228,001	218,963	7,999	-	226,962	205,855	10,783	-	216,638
Parking Facility and Equipment Reserve	114,926	6,028	-	120,954	116,179	4,244	-	120,423	109,375	5,551	-	114,926
Percent for Art Reserve	303,870	15,938	(23,125)	296,683	264,395	8,260	(125,100)	147,555	284,947	87,891	(68,968)	303,870
Plant and Equipment Reserve	138	-	(138)	-	137	-	(137)	-	131	7	-	138
POS reserve - General	1,409,951	121,952	-	1,531,903	1,412,485	52,055	-	1,464,540	581,457	853,494	(25,000)	1,409,951
POS reserve - Haynes Street	100,340	47,806	-	148,146	85,590	45,665	-	131,255	87,328	41,967	(28,955)	100,340
State Gymnastics Centre Reserve	152,078	21,566	(85,510)	88,134	153,448	19,137	(100,000)	72,585	131,853	20,225	-	152,078
Strategic Waste Management Reserve	271,472	114,239	-	385,711	272,617	110,097	-	382,714	30,089	241,383	-	271,472
Catalina Estate Land Sales Reserve	6,022,134	6,149,195	-	12,171,329	6,051,245	3,972,533	-	10,023,778	3,271,415	2,750,719	-	6,022,134
Underground Power Reserve	2,551,268	133,815	-	2,685,083	2,578,960	94,210	-	2,673,170	2,426,976	124,292	-	2,551,268
Waste Management Plant and Equipment Reserve	-	-	-	-	-	-	-	-	228,176	-	(228,176)	-
	<u>22,878,829</u>	<u>10,456,170</u>	<u>(3,403,227)</u>	<u>29,931,772</u>	<u>22,310,855</u>	<u>6,179,099</u>	<u>(2,982,397)</u>	<u>25,507,557</u>	<u>17,193,645</u>	<u>10,207,490</u>	<u>(4,522,306)</u>	<u>22,878,829</u>

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

continued on next page ...

Page 57 of 60

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 30. Reserve accounts (continued)

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	Purpose of the reserve
246 Vincent Street Building Reserve	For major building upgrade, maintenance, repairs, renovation and replacement of floorcovering, fixtures and fittings associated with the new Office Building and Land.
Beatty Park Leisure Centre Reserve	For the major upgrade and redevelopment of the Beatty Park Leisure Centre including the replacement or purchase of major plant, equipment, fixtures and fittings.
Cash in Lieu Parking Reserve	This reserve is established from payment of cash-in-lieu of car parking from development applicants and is to be used for providing and/or upgrading existing and proposed Transport infrastructure as defined in the City's Parking and Access Policy 7.7.1.
Catalina Estate Land Sales Reserve	For future significant/major capital works, underground power projects, infrastructure, project or debt reduction programme for the benefit of the City.
Hyde Park Lake Reserve	For works associated with the investigation, maintenance, remedial works and the rehabilitation of the Hyde Park Lakes and surrounds.
Land and Building Acquisition Reserve	To ensure that proceeds of real assets disposed of are restricted to purchase other land and buildings for civic purposes.
Leederville Oval Reserve	For the works associated with the maintenance, repairs, upgrade and replacement of Leederville Oval buildings, fixtures, fittings and associated land.
Loftus Community Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.
Loftus Recreation Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.
Parking Facility and Equipment Reserve	This reserve is for the purchase and replacement of parking ticket machines, provision and improvement of parking information systems, security lighting, improved pathways and associated infrastructure to access parking areas and associated works.
Percent for Art Reserve	This reserve is funded from payment of public art contributions from development applicants and is to be used for the acquisition and provision of Public Art and associated infrastructure.
Plant and Equipment Reserve	For the purchase of replacement plant and equipment associated with City's works.
POS reserve - Haynes Street	For the future development of POS at Haynes Street.
POS reserve - General	For the future development of public open space in the City.
State Gymnastics Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.
Strategic Waste Management Reserve	For the purpose of replacing plant and equipment associated with the City's waste operations and investigation/implementation of integrated waste management strategies/programmes and initiatives, (including secondary waste treatment and costs associated with the redevelopment of Lot 118 Tamala Park).
Underground Power Reserve	For the purpose of funding the City's contribution to approved underground power projects.
Waste Management Plant and Equipment Reserve	For the purpose of replacing plant and equipment associated with the City's waste management, minimisation and recycling operations.
Asset Sustainability Reserve	For assisting Council in funding its long term asset management objectives and provide a means to spread the cost of intergenerational assets over multiple years.

City of Vincent

Financial Report 2025

Notes to the Financial Report
for the year ended 30 June 2025

Note 31. Trust funds

	1 July 2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
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:				
Leederville Gardens Inc. Trust	4,055,575	197,586	-	4,253,161
	<u>4,055,575</u>	<u>197,586</u>	<u>-</u>	<u>4,253,161</u>

City of Vincent

Financial Report 2025

General Purpose Financial Report
for the year ended 30 June 2025

Independent auditor's report

Insert Independent Auditor's Report here



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

City of Vincent

To the Council of the City of Vincent

Opinion

I have audited the financial report of the City of Vincent (City) which comprises:

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

In my opinion, the financial report :

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

Basis for opinion

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

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

Other information

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

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

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

Page 1 of 3

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

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

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

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

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

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

- assessing the City'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 City.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Vincent for the year ended 30 June 2025 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City'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 City to confirm the information contained in the website version.

Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 November 2025

DRAFT

5.2 AUDIT AND RISK COMMITTEE MEETING DATES 2026

TRIM Ref: D25/102773

Author: Wendy Barnard, Executive Assistant to the Mayor and Council Support

Authoriser: David MacLennan, Chief Executive Officer

Attachments: 1. Proposed Audit Committee Dates 2026  **RECOMMENDATION:**That the Audit Committee **ADOPTS** the meeting schedule for 2026 as follows:

Date	Time
Wednesday 18 February 2026	4.00pm
Wednesday 27 May 2026	4.00pm
Wednesday 26 August 2026	4.00pm
Wednesday 11 November 2026	4.00pm

COMMITTEE DECISION ITEM 5.2**Moved:** Mayor Xamon, **Seconded:** Mr Manifis

That the recommendation be adopted.

AMENDMENT**Moved:** Mayor Xamon, **Seconded:** Cr Castle

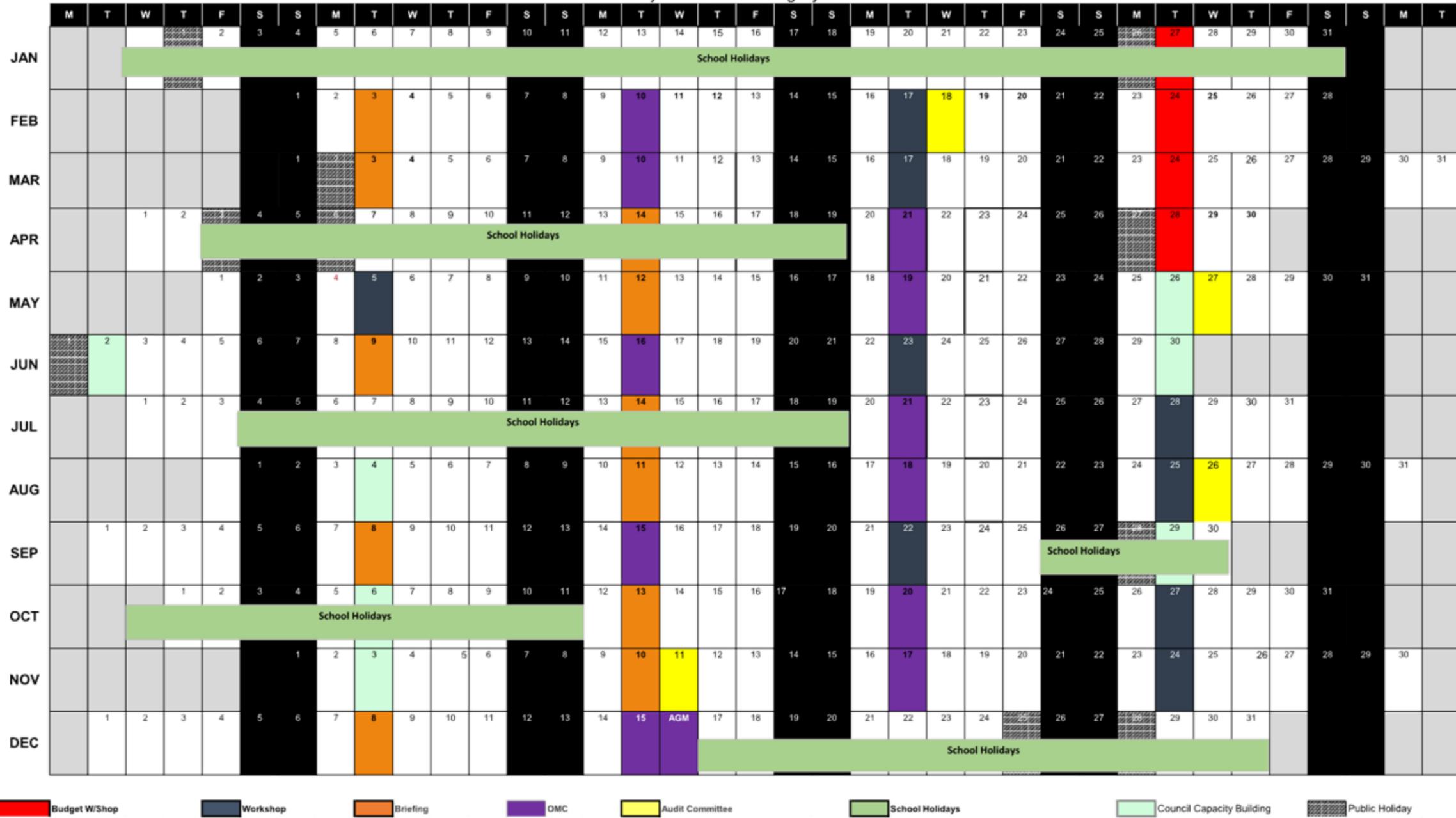
That the meeting scheduled for Wednesday, 18 February be rescheduled to Wednesday, 25 February, and that the start time for all Audit and Risk Committee meetings in 2026 be changed to 4:30 PM.

CARRIED UNANIMOUSLY (7-0)**COMMITTEE DECISION****Moved:** Mayor Xamon, **Seconded:** Cr CastleThat the Audit Committee **ADOPTS** the meeting schedule for 2026 as follows:

Date	Time
Wednesday 25 February 2026	4.30pm
Wednesday 27 May 2026	4.30pm
Wednesday 26 August 2026	4.30pm
Wednesday 11 November 2026	4.30pm

CARRIED UNANIMOUSLY (7-0)

City of Vincent Meeting Cycle 2026



5.3 CYBER SECURITY RESILIENCE AND TESTING INSIGHTS**TRIM Ref:** D25/108550**Author:** Anthony Wishart, Executive Manager Information and Communication Technology**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:**

1. OSG - City of Vincent - Internal Penetration Test - Truncated Report - Confidential
2. OSG - City of Vincent - External Penetration Test - Truncated Report - Confidential
3. Cyber Security Awareness Training Report - Confidential

RECOMMENDATION:

That the Audit and Risk Committee:

1. **RECIEVES** the truncated Internal Penetration Test Report at Attachment 1
2. **RECEIVES** the truncated External Penetration Test Report at Attachment 2
3. **NOTES** the Cyber Security Awareness Training Report at Attachment 3

COMMITTEE DECISION ITEM 5.3**Moved:** Mayor Xamon, **Seconded:** Cr Castle

That the recommendation be adopted.

CARRIED (7-0)**For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil

Manager Financial Services returned to the meeting at 5.00pm, during item 5.3.

ACTION: Administration to provide a refresher on the Essential Eight maturity review across systems at a future Audit & Risk Committee meeting.**ACTION:** Administration to provide an update at a future meeting on the additional recommended controls for local government and the City's current compliance tracking, including maturity levels across each area.**ACTION:** Administration to ensure all remediation actions arising from cybersecurity testing for vulnerabilities rated medium or above are recorded in the Audit Log.**ACTION:** An update is to be provided on the completion status of cybersecurity training for the identified individuals. If any have not completed the training, outline the consequences and next steps, and confirm whether training is required for each individual.

5.4 INTEGRITY FRAMEWORK – YEAR 1 REVIEW, MATURITY SELF-ASSESSMENT AND FRAUD & CORRUPTION RISK REGISTER**TRIM Ref:** D25/95644**Authors:** Emma Simmons, A/Executive Manager Corporate Strategy & Governance
Grace Haveckin, Senior Governance & Risk Officer
Alex Harris, Governance Officer**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:**

1. Integrity Framework  
2. Public Sector Commission (PSC) Integrity Maturity Self-Assessment - Confidential
3. Fraud and Corruption Risk Register - Confidential
4. Fraud and Corruption Control Review Schedule - Confidential

RECOMMENDATION:**That the Audit & Risk Committee recommends to Council that it:**

1. **RECEIVES** the
 - a. Public Sector Commission (PSC) Integrity Maturity Self-Assessment at Attachment 2;
 - b. updated Fraud and Corruption Risk Register at Attachment 3; and
 - c. updated Fraud and Corruption Control Review Schedule at Attachment 4; and
2. **SUPPORTS** continued implementation of improvement actions, noted in the self-assessment and within this report, to strengthen the City's integrity controls and reporting.

COMMITTEE DECISION ITEM 5.4**Moved: Mr Manifis, Seconded: Mr Isambert****That the recommendation be adopted.****CARRIED (7-0)****For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil**ACTION:** The Committee requested Administration issue biannual communications from the CEO on integrity.**ACTION:** Administration to report back to the Committee in 2026 on how the City manages its legislative obligations beyond the annual Compliance Audit Return.**ACTION:** Administration to confirm at the next Committee meeting which finance-related risks with inherent ratings at medium and above have detection mechanisms in place.**ACTION:** Administration to provide the Committee with an overview of how the City manages compliance obligations, including the systems and controls in place.**ACTION:** Administration to reassess the post-mitigation (post-RMA) risk rating for the risk relating to manipulation of Council land and asset sales, and report back to the Committee on additional measures required to reduce this risk to low.



Integrity Framework

2024

Acknowledgement *The City of Vincent acknowledges that its Integrity Framework is based upon the Public Sector Commission's Integrity Framework resources and thanks the Public Sector Commission for its guidance in development of this document.*

Contents

Contents	0
1. Introduction.....	1
1.1 Purpose of this Integrity Framework.....	1
1.2 Definition of Fraud.....	2
1.3 Definition of Corruption.....	2
2. Integrity Model.....	3
3. Plan & act to improve integrity.....	4
3.1 Roles and responsibilities.....	4
3.2 Legislation and regulations.....	7
3.3 Risk analysis and planning for integrity	8
3.4 Internal controls, audit and governance	10
3.5 Fraud and corruption detection systems	11
4. Model and embody a culture of integrity.....	12
4.1 Values and standards.....	12
5. Learn and develop integrity knowledge and skills	13
5.1 Integrity education and capacity.....	13
6. Be accountable for integrity	14
6.1 Response to integrity breaches.....	14
6.2 Self-analysis and review.....	14
7. Oversight.....	14

1. Introduction

The City has zero tolerance for corrupt conduct or fraudulent activities. The City is dedicated to fostering a culture of integrity and accountability and is committed to preventing, deterring, detecting and investigating fraudulent and corrupt behaviour in the delivery of City services.



The City’s Integrity Framework (Framework) aligns with the WA Public Sector Commission’s mandate to promote and maintain integrity, conduct and ethics.

1.1 Purpose of this Integrity Framework

The City’s Framework aligns with the WA Public Sector Commission’s mandate to promote and maintain integrity, conduct and ethics by bringing together the policies, procedures, tools and structures that shape the practices, management, and oversight of integrity at the City.

It serves as a comprehensive guide for Council Members, staff and our community providing:

- a clear framework for understanding and upholding integrity;
- a shared understanding of the City’s commitment to ethical practices; and
- the tools and structures necessary for implementation and oversight with a consistent and ethical approach.

1.2 Definition of Fraud

Fraud is defined by the Australian Standard AS 8001:2021 – Fraud & Corruption Control as:

Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.

1.3 Definition of Corruption

Corruption is defined by the Australian Standard AS 8001:2021 – Fraud & Corruption Control as:

Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interest of the organisation and abuses their position of trust on order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interest of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.

2. Integrity Model

The WA Public Sector Commission defines integrity as:

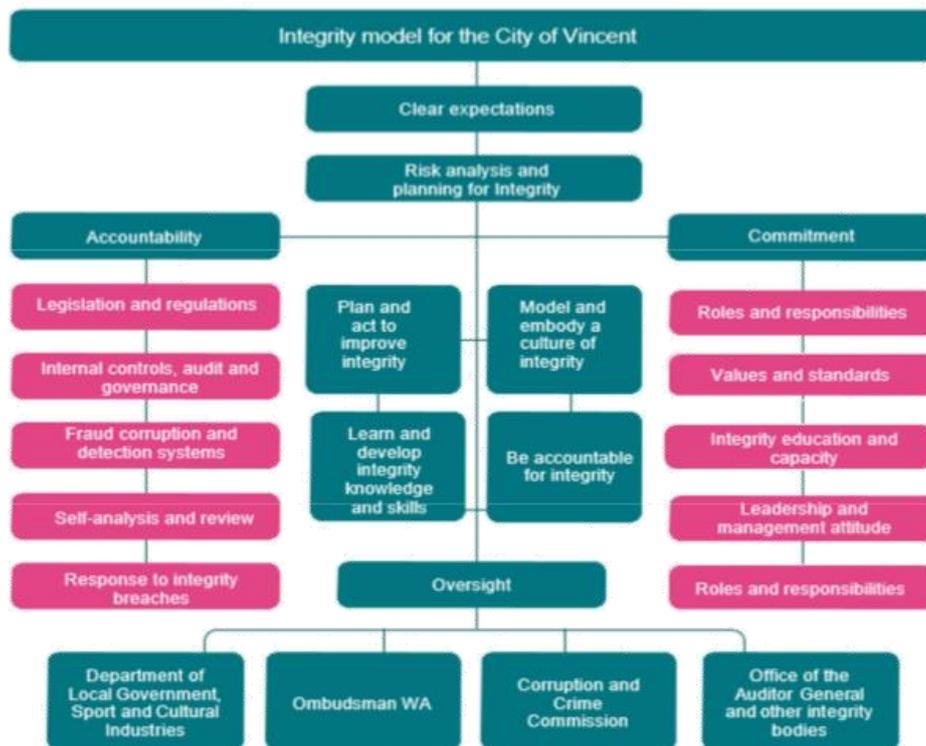
A non-negotiable to assure Western Australians that public authorities act in the interest of the community each and every day through the decisions we make and the actions we take.

Operating with integrity means using our powers responsibly for the purpose and in the manner for which they were intended. It means acting with honesty and transparency, making reasoned decisions without bias by following fair and objective processes.

It also means preventing and addressing improper conduct, disclosing facts without hiding or distorting them, and not allowing decisions or actions to be influenced by personal or private interests.

Earning and maintaining community trust is essential for us to deliver the services that families, individuals, businesses and industry need for them to prosper – and for the State to grow.

The City's Integrity Model reflects the integrity model in place for WA public authorities, and provides a visual structure to the City's integrated approach to the promotion of integrity:



Integrity Framework

3. Plan & Act to Improve Integrity

The City's Integrity Framework includes areas with responsibilities for defining, supporting, controlling, and enforcing integrity across the organisation. These include core areas, such as the Council, Audit & Risk Committee and the Executive Management Committee or individuals responsible for implementing integrity policies and procedures.

3.1 Roles and responsibilities

Assigning clear responsibilities within the City's operations is necessary to ensure co-operation and to avoid overlaps and prevent fragmentation. Responsibilities include developing, implementing, monitoring, and evaluating integrity standards and tools, and are carried out by not only those areas within the organisation but outside the organisation.

The following table details the various bodies or positions within the City of Vincent that are key components of the City's integrity system:

Body or position	Integrity Role
Council	<ul style="list-style-type: none"> • Operate in accordance with the <i>Local Government Act 1995</i> and relevant legislation, including in relation to integrity and governance. • Sets integrity expectations and embodies these through the City's: <ul style="list-style-type: none"> ○ Code of Conduct for Council Members, Committee Members and Candidates. ○ Risk Management Framework. ○ Governance Framework. ○ Council Policy • Set and endorse delegations for specific functions to the Chief Executive Officer and relevant officers. • Endorse the City's Annual Compliance Audit Return. • Adopt the Terms of Reference of the City's Audit and Risk Committee. • Appoint members to the Audit and Risk Committee. • Receive and approve recommendations from the City's Audit and Risk Committee.
Audit and Risk Committee	<ul style="list-style-type: none"> • Operate in accordance with the <i>Local Government Act 1995</i> and relevant legislation, including in relation to integrity and governance. • Adhere to and demonstrate the highest level of commitment and conduct for integrity. • Review risk management frameworks and associated procedures for the effective identification and management of fraud risks. • Provide assurance that the City has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information. • Provide leadership in preventing fraud and corruption. • Monitor the implementation of recommended control improvements and ensure accountability for unresolved risks.

Integrity Framework

Body or position	Integrity Role
Council Members	<ul style="list-style-type: none"> • Operate in accordance with the <i>Local Government Act 1995</i> and relevant legislation, including in relation to integrity and governance. • Adhere to and demonstrate the highest level of commitment and conduct for integrity. • Model a culture of integrity through the active demonstration of the City's values and by communicating the importance of meeting integrity standards. • Participate in the Council's decision-making processes in an impartial and unbiased manner. • Manage, declare and record gifts and conflicts of interest.
All Employees	<ul style="list-style-type: none"> • Operate in accordance with the <i>Local Government Act 1995</i> and relevant legislation, including in relation to integrity and governance. • Adhere to and demonstrate the highest level of commitment and conduct for integrity. • Reflect the City's values and integrity standards. • Comply with policies, processes and systems developed for organisation integrity. • Apply appropriate practices for risk management, internal controls, and fraud and corruption prevention. • Report misconduct, corruption or fraud through established reporting mechanisms. • Participate in training and development opportunities to enhance integrity knowledge and capacity. • Manage, declare and record gifts and conflicts of interest.
Chief Executive Officer	<ul style="list-style-type: none"> • Apply the City's resources to fraud prevention and ensure the implementation of adequate controls for managing fraud and corruption risks within the City. • Drive a culture of integrity through the active demonstration of the City's values and by communicating the importance of meeting integrity standards. • Implement application of integrity policies and procedures for the City. • Report misconduct activities or suspected activities to external oversight bodies.
Executive Management Team	<ul style="list-style-type: none"> • Monitor and evaluate the effectiveness of this Framework. • Provide leadership, guidance, training and support to meet integrity standards. • Monitor and review the City's Corporate Risk register to identify fraud risk areas and the continued operation of controls. • Participate in integrity risk assessment reviews. • Report misconduct activities or suspected activities to external oversight bodies. • Ensure the protection of complainants who report fraudulent and corrupt activities.

Integrity Framework

Body or position	Integrity Role
All managers	<ul style="list-style-type: none"> • Promote integrity and prevent misconduct and corruption. • Ensure internal controls, policies and procedures are operationalised. • Reduce organisation vulnerability to fraud and corruption by identifying new or emerging fraud risks and ensuring that they are reported, assessed and managed in accordance with the Risk Management Framework. • Model appropriate behaviours and standards. • Manage, respond to and report integrity breaches or issues as they arise. • Conduct regular audits in high-risk areas such as procurement, payroll, and financial transactions. • Ensure discrepancy investigations in payroll data are promptly addressed.
Executive Manager Corporate Strategy and Governance (Chief Audit Executive (CAE))	<ul style="list-style-type: none"> • Coordinate the biennial review of this Framework including maturity self-assessment and reporting. • Implement core integrity instruments, processes and systems around governance, codes of conduct, delegations of authority, accountability and ethical decision-making. • Maintain and report on legislative and regulatory compliance requirements. • Facilitate ethical training and awareness. • Maintain the City's Risk Management Framework including alignment assessment, review and reporting to reduce organisational vulnerability to fraud and corruption. • Maintain public registers. • Maintain the Delegations of Authority Manual.
Executive Manager Human Resources	<ul style="list-style-type: none"> • Develop, review, and implement ethically guided procedures and systems relating to human resource practices including: <ul style="list-style-type: none"> ○ recruitment and selection. ○ performance review. ○ workforce management. ○ induction and training. ○ complaints and grievances. • Ensure employee induction covers integrity expectations. • Facilitate ethical training and awareness. • Develop, review, and implement the Employee Code of Conduct, ensuring the highest level of commitment to integrity and ethical conduct. • Manage grievance and discipline processes.
Chief Financial Officer	<ul style="list-style-type: none"> • Develop, review, and implement procedures and systems relating to purchasing and procurement; tendering and contracts; and utilisation of the City's finances ensuring the highest level of commitment to integrity and ethical conduct. • Ensure compliance with legislative provisions, policies and procedures related to financial management and reporting, procurement, and financial audits. • Ensure due diligence when engaging contractors and suppliers to deal with integrity matters to ensure they have the necessary

Integrity Framework

Body or position	Integrity Role
	<p>qualifications, skills and/or experience (e.g. through reference and qualification checks).</p> <ul style="list-style-type: none"> • Conduct post-transaction reviews and validation procedures for creditor information to prevent invoice fraud. • Perform regular asset audits and implement access controls for high-value assets.
Executive Manager Information and Communication Technology	<ul style="list-style-type: none"> • Develop, review, and implement procedures and systems relating to ICT use and security. • Manage appropriate security testing of ICT system and develop responses to identified security risks. • Ensure employees are appropriately educated in ICT use and security practices. • Implement IT security controls, such as multi-factor authentication and restricting access to sensitive systems, to mitigate the risk of unauthorised access and fraud.
Public Interest Disclosure Officers	<ul style="list-style-type: none"> • Investigate disclosures in accordance with the <i>Public Interest Disclosure Act 2003</i>.

3.2 Legislation and regulations

The *Local Government Act 1995* (Act) requires local governments to develop and maintain adequate internal control systems.

In accordance with the Act, the CEO:

- a) In accordance with the *Local Government (Financial Management) Regulations 1996* r.5, advise Council at least once every 3 years in respect to –
 - efficient systems and procedures
 - ensure efficient use of resources
 - appropriateness and effectiveness of systems
- b) In accordance with the *Local Government (Audit) Regulations 1996* r.17, at least once every 3 years review –
 - risk management
 - internal controls, and
 - legislative compliance.

Local governments are also required to establish a Code of Conduct for employees, contractors and Council and establish an Audit & Risk Committee.

The *Public Interest Disclosure Act 2003* (PID Act) requires the local government to establish written procedures for handling of any protected disclosures.

The City also has obligations under State legislation to report matters related to integrity including, but not limited to:

- *Corruption, Crime and Misconduct Act 2003*.
- *Financial Management Act 2006*.
- *State Records Act 2000*.

Integrity Framework

3.3 Risk analysis and planning for integrity

The Corruption and Crime Commission have identified the following fraud and corruption risks in Local Government



Fraud & Corruption Risks In Local Government

FRAUD	CORRUPTION	OTHER
Procurement fraud Collusive tendering, favouritism in contract awards, inflated invoices/price gouging for goods and services	Bribery/Kickbacks Accepting payments/commissions/gifts or hospitality for preferential treatment: licensing, contracts, marketing opportunities	Data and Information Manipulation of data/statistics to secure funding, falsely claim achievements, obscure detriments
Payroll fraud Ghost employees, false overtime claims, unauthorised salary increases/payments	Conflict of Interest Using position to benefit themselves or family financially, owning businesses or partnering with private companies	Insider Trading Commercially sensitive or privileged information is used for benefit (e.g., shares)
Grant fraud Misuse of funds for personal gain	Extortion Demanding payments from businesses in exchange for permits, licences or favour	Misuse of Assets Using government owned assets for personal interests (e.g., work vehicles, equipment or technology)
Financial Fraud Embezzlement, false invoicing, skimming	Nepotism or Cronyism Hiring, promoting, rewarding individuals based on relationships not merit	

Integrity Framework

The City's Risk Management Framework (RMF) is essential in supporting the Integrity Framework by providing structured guidance on identifying, analysing, and managing fraud and corruption risks. The Fraud and Corruption Risk Register (Register) identifies key areas of vulnerability, prioritising these risks for targeted action.

Integrity risk analysis approach aligns with the RMF, ensuring that medium, high, and extreme residual risks are managed in accordance with the City's broader risk management processes. Control measures are designed to mitigate specific risks as identified in the register, with inherent risks being assessed and managed based on their potential impact and likelihood.

Procurement fraud is a high-priority area, with strong controls in place to mitigate the risk of fraudulent activities in procurement processes. These controls include the enforcement of segregation of duties and multi-level approvals to ensure transparency and accountability. Regular auditing of procurement activities helps detect and prevent fraudulent behaviour, with additional reviews conducted when required.

Invoice fraud is addressed through strict validation procedures, ensuring that creditor information is accurately verified before payments are processed. These controls reduce the risk of fraudulent invoices being approved and processed.

Asset misappropriation is mitigated through robust asset management procedures. The City ensures that high-value assets are tracked, with restricted access granted only to authorised personnel. Regular asset audits are conducted to ensure assets are correctly accounted for and used appropriately.

Payroll fraud risks are controlled through comprehensive payroll verification processes, ensuring that timesheets are accurately reviewed and approved. Controls are in place to ensure that payroll systems are secure, and any discrepancies are promptly investigated.

Through the application of the RMF, the City ensures that identified fraud and corruption risks are continuously monitored and addressed. Control measures are regularly reviewed to ensure they remain effective in reducing residual risk, with high-priority risks receiving ongoing attention as part of the City's overall risk management approach.

Enhanced Procurement Controls:

- Regular audits in high-risk areas such as procurement ensure compliance with established procedures and detect any anomalies early.
- Segregation of duties in procurement processes prevents any single individual from having control over all aspects of a transaction.

Invoice Fraud Prevention:

- Strict validation procedures for creditor information ensure accuracy before processing payments. This includes cross-checking details with external databases where possible.
- Post-transaction reviews of financial transactions identify any discrepancies or unauthorised changes.

Asset Management:

- Regular asset audits ensure that all high-value assets are accounted for and used appropriately.

Integrity Framework

- Access controls for high-value assets ensure that only authorised personnel can access them.

Payroll Verification:

- Comprehensive payroll verification processes ensure that all timesheets are accurately reviewed and approved. This includes cross-referencing timesheets with attendance records and other relevant data.
- Discrepancy investigations in payroll data promptly address any discrepancies found.

Continuous Improvement and Monitoring:

- Regular review of control measures ensures they are updated based on audit findings and risk assessments to remain effective in reducing residual risk.
- Enhanced IT security controls, such as multi-factor authentication and access restrictions, protect sensitive systems and data from unauthorised access and fraud.

3.4 Internal controls, audit and governance

The City's internal controls are designed to prevent, detect, and respond to integrity breaches, including fraud and corruption. The internal control framework is supported by a robust audit and governance system, which ensures the continuous assessment and improvement of control measures across all operations.

The control review schedule has been developed to prioritise areas of highest vulnerability, using both the inherent risk rating (before controls) and the effectiveness of controls in reducing the current risk. This ensures that the highest-risk areas, such as procurement, payroll, and asset management, receive the most immediate attention.

Key components of the City's internal controls audit and governance include:

Control review schedule:

- Controls are reviewed on a rolling basis, with medium, high, and extreme inherent risk areas receiving more frequent reviews. The review schedule prioritises areas where control effectiveness may be lower or where the risk remains high despite existing controls.

Control effectiveness evaluation:

- The City assesses control effectiveness regularly, with ratings assigned to each control. Control ratings such as "fully effective," "adequate," and "inadequate" inform the frequency and depth of reviews, ensuring resources are focused on areas where control weaknesses have been identified.

Incorporation into audit programs:

- The City's internal audit program is risk-based and aimed at addressing the City's key high risks, which relate to non-compliance, fraud, corruption and misconduct. The purpose of the internal audit program is to test the effectiveness and adequacy of the City's controls, processes and practices aimed at managing these risks.
- Audits are undertaken by an independent auditor and the outcome of each audit, along with proposed management actions, are presented to the Committee. Management actions are documented and tracked through the City's audit log which is presented to the Committee at each meeting.

Audit and Risk Committee oversight:

Integrity Framework

- The Committee regularly reviews the Corporate Risk Register and the outcomes of control audits, ensuring that the highest risks are being addressed in a timely manner. This includes monitoring the implementation of recommended control improvements and ensuring accountability for unresolved risks.

Continuous improvement:

- The City continually refines its control measures based on audit findings, feedback from risk owners, and changes in the external environment. This includes integrating new technologies, updating policies, and introducing more sophisticated control mechanisms where necessary.

By aligning control reviews with both inherent risk ratings and control effectiveness, the City ensures that areas of high vulnerability are subject to rigorous scrutiny and ongoing improvement. This proactive approach reduces residual risk and strengthens the City's ability to manage integrity risks effectively.

3.5 Fraud and corruption detection systems

Detection Mechanisms:

- The Register and supporting RMF prioritise detection mechanisms for fraud and corruption. These systems are essential for identifying vulnerabilities, detecting anomalies, and preventing integrity breaches. The City's fraud detection approach incorporates both proactive and reactive systems, aligned with the findings in the Register.

Regular Audits and Control Testing:

- The City is committed to regular audits and control testing. High-priority areas such as procurement, payroll, and financial transactions are subject to frequent audits. Internal audit programs, conducted by independent auditors, evaluate the effectiveness of internal controls, risk management, and governance processes, while annual financial audits, performed by the Office of the Auditor General, ensure compliance with accounting standards and legislation.

Post-Transaction Reviews:

- Post-transaction reviews of key financial transactions are conducted to detect anomalies, missing or altered documentation, and unauthorised changes. These reviews are particularly relevant for procurement and accounts payable, where fraud risk is highest. This includes the review of management accounting reports to identify unusual patterns in financial transactions.

IT Security Controls:

- IT security controls, such as restricting access to sensitive systems and implementing multi-factor authentication, are recognised as essential components of fraud detection, particularly in managing supplier information and payroll data. These controls help mitigate the risk of unauthorised access and fraud.

Governance Detection Systems:

- The City also maintains robust governance detection systems to support its commitment to transparency and accountability. Conflicts of interest and gift declarations are published in publicly accessible registers, while Public Interest Disclosure Procedures (PID) Information Guidelines provide clear guidance to

Integrity Framework

employees and members of the public on reporting suspicious or known illegal or unethical conduct. Anonymous reporting avenues are also available to enable confidential reporting.

Financial System Reviews:

- Financial systems undergo independent reviews to ensure their integrity. This includes the manual uploading of fees, charges, journal entries, and changes to employee payments. In addition, monthly reconciliations of financial modules to general ledger balances are performed to ensure accuracy, and the annual budget process, alongside the mid-year review, critically assesses forward budget projections to maintain financial integrity.

By aligning these detection systems with the risk levels identified in Register, and ensuring a thorough governance framework, the City strengthens its ability to detect fraud early and take appropriate corrective action.

4. Model and embody a culture of integrity

The Strategic Community Plan is the Council's key strategic document. It describes the vision the City of Vincent will strive to achieve, where it will focus its efforts, and how it will measure progress.

4.1 Values and standards

VISION: To be a clever, creative and courageous local government.



Clever



Creative



Courageous

OUR VALUES



Engaging

Listening, understanding and communicating is the key to our success.



Accountable

We work openly and transparently to earn our community's trust.



Making a Difference

Our work improves our community and the lives of our residents.

The values of engaging, accountability, and making a difference are deeply interconnected with organisation integrity. By actively listening, understanding, and communicating, the City demonstrates respect and transparency, which are vital for maintaining integrity.

Integrity Framework

Accountability ensures that actions are transparent and subject to scrutiny, building trust and showing ethical responsibility.

The [City of Vincent Code of Conduct](#) expresses the City's commitment to high standards of ethical and professional behavior and outlines the principles in which individual responsibilities are based.

The City provides a formal induction process for all new staff and contractors that includes a clear focus on integrity. Managers exercise and demonstrate high levels of integrity in the performance of their roles and functions and reinforce standards of ethical and professional behavior.

Values and standards are included through recruitment materials and on the City's website.

5. Learn and develop integrity knowledge and skills

5.1 Integrity education and capacity

The City will adopt a proactive approach to fraud prevention by embedding the following practices:

- **Fraud awareness training:** All staff, particularly those in procurement, finance, and asset management roles, will participate in regular fraud awareness training to understand the risks and their role in mitigating them.
- **Regular communication on integrity:** Senior management will communicate the importance of maintaining high integrity standards, with a focus on the high-risk areas identified in the Fraud Risk Register.

These initiatives will help to foster a culture of integrity across the organisation, ensuring staff are actively engaged in preventing fraud.

The City will maintain a dedicated Fraud and Corruption internal webpage for employees that highlights the key integrity responsibilities of public sector employees and details reminders of:

- the City's position in relation to the acceptance of gifts and benefits;
- how to identify, disclose and manage conflicts of interest;
- appropriate use of public resources;
- appropriate management of corporate information;
- personal behaviour; and
- how to report suspected unethical, fraudulent, dishonest, illegal, or corrupt behaviour.

Key integrity responsibilities are also communicated by the CEO to all staff.

6. Be accountable for integrity

6.1 Response to integrity breaches

The City provides a dedicated [webpage](#) to assist our community, employees, contractors, and visitors in navigating the proper process for reporting integrity breaches and lodging complaints.

Where complaints against elected members, committee members or candidates are upheld they will be included in the City's Complaints Registers, available on the City's website. Complaints (upheld) and reporting to external oversight bodies will also be reported on in the City's Annual Report.

For certain types of conduct, the Chief Executive Officer has a statutory obligation to notify the Public Sector Commission and Department of Local Government, Sport and Cultural Industries (minor misconduct), Corruption and Crime Commission (serious misconduct) and Western Australia Police (criminal conduct).

6.2 Self-analysis and review

The City will review this Framework on a biennial basis undertaking a maturity self-assessment in line with the [Public Sector Commission Integrity Framework Maturity Self-Assessment](#) to identify the strengths and weaknesses of its approach to integrity in relation to 4 levels of maturity – emerging, developing, embedded and excelling – and develop a plan to reach its desired levels.

7. Oversight

The Chief Executive Officer, with the support of the Executive Management Team, is responsible for oversight of this Framework.

In addition, the Audit and Risk Committee assists by providing independent oversight on the effectiveness of the City's RMF. As part of its oversight role the committee receives regular reporting on:

- development of the internal audit program with considerations to undertake pro-active fraud and corruption detecting activities.
- internal audit reports and recommendations and management actions.

OFFICE USE ONLY	
Responsible Officer	Executive Manager Corporate Strategy and Governance
Initial Adoption	19/11/2024 Item 12.3
Reviewed / Amended	Nil
Next Review Date	11/2026

Integrity Framework

5.5 ADMINISTRATION OF PERSONAL LEAVE**TRIM Ref:** D25/102403**Author:** Nathan Stokes, Executive Manager Human Resources**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:** 1. Administration of Personal Leave  **RECOMMENDATION:**

That the Audit and Risk Committee **RECEIVES** The Administration of Personal Leave report tabled for the State Government at Attachment 1.

COMMITTEE DECISION ITEM 5.5**Moved:** Mayor Xamon, **Seconded:** Mr Manifis

That the recommendation be adopted.

CARRIED (7-0)**For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil



Report 19: 2024-25 | 6 June 2025

PERFORMANCE AUDIT

Administration of Personal Leave



Office of the Auditor General
for Western Australia

Audit team:

Aloha Morrissey
Adam Dias
Justine Mezzatesta
Talia Channer
Daniel Franks
Adam Lines
Bruce Miller
Sumudu Nanayakkara
Manmeet Kaur

National Relay Service TTY: 133 677
(to assist people with hearing and voice impairment)

We can deliver this report in an alternative format for those with visual impairment.

© 2025 Office of the Auditor General Western Australia.
All rights reserved. If acknowledged, this material may be reproduced in whole or in part.

ISSN: 2200-1913 (print)
ISSN: 2200-1921 (online)

The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Image credit: shutterstock.com/g/Hongrama

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Administration of Personal Leave

Report 19: 2024-25
6 June 2025

This page is intentionally left blank



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

ADMINISTRATION OF PERSONAL LEAVE

This report has been prepared for submission to Parliament under the provisions of sections 24 and 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed if five State government entities effectively administer personal leave entitlements to minimise financial risk.

I wish to acknowledge the entities' staff for their cooperation with this audit.

A handwritten signature in black ink, appearing to read 'Caroline Spencer'.

Caroline Spencer
Auditor General
6 June 2025

Contents

Auditor General's overview	5
Executive summary	6
Introduction	6
Background	6
Conclusion	7
Findings	8
Entities have generally adequate controls and systems to administer personal leave, but they can be improved	8
Recommendation	11
Response from audited entities	12
Audit focus and scope	14

Auditor General's overview

Personal leave is an important entitlement provided to all non-casual staff, allowing for the continuation of pay in times of illness, injury or on compassionate grounds. The State Government provides generous personal leave entitlements to its public service staff and expects this to be well administered by entities.



This cross-entity audit has been conducted as something of a hygiene audit, to determine the extent and scale of issues in administering personal leave across State government entities. While personal leave is typically not seen as a financial liability and is not routinely part of our financial audits, it can have financial consequences for entities, particularly if staff take paid leave they are not entitled to.

It is reassuring to confirm that entities generally had appropriate systems to administer instances of personal leave in a timely and accurate manner.

However, I was concerned to find that staff in one entity took personal leave without it being recorded in the HR system and appropriately deducted from their leave balances and at three entities staff accrued time off in lieu when taking personal leave. This can lead to inequity in staff leave balances and potential 'double-dipping', highlighting why strong processes are required, particularly when systems do not prevent this from occurring.

Most improvement opportunities we identified were in how systems were implemented. Internal personal leave audits would help entities identify any system problems and correct any inaccurate leave balances.

Audited entities have received detailed audit findings relevant to them. I encourage all public sector entities to consider the issues identified in this report, particularly addressing the use of personal leave to accrue time off in lieu, and check if their administration of personal leave needs tightening. We will also communicate this to audit committees as part of our routine communications.

As with previous audits, we reviewed our own approach to the audit topic. We also found instances of staff having accrued time off in lieu (flexi) when taking personal leave. Our office's flexible working arrangements help us to manage our resources during busy periods and compensate staff who need to work additional hours due to the cyclic nature of audit. However, these arrangements should not be allowed to result in the inappropriate accrual of flexi. As our legacy time recording system does not prevent this, we will immediately update our policies and guidance for staff and carry out more regular system checks.

Executive summary

Introduction

This audit assessed if the following five State government entities (entities) effectively administer personal leave entitlements to minimise financial risk:

- Department of Finance
- Lotteries Commission (Lotterywest)
- Office of the Director of Public Prosecutions
- Western Australian Sports Centre Trust (VenuesWest)
- Zoological Parks Authority (Perth Zoo).

We reviewed the administration of personal leave between 1 September 2023 and 31 August 2024 for staff covered by the Public Sector Civil Service Association Agreement 2022 (the Agreement).

Background

The Western Australian public sector is the largest employer in the State, employing more than 170,000 people. Personal leave entitlements are specified by various awards and agreements for different roles. The Agreement covers many State government entities and approximately 35,800 public sector staff, including those in our audit.¹

Under the Agreement staff are entitled to up to 15 days of paid personal leave a year, with unused hours accumulating. Personal leave can be used:

- if employees are ill or injured
- to provide care or support to a member of their family or household because they are ill or injured
- for unanticipated matters of a compassionate or pressing nature
- for certain planned matters that cannot be organised outside of normal working hours or accommodated by flexible working arrangements or other leave.

Other conditions outlined in the Agreement include:

- how much and when leave is credited to new staff
- entitlement accrual to be calculated based on hours worked each fortnight
- staff can access leave from the next year if employed for more than 12 months
- staff can apply for leave without pay if their entitlements are exhausted.

Under the Agreement, flexible working arrangements are not to be used to accrue periods of leave. This means staff cannot exceed their daily work hours using personal leave.

¹ A new agreement was registered with the WA Industrial Relations Commission on 23 December 2024, outside the scope of this audit.

The Treasurer's Guidance Handbook² outlines relevant best practice for State government entities around recording of staff attendance and time worked.

Entities need both time attendance and human resource (HR) systems. Time attendance systems record staff hours worked and leave taken, while HR systems calculate entitlements, process applications and manage leave balances. Under the Agreement, leave balances can be transferred with staff to new employment at other public sector entities.

Staff taking only leave they are entitled to minimises impacts to service delivery and possible financial loss if overpayments cannot be recovered.

Conclusion

The audited State government entities were generally effective in administering personal leave entitlements to minimise financial risk and ensure staff have access to leave. All five had controls and systems to manage personal leave, but the audit identified some weaknesses that need improvement, including a lack of controls to stop staff accruing time off in lieu when personal leave is taken.

Entity time attendance and HR systems typically had appropriate features to administer personal leave. We also found most personal leave applications were generally managed well and finalised in a timely manner.

However, leave balances were not always accurate and entities did not always have the appropriate checks in place to help identify inaccuracies. We found at one entity not all personal leave taken was deducted from staff balances. We also identified examples where staff were given incorrect credits. Lastly, some entities did not always maintain the time attendance records needed to verify leave bookings. Appropriate checks of personal leave are vital to identify inconsistencies in records and any inaccuracies of leave balances.

² Department of Treasury, [Treasurer's Guidance Handbook](https://www.wa.gov.au/website), wa.gov.au website, December 2024.

Findings

Entities have generally adequate controls and systems to administer personal leave, but they can be improved

Time recording and HR systems are in place

Entities have time attendance and HR systems that allow:

- the capture of work hours and leave types
- staff to submit timesheets for manager approval
- approval by appropriate managers
- leave applications to include the reasons and supporting documentation
- critical information to be assigned to each staff member, including their relevant work agreement and arrangements.

Robust systems support entities to accurately calculate entitlements and record personal leave taken.

However, some time attendance systems did not have controls in place to stop staff from accruing time off in lieu³ when personal leave was taken. At three entities, the use of personal leave led to the accrual of time off in lieu (Case study 1). These entities' timekeeping systems did not prevent this from happening, and none had policies or guidance for staff on this issue. Inappropriately accruing time off in lieu can lead to productivity losses for entities.

Case study 1: Accruing time off in lieu while taking personal leave

Over the audit period, we found 252 incidents (207 hours) at three entities, where time off in lieu was inappropriately accrued through claiming personal leave.

An example of how this occurs was a staff member who worked six hours of their seven-and-a-half-hour workday and required personal leave in the same day. Instead of claiming one and a half hours as personal leave to make up the balance of their workday, the staff member claimed four hours. As this was a total of 10 hours for the day, two and a half hours was accrued as time off in lieu (Figure 1).

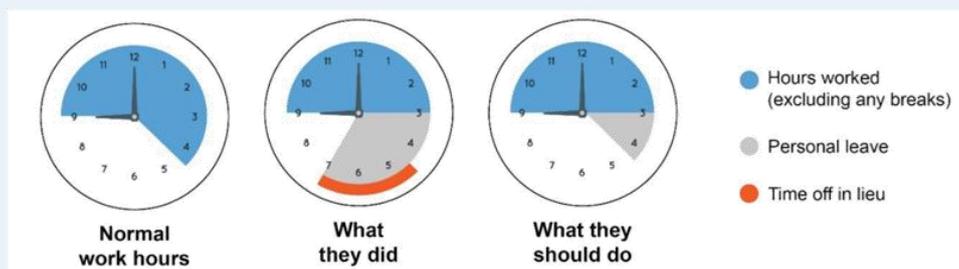
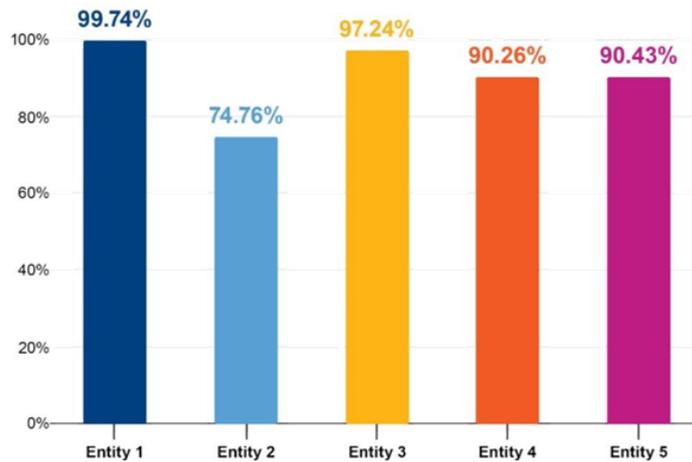


Figure 1: Example of how personal leave was used to inappropriately accrue time off in lieu

³ Typically referred to as flex within State government entities.

Most personal leave applications were appropriately managed

Personal leave applications were generally processed in a timely manner across all five entities. In nearly all cases, leave applications were submitted, approved and balances deducted within two-weeks (Figure 2). Timely processing of leave provides staff with current and accurate balances. This reduces the risk of entities paying staff for leave taken that they were not entitled to.



Source: OAG based on entity data

Figure 2: Personal leave applications finalised within 14 calendar days

Leave balances were not always accurate

Personal leave that had been taken was not always removed from staff balances in the HR system. At one entity, 46 staff recorded at least 895 hours (roughly 119 days) of personal leave in their timesheets that was not booked in the HR system. As there was no related HR booking, the leave balances were not updated and were therefore incorrect in the HR system. Regular checks would help entities identify these types of errors, preventing overstated balances and possible financial implications.

Entities did not always have appropriate checks in place to monitor leave balances. We found entities did not regularly review balances, although some did check balances when transferring staff to another entity. We sampled a small number of leave balances and found:

- three entities did not always correctly adjust accrual rates for some staff that changed their working hours, leading to both over and understated balances
- one entity awarded too much leave to staff transferring in. The entity provided these staff an advance on their personal leave (as though they were new starters) on top of their existing balance, which was not rectified
- three entities awarded some new starters incorrect personal leave entitlements that either did not reflect their contract length or conditions under the Agreement. At one entity, two new starters were awarded their initial leave entitlement but began to accrue leave simultaneously, resulting in these staff receiving double the initial entitlement.

Appropriate checks are vital as incorrect balances can lead to staff accessing more leave than entitled to or create a burden on staff who may not have access to their full entitlement or be required to repay any excess taken.

Entities did not always maintain the necessary attendance records to confirm when staff took leave. We found:

- at one entity, over 50% of staff were not required to keep timesheets and so there was no reliable corroborating record of when they took personal leave⁴
- timesheets at two entities were sometimes approved by other business units who did not know the staff's movements to reliably inform approval.

Without appropriate attendance records, entities cannot verify that all leave is accurately booked in the HR system. This can lead to incorrect leave balances.

⁴ During the audit the entity changed their process, and staff are now required to keep a timesheet.

Recommendation

1. All State entities should have effective systems to administer personal leave and ensure accurate leave balances, including controls to:
 - a. prevent personal leave leading to the accrual of time off in lieu
 - b. record staff attendance and use of personal leave
 - c. accurately calculate and award leave entitlements
 - d. periodically review system calculations and balances.

Implementation timeframe: 1 January 2026 or as marked in the entity response below

Entity response: Supported by all entities

Response from audited entities

Department of Finance

Finance accepts the recommendations to enhance its internal controls in the administration of personal leave and will implement the following actions to address the identified issues:

- **Review of timesheet approval processes**

Finance will review Timesheet approval processes and implement required controls to prevent employees from accruing time off in lieu when part-day personal leave is taken. Line managers will be made aware of the OAG findings and will be reminded of their responsibility to verify timesheet accuracy, ensuring that hours worked, and leave taken are correctly recorded, and that bookings are submitted and approved prior to timesheet approval. Employees with personal leave recorded in timesheets but no corresponding booking in the Payroll System will be contacted to submit outstanding leave requests.

- **Update of People Services procedures**

Finance will review procedures and quality assurance checklists related to the allocation of leave entitlements to ensure that instructions are clear and provide consistent guidance to all relevant officers.

- **Ongoing leave audits**

Finance will continue to conduct audits of employee leave entitlements, particularly for employees returning from long-term leave, cashing out leave, or with long service leave balances less than one day. These audits will help identify and address any inconsistencies in system calculations and balances.

Finance is committed to implementing the recommended improvements and all actions outlined will be completed by 1 January 2026.

Lotteries Commission

Lotterywest considers safeguarding against financial risks essential, to mitigate such risk, appropriate systems and controls are implemented and reviewed to ensure they are operating effectively. The recent Office of the Auditor General (OAG) review focused on the effectiveness of systems relating to the administering of personal leave and the accuracy of leave balances. In response to the recommendations, Lotterywest will:

- review its Leave Management Policy to ensure alignment with the OAG recommendations to clarify the requirement for employees to accurately record their personal leave to provide clear guidance around personal leave entitlements and the administration of personal leave, explaining where it is inappropriate to claim time-in-lieu, resulting in the incorrect accrual of personal leave
- continue to require employees to record their attendance for work via the SAP time and attendance system to ensure the accuracy and validity of employee time worked and personal leave taken
- continue to ensure the calculations of leave entitlements are accurate and in line with the applicable award and agreement conditions

- continue to conduct periodic reviews of system calculations and balances, to ensure that there is no inappropriate receipt of allowances, and that calculations and balances align with award/agreement conditions including the employee's actual entitlement

Office of the Director of Public Prosecution

We accept the recommendations in the summary of findings and note that these recommendations have been implemented since the audit. The appointment of our Payroll Coordinator has addressed the review and application of new processes and procedures to address them.

Overall, the findings are as expected and note that the findings and areas for improvement are acknowledged. Since the Audit, continuous improvement and refinements to procedures and processes have occurred. The Audit process enabled a thorough review which assisted in identifying areas requiring addressing and these have since been completed and continue to be undertaken to ensure a more stringent administration of personal leave entitlements.

Western Australian Sports Centre Trust

VenuesWest agrees with the recommendations above and will continue to work to ensure that we meet these requirements by 1 January 2026. Our commitments include:

- implementing a new process to audit leave balances on a regular (monthly) basis and continuing the process to audit leave entitlements when employees transfer to another agency
- ensuring accurate calculation of leave entitlements, recording of staff attendance and use of personal leave and ensuring that personal leave does not contribute to employees accruing time off in lieu or overtime through the implementation of a new rostering and time and attendance system – the implementation of this is almost complete.

Zoological Parks Authority

ZPA acknowledges the findings of the Auditor General's audit and is committed to strengthening the administration of personal leave. We have accepted all recommendations and are actively implementing system and policy improvements to ensure accuracy, transparency and compliance. We appreciate the collaborative approach taken by the audit team and thank them for their professionalism and guidance throughout the process.

We accept all recommendations outlined in the Summary of Findings and provide the following implementation plan:

- prevent personal leave leading to TOIL - system update planned with implementation by December 2025
- record staff attendance and leave - policy update in progress with implementation by June 2026
- accurate calculate and award leave - HR system review underway with implementation by October 2025
- periodically review balances - internal audit to monitor with implementation quarterly from July 2025.

Audit focus and scope

This audit assessed if five State government entities effectively administered personal leave entitlements to minimise financial risk. Entities were selected to ensure a sample of:

- staff employed under the Agreement
- varying sizes
- different entity types
- different time attendance and HR systems.

Our criteria were:

- Do entities have appropriate controls and systems?
- Are the controls and systems implemented effectively?

As part of the audit, we reviewed:

- in four entities:
 - policies, procedures and guidance for staff on personal leave
 - leave bookings and timesheet data
 - a sample of leave booking transactions with associated timesheet entries
 - a sample of leave accrual transactions
- in one entity:
 - policies, procedures and guidance for staff on personal leave
 - leave bookings and timesheet data.

We also undertook:

- wider data analysis across entire timesheet and leave booking datasets in all entities
- interviews with a small number of staff in four entities to gain a better understanding of the consistency of administering personal leave.

This was an independent performance audit, conducted under section 18 of the *Auditor General Act 2006*, in accordance with Australian Standard on Assurance Engagements ASAE 3500 Performance Engagements. We complied with the independence and other ethical requirements related to assurance engagements. Performance audits focus primarily on the effective management and operations of entity programs and activities. The approximate cost of undertaking the audit and reporting was \$415,000.

Auditor General's 2024-25 reports

Number	Title	Date tabled
19	Administration of Personal Leave	6 June 2025
18	Universities and TAFEs 2024 – Financial Audit Results	30 May 2025
17	Local Government Management of Purchasing Cards – Larger Metropolitan Entities	28 May 2025
16	Fraud Risks in Land Transactions by DevelopmentWA	28 May 2025
15	Electricity Generation and Retail Corporation (Synergy)	30 April 2025
14	State Government 2023-24 – Information Systems Audit Results	30 April 2025
13	State Government 2023-24 – Financial Audit Results	30 April 2025
12	Local Government 2023-24 – Financial Audit Results	24 April 2025
11	Local Government 2023-24 – Information Systems Audit Results	11 April 2025
10	Fraud Risks in the WA Greyhound Racing Association	11 April 2025
9	Child Protection Case Management System – Assist	21 March 2025
8	Universities and TAFEs 2023 – Financial Audit Results	5 December 2024
7	WA Student Assistance Payment – Controls Review	27 November 2024
6	Provision of Additional Information to the Standing Committee on Estimates and Financial Operations – Opinions on Ministerial Notifications	22 November 2024
5	Implementation of the Aboriginal Procurement Policy	21 November 2024
4	Quality and Utilisation of Emergency Department Data	20 November 2024
3	Management of State Agreements	30 October 2024
2	Legislative Reform Priorities and Timeframes – Opinion on Ministerial Notification	19 August 2024
1	Supplier Master Files – Better Practice Guide	1 August 2024

**Office of the Auditor General
for Western Australia**

7th Floor Albert Facey House
469 Wellington Street, Perth

T: 08 6557 7500
E: info@audit.wa.gov.au

www.audit.wa.gov.au



@OAG_WA



Office of the Auditor General
for Western Australia

5.6 MONTHLY REVIEW OF THE CITY'S CORPORATE RISK REGISTER**TRIM Ref:** D25/103378**Authors:** Grace Haveckin, Senior Governance & Risk Officer
Alex Harris, Governance Officer
Emma Simmons, A/Executive Manager Corporate Strategy & Governance**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:**

1. Corporate Risk Register - Confidential
2. Risk Consequence Breakdown and Rating Justifications - Confidential
3. Risk Appetite and Tolerance Statements [↓](#) 
4. Risk Rating Alignment to Appetite and Tolerance [↓](#) 

RECOMMENDATION:

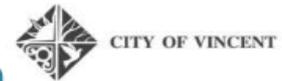
That the Audit Committee recommends to Council that it:

1. **RECEIVES** the City's Corporate Risk Register at Attachment 1; and Risk Consequence Breakdowns detailed at Attachment 2;
2. **APPROVES** the proposed updates to the risk management actions for the medium and high risks; and
3. **NOTES** the alignment of Corporate Risks to risk appetite and tolerance ratings.

COMMITTEE DECISION ITEM 5.6**Moved:** Cr Castle, **Seconded:** Cr La Fontaine

That the recommendation be adopted.

CARRIED (7-0)**For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil**ACTION:** Administration to present a report at the next Committee meeting on risk ID1, outlining how the City ensures contracted services align with Council's positions and values throughout all stages of delivery.**ACTION:** The Committee requested that two deep dives from the corporate risk register be scheduled for 2026, with members to confirm their preferences at the February meeting.**ACTION:** Administration to present the Privacy and Responsible Information Sharing Action Plan, including activities supporting the development of a draft Privacy Policy, in preparation for the incoming provisions of the *Privacy and Responsible Information Sharing Act 2024*.



RISK APPETITE & TOLERANCE STATEMENTS

Legislation / local law requirements	Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i> .
Relevant delegations	Nil.
Related policies, procedures and supporting documentation	Risk Management Policy – establishes the risk management responsibilities of Council and Administration and determines quantitative and qualitative assessment criteria. Risk Management Procedure – defines the systems and processes of the City's Risk Governance.

INTRODUCTION

Risk appetite refers to the amount and type of risk that the City is willing to accept or retain in order to achieve its objectives. Risk tolerance, on the other hand, is the specific threshold or level of risk that the City considers acceptable.

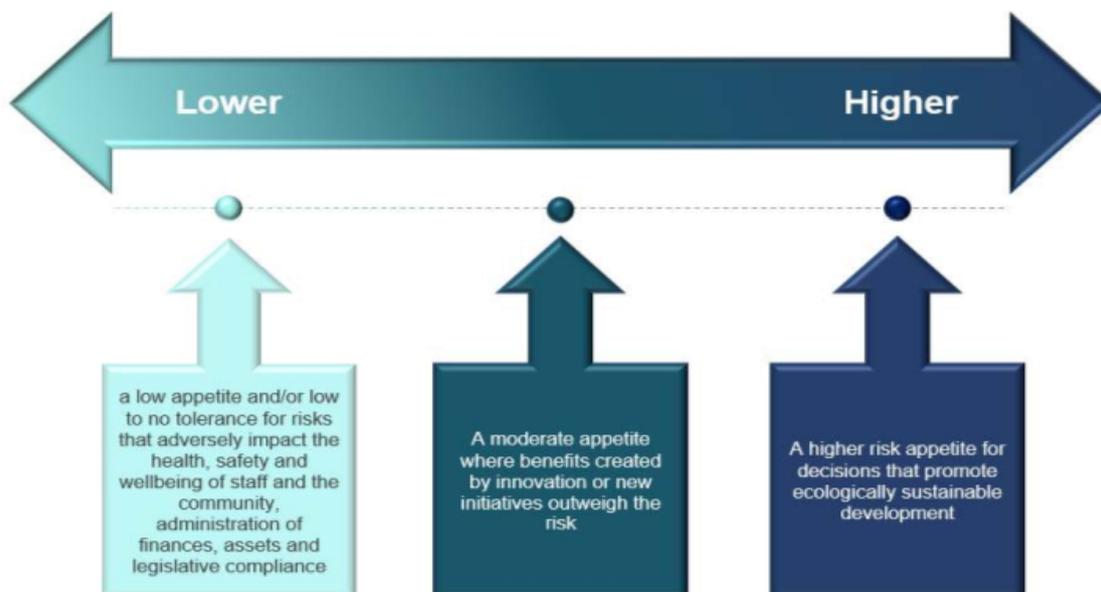
The following statements set boundaries for decision making, ensuring a balance between risk-taking and risk avoidance, and establishes the quantitative and qualitative criteria that determines, classifies, and manages the City's risks.

STATEMENT

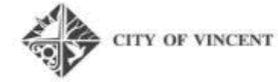
The community want us to be a Council and an organisation that is clever, creative, and courageous willing to push the operational boundaries and willing to think and act as an enabler.

We put this into practice in our everyday work and decision making by understanding and managing the risks in being clever and creative but still taking action to meet our strategic goals.

The City seeks to minimise its exposure to key risks relating to people, financial operational and regulatory and compliance responsibilities, while still taking action. We will ensure appropriate measures to mitigate our risks are in place.



City of Vincent Risk Appetite and Tolerance Statements - D23/205561

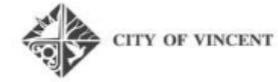


RISK APPETITE & TOLERANCE STATEMENTS

Detailed Statements and Descriptors

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
Financial Sustainability		
<i>Financially Volatile Decisions</i>	The City has a low appetite for risk in decision making that impacts financial volatility and sustainability	These are for those decisions not specifically considered below: Based on risk consequence criteria - Risk of loss more than \$100,000 (0.035% - 0.17% of operating budget)
<i>Decisions causing Budget Deficiency</i>	The City has a low tolerance for decisions or actions that result in material deficiency in achievement of budgeted: Surplus Balance sheet ratios Profit and loss ratios Rate of return on investments	Based on risk consequence criteria - Risk of loss or missing budget more than \$100,000 (0.035% - 0.17% of operating budget)
Financial Investment & Growth		
<i>Sustainable financial investments</i>	The City has a moderate risk appetite for investments; investments must support strategic initiatives and financial sustainability. Investments must be aligned with the values and principles of the City.	Investments need to be in line with the City's Corporate Business Plan and Strategic Community Plan.
<i>Forwards, hedges, and derivatives</i>	The City has no tolerance for investments in forwards, hedges, and derivatives.	Organisations often use financial instruments to manage the risk in commodity and foreign currency. These can be very risky if not appropriately utilised; and the City has chosen not to use these instruments.
<i>Debt for growth</i>	The City has a moderate appetite to take on risk to fund growth.	This ties into the investment appetite; however specifically considers the use of debt funding. Based on the consequence table, a moderate risk would be in

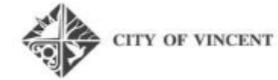
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
<p><i>Specific ratios – No specific rating given as these are set parameters that the City has determined that it must operate within. Rations (and thresholds) are determined by the State Government.</i></p>	<p>The City’s debt to service ratio must always be above 5. Total Liabilities are never to exceed Total Assets Proposals supporting debt funding must be supported by a cash flow analysis that is financially sustainable</p>	<p>the vicinity \$100,001 to \$250,000 (0.17% - 0.43% of operating budget). The debt to service ratio measures the City’s ability to pay its debt. It is calculated by the annual operating surplus (before depreciation and interest), divided by the debt service cost, and is currently 5.092. Financial sustainability for debt funding will need to consider: Free cash flow for monthly, capital or balloon payments Interest cover – refer above for the level of financial risk acceptable Cost of not undertaking project – i.e., repairs and maintenance of the current solution Future cost of new project once implemented – i.e., for a community centre, insurance, licences etc</p>
<p>Business collaboration</p>		
<p><i>Commercially viable collaboration</i></p>	<p>The City has a moderate risk appetite to being more commercially adept and to explore avenues to identify cost efficiency drivers, collaboration with business partners to deliver on objectives through commercially viable arrangements and partnerships.</p>	<p>Within the boundaries of the appetite stated above in respect to investments being within the City’s Corporate plans and strategies, the City is willing to consider proposals to use partnerships and contracts to facilitate meeting the City’s objectives, where consistent with legislative requirements (<i>Local Government Act 1995</i>). Suggestions would include using outside service providers to deliver current services provided by the City more efficiently, i.e., Waste Collection; or working collaboratively with an Arts organisation to set up a</p>

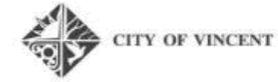
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
<p><i>3rd party Partner (Contractor) failure</i></p>	<p>The City has a low risk appetite for third party partner (contractors) failure.</p>	<p>festival. Other projects may include working with developers.</p> <p>The City utilises many outside organisations in delivering on its mandate. This low appetite means that even minor or insignificant breaches in contracts or delays in delivery of products and services will be taken seriously. Accordingly, third party risk must be considered before entering into any contract, including reputation of third party, financial viability, audit clauses etc.</p>
<p>Procurement</p>		
<p><i>Procurement failure</i></p>	<p>The City has a low risk appetite for procurement failures that lead to poor value for money or financial loss, poor quality of service; incorrect or substandard products or delayed delivery; wastage of funds or services.</p> <p>The City has zero tolerance for procurement decisions that endanger our staff and community.</p>	<p>This ties into the above point; and thereby requires appropriate procedures in the procurement process to ensure the required outcomes for the City and appropriate enquiry and planning prior to purchases. Note, appropriate delegations must exist to support this.</p> <p>Procurement decision making must consider the risk of injury or harm to the staff & community of Vincent. An example of this would be allowing the Beatty Park pool to use unregulated or unauthorised chemicals.</p>
<p>Asset & Environment management & sustainability</p>		
<p><i>Sustainable future for our community</i></p>	<p>The City supports investments, activities and developments that result in a sustainable future for our community while meeting the current needs of our residents.</p>	<p>There is often a payoff. Proposals need to consider the risks and rewards based on the promises made to the community. This has been envisaged with the City's</p>

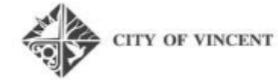
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
	It recognises that this may at times involve accepting some degree of risk and is comfortable with this, subject to always ensuring that potential benefits and risks are fully understood before planning is approved and that appropriate measures to mitigate risk are established.	Project Management Framework implementation and future actions.
<i>Ecologically sustainable decisions</i>	The City has a high risk appetite for ecologically sustainable decisions and a high risk appetite for decisions that promote ecologically sustainable development.	Activities that favour environmentally conscious actions will more likely be approved than those that don't.
<i>Protecting and preserving the environment</i>	The City is committed to protecting and preserving the environment and has a low risk appetite for activities that would significantly degrade the environment	The City will act swiftly against actions that are detrimental to the environment.
<i>Resource wastage</i>	The City has a low risk appetite for irresponsible use of its resources.	
<i>Activities against ratepayer values & ethics</i>	The City has a very low risk appetite for investments and activities that do not align with the City's values.	The City has set its vision, purpose and guiding values based on the interpretation of those of the community it serves. When entering into new projects, investments and proposals, these values must be considered as one of the key consideration sets.
<i>Activities, structures, projects that present health risk for the community</i>	The City has a low risk appetite for activities, structures and projects that threaten the health of its community.	The City is committed to ensuring the health and wellbeing of its residents, this must be considered within the activities, projects, and new builds it approves or invests in. Activities that do not align with this will only be approved in exceptional circumstances. An example might be the approval of a Neo-Nazi festival to

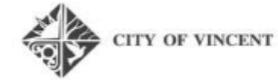
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
		occur within the City's park space. A multi residential building with no nearby open space may be another example.
Values and Behaviours		
<i>Behaviour or conduct against City values</i>	The City is an equal opportunity employer that employs skilled and experienced employees in positions with clearly defined roles and responsibilities; it has a low risk appetite for actions and behaviours that threaten the people and organisational capacity.	This sets the City's view on the criticality of its employees and the City culture; accordingly, staff must be selected based on appropriate due diligence and fit for purpose considerations including against the City values. Behaviours and actions of current staff must be measured against their job performance criteria and against the values.
<i>Low individual and team performance</i>	The City places high importance on its values and a culture of integrity in conduct, performance excellence, innovation, equality and diversity, dignity and respect, collegiality, and cultural sensitivity. It has a low risk appetite for behaviour or conduct which does not meet these standards.	Refer above.
Human Resource		
<i>Behaviour reducing cultural diversity & awareness</i>	The City has a low risk appetite for practices and behaviours that result in a workforce that is not diverse and culturally aware, be this through recruitment or day to day workplace activities.	Activities and actions to involve and include staff from diverse backgrounds considering culture, age, gender, experience sets etc.
<i>Harm of staff, clients, partners, or visitors</i>	The City has a very low risk appetite for risk in practices or behaviours that lead to the harm of staff, clients, partners, or visitors in its premises or when undertaking work related activities (within its control and responsibility).	The City's continued focus on OH&S matters, staff and contractor induction support this appetite. All new activities and projects should further consider the impact on the City's community.

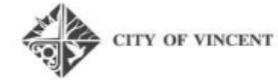
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
<i>Breach of code of conduct, ethics, and Law</i>	The City has no appetite for conduct that is unlawful, unethical, or otherwise breaches the Code of Conduct or reflects misconduct / serious misconduct.	The City's continued program to educate employees on Code of Conduct, accountability and ethical decision making, performance management and misconduct support this appetite.
Health and Safety		
<i>Inadequate & untimely reporting of breach & near-miss incidents</i>	The City has a low appetite for health and safety risk, and in particular a very low tolerance for inadequate or untimely remedy and reporting of breach incidents, or near misses.	The City's continued focus on OH&S matters, staff and contractor induction support this level of appetite and tolerance.
<i>Negligent & deliberate violations of health & safety requirements</i>	The City has no tolerance for negligent, deliberate, or purposeful violations of health and safety requirements.	
Business Service - The City acknowledges that in order to be innovative and nimble that some degree of risk taking is inevitable, however these risks must be considered in light of maintaining continuity of services to our stakeholders.		

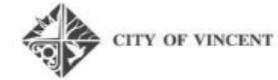
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
<i>Disruption to the operation of the business</i>	The City has a very low tolerance for risks that may result in disruption to the operation of the business. Including loss of statutory services, operational continuity, loss, or lack of documentation of corporate knowledge. These risks will be mitigated and controlled to where the cost of control is equal to the marginal cost of the risk.	Interruption to services has been included in the Consequence criteria. A very low tolerance would be considered where <i>“Failure of assets / disruption which results in inconvenience but no material service interruption (resolved within one day).”</i> So, where there is a disruption, for example the phone lines are down, then a solution needs to be found within one day. The cost of this control must also be considered in the action sought.
<i>Loss or lack of documentation of corporate knowledge</i>	The City has a very low risk tolerance for loss or lack of documentation of corporate knowledge.	In order for the City to continue to provide services to its stakeholders to the degree required, the City must continue to maintain adequate systems and processes that support maintenance of all corporate knowledge.
Governance - The City is committed to best practice governance and practices and behaviours that support ethical, consistent, and informed decision making, compliance with legislation, regulation, and internal and external reporting requirements.		
<i>Breaches in regulations, professional standards, and ethics</i>	The City has a very low risk appetite for any breaches in regulations, professional standards, and ethics.	There is a low, but not zero appetite for breaches. An example would be the submission of a BAS late due to resource constraints within the City. See specific examples below
<i>Bribery or Fraud</i>	The City has no tolerance for bribery or fraud.	The City’s Code of Conduct, Fraud and Corruption Prevention Plan, and Accountable and Ethical Decision Making Program, detail behaviour standards and handling of unethical fraudulent, dishonest, illegal, or corrupt behaviour. The City will investigate all allegations and take action to the full extent of its capacity.

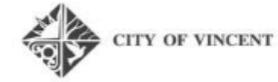
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
<i>Less than better practice for Governance, Due diligence, Accountability and Sustainability</i>	The City has a low risk tolerance for less than better practice decision making for governance, due diligence, accountability, and sustainability, as measured by accepted industry standards and practices.	The City's Governance Framework (Framework) supports this tolerance level by defining the systems, policies, processes, and a methodology for ensuring accountability and openness in the conduct of City business. The Framework describes the principles and key roles that guide Council in its decision-making and demonstrates to the community the processes which the City uses to achieve its strategic priorities and undertake its service delivery. The risk consequence level will need to be considered.
<i>A breach in Delegated Authority</i>	The City has a very low risk tolerance for breach in delegated authority.	
<i>Poor Project or Change Management</i>	The City has low risk tolerance for incidents or impacts which are generated by poor project management or change management practices.	
Information & Systems management		
<i>Information security preservation</i>	The City has a very low appetite for information security risk.	Information security is the preservation of the confidentiality, integrity, and availability of information: Confidentiality – information is disclosed only to authorised entities. Integrity – information has been created, amended, or deleted only by authorised individuals. Availability – systems and information are accessible and useable by authorised entities when required.
<i>Threats to personal information</i>	The City has no appetite for threats to breaches of personal information.	The City will: <ul style="list-style-type: none"> • Only use personal information provided by an individual for the purposes for which it was collected and for any other authorised use.

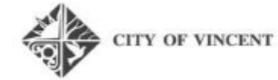
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
		<ul style="list-style-type: none"> Only disclose personal information to third parties (including other authorities) where authorised. Take all necessary measures to prevent unauthorised access or disclosure of personal information.
<i>Deliberate misuse of information</i>	The City has no appetite for the deliberate misuse of information.	The City's Code of Conduct and IT Acceptable Use Procedure detail behaviour standards and breach handling.
<i>Systems change and development</i>	The City has a moderate risk appetite for systems change and development where it is within approved strategy, budget, and security procedures.	Systems improvement through change and development comes with an inherent risk factor, accordingly there must be an acknowledgement that for changes to occur some risk must be taken, however appropriate controls and procedures should be in place to manage this risk.
<p>Community Services The City seeks to create a connected community where the City's residents can interact with the built environment and nature to create a vibrant and inclusive place to live, work and play. The City recognises that its purpose is tied to the needs and expectations of its community and in particular the rate payers. In order to meet these needs a certain level of collaboration and co-operation with these stakeholders is beneficial and necessary.</p>		
<i>Community Engagement and Increased Participation</i>	The City has a high appetite for risks that will drive strong community engagement and increased participation.	The City wishes to match its community desire for high levels of engagement, and this is acknowledged to come with more risk. An example is the BMX track, which was highly desired by the community, but has associated risks.
<i>Constructive Community Consultation</i>	The City has a high risk appetite to engage in community consultation to deliver on our strategic objectives. This collaboration cannot be to the detriment of ensuring an efficient and effective decision-making process in the spirit	This point was important in driving the high engagement and participation in delivery of the City's objectives. But this should not be used as a lever to

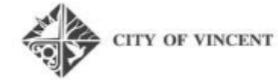
City of Vincent Risk Appetite and Tolerance Statements - D23/205561



RISK APPETITE & TOLERANCE STATEMENTS

Risk Category	Risk Appetite / Tolerance Statement	Descriptor /clarification
	of sustainability and achievement of objectives. (See sustainability above)	hinder progress or unnecessarily delay decision making.
<i>Activity risking long-term values or reputation of Council</i>	The City has zero risk appetite in any activity that will put its long-term values or reputation at risk.	
<i>Failure to meet customer commitments and/or provide appropriate advice and address regulatory concerns</i>	The City has a very low risk appetite for operational risks arising from failure to meet customer commitments and/or appropriateness of advice.	The City must provide appropriate advice to stakeholders and meet its commitments. The City will promptly take action to address ratepayer/customer complaints and regulatory concerns.
<i>Negotiate with Regulators, State & Federal Government Agencies</i>	The City has a high risk appetite to consult and negotiate with regulators, State & Federal Government Agencies to achieve the City's objectives.	
<i>Leasing of Community Facilities</i>	The City has a moderate risk appetite for financial loss in respect to the use of the City's community facilities provided the use is: <ul style="list-style-type: none"> • in the community interest; and • satisfies a recognised community purpose 	This is to ensure we are considering the needs of our community together with the financial impacts of decision making.

City of Vincent Risk Appetite and Tolerance Statements - D23/205561

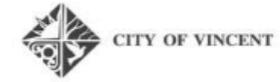


RISK APPETITE & TOLERANCE STATEMENTS

Strategic Risk Categories	
Finance, procurement & contracts	Risks relating to ensuring reliability and timeliness of financial and other information; as well as ensuring the financial sustainability and viability of the City. Risk of failures in the City's procurement and contract engagement and management processes resulting in business loss or disruption.
Asset Management & sustainability, environment management	Risks associated with investing in, developing and maintaining the City's infrastructure to ensure reliability and to meet its Vision and strategy. Risk of the City's current activities compromising the ability for the future residents meeting their needs. This refers to social and environmental needs. Consideration of both physical and investment actions.
OH&S, employment practices	Risks relating to strategies and systems to maintain a workforce and partnerships that are productive, safe, and diverse as well as an effective and accountable organisational environment. Risks include workforce capability and capacity, including staff, volunteers, contractors, and subcontractors.
Business service disruption:	Risks or events that could cause disruption to services or operations; and/or impair or enhance the delivery of the program or project on time and within budget, or the quality of its outcomes; events that could lead to damage to your reputation, assets or compromise the security of sensitive information.
Governance, misconduct & fraud:	Risks resulting in failure to meet regulatory, compliance and accountability requirements; inadequate or unclear definition of roles and responsibilities; lack of effective and transparent decision-making processes; inadequate control and procedural frameworks; the robustness of any third-party systems and processes.
Information & systems management:	Risks that jeopardise information being authentic, appropriately classified, properly secured, and managed in accordance with legislative and operating requirements. Technology solutions must support strong internal control processes and the development of robust system and process solutions for the management and protection of information assets; and align technology, systems, processes and culture with business strategy and goals.
Community services:	Risks or events that hinder the City's ability to meet the current and changing expectations of the ratepayers and community; including ratepayers'/customers' expectations of providing efficient, considerate, and cost-effective services; building positive and collaborative relationships and outcomes for the City.

City of Vincent Risk Appetite and Tolerance Statements - D23/205561

RISK APPETITE & TOLERANCE STATEMENTS

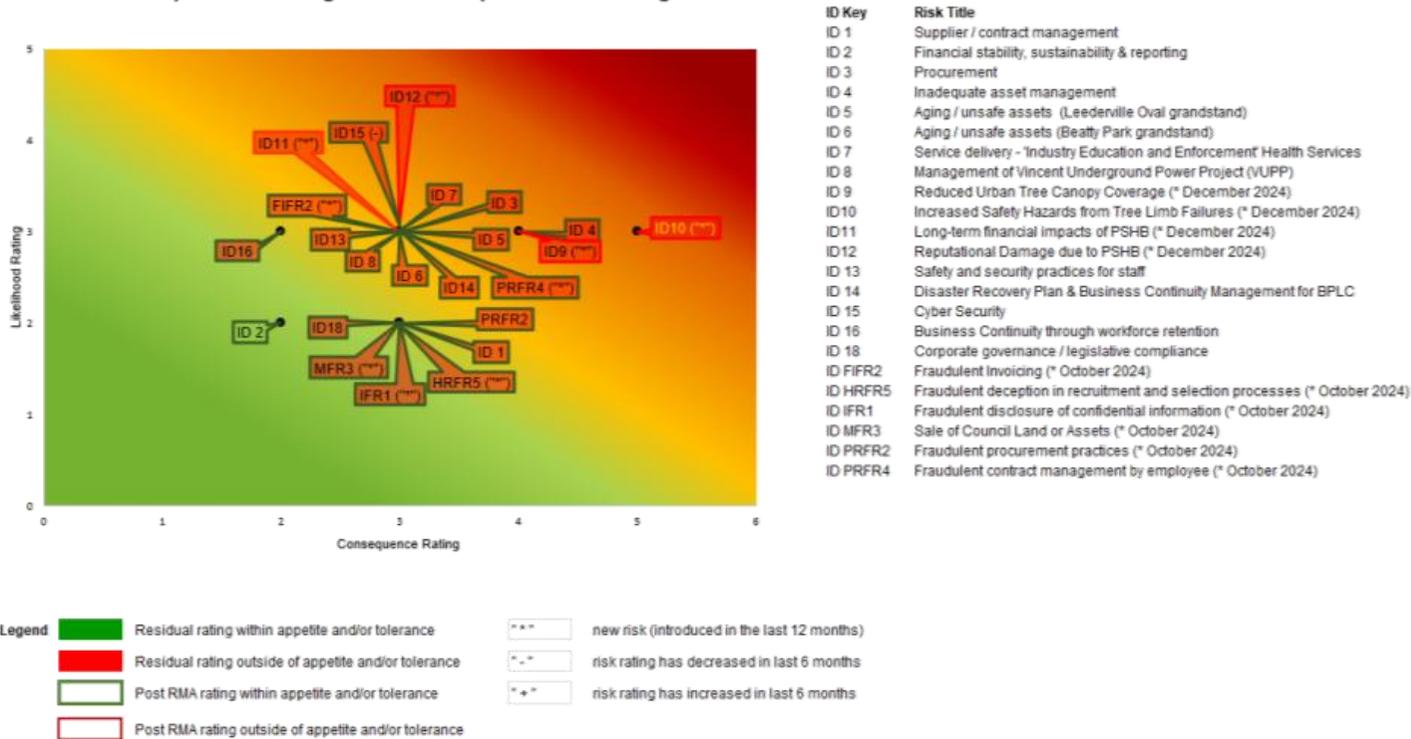


OFFICE USE ONLY	
Responsible Officer	Executive Manager Corporate Strategy and Governance
Initial Council Adoption	17/03/2020
Previous Title	N/A
Reviewed / Amended	12/12/2023 OMC Item 12.4
Next Review Date	12/2025 In accordance with clause 4 of the Risk Management Policy, Statements are to be review within three months of each ordinary local government election.

City of Vincent Risk Appetite and Tolerance Statements - D23/205561

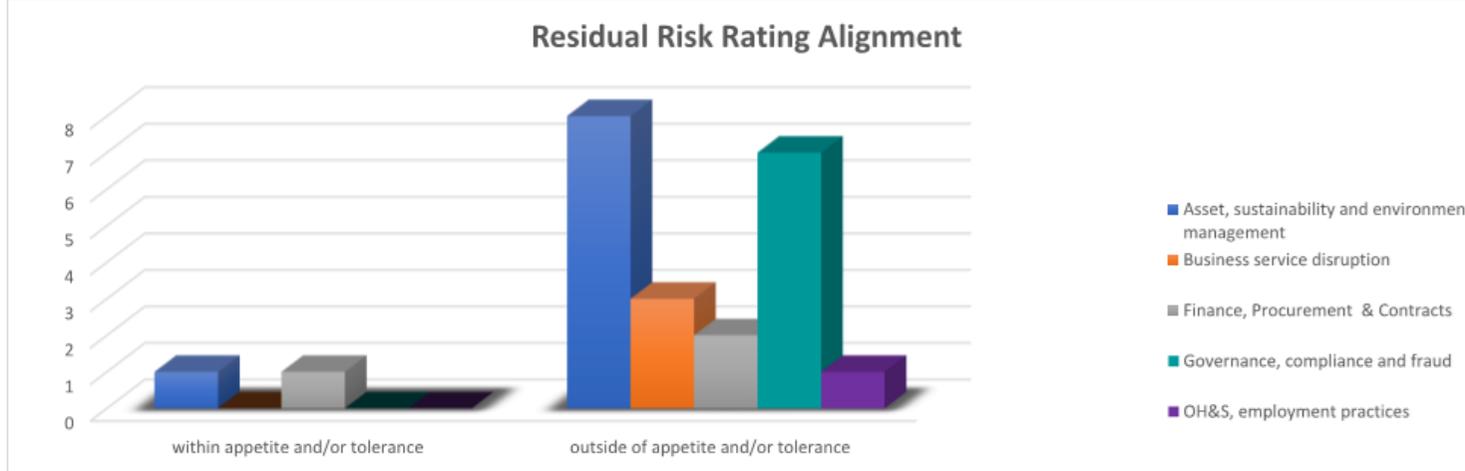
Corporate Risk Rating Alignment to Appetite and Tolerance

Corporate Risk Register - Heat Map - Residual Ratings



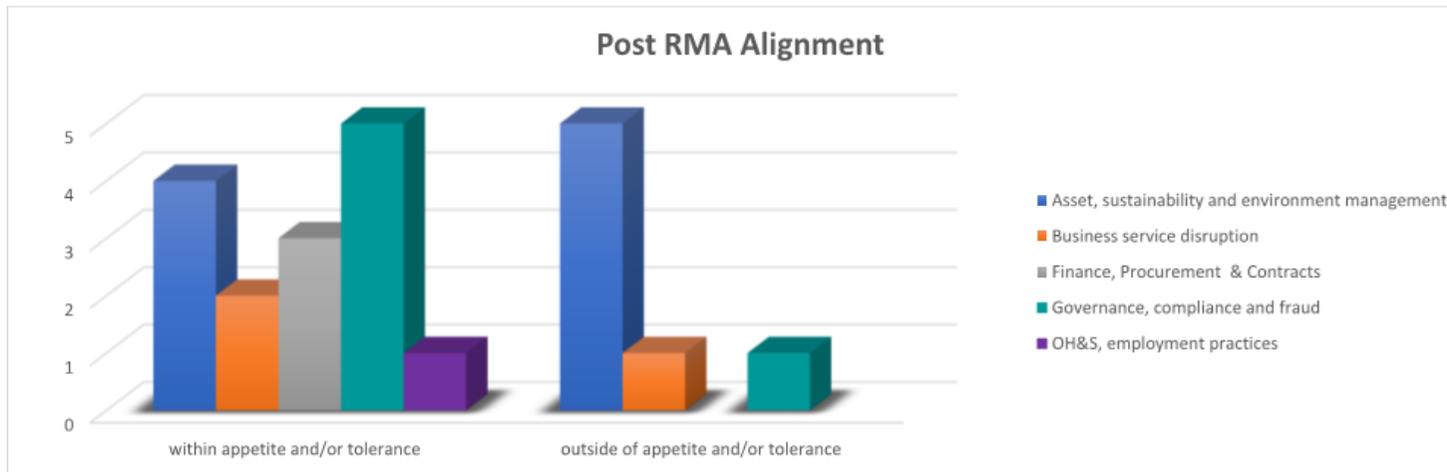
Residual rating alignment is detailed below:

Residual Rating Alignment	Asset, sustainability, and environment management	Business service disruption	Finance, Procurement & Contracts	Governance, compliance, and fraud	OH&S, employment practices	Grand Total
within appetite and/or tolerance	1	0	1	0	0	2
outside of appetite and/or tolerance	8	3	2	7	1	21
	9	3	3	7	1	23



Post RMA alignment is detailed below:

Post RMA Alignment	Asset, sustainability, and environment management	Business service disruption	Finance, Procurement & Contracts	Governance, compliance, and fraud	OH&S, employment practices	Grand Total
within appetite and/or tolerance	4	2	3	6	1	16
outside of appetite and/or tolerance	5	1		1		7
	9	3	3	7	1	23



5.7 EXCESS LEAVE UPDATE**TRIM Ref: D25/110353****Author: Nathan Stokes, Executive Manager Human Resources****Authoriser: David MacLennan, Chief Executive Officer****Attachments: Nil****RECOMMENDATION:**

That the Audit and Risk Committee **RECEIVES** the Excess Leave Update Report outlining the progress made in reducing excess leave across the City.

COMMITTEE DECISION ITEM 5.7**Moved: Cr Castle, Seconded: Mr Manifis****That the recommendation be adopted.****CARRIED (7-0)****For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil

5.8 REVIEW OF THE CITY'S AUDIT LOG**TRIM Ref:** D25/103380**Author:** Alex Harris, Governance Officer**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:** 1. Audit Log - Confidential**RECOMMENDATION:**

That the Audit Committee recommends to Council that it **NOTES** the status of the City's Audit Log at Attachment 1.

COMMITTEE DECISION ITEM 5.8**Moved: Mayor Xamon, Seconded: Mr Manifis****That the recommendation be adopted.****CARRIED (7-0)****For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil

5.9 YEAR 3 INTERNAL AUDIT PROGRAM – STATUS AND PROGRESS REPORT**TRIM Ref:** D25/108675**Author:** Carrie Miller, Corporate Strategy & Governance Officer**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:** 1. Internal Audit Program [↓](#) **RECOMMENDATION:**

That the Audit and Risk Committee **NOTES** the status and progress of the four audits listed in the Year 3 Internal Audit Program at Attachment 1.

COMMITTEE DECISION ITEM 5.9**Moved: Mr Manifis, Seconded: Cr Wheadon**

That the recommendation be adopted.

CARRIED (7-0)**For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil

INTERNAL AUDIT PROGRAM 2022/23 – 2024/25



Responsible directorate	Office of the CEO.
Responsible team	Corporate Strategy and Governance.
Responsible officer	Executive Manager, Corporate Strategy and Governance.
Affected teams	All
Legislation / local law requirements	Regulation 17 <i>Local Government (Audit) Regulations 1996</i> . Regulation 5 of the <i>Local Government (Financial Management) Regulations 1996</i>
Relevant delegations	Nil.
Related policy procedures and documents	Risk Management Policy and Procedure Corporate Risk Register

PURPOSE

To set out the City of Vincent's internal audit program for the next three years, commencing in 2022/23.

The internal audit program takes a risk-based approach. It is aimed at addressing the City's key high risks, which relate to non-compliance and fraud, corruption and misconduct (see below). The purpose of this internal audit program is to test the effectiveness and adequacy of the City's controls, processes and practices aimed at managing these two high risks.

BACKGROUND

The internal audit program has been developed based on the following:

- City's key strategic risks as set out in the Corporate Risk Register
- Results and recommendations of the regulation 5 and regulation 17 audits completed by Stantons International in November 2020
- Office of the Auditor General's Financial and Information Systems Audit for 2019/20

The City's Corporate Risk register includes the following two high risks:

- Non-compliance with the City's legislative and governance obligations under the *Local Government Act 1995*; and
- Failure to ensure robust corporate governance, including preventing occurrences of fraud, corruption and misconduct.

INTERNAL AUDIT PROGRAM 2022/23 – 2024/25



The actions identified in response to these risks are:

- Develop and implement an internal audit program to monitor compliance and performance.
- Undertake independent audits of high risk areas, including payments made and services delivered pursuant to high value / high risk contracts.
- Conduct regular internal audits on fraud and corruption.
- Conduct regular audits against findings by integrity bodies like CCC, PSC and OAG (for example, OAG performance audits).

The internal audit program includes the audit item (with the associated risks listed based on the critical success factor risk identification), the risk causes, the inherent risk rating, the risk categories and the associated audit actions required. The audit items have been prioritised based on the high risk areas and when an audit was last undertaken.

There are six internal audits proposed for each year.

IMPLEMENTATION OF PROGRAM AND REPORTING

The City will engage a suitable qualified auditor to undertake the audits set out in this program independently. The auditor will be appointed for a one year term, with two one year extensions, subject to the satisfactory completion of all the audits listed for the first year.

The audit plans for each specific audit will be prepared by the appointed internal auditor (party independent of the City) in consultation with the Executive Manager Corporate Strategy and Governance and the Audit Committee.

The appointed auditor will liaise only with the Executive Manager Corporate Strategy and Governance and the Audit Committee Chair, if required.

The outcomes of each audit will be reported to the City's Executive Management Committee and the Audit Committee.

Actions identified as a result of the audits will be added to the City's Audit Log and monitored until complete. It is intended that the findings of the audits will lead to improvements to the effectiveness of risk management, internal controls, legislative compliance and governance processes.

INTERNAL AUDIT PROGRAM 2022/23 – 2024/25

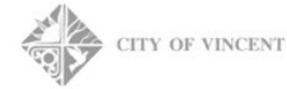


Audit Item	Risk causes identified	Risk rating (inherent)	Audit Focus Area	Admin comment - March 2021
YEAR 1 – 2022/23				
Beatty Park Infrastructure Renewals Project - project control oversight and management of variances	Project management has highlighted the importance of project control oversight, management of variances and the need for more rigor in change requests.	Please provide	Review of governance, expenditure and project management processes.	Council resolution 14/12/2021
Tender contracts/contractors – risk of failure to detect and prevent overcharging, fraud and corruption	Lack of oversight/review of expenditure on high value maintenance contractors/contracts	Medium risk – reputation, compliance and finance	Review and assessment of items charged/invoiced to the City by contractors where that contractor was procured via a tender process. To include one or more of the City’s general maintenance contractor/contracts.	Identified by Council as an area of risk, requires separate review
Fleet, assets and CCTV management – risk of misuse of fleet and resources, including ICT assets and buildings	Lack of verification and controls	High risk – property, reputation, financial, safety	Review relevant strategies, policies and processes – Asset Strategy and CCTV Policy	Not previously reviewed independently. Ageing assets pose significant risk to City. High risks relating to ICT systems.
HR policies and procedures , including payroll – risk of failure to maintain staff health and wellbeing, and act in compliance with legislation and good governance (moved from Year 2)	Outdated policies and processes	Low risk – reputation, compliance, financial	Review policies and procedures and communication to staff. Review payroll practices / compliance testing.	Policies updated in 2018 and in need of review.



INTERNAL AUDIT PROGRAM 2022/23 – 2024/25

YEAR 2 – 2023/24
Regulation 5 Review - Review of the appropriateness and effectiveness of the financial management systems and procedures in accordance with Regulation 5 of the <i>Local Government (Financial Management) Regulations 1996</i>
Regulation 17 Review - Review the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control, and legislative compliance in accordance with Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i> . Scope to include but no limited to: Gifts and COI; Detection and reporting of fraud and corruption, PID disclosures, whistleblowing, and cyber security. Risk management; Documentation of processes; and Legislative compliance and Council processes

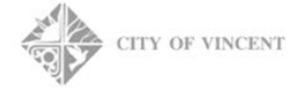


INTERNAL AUDIT PROGRAM 2022/23 – 2024/25

Audit Item	Risk causes identified	Risk rating (inherent)	Audit Focus Area	Admin comment
YEAR 3 – 2024/25				
Swimming pool inspection process - risk of non-compliance with legislative requirements and damage to public health	Documentation of processes. Clarity of delegations.	Medium risk – reputation, compliance, financial, public safety	Random review of approval assessment process, including online processes and disclosure of COI.	Not previously reviewed independently.
Planning, Development, Processes & Controls Risk of non-compliance with legislative, regulatory and/or procedural requirements	Risk that employees or Council Members responsible for planning and development approvals may inadvertently or deliberately engage in non-compliant practices, including potential corruption, such as accepting bribes or kickbacks from developers.	High risk - significant financial, reputational, and compliance implications	Assessment and review of planning, development processes (including COI management processes) to ensure functionality in preventing non-compliance and/or potential misappropriation.	Not previously reviewed independently.
Asset Management and Sustainability Strategy Implementation Risk of ineffective AMSS implementation, potentially resulting in suboptimal resource allocation and inadequate infrastructure planning	Risk of failure to implement the Asset Management and Sustainability Strategy (AMSS) effectively, potentially leading to suboptimal resource allocation and inadequate infrastructure planning.	High risk - reputation, compliance, financial	Review of AMSS implementation, focusing on the development and review of asset management plans, the use of RAMM as a single source of truth for asset information, and prioritisation within the 10-year capital works program.	This audit will support Administration by providing insights into the progress and effectiveness of the AMSS, highlighting opportunities for improvement in managing asset conditions and achieving long-term financial sustainability. Aligns with strategic objectives for sustainable asset management and financial planning.

Internal Audit Program D23/61195

5



INTERNAL AUDIT PROGRAM 2022/23 – 2024/25

Audit Item	Risk causes identified	Risk rating (inherent)	Audit Focus Area	Admin comment
YEAR 3 – 2024/25				
<p>Voter Roll Manipulation Risk of failure to detect and prevent occurrences of fraud and corruption and non-compliance with good governance and legislative requirements.</p>	<p>Risk that voter rolls are manipulated to favour certain candidates or outcomes, undermining the integrity of local elections and public trust in the electoral process</p>	<p>High risk - reputation, compliance, financial</p>	<p>(Limited Scope Audit) Testing of City-controlled processes related to the owners and occupiers roll</p>	<p>Original comment – March 2021 Identified as risk area in City of Perth Inquiry. Random compliance testing will be conducted by Rates Team prior to 2021 election.</p> <p>Updated comment / recommendation The electoral roll is created 45 days prior to a local government election. the WAEC compiles the electoral roll. This involves gathering and verifying enrolment data from various sources, including:</p> <ul style="list-style-type: none"> • The State electoral roll maintained by the WAEC. • The City's owners and occupiers roll, which includes non-resident owners and occupiers of rateable property within the local government area. <p>The final electoral roll is prepared and certified by the Electoral Commissioner however the City's role in managing the owners and occupiers roll presents a risk.</p>

5.10 EVALUATION OF THE CITY'S LAND TRANSACTION PROCESSES AGAINST OAG RECOMMENDATIONS

TRIM Ref: D25/109566
Author: Mona Wong, Senior Land and Legal Advisor
Authoriser: David MacLennan, Chief Executive Officer
Attachments: Nil

RECOMMENDATION:

That the Audit and Risk Committee RECEIVES the additional information on the City's land transaction processes and compliance with the Office of the Auditor General's (OAG) report *Fraud Risks in Land Transactions by Development WA* (Report 16, 2024–25).

COMMITTEE DECISION ITEM 5.10

Moved: Mr Manifis, Seconded: Cr Wheadon

That the recommendation be adopted.

CARRIED (7-0)

For: Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine

Against: Nil

5.11 AUDIT COMMITTEE - ACTION REGISTER AND CONSIDERATION OF 2026 FORWARD AGENDA**TRIM Ref:** D25/103383**Author:** Alex Harris, Governance Officer**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:**
1. **Audit Committee Forward Agenda 2026** [↓](#) 
2. **Action Register** [↓](#) **RECOMMENDATION:**

That the Audit and Risk Committee:

1. **RECOMMENDS** to Council that it **NOTES** the 2026 Audit and Risk Committee Forward Agenda at Attachment 1; and
2. **NOTES** the status of the Audit and Risk Committee Action Register at Attachment 2.

COMMITTEE DECISION ITEM 5.11**Moved:** Mr Manifis, **Seconded:** Mayor Xamon

That the recommendation be adopted.

CARRIED (7-0)**For:** Mr Araj, Mr Manifis, Mr Isambert, Mayor Xamon, Cr Castle, Cr Wheadon and Cr La Fontaine**Against:** Nil**ACTION:** Administration to update the 2026 Forward Agenda to include the presentation of the CAR report in February 2026, and the Privacy and Responsible Information Sharing Action Plan Update as an item for the May 2026 meeting.

Audit Committee Forward Agenda 2026

Standing Items	February	March (no meeting scheduled)
<ul style="list-style-type: none"> Review and update of Audit Committee Forward Agenda 2026 Update on progress of action items arising from past meetings Review Audit Log - internal & external audit recommendations Review of the internal audit activities, progress against plan, and internal audit reports issued during the period Review of the City's Corporate Risk Register Briefing by CAE on performance audits or OAG reports carried out for the state government or other LGAs along with any action plans put in place by the City 	<ul style="list-style-type: none"> Training and professional development session determined by Committee Chair. Entry Meeting – OAG Briefing by CEO on the City's Strategy, progress of key initiatives, and external events impacting the City (e.g., new regulation, macro-economic factors, etc.) Outcome of deep dive into the Asset Risk Register and Asset Management Review of Draft Ageing Workforce Plan <p>Note: Reports and recommendations to March 2026 OMC</p>	
April (no meeting scheduled)	May	June (no meeting scheduled)
	<ul style="list-style-type: none"> Meet privately with the external auditor (OAG) without management present to discuss any matters deemed appropriate Meet privately (without management present) with the CAE to discuss any matters deemed appropriate. Briefing by CEO on the City's Strategy, progress of key initiatives, and external events impacting the City (e.g., new regulation, macro-economic factors, etc.) Outcome of deep dive into financial impacts of the Polyphagous Shothole Borer outbreak Outcome of revisited deep dive into Tree Canopy Reduction and Climate Change Strategy Report Review of Risk Appetite and Tolerance Statements Note the City's submission to the Public Sector Commission's Integrity and Conduct Annual Collection (EEO Response Report) <p>Note: Reports and recommendations June 2026 OMC</p>	
July (no meeting scheduled)	August	September (no meeting scheduled)
	<ul style="list-style-type: none"> Annual acknowledgement of the City's Code of conduct, evaluation of member independence & committee performance. Results of the ARC Self-Assessment and key improvement areas Internal auditor in camera sessions Review adequacy of procedures for the confidential, anonymous submission by employees regarding possible fraud or irregularities <p>Note: Reports and recommendations to September 2026 OMC</p>	
October (no meeting scheduled)	November	December (no meeting scheduled)
	<ul style="list-style-type: none"> Exit Meeting – OAG Annual financial report for year end 30 June 2026 Meet privately (without management present) with the CAE to discuss any matters deemed appropriate. Meet privately with the internal audit service provider every six months Briefing by CEO on the City's Strategy, progress of key initiatives, and external events impacting the City (e.g., new regulation, macro-economic factors, etc.) <p>Note: Reports and recommendations to December 2026 OMC</p>	

CATEGORIES:

1. Committee Operations
2. Financial Reporting & External Audit (OAG)
3. Internal Audit Activities
4. Risk Management & Internal Control
5. Ethics and Compliance
6. Other Matters

D25/14626

Audit & Risk Committee Action Register

Item	Meeting Date	Agenda Report Item	Resolution Action Item	Responsible Officer	Directorate	Comments	Action Status	Due Date
5.5	3/09/2025	Review of the City's Audit Log	Internal audits are to consider all closed actions to ensure they have been properly addressed.	[*EMCS&G*]	S&D	Ongoing	In Progress	Ongoing
5.5	3/09/2025	Review of City's Audit Log	Audit Action EA-2024/14 Excessive Leave Balances is to remain open. The Executive Manager Human Resources is to attend the next Audit & Risk Committee meeting to provide assurances to the Committee in relation to the proposal to close out this action, and an interim update is to be presented in six months to demonstrate whether leave balances are trending down. Closure will only be considered once the Committee is satisfied with the assurances provided and the supporting trend data.	[*EMHR*]	C&BS	The Executive Manager will attend the next Audit and Risk Committee to provide an update on Excess Leave Management.	In Progress	12/11/2025
5.4	3/09/2025	Monthly Review of the City's Corporate Risk Register and Outcomes of Deep Dive Reviews	The Committee noted that two medium risks (IDs 11 and 12) relating to the polyphagus shot-hole borer are currently outside Council's risk appetite. A six-month deep dive into the financial impacts is to be presented next year. It was further noted that many aspects of this risk are outside the City's direct control, and that consideration should be given to tolerance levels and descriptors when Council next reviews its risk appetite and tolerance statements.	[*EMCS&G*]	S&D	Scheduled on forward agenda for May 2026	In Progress	May-26
5.4	3/09/2025	Monthly Review of the City's Corporate Risk Register and Outcomes of Deep Dive Reviews	Risk owners or drivers are to attend meetings to answer questions arising from deep dive discussions.	[*EMCS&G*]	S&D	ongoing through 2026	In Progress	2026
5.4	3/09/2025	Monthly Review of the City's Corporate Risk Register and Outcomes of Deep Dive Reviews	The expected content of the Aging Workforce Plan (ID13) is to be clarified when it is brought back for discussion.	[*EMHR*]	C&BS	Ageing Workforce Plan is in progress with a draft plan to be presented to the Executive Management Committee in December 2025 and to the Audit Committee in February 2026.	In Progress	Feb-26
5.2	3/09/2025	OAG Reports Issued to State and Local Government Entities	Any gaps or new actions arising from the OAG reports are to be added to the Audit Log for ongoing monitoring.	[*EMCS&G*]	S&D	Ongoing	In Progress	Ongoing
5.2	3/09/2025	OAG Reports Issued to State & Local Government Entities	Land Transactions (OAG): Further input is required from the Senior Land and Legal Advisor. The next meeting is to include an explanation of processes for major and minor land transactions, and how compliance with relevant legislative requirements is assured.	[*MSP*,*DMP*]	S&D	Update to be provided at next Audit & Risk Committee meeting (November).	In Progress	12/11/2025
5.2	3/09/2025	OAG Reports Issued to State & Local Government Entities	Personal Leave (OAG): The Committee requested a more detailed evaluation of the City's compliance against the specific OAG recommendations, similar in format to the Purchasing Card review. This is to include how existing and planned controls (random audits, new Leave Management Procedure, training, and system checks) address each OAG finding, with a report back to the November Audit & Risk Committee. Consideration will also be given to adding HR leave management actions to the Audit Log.	[*EMHR*]	C&BS	A more detailed evaluation of the City's compliance against the specific OAG recommendations on Personal Leave has been completed. Report will be presented at the next Audit Committee.	In Progress	12/11/2025
5.1	3/09/2025	Annual Self Assessment	The Audit & Risk Committee will undertake an annual self-assessment, with the supporting survey to be conducted every two years.	[*EMCS&G*]	S&D	Scheduled on forward agenda for August 2026	In Progress	Ongoing
5.3	2/07/2025	Review of the City's Risk Management Framework - Desktop	The Audit & Risk Committee requested Administration to conduct a deep dive into the Asset Risk Register and Asset Management, to be presented to the September meeting.	[*EMCS&G*]	S&D	Due to recent resourcing constraints, Administration has been unable to finalise the review in time for November. To ensure a comprehensive and properly informed report is prepared, it is proposed that the Asset Risk Register and Asset Management deep dive be deferred to the February 2026 meeting.	In Progress	Feb-25
5.2	2/07/2025	Monthly Review of the City's Corporate Risk Register and Outcomes of Deep Dive Reviews	The Audit and Risk Committee requested that Administration revisit Corporate Risk ID 9 (Tree Canopy Reduction), undertake Deep Dive reviews of Risks ID 10, 11 and 12, and prepare a Climate Change and Strategies Report outlining actions to achieve canopy targets. These are to be presented to the Committee progressively over the next six months	[*EMCS&G*,*MP*]	S&D	Scheduled on forward agenda for May 2026	In Progress	May-25
5.4	3/09/2025	Monthly Review of the City's Corporate Risk Register and Outcomes of Deep Dive Reviews	Information is to be provided to the November Audit & Risk Committee meeting on how high-risk food checks are ranked and how this balances with community expectations for broader inspections.	[*MPH&BE*]	S&D	Response provided in Monthly review of the City's Corporate Risk Register report - 12 November 2025	In Progress	12/11/2025

6	3/09/2025	General Business	<ul style="list-style-type: none"> Requests that action plans with agreed deadlines be developed between the internal auditor and the relevant director or manager for all outstanding audits. Requests that a tracking dashboard be created and presented at each Audit & Risk Committee meeting, to provide status updates on internal audit progress (scoping, planning, reporting, final report, action items). 	["EMCS&G"]	S&D	<p>Agreed deadlines for audit actions are developed between the internal auditor and the relevant Director/Manager during establishment of the Terms of Reference for each audit.</p> <p>A standing Internal Audit Status Dashboard has been implemented and included as a recurring item on the Audit & Risk Committee forward agenda. This dashboard provides Committee members with visibility over audit progress (scoping, planning, fieldwork, reporting and closure)</p>	Completed	12/11/2025
6	3/09/2025	General Business	The Chair requested an item of General Business be considered to discuss the status of the current Year 3 Internal Audit Program. It was noted that four audits are included in the Year 3 Plan, one has been completed and the remaining three have stalled.	["EMCS&G"]	S&D	A standing Internal Audit Status Dashboard has been implemented and included as a recurring item on the Audit & Risk Committee forward agenda. This dashboard provides Committee members with visibility over audit progress (scoping, planning, fieldwork, reporting and closure)	Completed	12/11/2025
5.2	3/09/2025	OAG Reports Issued to State & Local Government Entities	Report authors are to be invited to the next Audit & Risk Committee meeting to discuss their findings.	["EMCS&G"]	S&D	Complete	Completed	12/11/2025
5.1	3/09/2025	Annual Self Assessment	The Mayor will brief new Council Members on the skills required for the Audit & Risk Committee before nominations are made.	["EMCS&G"]	S&D	Completed during nominations	Completed	31/10/2025
5.4	3/09/2025	Monthly Review of the City's Corporate Risk Register and Outcomes of Deep Dive Reviews	The Committee discussed community engagement and reputation risk in relation to the underground power project. It was confirmed that engagement is tailored to project needs and will continue to be reviewed.	["MFS"]	C&BS	Feedback to engagement is closely monitored, and both content and process continue to be adjusted to meet evolving community needs.	Completed	Ongoing
5.3	3/09/2025	Audit Committee - Forward Agenda 2025	<ul style="list-style-type: none"> Development of the next three-year Internal Audit Plan will be delayed to allow for finalisation of the existing Year 3 Program, and will be included in forward planning for early next year. A private meeting with the internal auditor, has been completed. 	["EMCS&G"]	S&D		Completed	
5.1	3/09/2025	Annual Self Assessment	A skills matrix for Committee members is to be developed to guide future appointments.	["EMCS&G"]	S&D		Completed	
5.8	2/07/2025	Audit Committee - Forward Agenda 2025	The Audit & Risk Committee requested that Administration report back on the process and system for staff to lodge internal complaints, including who has access to complaint-related emails and how those complaints are managed. To be presented to the September meeting	["EMCS&G"]	S&D		Completed	
6.1	2/07/2025	OAG – Standing Agenda Presentation Item	The Audit & Risk Committee supported the introduction of a self-assessment process for staff issued credit cards, aimed at strengthening internal controls and compliance. Administration to report back on implementation at a future meeting.	["MFS"]	C&BS	The City has reviewed the credit card procedure. The report will be presented to A&RC on 3 September 2025.	Completed	
5.7	26/02/2025	Audit Committee - Forward Agenda 2025	<p>The Audit & Risk Committee requested Administration to adjust the forward agenda to:</p> <ul style="list-style-type: none"> Update the 2 June 2025 meeting date to read 2 July 2025 List the review of the public sector annual submission on integrity and conduct in July. Remove the City's Fraud and Corruption Risk Register as a standing item and schedule it for review in September. Move the private meeting with the external auditor to November. 	["EMCS&G"]	S&D		Completed	
5.1	7/11/2024	Audited Financial Statements and Management letters for year ended 30 June 2024	At the meeting the OAG requested a change to Note 22 in the Annual Financial Statements, to change the reclassification between current and non-current liabilities, in line with the Mandarin Regional Council audited financial statements.	["MFS"]	C&BS		Completed	
5.1	7/11/2024	Audited Financial Statements and Management letters for year ended 30 June 2024	Leave Management Plan to be submitted to next Audit and Risk Committee (ARC), either as part of the Risk Register or as a separate item.	["EMHR"]	C&BS	Completed as per the Audit Log	Completed	
5.1	7/11/2024	Audited Financial Statements and Management letters for year ended 30 June 2024	Leederville car park update to be submitted to next ARC meeting.	["EMCS&G"]	CEO	CFO circulated to audit committee members	Completed	

5.3	7/11/2024	Fraud Risk Register and Draft Integrity Framework	The Committee requested a report be submitted to the next meeting, and then quarterly after that, around how the self assessments determined that the controls are working, especially for the Extreme and High risks. The information in this report should be approved by the Executive Management Committee before submission to the ARC.	['EMCS&G']	CEO		Completed	
5.4	7/11/2024	Review of the City's Corporate Risk Register	The Committee requested an assessment of the aggregated risks that may arise for the City due to increased Polyphagous Shot-Hole Borer (PSHB) infestations. The focus is on potential consequences such as reduced tree canopy, safety hazards from falling limbs, and long-term financial impacts.	['EMCS&G']	CEO	to be included in the Feb agenda	Completed	
5.5	7/11/2024	Audit and Risk Committee Meeting Dates 2025	That the Audit and Risk Committee SUPPORTS the Audit and Risk Committee meetings being rescheduled to Wednesdays for 2025, and Administration to circulate dates for confirmation.	['EMCS&G']	CEO	New dates to be circulated to ARC members for confirmation	Completed	
5.6	7/11/2024	Audit Committee - Forward Agenda 2024	The Chair advised that before February the ARC self assessment needs to be collated, this will inform the 2025 forward agenda. The Committee also requested that any OAG reports not yet submitted be included in the 2025 forward agenda, as well as the Public Sector Commissioner's Maturity Assessment of Integrity.	['EMCS&G']	CEO	Survey circulated with meeting minutes. responses to be provided to Chair ahead of Feb meeting	Completed	
5.2	27/06/2024	Progress Delivery of the Fraud and Corruption Prevention Plan Actions and Approval of Draft Integrity Framework	NOTES the progress of Fraud and Corruption Prevention Plan Actions as detailed within this report, and DEFER consideration of the Integrity Framework until the Integrity, Fraud and Corruption Risk Assessment is discussed with the CEO. Updated Integrity Framework to be presented to the October meeting of the Audit Committee.	['EMCS&G']	CEO	To be considered at October 2024 Audit and Risk Committee Meeting	Completed	
5.3	27/06/2024	Internal Audit Program Outcomes and Proposed Year 3 Audits	REQUESTS Administration review Corporate Risk Register and identify three priority audits for the remainder of the internal audit program, having regard to audits already completed and feedback of Elected Members on the Audit and Risk Committee, to be tabled at the October Audit and Risk Committee Meeting.	['EMCS&G']	CEO	presented to November 2024 A&R committee	Completed	
5.5	4/05/2023	Review of Audit Committee Terms of Reference		['EMCS&G']	CEO	Comprehensive review completed. Deferred to the December Meeting.	Completed	Nov-23

Updated 4/11/2025

6 GENERAL BUSINESS

6.1 Audit, Risk and Improvement Committee

The Committee noted and briefly discussed upcoming legislative changes under the *Local Government Amendment Act 2024*, which require existing Audit and Risk Committees to be reconstituted as Audit, Risk and Improvement Committees. It was noted that the Committee's Terms of Reference will be updated following implementation of the new provisions.

7 NEXT MEETING

Wednesday 25 February 2026.

8 CLOSURE

There being no further business, the meeting was closed at 5.48pm.

These Minutes were confirmed at the 25 February 2026 meeting of the Audit Committee as a true and accurate record of the Audit Committee meeting held on 12 November 2025

Signed: Mr George Araj

Dated