CONFIRMED MINUTES

Shire of West Arthur
Audit, Risk and Improvement Committee Meeting
Monday 16 March 2026

These Minutes were confirmed at the Ordinary Council meeting on 14 September 2026.

Signed: Katrina Crute
Digitally signed by Katrina Crute
Date: 2026.09.15 14:19:48 +08'00'

Presiding Member at the meeting at which the Minutes were Confirmed.

Forest to Wheatbelt

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The purpose of this council meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

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Content

MINUTES OF SHIRE OF WEST ARTHUR
AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBERS
ON MONDAY, 16 MARCH 2026 AT 5.00PM

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 5.01pm.

2 ATTENDANCE/APOLOGIES

MEMBERS:	Katrina Crute	(Independent Presiding Member)
	Cr Karen Harrington	(Shire President)
	Cr Graeme Peirce	(Elected Member) – via Teams
STAFF:	Vin Fordham Lamont	(Chief Executive Officer)
	Rajinder S Sunner	(Manager Corporate Services)
	Melinda King	(Manager Financial Reporting)
APOLOGIES:	Cr Helen Lubcke	(Elected Member)
ON LEAVE OF ABSENCE:	Nil	
ABSENT:	Nil	

3 DISCLOSURES OF INTEREST

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING HELD

4.1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING 15 DECEMBER 2025

File Ref:	**ADM422**
Author:	**Renee Schinzig, Administration Officer**
Authorising Officer:	**Rajinder S Sunner, Manager Corporate Services**
Date:	**12/02/2026**

Statutory Environment:

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-001

Moved: Cr Karen Harrington
Seconded: Cr Graeme Peirce

That the Minutes of the Ordinary Meeting of Council held in the Council Chambers on 15 December 2025 be confirmed as true and correct.

In Favour: Katrina Crute, Cr Karen Harrington, Cr Graeme Peirce
Against: Nil

CARRIED 3/0

5 REPORTS

5.1 SHIRE OF WEST ARTHUR ICT STRATEGIC PLAN 2025-2030

File Ref:	**ADM983**
Location:	**N/A**
Applicant:	**N/A**
Author:	**Rajinder S Sunner, Manager Corporate Services**
Authorising Officer:	**Vin Fordham Lamont, Chief Executive Officer**
Date:	**12/03/2026**
Disclosure of Interest:	**Nil**
Attachments:	**1. Shire of West Arthur ICT Strategic Plan 2025-2030 - Final**

SUMMARY:

The Audit, Risk and Improvement Committee is requested to consider recommending to Council the adoption of the Shire of West Arthur's Information and Communication Technology (ICT) Strategic Plan 2025-2030.

BACKGROUND:

The Shire is progressively strengthening its ICT governance and planning to ensure that technology investment, cyber-security, and service delivery are aligned to organisational objectives and managed in a controlled and transparent manner.

As part of recent audit discussions, the external auditor recommended that Council adopt a forward ICT Strategic Plan to support appropriate oversight of ICT risks, prioritisation of projects and budgeting for essential systems and controls. This item provides the Committee with the proposed ICT Strategic Plan 2025–2030 for consideration and recommendation to Council.

COMMENT:

The development of the ICT Strategic Plan was carried out in close collaboration with the Shire's ICT service provider, Infinitum Technology. This consultation ensured that the plan reflects current best practices and leverages the provider's expertise in addressing the Shire's specific technological requirements. By engaging Infinitum Technology throughout the process, the Shire was able to incorporate expert guidance and practical insights, supporting the alignment of ICT initiatives with organisational objectives.

CONSULTATION:

Chief Executive Officer
Manager Financial Reporting
Records Officer
Infinitum Technology

STATUTORY ENVIRONMENT:

Local Government Act 1995
Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Financial implications will be addressed through the budget process.

STRATEGIC IMPLICATIONS:

West Arthur Towards 2031

Theme: Leadership and Management

Outcome: Establish and maintain sound business and governance structures

Strategy: Comply with regulations and best practice standards to drive good decision-making by Council and Staff

RISK IMPLICATIONS:

Risk management is the removal of uncertainty from business decisions. Risk is expressed in terms of likelihood it may occur and the consequences that may flow from it. The consequences may be positive or negative or simply a deviation from the expected. The risk or consequence may be related to health and safety; financial; business or service interruption; compliance; reputation; or the environment. ***Reference to the risk matrix below will generate a risk rating by assessing the likelihood and consequence and multiplying these scores by each other.*** The greater the risk rating, the greater the risk and the higher the need for specific plans to be developed. All items with a risk rating greater than 10 should be added to the Risk Register and specific controls developed.

Risk Themes:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
- Misconduct
- Inadequate safety or security practices
- Inadequate project or change management
- Errors Omissions or Delays
- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
- Ineffective Employment practices
- Compliance failure
- Inadequate asset management
- Inadequate engagement practices
- Ineffective facility or event management
- Inadequate environmental management

Risk Matrix:

Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (25)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	The Shire may experience increased cyber-security exposure, unplanned system outages, and fragmented technology investment, resulting in service disruption and reduced ability to meet governance and compliance expectations.
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Low (3)
Principal Risk Theme	IT or Communications Failure / Inadequate safety or security practices
Risk Action Plan (Controls or Treatment Proposed)	Recommend to the Council to adopt the Shire of West Arthur Information and Communication Technologies Strategic Plan 2025-2030.

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-002

Moved: Cr Karen Harrington
Seconded: Cr Graeme Peirce

That the Shire of West Arthur Information and Communication Technologies Strategic Plan 2025-2030, as presented, be recommended to Council for adoption.

In Favour: Katrina Crute, Cr Karen Harrington, Cr Graeme Peirce
Against: Nil

CARRIED 3/0

Shire of West Arthur

Information & Communication Technology (ICT) Strategic Plan

2025 - 2030

Forest to Wheatbelt

Shire of West Arthur
31 Burrowes Street
(PO Box 112)
DARKAN WA 6392

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Website:	www.westarthur.wa.gov.au
Contact:	Chief Executive Officer

Document Control

Version	Approved By – Name	Title / Resolution	Date

Contents

Contents

Executive Summary

Strategic Direction and Community Commitment
The Shire of West Arthur is experiencing a period of significant transformation and advancement. In response to these changes and recognizing the importance of meeting the evolving aspirations of the community, Shire has initiated the development of multiple Strategic and Business Plans. These plans are designed to deliver objectives across short-, medium- and long-term timeframes. Among these, the ICT Strategic Plan is a key component of the IPR Framework, reflecting Shire's commitment to comprehensive strategic planning and leadership. This approach is focused on strengthening the community, fostering growth, and diversifying the local economy.

Role of ICT in Modern Operations
Information & Communication Technology (ICT) has revolutionized nearly every facet of society. It now serves as the foundation for communication, interaction, decision-making, and business activities. The Shire of West Arthur relies on ICT to enhance operational efficiency and effectiveness in service delivery. As technological advancements continue, ICT will remain central to the Shire's efforts to provide improved services for the community and stakeholders.

ICT Service Provision and Strategic Planning
Currently, ICT services support approximately 28 employees, including full-time, part-time, and casual staff—across Administration and Works Crew divisions. These services also extend to the community and stakeholders. The ICT Strategic Plan outlines a clear action plan to guide the ongoing development and delivery of ICT services, ensuring alignment with the needs of the Shire of West Arthur.

Risk Management

Risk Category	Description	Rating (likelihood x consequence)	Mitigation Action
Financial	Lack of investment into ICT	Possible (3) x Moderate (3) = High (9)	ICT Strategic / forward planning involving stakeholders to determine needed and desired current and future outcomes that can be budgeted for.
Health & Safety	EOL/less than OSH/WSH ideal ICT hardware and prolonged machine noise exposure	Possible (3) x Moderate (3) = High (9)	EOL hardware replacement decisions to consider OSH/WHS requirements. Suitable placement or enclosures for noisy ICT gear such as servers and switches.
Reputation	Slow take up of new technologies	Likely (4) x Minor (2) = High (8)	ICT Team continuing to engage with Shire stakeholders, 3rd party vendors, and other councils re: current and emerging technologies and methods of delivering desired services.
Service Interruption	Cyber Attack	Likely (4) x Major (4) = Extreme (16)	Effective utilisation of firewall and anti-virus software (regular updates) Staff education Effective user authentication
Service Interruption	Prolonged loss of internet	Possible (3) x Moderate (3) = High (9)	Identification of single- points-of-failure and the implementation of suitable fail-over devices and processes.
Service Interruption	Underinvestment in ICT	Likely (4) x Medium (3) = High (12)	ICT Strategic / forward planning involving stakeholders to determine needed and desired current and future outcomes that can be budgeted for.
Compliance	No strategic direction established for ICT	Possible (3) x Moderate (3) = High (9)	ICT Strategic / forward planning involving stakeholders to determine needed and desired current and future outcomes that can be budgeted for.
Property	ICT asset management, accountability, security, disposal & replacement	Possible (3)x Moderate (3) = High (9)	ICT managed asset register/database established for Shire's ICT assets including mobile devices.
Environment	Visual, RF, and potential community concerns re: impact of ICT infrastructure including antennae, towers, wifi & mobile boosters, microwave dishes, CCTV placement and solar backed battery installations, on the local environment.	Likely (4) x Minor (2) = High (8)	Utilising vendors and providers to advise, install, and maintain suitable equipment that is not only in keeping with best practices but also minimises any undesired impacts on the local environment.

Current Business Systems and Applications

Business systems and applications include the core business system being Magiq ERP and Monarch systems, the Microsoft 365 office suite and other ad hoc applications.

MAGIQ ERP - three-year contract

Magiq ERP is the main business system utilised by the Shire of West Arthur for management of all shire data. Finance, importing data etc.

Monarch EDRMS - yearly

EDRMS - Electronic Documents and Records Management System, delivers end-to-end experience that supports your organization. From capturing, organizing, analyzing and making sense of information using automated electronic documents.

Apollo - yearly

Apollo is a purpose-built platform that empowers local governments, councils, and enterprise boards to operate with greater clarity and control. From structured agendas to secure distribution, Apollo brings transparency and professionalism to every stage of the meeting lifecycle.

Adobe Pro - yearly

The Shire of West Arthur uses Adobe Pro each year to support the creation, editing, and management of official documents, ensuring staff can efficiently produce high-quality PDFs for internal processes and community-facing communications.

Microsoft 365 - yearly

The Shire of West Arthur currently utilizes Microsoft 365 business premium licensing to provide both in-house and cloud/global access to current and standard office products including Word, Excel, Teams collaboration/communications, and Email.

Copilot - yearly

The Shire of West Arthur uses Microsoft Copilot to improve staff efficiency, supports better decision-making, and enhances delivery by leveraging AI tools already integrated within its Microsoft 365 environment

Room management - yearly

This is used for managing Caravan Bookings.

Air key - cloud based

Maintenance fees. The cloud-based system offers 24/7 access to the GYM, Shire office, Reed Childcare Centre, and Darkan District Sports Club.

Race roster - cloud based

Membership signs up for various facilities round the town for Kids Central, Darkan Swimming Pool, and the GYM.

Think Project – yearly
The work department utilizes a dedicated system to record all data related to Shire's infrastructure, specifically focusing on roads and bridges. This includes maintaining comprehensive records of the entire network within Shire.

Detailed road counts are collected for the Main Road of Western Australia. The data gathered serves an important purpose: it is used to inform and support the planning of future maintenance activities for the road network, ensuring ongoing infrastructure reliability and safety.

Ad Hoc Applications
Shire has a portfolio of applications, some of which are SaaS (Software as a Service). The acquisition of these is usually user driven. It is not the role of ICT to adjudicate on a user's need for a particular application. ICT does not have the capacity or expertise to provide user support and network communication constraints need to be considered. Appropriate governance is in place for acquisition decisions.
Some of these systems include
Adobe Reader
Google Chrome

Backup
All data is backed up via Veeam 365 in hourly increments with infinite retention. Block-level backup technology that continuously tracks and stores incremental changes in data Advanced verification technology and multiple processes to test backups and ensure validity. End-to-end, always-on encryption to continually protect data at rest and in transit.

Infrastructure

Shire has infrastructure consisting of network communications, ICT hardware and telephone System.

Network Communications

Currently, the Shire site operates on a Telstra 100 Mb connection. The Depot uses Starlink with a VPN connection configured for communications between both sites.

Infrastructure ICT Hardware

Equipment is replaced according to needs and age, and the ICT Team has created, implemented and maintained an extensive ICT related register/database which includes servers, workstations, network/comms equipment, mobile devices, fixed telephony and printers. However, there is no formal policy relating to ICT asset management. An ICT asset management plan will guide both hardware and software investment and renewal and asset management.

Telephony

The telephone system is provided by Telstra and has been in place since September 2022. Contract has lapsed so options can be explored.

Data and Systems Security

Shire is committed to developing, implementing, and regularly reviewing comprehensive policies and procedures that safeguard access to ICT systems and services. These policies will address two main areas: the protection of data to maintain internal confidentiality, and measures to defend against external cyber threats. By ensuring both internal and external protection, Shire aims to uphold the integrity and security of its ICT environment.

Office of the Auditor General (OAG) published report 9: 2023-24 6 December 2023 for Implementation of Essential Eight Cyber Security Controls. Essential eight controls include.

- Application control – planned
- Patch applications - yes
- Patch operating systems – yes
- Configure Microsoft Office macro settings – yes
- User application hardening – planned
- Restrict administrative privileges - yes
- Multi-factor authentication - yes
- Regular backups - yes

Shire has been working with the current ICT provider to improve all these areas over the years. It would be recommended to complete audit for the essential eight controls in 2025/26 to ensure all areas are covered appropriately.

Business Continuity

Much of the following can also be considered additional details to the infrastructure: "Network Communications" section of this document.

The Shire's current business continuity / DR options from an ICT point of view include:
Manual and auto fail-over or redirection capabilities to mobile in the event of fixed phone service interruptions.

UPS (Uninterrupted Power Supply) in the data cabinet to keep services running for a short period.
Shire generator that runs the admin building in the event of an extended power outage.

A more mobile work force with polices, processes, and equipment established (and tested) to enable extended "working from home" type situations.

Multiple forms and levels of data backups.

All the above options have been put to and passed the test over the last year, both deliberately, and because various situations required it.

Security
The Shire currently does not have a formal cybersecurity plan and primarily relies on its firewall and anti-virus software. Information to help staff stay safe online is shared periodically across the organisation.

A formal cybersecurity risk assessment and plan will be developed using a recognised framework, followed by periodic penetration testing to ensure ongoing resilience.
Current security measures include:

Multi-Factor Authentication (MFA): Duo is utilised for 2FA on Microsoft 365 and workstations.
Email Security: Check Point Email Collaboration is in place to protect against phishing and malicious content.

Endpoint Monitoring: Rocket Cyber provides 24/7 monitoring and SOC (Security Operations Center) services for workstations.

Device Security Policies: Windows Defender is managed via Microsoft Intune to enforce security policies across workstations.

Cybersecurity Training and Simulations: Regular staff training sessions and phishing simulation exercises to improve awareness and reduce human-related risks.

Future opportunities to strengthen security include:

Expanding MFA and application whitelisting across all critical systems.
Implementing a structured cybersecurity framework for governance and compliance.

ICT Actions

The Shire of West Arthur is utilising a baseline for the Shire's ICT Strategic Framework as recommended by the Department of Local Government, Sports & Cultural Industries.
The framework has the following 7 elements:

- Governance
- Emerging Trends and Technologies
- Business Systems and Applications
- Infrastructure and Technology
- Disaster Recovery
- Security
- Project Management

The table below identifies the key items that are required as part of the Strategic Framework, including review dates or the date of expected completion or adoption.

Governance					
ICT decisions and operations within the Shire will be controlled and guided through a formalised ICT Governance framework. This framework will ensure the alignment of ICT activities with business priorities.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
ICT Strategic Plan	Review		Review		Review
Annual Operating Plan (Budget)	Review	Review	Review	Review	Review
Service level agreements	Tender	Review	Review	Review	Review

Emerging Trends and Technologies					
ICT policies and procedures need to be current enabling the organisation to conduct considered reviews of emerging technologies and trends, to ensure they meet current and emerging needs of the organisation.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Computer & Mobile Device Policy	Review	Review	Review	Review	Review

Business Systems and Applications					
Appropriately managed business systems and applications will help consolidate and streamline business processes.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Inventory Register in Place	Review		Review		Review
	Review/ Plan	Plan	Replace		Review

Infrastructure and Technology					
ICT has extensive assets and services under management. The best value and maximum benefit from this investment can only be obtained if suitably managed.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
ICT Systems Manual to be developed	Develop		Review		Review
Audit Asset Register	Audit		Audit		Audit

IT Disaster Recovery					
ICT needs to work with the organisation to establish mission critical services and ensure that disaster recovery and business continuity plans meet current and emerging needs.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Disaster Recovery/Business Continuality Plan	Review		Review		Review
Test Disaster Recovery Plan	Audit	Audit	Audit	Audit	Audit

Security					
The threat of cyber security incidents continues to rise. The Shire needs to develop and implement security policies and procedures to meet this increasing threat.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Develop Cyber Security Policy	Develop		Review		Review
Provide Cyber Security Training	Ongoing	Ongoing	Ongoing	Ongoing	Ongoing

Project Management					
The effective delivery of ICT projects requires a suitable management framework to be implemented.					
Item	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**
Project Management ICT Procedure to be developed		Develop		Review	

Appendix 1: Hardware Lifecycles Replacement Schedule

Computer ID	Description	Type	User	Location	Replacement Due
SOWA-LT-09	Spare Laptop	Laptop	Tahnee-Lee LUBCKE	Shire office	2026-27
SOWA-LT-07	Works	Laptop	works	Depot	2026-27
SOWA-LT-01	Tahnee	Laptop	Tahnee-Lee LUBCKE	Shire office	2026-27
SOWA-LT-02	Gary	Laptop	Gary Rasmussen	Depot	2026-27
SOWA-LT-03	Vin	Laptop	vin Fordham Lamont	Shire office	2026-27
SOWA-LT-04	Mechanic	Laptop	Mechanic	Depot	2026-27
SOWA-LT-05	Abbey	Laptop	Abbey ruins	Shire office	2026-27
SOWA-LT-06	Melinda	Laptop	Melinda King	Shire office	2026-27
SOWA-LT-08	Sharon	Laptop	Sharon Bell	Shire office	2026-27
SoWA-SO-CHAMBERS	Chambers	Desktop	Chamber	Shire office	2026-27
SOWA-WS-01	Raj	Desktop	Rajinder Sunner	Shire office	2026-27
SOWA-WS-02	Bec	Desktop	Rebecca McClure	Shire office	2027-28
SOWA-WS-03	Abbey	Desktop	Abbey ruins	Shire office	2027-28
SOWA-WS-04	Amy	Desktop	Amy White	Shire office	2027-28
SOWA-WS-05	Kylie	Desktop	Kylie Whitaker	Shire office	2027-28
SOWA-WS-06	Renee	Desktop	Renee Schinzig	Shire office	2026-27
SOWA-WS-07	Cass	Desktop	Cassandra Squires	Depot	2026-27
Samsung	Works	Tablet	Gary Rasmussen	Chamber	2029-30
iPad 1	President	iPad	Cr Karen Harrington	Chamber	2027-28
iPad 2	Deputy President	iPad	Cr Duncan South	Chamber	2027-28
iPad 3	Councillor 1	iPad	Cr Neil Morrell	Chamber	2027-28
iPad 4	Councillor 1	iPad	Cr Graeme Pierce	Chamber	2027-28
iPad 5	Councillor 1	iPad	Cr Russell Prowse	Chamber	2027-28
iPad 6	Councillor 1	iPad	Cr Natalie O'Neil	Chamber	2027-28
iPad 7	Councillor 1	iPad	Cr Helen Lubcke	Chamber	2027-28
iPad 8	MCS	iPad	Rajinder Sunner	Shire office	2027-28

Appendix 2: ICT 5 Year Operational Budget

ICT FIVE Year Operational Budget						
Expenditure Item	GL Account	2025-26	2026-27	2027-28	2028-29	2029-30
Subscription - MAGIQ	E14201512	$28,201	$29,611	$31,092	$32,646	$34,278
Subscription - Apollo	E04100112	$11,000	$11,550	$12,128	$12,734	$13,371
Subscription - Email Integration	E14202012	$6,823	$7,164	$7,523	$7,899	$8,294
Subscription - EDRMS	E14202512	$13,010	$13,660	$14,343	$15,060	$15,813
Subscription - Room Manager	E13204012	$2,400	$2,520	$2,646	$2,778	$2,917
Think Project -Ramm Subs, Inc. Pocket RAMM	E12907012	$9,604	$11,345	$11,912	$12,507	$13,133
Council Connect - Subscription	E14202012	$9,400	$9,870	$10,364	$10,882	$11,426
WALGA - Subscription	E04201512	$17,770	$18,658	$19,591	$20,571	$21,599
Build Plus - Subscription	E14301512	$1,650	$1,733	$1,819	$1,910	$2,006
IT Management inc. office Subscriptions	E14202012	$74,500	$78,225	$82,136	$86,243	$90,555
Telephone, Mobile, Telstra IP Telephony (TIPT)	E14207012	$23,459	$24,632	$25,863	$27,156	$28,514
Update ICT, Laptop, iPads	E14202012		$32,500	$26,000		$2,000
Total Expenditure		$197,817	$241,467	$245,416	$230,387	$243,906

Total By Expenditure Type						
Expenditure Item		2025-26	2026-27	2027-28	2028-29	2029-30
Computer Operating Expenses		$74,500	$78,225	$82,136	$86,243	$90,555
Subscriptions		$99,858	$106,111	$111,416	$116,987	$122,837
Telephone, Mobile		$23,459	$24,632	$25,863	$27,156	$28,514
Update ICT, Laptop, iPads		$0	$32,500	$26,000	$0	$2,000
Total Expenditure		$197,817	$241,467	$245,416	$230,387	$243,906

5.2 SHIRE OF WEST ARTHUR FRAUD AND CORRUPTION CONTROL PLAN 2026-2028

File Ref:	**ADM984**
Location:	**N/A**
Applicant:	**N/A**
Author:	**Rajinder S Sunner, Manager Corporate Services**
Authorising Officer:	**Vin Fordham Lamont, Chief Executive Officer**
Date:	**12/03/2026**
Disclosure of Interest:	**Nil**
Attachments:	**1. Fraud and Corruption Control Plan 2026-2028**

SUMMARY:
The Audit, Risk and Improvement Committee is requested to consider recommending to Council the adoption of the Shire of West Arthur Fraud and Corruption Control Plan 2026-2028.

BACKGROUND:
The Shire of West Arthur (the 'Shire') maintains a zero-tolerance policy toward fraud and corruption. The Shire is committed to nurturing an organisational culture that prioritises integrity and accountability. This is achieved through the demonstration of professional conduct that is consistent with the responsibilities and values of the organisation. The Shire also provides clear guidance to enable an effective risk management strategy, specifically addressing the management of fraud and corruption risks.

The Shire initially adopted the Fraud and Corruption Control Plan in April 2023. In accordance with internal procedures, this plan requires review every two years to ensure ongoing relevance and effectiveness. The revised Fraud and Corruption Control Plan for 2026-2028 has been amended to reflect the latest requirements and maintain compliance with applicable legislation and regulations.

COMMENT:
The Shire's Fraud and Corruption Control Policy and Plan are applicable across a broad range of stakeholders. This includes all employees, regardless of whether their engagement is permanent, through secondment, contract, temporary or labour hire agency, volunteering, work experience, or traineeship. It also covers all elected members, as well as any external parties who are involved in delivering goods or services to the Shire.

While the Chief Executive Officer (CEO) retains overall responsibility for establishing and maintaining proper controls to prevent fraud and corruption, and for monitoring associated risks, accountability is shared among all employees, elected members, contractors, and volunteers. Each party has an important role in upholding the integrity of the organisation and in supporting fraud and corruption control initiatives. The Shire expects all stakeholders to promptly report any suspected fraudulent or corrupt activity, ensuring a collective commitment to transparency and ethical conduct.

CONSULTATION:
Chief Executive Officer
Dean McAuliffe – DKM Workplace Solutions
Records Officer

Infinitum Technology

STATUTORY ENVIRONMENT:
Local Government Act 1995
Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS:
Risk Management Policy
Fraud and Control Policy

FINANCIAL IMPLICATIONS:
Nil.

STRATEGIC IMPLICATIONS:
West Arthur Towards 2031

Theme: Leadership and Management
Outcome: Establish and maintain sound business and governance structures
Strategy: Comply with regulations and best practice standards to drive good decision making by Council and Staff

RISK IMPLICATIONS:

Risk management is the removal of uncertainty from business decisions. Risk is expressed in terms of likelihood it may occur and the consequences that may flow from it. The consequences may be positive or negative or simply a deviation from the expected. The risk or consequence may be related to health and safety; financial; business or service interruption; compliance; reputation; or the environment. ***Reference to the risk matrix below will generate a risk rating by assessing the likelihood and consequence and multiplying these scores by each other.*** The greater the risk rating, the greater the risk and the higher the need for specific plans to be developed. All items with a risk rating greater than 10 should be added to the Risk Register and specific controls developed.

Risk Themes:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
- Misconduct
- Inadequate safety or security practices
- Inadequate project or change management
- Errors Omissions or Delays
- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
- Ineffective Employment practices
- Compliance failure
- Inadequate asset management
- Inadequate engagement practices
- Ineffective facility or event management

- Inadequate environmental management

Risk Matrix:

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain	**5**	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	**4**	Low (4)	Medium (8)	High (12)	High (16)	Extreme (25)
Possible	**3**	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	**2**	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	**1**	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	Fraud, corruption, and misconduct risks that can harm organisational integrity and trust.
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Low (3)
Principal Risk Theme	Reputation damage, legal issues, or financial loss. Proactive risk management
Risk Action Plan (Controls or Treatment Proposed)	Recommend to Council to adopt the Shire of West Arthur Fraud and Corruption Control Plan 2026-2028.

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-003

Moved: Cr Karen Harrington
Seconded: Cr Graeme Peirce

That the Shire of West Arthur Fraud and Corruption Control Plan 2026-2028, as presented, be recommended to Council for adoption.

In Favour: Katrina Crute, Cr Karen Harrington, Cr Graeme Peirce
Against: Nil

CARRIED 3/0

Shire of West Arthur

Fraud and Corruption Control Plan 2026-2028.docx

2026 - 2028

Forest to Wheatbelt

Document History

Item	Date	Action	Description
1		Draft	Approved by the Chief Executive Officer and supported by Resolution of Council
2	March 2026	Review	Two-year review and update due in 2028

Contents

1. Introduction

The Shire of West Arthur (the 'Shire') has a zero tolerance to fraud and corruption.

The Shire is committed to an organisational culture that promotes a high standard of integrity and accountability by demonstrating professional behaviours that are consistent with our role and values and provides clear direction in supporting an effective risk management strategy, including fraud and corruption risk.

The Fraud and Corruption Control Plan (the Plan) details the Shire's intended action in monitoring fraud and corruption, and implementing prevention, detection and response initiatives.

The Plan has been developed in line with the Shire's Strategic Community Plan, Corporate Business Plan, and Fraud and Corruption Policy, and Australian Standards 8001:2021. It integrates with the Shire's Risk Management Framework and Audit Risk and Improvement Committee Charter.

2. Scope

The Shire's Fraud and Corruption Prevention Policy and Plan apply to:

- all employees whether by way of permanent appointment, secondment, contract, temporary or labour hire agency arrangement, volunteering, work experience or trainees (Parties);
- all elected members; and
- all contractors, consultants and service providers engaged by the Shire.

Whilst the Chief Executive Officer (CEO) has overall responsibility to ensure proper controls are in place to prevent fraud and corruption, a shared responsibility applies to all stakeholders, employees, elected members, independent members of the Audit, Risk and Improvement Committee (ARIC), contractors, and volunteers (All Parties). All Parties are required to report suspected fraudulent or corrupt activity.

3. Definitions

Fraud – 'Fraud' is defined by Australian Standard AS 8001-2021 (Fraud and Corruption Control) as dishonest activity causing actual or potential financial loss to the 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. It also includes deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal benefit.

Fraud may include (but is not limited to):

- theft or obtaining property, financial advantage or any other benefit by deception;
- providing false or misleading information, or failing to provide information where there is an obligation to do so;
- causing a loss, or avoiding or creating a liability by deception;
- making, using or possessing forged or falsified documents;
- unlawful use of computers, vehicles, telephones and other property or services; and
- manipulating expenses or salaries.

Whilst conduct must be dishonest for it to be fraud the conduct need not necessarily represent a breach of criminal law.

Corruption - is defined as an act done contrary to the interests of the Shire with intent to give or receive some advantage or benefit inconsistent with official duty and the rights of others.

Corruption may include (but is not limited to):

- conflict of interest;
- dishonesty using influence;
- blackmail;
- failure to disclose gifts or hospitality;
- acceptance of a bribe; or
- unauthorised release of confidential, private information or intellectual property.

Serious misconduct - as defined by the Corruption, Crime and Misconduct Act 2003 is when a public officer:

- acts corruptly or corruptly fails to act in the course of their duties; or
- corruptly takes advantage of their position for the benefit or detriment of any person; or
- commits an offence which carries a penalty of two or more year's imprisonment.

Minor misconduct as defined by section 4(d) of the Corruption, Crime and Misconduct Act 2003 occurs if a public officer engages in conduct that:

i. adversely affects, or could adversely affect, directly or indirectly, the honest or impartial performance of the functions of a public authority or public officer, whether or not the public officer was acting in their public officer capacity at the time of engaging in the conduct; or
ii. constitutes or involves the performance of his or her functions in a manner that is not honest or impartial; or
iii. constitutes or involves a breach of trust placed in the public officer by reason of his or her office or employment as a public officer; or
iv. involves the misuse of information or material that the public officer has acquired in connection with his or her functions as the public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person.

4. Relationship with Policies, Procedures and or Plans

The Shire has a range of policies and processes in place that govern and support its day-to-day operations and decision making.

Fraud and corruption prevention and detection controls are embedded in various policies and processes including (but not limited to):

- Fraud & Control Policy
- Code of Conduct (Employees)
- Code of Conduct (Council Members, Committee Members and Candidates)
- Council Members Entitlements Policy
- Purchasing Policy
- Standards for CEO Recruitment Performance and Termination Policy
- Register of Financial Interest Disclosures

- Register of Gifts
- Complaints Register
- Register of Interest Disclosures

The Shire's policies and documents are reviewed at regular intervals and are available on the Document Centre page of the Shire's website.

5. Internal Control Systems

All business processes, especially those identified as having higher risk of fraud and corruption, are subject to a rigorous system of internal controls that are documented, reviewed and update regularly, and understood by relevant employees.

Strong internal controls are important in protecting against fraud and corruption. In many cases where fraud and corruption are detected, it is possible to identify a fundamental control weakness or failure that either allowed the incident to occur or failed to detect it quickly after it occurred.

Managers must ensure and are responsible for ensuring:

- appropriate work systems, including internal controls, are established and maintained;
- segregation of duties, delegations, access controls and approved processes are in place for high risk areas;
- control assurance reviews are conducted (compliance testing) and failures investigated and remediated.

6. Roles and Responsibilities

Council

Council has the responsibility to adopt the Fraud and Control Policy and Plan.

Audit, Risk and Improvement Committee

The Audit Risk and Improvement Committee's responsibilities include –

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- overseeing development and implementation of the Fraud and Corruption Prevention Plan, and to provide assurance that the Shire has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information; and
- providing leadership in preventing fraud and corruption.

CEO

The CEO is responsible for –

- coordinating the fraud and corruption risk assessment process;
- developing and maintaining this Fraud and Corruption Prevention Plan, in consultation with key stakeholders;
- communicating the existence and importance of the Fraud and Corruption Prevention Plan;
- delivering and/or coordinating fraud and corruption training;
- provision of adequate resources to support fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the Shire; and

- reporting serious or systematic misconduct to the Corruption and Crime Commission and or the Public Sector Commission in accordance with the Corruption, Crime and Misconduct Act 2003.

Management Team (MT)

The Management Team is responsible for –

- implementing initiatives and supporting the Fraud and Corruption Prevention Plan with particular focus on prevention;
- ensuring compliance in managers' areas of responsibility;
- coordinating the fraud and corruption risk assessment process;
- developing and maintaining this Fraud and Corruption Prevention Plan, in consultation with key stakeholders;
- monitoring control weaknesses identified through audits and risk assessments and implement corrective actions;
- communicating the existence and importance of the Fraud and Corruption Prevention Plan; and
- delivering and/or coordinating fraud and corruption training.

Public Interest Disclosure (PID) Officer

The PID Officer investigates disclosures and takes action following the completion of investigations under the Public Interest Disclosure Act 2003.

All Employees

All employees have a responsibility to;

- contribute to preventing fraud and corruption by following the Code of Conduct,
- comply with controls, policies and processes;
- resist opportunities to engage in fraudulent or corrupt behaviour;
- complete mandatory fraud awareness training; and
- report suspected fraudulent or corrupt incidents or behaviour.

7. Risk Assessment

Each service area within the Shire will systematically identify, assess and review fraud and corruption risks at least every 2 years and integrate fraud risks into the Shire's risk register for the CEO's and Audit, Risk and Improvement Committee's review.

Accordingly, a key outcome of the fraud and corruption risk assessment process is the development of a treatment plan that specifically addresses the risks identified.

These measures should be monitored for effectiveness over time and adjusted as needed.

8. Reporting Suspected Fraud and Corruption Incidents

The Shire's Public Interest Disclosure (PID) Information Guidelines provide clear direction in regard to employees reporting suspicious or known illegal or unethical conduct. The policy also provides for alternative internal means by which to report matters of concern.

Reports can be made anonymously. Anonymous reports will be examined and investigated on the available evidence.

All employees have the right to make a disclosure in accordance with the Public Interest Disclosure Act 2003. This is encouraged where any person wishes to access the protections afforded by the Act.

The Shire's Public Interest Disclosure Information Guidelines are available on the Shire's website at Public Interest Disclosures (www.westarthur.wa.gov.au/public-interst-disclosures-pid).

Anonymous complaints may be made to a range of external agencies such as the Crime and Corruption Commission or the Public Sector Commission. Please refer to their websites for further details.

Corruption and Crime Commission (www.ccc.wa.gov.au/report_misconduct)

Public Sector Commission (www.wa.gov.au/organisation/public-sector-commission/minor-misconduct-public-officers)

The Shire will protect whistleblowers and ensure confidentiality, natural justice and procedural fairness in all investigations where reports are made regarding suspected fraud and or corruption.

9. Planning and Resourcing

The Shire is committed to allocating the required resources across the organisation to ensure appropriate controls in regard to fraud and corruption. In particular, resources will be made available to –

- develop and implement the Plan;
- undertake fraud and corruption risk assessments;
- deliver organisational training and awareness;
- review incidents reports; and
- undertake investigations.

The Table 9.1 outlines the action the Shire will undertake to develop and implement the Plan.

Table 9.1

Objective	Action	Responsible Officer	Timeframe
Planning	Review Fraud and Corruption Control Plan in 2026.	Manager Corporate Services	Complete
	Monitor the operation of the Fraud and Corruption Control Plan through the internal audit processes.	Manager Corporate Services	Annual
	Communicate the Fraud and Corruption Control Plan	Manager Corporate Services	Ongoing
	Review the Fraud and Corruption Control Plan.	Manager Corporate Services	Once every 2 years
	Fraud Awareness Training for Employees and Elected Members	Manager Corporate Services	Annual

	Dissemination of Public Interest Disclosure Policy and Officer's details on the internet.	Manager Corporate Services	Ongoing
	Pre employment screening for all new employees	Manager Corporate Services	Ongoing
Ensure that an appropriate level of resources is applied to controlling fraud and corruption risk.	Appoint a Fraud and Corruption Control Officer.	CEO	Ongoing
Internal Audit Activity	Fraud and Corruption risks are considered and featured in internal audit activities.	CEO	Ongoing

10. External Resources

Where required, external assistance will be engaged to support the delivery of any aspect of this Plan.

11. Prevention

Robust internal controls and systems are a prime defence mechanism against fraud and corruption. These controls include but are not limited to those detailed in Table 11.1.

Table 11.1

Objective	Action	Responsible Officer	Timeframe
Implementing and Maintaining an Integrity Framework	Codes of Conduct deemed as key enablers are monitored and regularly reviewed.	Manager Corporate Services	Annual
	Leadership Team – lead by example in which behaviours to follow.	CEO, Managers	Ongoing
	Ethical culture and awareness of fraud and corruption prevention to be promoted and monitored through Code of Conduct training.	Manager Corporate Services	Induction and Ongoing, breaches monitored, and trends addressed through policies, training and reporting.
	Declarations of interest procedures to be maintained and reviewed.	Manager Corporate Services	Once every 2 years
	Staff advised of their obligations when receiving gifts and reporting in the Gifts Register.	Manager Corporate Services	Ongoing and as required
	Dissemination of Public Interest Disclosure Policy and Officer's details on the internet.	Manager Corporate Services	Ongoing

Management Commitment to Control Risks of Fraud and Corruption	Leadership has a high-level awareness of the risks of fraud and corruption, and if not, appropriate awareness training is provided.	CEO, Managers	Ongoing
Accountability	Statement to promote staff accountability for their own work processes.	Manager Corporate Services	Ongoing
	Preventing fraud and corruption is annotated in the position descriptions.		
Internal Controls	Biannual reports to the Audit, Risk and Improvement Committee on the review and improvement of the Shire's internal control framework.	Manager Corporate Services	Biannual
	Fraud and Corruption Control Policy/Plan available to all staff via the Document Centre.		
	Internal audit to regularly review processes and provide recommendations in respect of fraud and corruption risks.		
	Review segregation of duties and delegations		Annual
Assessing Fraud and Corruption Risk	Continually assess fraud and corruption risks.	CEO, Manager Corporate Services	Ongoing
	Monitor and review the fraud and corruption complaints.		
	Ensure all new employees receive Code of Conduct training in their induction and throughout the period of their employment, appropriate to their level of responsibility.	Manager Corporate Services	As required
	Ensure updates and changes to fraud related policies, procedures, Code of Conduct etc. are effectively communicated to all employees.	Manager Corporate Services	As required
	Encourage staff to report any suspected incidences of fraud or corruption.	CEO, Managers	Ongoing
	Implement data analytics and exception reporting in finance and procurement.	Manager Corporate Services	Ongoing
Employment Screening	Pre-employment screening to validate applicant qualifications, identity, working with children, transcripts and other certifications.	Manager Corporate Services	As required

	Pre-employment screening is included and monitored as part of the recruitment policy/procedure.		Ongoing
Supplier Vetting	Review Purchasing policy to ensure suppliers are bona fide.	Manager Corporate Services	Annual
	Undertake Vendor audits.		Ad hoc

12. Detection

The Shire has the following measures as detailed in Table 12.1 in place to identify and detect incidents of fraud and corruption.

Table 12.1

Objective	Action	Responsible Officer	Timeframe
Detection System	Conducting unscheduled internal reviews and audits on a surprise basis.	Manager Corporate Services	Ad hoc
	Comprehensive fraud and corruption risk audit to include a review of: • IT and information security • Grants and other payments • Tendering processes, purchasing and contract management • Services provided to the community • Revenue collection • Use of credit cards • Travel allowance and other allowances • Salaries • Money, property and other physical assets	Manager Corporate Services, Manager Financial Reporting	Annual
	Annual report to Audit, Risk and Improvement Committee regarding the position of Risk Management, Internal Controls and Legislative Compliance.	Manager Corporate Services	Annual
External Auditor	External audit of appropriateness and effectiveness of Shire systems and procedures in relation to: i. Risk management ii. Internal control iii. Legislative compliance	CEO, Manager Corporate Services, Manager Financial Reporting, Audit, Risk and Improvement Committee	Once in every four financial years
Avenue for Reporting	There are adequate means for reporting suspicious or known illegal	CEO, Manager Corporate Services	Ongoing

	or unethical conduct available to all personnel.		
Public Interest Disclosure	Dissemination of Public Interest Disclosure Policy and Officer's details on the internet.	Manager Corporate Services	Ongoing
Whistle Blower Protection	Monitor policy to actively protect whistleblowers.	CEO, Managers	Ongoing
Accountability	Statement to promote staff accountability for their own work processes.	Manager Corporate Services	Ongoing
	Preventing fraud and corruption is annotated in the position descriptions.		
Supplier Vetting	Review Tendering and Purchasing policies to ensure suppliers are bona fide.	Manager Corporate Services	Annual
	Undertake Vendor audits.		Ad hoc
	Conduct random supplier and invoice integrity checks.	Manager Corporate Services	Bi-annual
Actual vs Budget Analysis	Monitor actual income or expenditure.	Managers, Budget Responsible Officers	Ongoing

13. Response

Fraud response as detailed in Table 13.1 is a key element of the overall Fraud and Control Plan. As fraud and corruption are criminal offences the primary responsibility for investigating and initiating prosecution for suspected fraud or corruption rests with the Police Service.

Table 13.1

Objective	Action	Responsible Officer	Timeframe
Policies and Procedures	Fraud and Corruption Control Policy/Plan reviewed, maintained and communicated.	CEO, Manager Corporate Services	Once every 2 years
Investigation	Internal Investigation process established.	CEO, Manager Corporate Services,	As required
	Appointment of external investigator		
Internal Reporting	Maintain a fraud and corruption incident register.	Manager Corporate Services	Ongoing
	Table fraud and corruption incident register at the Audit, Risk and Improvement Committee meeting.	CEO	Six monthly
Disciplinary Procedures	Disciplinary action, which may include termination of employment, is taken against officers involved in any misconduct in accordance with the Shire's policies.	CEO, Managers	As required

External Reporting	The Shire will report suspected fraudulent and corrupt conduct in accordance with the *Corruption, Crime and Misconduct Act 2003*, and to the Police where appropriate.	CEO, Managers	As required
Civil Action for Recovery of Losses	The Shire may seek to recover any money or assets lost due to incidents of fraud and corruption where appropriate.	CEO, Manager Corporate Services	As required
Review of Internal Controls	Where fraud is detected, assess adequacy of internal controls and consider whether improvements are required.	Manager Corporate Services	As required
Fidelity Guarantee Insurance	Maintain a fidelity guarantee insurance policy, which insures the entity against the risk of loss arising from internal fraudulent conduct.	Manager Corporate Services	Ongoing

14. Review

The Fraud and Control Plan will be reviewed at least once every two years. The next review will be due in 2028.

5.3 SHIRE OF WEST ARTHUR INTEGRITY FRAMEWORK 2026

File Ref:	**ADM965**
Location:	**N/A**
Applicant:	**N/A**
Author:	**Rajinder S Sunner, Manager Corporate Services**
Authorising Officer:	**Vin Fordham Lamont, Chief Executive Officer**
Date:	**12/03/2026**
Disclosure of Interest:	**Nil**
Attachments:	**1. Shire of West Arthur Integrity Framework 2026**

SUMMARY:
The Audit, Risk and Improvement Committee is requested to consider recommending to Council the adoption of the Shire of West Arthur Integrity Framework 2026.

BACKGROUND:
The Shire of West Arthur delivers a variety of services and manages public resources with a strong focus on ethics, transparency, and accountability. To ensure community trust, the Shire employs systems to prevent, detect, and respond to misconduct, fraud, and corruption.

The Integrity Framework 2026 outlines expectations for Council members, management, and staff, summarising governance mechanisms such as internal controls and formal reporting. It promotes continual improvement by aligning integrity risks with broader risk strategies and prioritises education and capability-building for all stakeholders. The Audit, Risk and Improvement Committee is asked to review and recommend adopting this Framework.

COMMENT:
The Integrity Framework 2026 brings together the Shire's key integrity-related policies, controls and practices into a single, accessible reference document. Adoption of the Framework will support consistent standards of ethical conduct, improve awareness of reporting and response pathways, and strengthen the Shire's governance and assurance environment. The Shire acknowledges the valuable contribution made by the intern from the University of Western Australia's McCusker Centre for Citizenship in assisting with the development and consolidation of this Framework.

CONSULTATION:
Chief Executive Officer
Annette Sanner – Intern from the McCusker Centre
Records Officer

STATUTORY ENVIRONMENT:
Local Government Act 1995
Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

West Arthur Towards 2031

Theme: Leadership and Management

Outcome: Establish and maintain sound business and governance structures

Strategy: Comply with regulations and best practice standards to drive good decision making by Council and Staff

RISK IMPLICATIONS:

Risk management is the removal of uncertainty from business decisions. Risk is expressed in terms of likelihood it may occur and the consequences that may flow from it. The consequences may be positive or negative or simply a deviation from the expected. The risk or consequence may be related to health and safety; financial; business or service interruption; compliance; reputation; or the environment. ***Reference to the risk matrix below will generate a risk rating by assessing the likelihood and consequence and multiplying these scores by each other.*** The greater the risk rating, the greater the risk and the higher the need for specific plans to be developed. All items with a risk rating greater than 10 should be added to the Risk Register and specific controls developed.

Risk Themes:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
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- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
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- Inadequate engagement practices
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Risk Matrix:

Consequence Likelihood		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
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Possible	**3**	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	**2**	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	**1**	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	Non-compliance with regulations or policies can lead to reputational, financial, or operational harm. Causes include weak processes, poor training, or insufficient oversight.
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Low (2)
Principal Risk Theme	Compliance failure
Risk Action Plan (Controls or Treatment Proposed)	Recommend to Council to adopt the Shire of West Arthur Integrity Framework 2026.

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-004

Moved: Cr Karen Harrington
Seconded: Cr Graeme Peirce

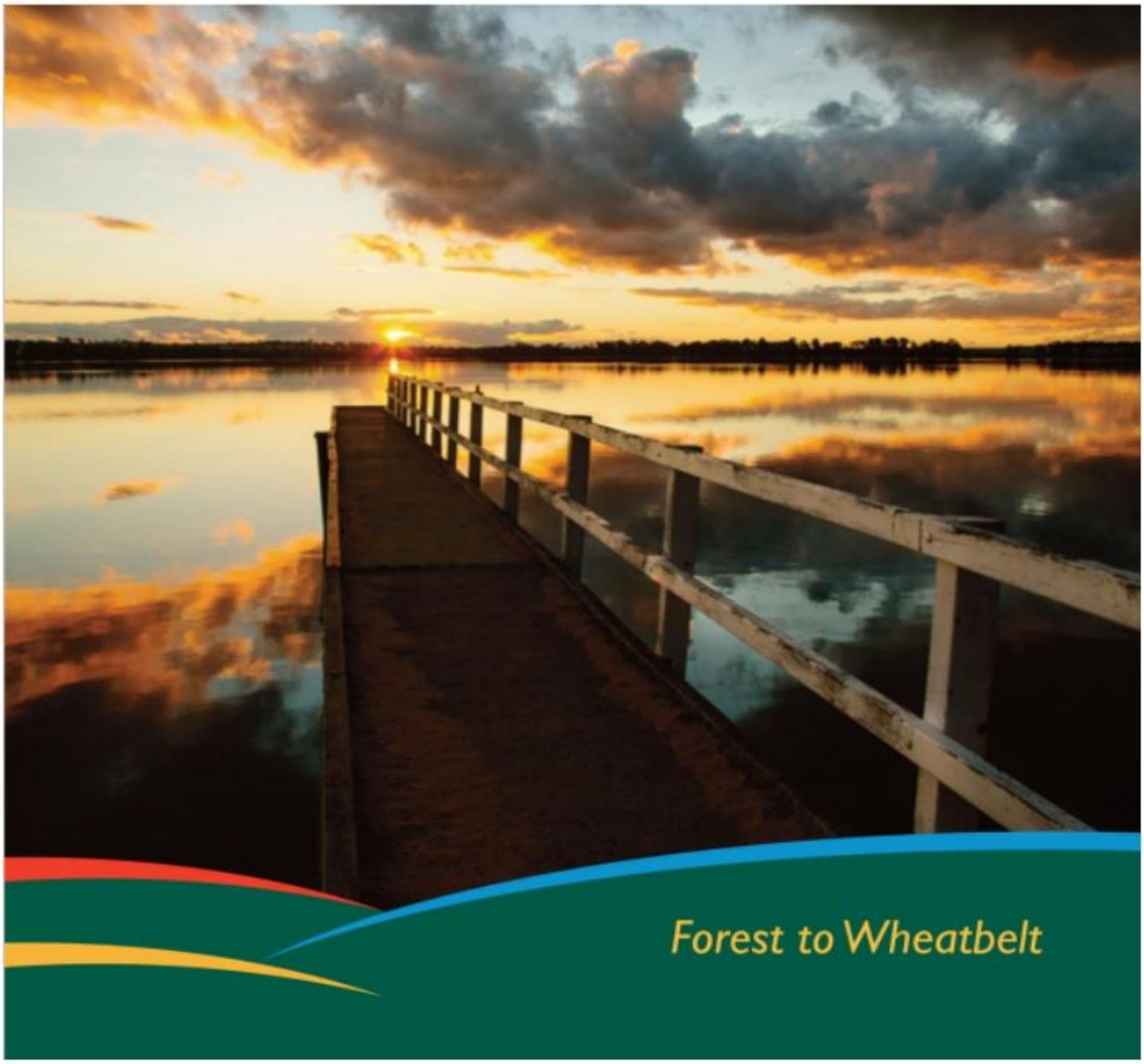
That the Shire of West Arthur Integrity Framework 2026, as presented, be recommended to Council for adoption.

In Favour: Katrina Crute, Cr Karen Harrington, Cr Graeme Peirce
Against: Nil

CARRIED 3/0

Shire of West Arthur

Integrity Framework 2026



Contents

1. The CEO's message – Promoting Integrity

The Shire of West Arthur provides a comprehensive array of services, programs, and facilities to its community, with a justified expectation that these are delivered and managed efficiently and effectively. As stewards of public funds and personal information, the Shire is obligated to establish and maintain the trust of its community in the utilisation of these resources, ensuring an overall benefit for the entire community. This trust is cultivated and sustained by ensuring that all individuals associated with the Shire of West Arthur, including elected members, employees, contractors, suppliers, and volunteers, operate with integrity and conduct themselves in an ethical, transparent, and accountable manner.

Integrity is fundamental to good governance, and organisations that uphold integrity not only minimise instances and impacts of misconduct, fraud, and corruption but also achieve organisational benefits such as enhanced productivity and efficiency, positive working relationships, and effective collaboration and engagement. The Shire's Integrity Framework aims to guide the organisation in providing the highest level of integrity for its community. It consolidates the instruments, processes, and structures within the organisation that promote integrity and help prevent corruption and misconduct.

The Shire of West Arthur is committed to ensuring that all elected members, employees, contractors, suppliers, and volunteers comprehend and operate within the Integrity Framework, and that the elements contained within are continuously enhanced and reviewed so that integrity becomes an integral part of the Shire's daily business, decision-making, and operations.

Vin Fordham Lamont

Chief Executive Officer

2. Integrity

2.1 Defining Integrity

Integrity in local government refers to the consistent alignment of public officials' decisions and behaviours with shared ethical values, established standards, and the overarching obligation to prioritise the public interest. It entails acting transparently, accountably, and impartially, including in circumstances where oversight is limited. Integrity is demonstrated when public officials subordinate personal interests to the collective welfare of the community and ensure that their actions could withstand informed public scrutiny.

Integrity is important in ensuring the Shire of West Arthur is trusted and accountable for its actions. It is achieved by:

- **Embedding ethical conduct as the foundation of democratic governance**

By consistently applying ethical standards, the Shire of West Arthur reinforces public legitimacy, enhances institutional credibility, and ensures fair and effective service delivery in direct interaction with our community.

- **Recognising and mitigating ongoing integrity risks**

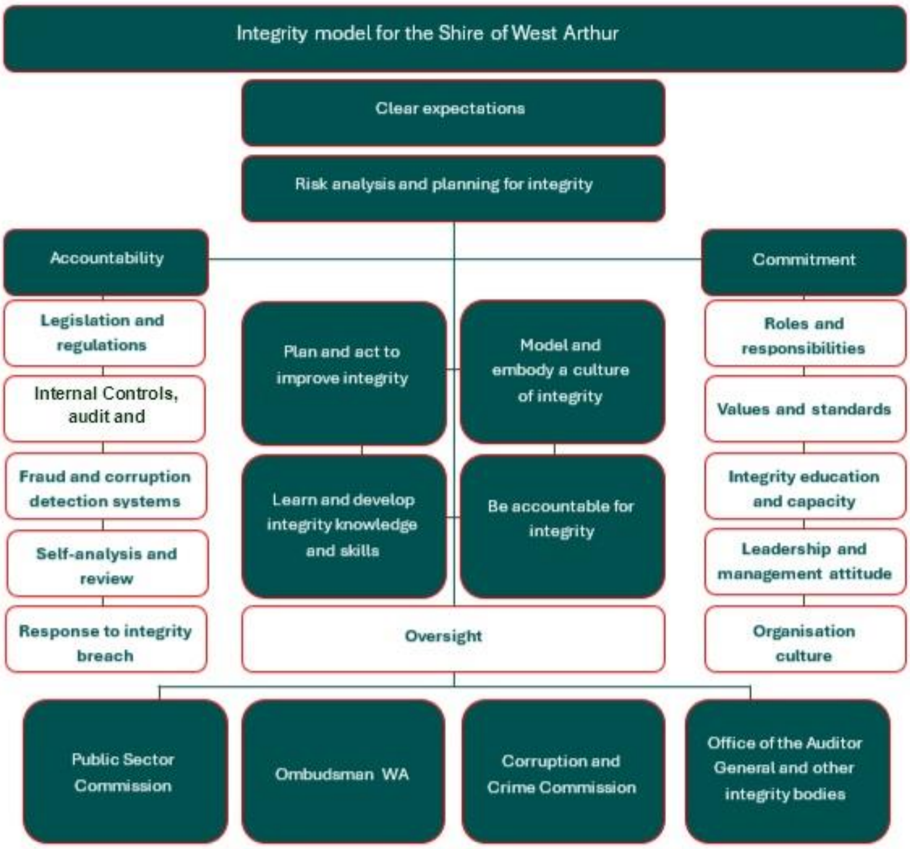
Bribery, undue influence, and the misuse of gifts or benefits remain persistent threats. Acknowledging these risks is essential for protecting decision-making from distortion and safeguarding public confidence.

- **Establishing a shared understanding of integrity and strong leadership commitment**

A clearly defined and commonly accepted concept of integrity enables consistent behavioural expectations and policy alignment. Leadership plays a central role in setting the tone and embedding integrity as an operational norm.

2.2 Integrity Model at the Shire of West Arthur

The Shire of West Arthur's integrity framework brings together the instruments, processes, structures and conditions required to foster integrity and prevent corruption at the Shire. Our integrity framework includes elements of risk management, management and commitment, deterrent and prevention measures, detection measures, and staff education and training.



The Shire's Integrity Model is underpinned by three of the Shire's organisational values:

Leadership

- Being ethical and acting with integrity.
- Leading by example, being decisive, setting direction and providing good governance.
- Maintaining open and transparent communication across the whole organisation.

Honesty

- Being truthful and acting with personal integrity.
- Admitting mistakes, taking responsibility for them and being able to move on within a no-blame culture.
- Building trust through reliability and consistency.

Accountability

- Being accountable to each other, to the community, and to get things right the first time.
- Being accountable to the environment and Aboriginal culture.
- Being accountable to achieve the best outcome and best value of money for our community.

3. Plan and Act to Improve Integrity

3.1. Roles and Responsibilities

The Shire's Integrity Framework encompasses areas tasked with defining, supporting, managing, and enforcing integrity throughout the organisation. This includes essential components like the Council and Committees or individuals charged with implementing integrity policies, as well as supplementary areas that, while not directly supporting the Integrity Framework, are essential for its operation. Clearly assigning responsibilities within the Shire's operations is crucial to ensure collaboration, avoid overlaps, and prevent fragmentation. These responsibilities involve developing, implementing, monitoring, and evaluating integrity standards and tools. The following table outlines the various bodies or positions within the Shire of West Arthur that are integral to the City's integrity system.

Body/ Position	Integrity Responsibilities
Council	• Complies with and operates lawfully and in accordance with the Local Government Act 1995 and other relevant legislation. • Responsible for oversight of integrity matters and strategic governance. • Sets integrity expectations and embodies these through the Shire's: → Code of Conduct for Council Members, Committee Members and Candidates. → Risk Management Framework. → Integrity Framework. • Authorises policy relating to integrity matters. • Delegates powers and functions to the Chief Executive Officer and relevant officers.

Body/ Position	Integrity Responsibilities
	• Endorses the City's Annual Compliance Audit Return. • Appoints members and adopts the Terms of Reference of the Audit, Risk and Improvement Committee.
Elected Members	• Adheres to and always demonstrates the highest standard of conduct and integrity in the discharge of their duties. • Models a culture of integrity through the active demonstration of the Shire's values and by communicating the importance of meeting integrity standards. • Participates in the Council's decision-making processes in an impartial, unbiased and informed manner. • Gives due consideration to all matters and information contained in Council Agendas and Business Papers. • Manages, declares and records gifts and conflicts of interest.
Audit, Risk & Improvement Committee	• Acts in accordance with its Terms of Reference. • Monitors the effectiveness of the Shire's Risk Management Framework including integrity risks. • Receives reports on strategic integrity matters. • Considers reports by the Office of Auditor General including but not limited to the annual external audit. • Reports to Council on integrity risks, audit activities and integrity controls.
Executive Management Team	• Comply with and operate lawfully and in accordance with the Local Government Act 1995 and other relevant legislation. • Adhere to and always demonstrate the highest standard of conduct and integrity in the discharge of their duties. • Drive a culture of integrity through the active demonstration of the Shire's values and by communicating the importance of meeting integrity standards. • Participate in the Shire's decision-making processes in an impartial and unbiased manner. • Deliver optimal and fit for purpose operational performance to meet the expectations and needs of the Shire's communities. • Share and communicate information on integrity practices and policies and promote ethical behaviour within your team. • Identify, report, manage and control integrity risks. • Provide advice and support to staff on integrity matters.

Body/ Position	Integrity Responsibilities
	• Manage, declare and record gifts and conflicts of interest. • Manage and control integrity risks related to conflicts of interest related to the business of the Business Unit.
Manager Corporate Services	• Develops and implements core integrity processes and systems for the Shire's finances. • Ensures compliance with all legislative requirements, policies and procedures related to financial management and reporting, and financial audits. • Manages, declares and records gifts and conflicts of interest.
Employees	• Comply with and operate lawfully and in accordance with the Local Government Act 1995 and other relevant legislation at all times. • Adhere to and always demonstrate the highest standard of conduct and integrity in the discharge of their duties. • Reflect the Shire's values and integrity standards. • Participate in the Shire's decision-making processes in an impartial and unbiased manner. • Comply with all Shire policies and work directions. • Apply appropriate practices for risk management, internal controls, and fraud and corruption prevention. • Report misconduct, corruption or fraud. • Participate in training and development opportunities to enhance integrity awareness, knowledge and capacity. • Manage, declare and record gifts and conflicts of interest.
Contractors / Suppliers	• Adhere to the Shire's Code of Conduct for Employees, Volunteers and Contractors. • Comply with and operate lawfully and in accordance with relevant contractual and legislative obligations as detailed in contracts with the Shire. • Comply with Shire policies, processes and systems developed for organisational (and contractor) integrity. • Manage, declare and record conflicts of interest.
Volunteers	• Adhere to the Shire's Code of Conduct for Employees, Volunteers and Contractors.

Body/ Position	Integrity Responsibilities
	• Comply with and operate lawfully and in accordance with relevant contractual and legislative obligations as detailed in contracts with the Shire. • Comply with Shire policies, processes and systems developed for organisational (and volunteer) integrity. • Manage, declare and record conflicts of interest.

3.2. Legislation and Regulations

The primary legislative instrument governing the Shire of West Arthur is the Local Government Act 1995. This Act provides the Shire with the authority to make and enforce local laws, adopt policies and strategies, and carry out its responsibilities in accordance with the expectations of the community. It forms the foundation for the Shire's administrative and decision-making functions, including planning, financial management, service delivery, and public accountability.

In addition to its enabling legislation, the Shire is subject to a range of State and Commonwealth laws that shape its obligations across integrity, financial stewardship, transparency, recordkeeping, and conduct. These include the Corruption, Crime and Misconduct Act 2003, which governs the reporting and management of serious misconduct; the Financial Management Act 2006, which sets principles for financial accountability; and the State Records Act 2000, which establishes standards for creating and managing public records. The Shire must also comply with the Freedom of Information Act 1992, supporting public access to information; the Public Sector Management Act 1994, which outlines standards for public administration and employee conduct; the Public Interest Disclosure Act 2003, which protects individuals reporting wrongdoing; and the Equal Opportunity Act 1984, which promotes fair and non-discriminatory practices. Together, these Acts help ensure the Shire's operations remain transparent, responsible, and consistent with broader public sector expectations.

The Shire's legislative obligations are further supported by policies, procedures and planning instruments. Together, these instruments form the legal and regulatory backbone of the Shire's integrity framework and help guide its day-to-day operations, decision-making processes and long-term planning.

4. Risk Analysis and Planning for Integrity

The Shire's Risk Management Policy has been developed to ensure that sound Risk Management practices and procedures are fully integrated into the Council's strategic and operational planning processes and provide direction on how Council is to manage risk. This Policy was developed using International Organisation for Standardisation (ISO) Standard 31000:2018 Risk Management – Principles and Guidelines. The Policy and the supporting documentation and practice will be reviewed in the 2025-26 financial year as part of the Council's commitment to best practice in risk management.

4.1. Internal controls, audit and governance

The Shire undertakes activities and implements internal controls to minimise its integrity risks including the following:

Policies and Procedures: one responsibility of a Council under the Local Government Act is to adopt policies guiding the Shire's operations and decision making. The policies span various areas such as governance, corporate and community services, people and culture, etc., and are reviewed every four years or on an as needs basis. Council policies can be viewed on the Shire's website: https://www.westarthur.wa.gov.au/documents/760/shire-of-west-arthur-policy-manual

The Shire adopted the following policies, procedures, documents to embed integrity into its day-to-day operations:

Policy Title	How it relates to integrity	Custodian
C7- Code of Conduct for Council Members, Committee Members & Candidates	Supports integrity by setting clear behavioural standards for elected members and candidates, promoting honesty, impartiality, transparency, and appropriate management of conflicts of interest in decision making.	CEO
PC12- Employees Code of Conduct	Supports integrity by defining expected standards of ethical conduct for employees, including impartial service delivery, appropriate use of information and resources, and avoidance and disclosure of conflicts of interest.	CEO
C6 - Code of Conduct Complaint Handling	Supports integrity by providing a transparent, fair and accessible process for managing behaviour complaints about Council Members, Committee Members and Candidates, reinforcing accountability under the Code of Conduct.	CEO

Policy Title	How it relates to integrity	Custodian
F22 - Fraud and Control	Supports integrity by establishing principles and responsibilities for preventing, detecting and responding to fraud and corruption, helping protect public resources and maintain community trust.	CEO
F25 - Risk Management Policy	Supports integrity by requiring systematic identification, assessment and management of risks, including integrity and misconduct risks, and linking risk controls to governance, internal control and decision making.	CEO
F29 - Purchasing Policy	Supports integrity by mandating fair, consistent and transparent purchasing processes, managing conflicts of interest, ensuring probity and proper recordkeeping in procurement decisions.	Manager Corporate Services
F5 - Investment of Surplus Funds	Supports integrity by requiring prudent, lawful and transparent investment of surplus funds, with restrictions on speculative investments and reporting requirements that safeguard public money.	Manager Corporate Services
C18 - Equal Opportunity, Harassment & Bullying	Supports integrity by promoting a fair, discrimination-free and harassment-free workplace, ensuring employment decisions are merit-based and consistent with equal opportunity legislation.	CEO
C3 - Audit & Risk Management Committee – Terms of Reference	Supports integrity by defining the committee's role in overseeing financial reporting, internal control, risk management, legislative compliance and audit, strengthening assurance and independent oversight.	CEO
C4 - Behaviour Complaints Committee Terms of Reference	Supports integrity by establishing governance arrangements for the Behaviour Complaints Committee to deal with alleged breaches of the Council Members' Code of Conduct in a structured and impartial way	CEO

Policy Title	How it relates to integrity	Custodian
C5 - CCTV & Data Management	Supports integrity by regulating the use, access and release of CCTV footage, protecting privacy and ensuring appropriate, accountable use of surveillance information in investigations and compliance activities.	CEO
C9 - Internal Control	Supports integrity by requiring robust internal controls to prevent fraud, mismanagement and misuse of resources, and by recognising integrity policies and procedures as core control mechanisms.	CEO
C11 - Legislative Compliance	Supports integrity by mandating systems and processes to identify, comply with and monitor legislative obligations, including mechanisms to report and address non-compliance.	CEO
C16 - Commencing Legal Action	Supports integrity by setting principles for when and how legal action is commenced, ensuring decisions are authorised, consistent, and in the public interest rather than driven by personal or political motives	CEO
C19 - Execution of Documents and Use of Common Seal	Supports integrity by controlling how documents and the common seal are executed, ensuring authority, proper approvals and accurate records for binding commitments of the Shire.	CEO
C22 - Public Interest Disclosure	Supports integrity by providing a framework for public interest disclosures, protecting whistleblowers and ensuring serious wrongdoing is appropriately reported, investigated and addressed.	CEO
C26 - Related Party Disclosures	Supports integrity by requiring transparent disclosure and management of related party relationships and transactions, reducing the risk of undisclosed conflicts and preferential treatment.	CEO
F8 - Asset Management	Supports integrity by ensuring assets are planned, maintained and renewed responsibly, safeguarding public assets, meeting legislative obligations and supporting informed, sustainable decisions.	Manager Corporate Services
F17 - Record Keeping	Supports integrity by requiring accurate creation, capture, protection and lawful access to records, providing reliable evidence of decisions and actions and supporting transparency, accountability and FOI.	Manager Corporate Services
F18 - Senior Employees	Supports integrity by designating senior employee roles and linking them to related party and governance requirements, clarifying accountability at senior levels of the organisation.	CEO

Policy Title	How it relates to integrity	Custodian
F24 - ICT Risk Management	Supports integrity by requiring ICT risks (including security, availability and confidentiality of information) to be identified and managed, protecting information assets that underpin transparent and reliable operations.	Manager Corporate Services
F27 - ICT Incident Management Procedures	Supports integrity by setting expectations for reporting, responding to and recording ICT incidents, ensuring timely remediation, learning from incidents and maintaining reliable systems and data.	Manager Corporate Services
F28 - Revenue Collection	Supports integrity by prescribing consistent, fair and transparent revenue collection and debt management practices, ensuring monies owed are pursued appropriately, and write-offs are controlled.	Manager Corporate Services
F31 - Information and Communication Technology Asset Disposal Policy	Supports integrity by controlling how ICT assets are disposed of, ensuring data is securely removed, assets are not misused, and disposal complies with legislative and delegation requirements.	Manager Corporate Services
F34 - Digitisation Policy	Supports integrity by setting rules for digitising records so that electronic copies are reliable, authentic and admissible, allowing paper records to be managed or disposed of in a controlled way.	Manager Corporate Services
F35 - Source Records Policy	Supports integrity by defining how original 'source' records are managed once digitised, ensuring ongoing evidentiary value and compliance with records standards and disposal authorities.	Manager Corporate Services
PC4 - Employee Gratuities & Gifts	Supports integrity by regulating gifts and gratuities to employees, reducing the risk that benefits influence decisions or create perceptions of favouritism or impropriety.	CEO
PC7 - Discrimination, Harassment and Prevention of Bullying Policy	Supports integrity by prohibiting discrimination, harassment and bullying, requiring respectful conduct and providing avenues to address unacceptable behaviour, thereby reinforcing ethical culture.	CEO

Policy Title	How it relates to integrity	Custodian
PC8 - Grievance, Investigation and Resolution Policy	Supports integrity by providing a structured process for raising, investigating and resolving staff grievances in a fair, timely and confidential manner, independent of undue influence.	CEO
PC9 - Disciplinary Policy	Supports integrity by outlining how alleged misconduct is assessed and what disciplinary actions may follow, ensuring responses are consistent, procedurally fair and proportionate.	CEO
C25 - Professional Development of Council Members	Supports integrity by ensuring Council Members have access to appropriate training and development, including governance and ethics, so they can discharge their duties competently and responsibly.	CEO

4.2. Fraud and corruption detection systems

The Shire's Fraud and Corruption Control Policy demonstrate the Shire's commitment to the prevention, detection, response and monitoring of fraud and corrupt activities. The Shire has a zero tolerance for fraud or corruption and will take all reasonable steps that are necessary to prevent fraud and corruption from occurring.

Financial management detection systems include:

- Monthly data and exception issues analysis/reporting.
- Monthly reconciliations and review of exception reports.
- Fortnightly payroll certification reports and monthly payroll data integrity checking.
- Internal audit reviews.
- Annual statutory external audit by the Office of the Auditor General and reporting in the Shire's Annual Report.
- Annual budget process and mid-year review to critically review and examine forward budget projections.
- Annual review of the Strategic Financial Management Plan.

Governance detection systems include:

- Regular review of conflicts of interest, gifts and declarations.
- Regular review of registers to ensure compliance with legislative/policy requirements.
- Quarterly review of legislative compliance

5. Model and embody a culture of integrity

A strong integrity culture does not emerge by chance; it is intentionally shaped through shared values, consistent behaviours and organisational systems that reinforce ethical expectations. For the Shire of West Arthur, cultivating such a culture ensures that officers act in the public interest, strengthens community trust and reduces the risk of misconduct or corruption. Integrity must be visible in everyday actions, conversations, decisions and service delivery.

5.1. Values and standards

The Shire's values and standards define the behaviours, attitudes and principles that guide all officers in their work. They articulate what the Shire stands for and set clear expectations for how employees, elected members, contractors and volunteers interact with each other and the community.

The Shire promotes accountability, connection and excellence as its core values. These are supported by practical standards of behaviour that ensure decisions are made fairly, impartially and with appropriate care. Officers are expected to act lawfully, manage conflicts of interest, uphold the reputation of the Shire and treat all people with courtesy and professionalism.

To be meaningful, these values and standards are embedded into daily work practices. They are reflected in the Code of Conduct, recruitment and induction processes, performance management, customer service, procurement activities and community interactions. Clear standards provide officers with confidence about what is expected of them and help create a consistent ethical foundation across the organisation.

5.2. Leadership and management attitude

Leaders at all levels play a critical role in shaping and sustaining a culture of integrity. Their actions, decisions and communication signal what the Shire considers acceptable and important. When leaders demonstrate integrity consistently, it empowers others to do the same.

Leadership at the Shire sets a clear and unambiguous tone that integrity is essential and non-negotiable. Leaders model ethical behaviour, uphold the Shire's values, and ensure their conduct aligns with organisational expectations. They are responsible for identifying emerging risks, addressing behavioural concerns early, encouraging reporting of issues and ensuring that policies and processes are applied consistently.

The Shire's leaders foster an environment where officers feel safe to raise concerns, suggest improvements and speak openly about risks. They actively support fair decision-making, transparency, accountability and continuous learning. Through their example, they help embed integrity as a natural and consistent part of organisational life.

The Shire's leadership fosters integrity by:

- Comprehending and applying management and monitoring tools, such as performance management, procedures for addressing substandard performance, and disciplinary and reporting protocols.

- Maintaining consistency and clarity in expectations, ensuring they are in line with values and policies, and engaging in difficult conversations about performance and integrity.
- Trusting their team while still fulfilling their duties by overseeing work performance and integrity standards and addressing any concerns that arise.
- Taking consistent, appropriate, and proportionate actions to address issues.
- Fostering environments where employees feel safe to challenge the status quo by speaking up.

By adhering to established ethical standards, employees and leaders are more likely to act responsibly when under pressure, which bolsters resilience and continuity, especially in times of crisis.

5.3. Organisation culture

The Shire's organisational culture reflects the shared beliefs and practices that shape how officers work, interact and respond to challenges. A culture built on integrity strengthens internal trust, supports effective service delivery and makes the Shire more resilient to misconduct, fraud and corruption.

A positive integrity culture is one where officers feel responsible for ethical behaviour, understand the consequences of their actions and are committed to acting in the public interest. It is reinforced by clear communication, accessible policies, strong governance systems and consistent leadership.

The Shire promotes a culture that values openness, accountability, respectful communication and continuous improvement. Officers are encouraged to raise concerns, report breaches and identify opportunities to strengthen integrity practices. Integrity expectations are incorporated into training, team discussions and decision-making processes, ensuring they remain visible and relevant.

The Shire also supports a learning environment, recognising that awareness, education and shared understanding are essential for maintaining integrity. By continually monitoring cultural indicators, reviewing behaviour expectations and promoting ethical practices, the Shire's organisational culture remains strong, coordinated and aligned with community expectations.

6. Learn and develop integrity, knowledge, and skills

6.1. Integrity Education and Capacity

As part of its ongoing commitment to improvement and to build integrity capacity, knowledge and skills among its Council members, employees, contractors and volunteers, the Shire will implement enhancements to its existing training program, through the provision of refresher courses and the delivery of knowledge in accessible ways (both formally and informally) to ensure that our people have a genuine understanding and knowledge of their obligations and opportunities to improve the integrity of their work.

The Shire currently provides regular proactive mandatory training in accountable and ethical decision making, an introduction to the principles of governance in local government and a program of inductions for new starters.

Further opportunities exist to better deliver knowledge in the following areas:

- Council Policy initiatives and changes
- Public Interest Disclosures and reporting suspected wrongdoing
- Disclosures of gifts and interests
- Management of conflicts of interest
- Use of Council resources

An enhanced program of training will be developed as an outcome of the Integrity Framework. In addition to the existing formal and informal integrity advisory service provided by the Shire's Corporate Service team, the Integrity Framework will mandate the development of accessible and plain language resources to assist and guide the Shire's people. This resource will be particularly aimed at those wishing to self-direct their own integrity learning, or who may prefer to seek advice anonymously, particularly concerning disclosures and reporting suspected wrongdoing.

The Governance team engages from time to time and as necessary with the Public Sector Commission, WA Ombudsman, the Crime and Corruption Commission, WA Local Government Association and Department of Local Government, Industry Regulation and Safety to ensure it is up to date with developments in the integrity space.

A record of all formal training undertaken by employees is retained on file by the Shire's Corporate Services team. A register of Councillor training is published on the Shire's website and reported to Council annually. Records of contractor inductions are also maintained. The Shire's program of training and development is regularly monitored and reviewed.

7. Be accountable for integrity

Every Councillor, employee, contractor and volunteer of the Shire of West Arthur is accountable for the integrity of their actions, which includes the obligation to report suspected misconduct or wrongdoing. The ultimate accountability rests with the Chief Executive Officer and the Council, which work in partnership to ensure that the Shire's approach to eliminating the risks of corruption and misconduct are robust and fit for purpose. A key element of the Integrity Framework is to set a regime of assurance that the measures and controls in place to support integrity within the organisation.

7.1. Response to integrity breaches

The Shire of West Arthur adopts a zero-tolerance approach to corrupt conduct and maladministration. Any such behaviour will be addressed promptly through established procedures, and, when necessary, reported to the appropriate external authorities. Misconduct encompasses the mismanagement of public resources and improper use of powers and functions by Council members, employees, contractors, or volunteers.

The Shire actively encourages the reporting of suspected corrupt or improper conduct, whether it has occurred, is occurring, or may occur in the future. It is committed to providing protection and support to individuals who report suspected wrongdoing, taking all reasonable steps to shield them from any detrimental action or reprisal. The Shire expressly prohibits Council members and employees from engaging in or attempting acts of victimisation or reprisal against anyone who makes a report.

All allegations of misconduct are subject to thorough investigation and are managed in accordance with the principles of natural justice and procedural fairness. For reports involving the Chief Executive Officer, the President has discretion to refer the matter to an external, independent investigator. Where allegations of misconduct are substantiated, they will be addressed in accordance with relevant legislation, the Code of Conduct, or internal disciplinary processes, and will be reported as appropriate.

Certain types of misconduct impose statutory reporting obligations on the Chief Executive Officer, who must notify the Public Sector Commission, the Department of Local Government, Industry Regulation and Safety (for minor misconduct), the Corruption and Crime Commission (for serious misconduct), and/or the WA Police (for criminal conduct). In cases where misconduct is found, the Shire will use these findings to inform and improve its integrity practices and controls.

Chief Executive Officer and Executive Management Team

The CEO is responsible for the operational oversight of integrity across the organisation. This includes:

- keeping integrity as a standing item in Executive discussions
- undertaking the responsibilities of the Shire's Complaints Officer
- receiving regular reports from across the organisation on:
    - financial performance and any proposed budget adjustments
    - declarations of conflict of interest, secondary employment, gifts and benefits

- training, development and conduct matters related to integrity
- risk controls and emerging integrity risks
- internal audit findings and implementation of corrective actions
- insights from staff and stakeholder surveys relevant to ethical culture

The Executive Management Team supports the CEO in reviewing this information and ensuring that key decisions are guided by due diligence, sound process and the principles of good governance.

Council, Audit, Risk and Improvement Management Committee

Council and its Audit and Risk Management Committee oversee the Shire's integrity systems at the governance level. Their responsibilities include:

- adopting the Annual Compliance Audit Return and reviewing outcomes
- receiving regular reporting on internal audit coverage and priorities
- monitoring matters relating to misconduct, conflicts of interest or emerging sector-wide risks
- endorsing delegations of authority to the CEO and relevant officers
- overseeing the Shire's Risk Management Framework, including controls that relate to integrity
- reviewing relevant policies and procedures to ensure they remain fit for purpose
- conducting three-yearly reviews of the appropriateness and effectiveness of:
  - the Shire's financial management systems
  - internal controls and compliance processes
  - risk management and integrity-related governance mechanisms

This governance-level oversight helps ensure the Shire's systems remain robust, proportionate and in line with legislative obligations and public expectations.

8. Relevant documents at the Shire of West Arthur

- C7 - Code of Conduct for Council Members, Committee Members and Candidates
- PC12 - Employee Code of Conduct
- C3 - Audit and Risk Committee Terms of Reference and Charter
- F25 - Risk Management Policy
- F22 - Fraud and Control Policy
- C13 - Caretaker Policy in Lead to Elections
- C1 - Attendance at Events by Council Members and CEO
- F12 - Customer Service Policy
- C22 - Public Interests Disclosure Policy
- Community Strategic Plan West Arthur Towards 2031
- Public Registers

Shire of West Arthur

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5.4 HALF YEARLY BUDGET REVIEW - 2025-2026

File Ref:	**ADM131**
Location:	**N/A**
Applicant:	**N/A**
Author:	**Melinda King, Manager Financial Reporting**
Authorising Officer:	**Vin Fordham Lamont, Chief Executive Officer**
Date:	**13/03/2026**
Disclosure of Interest:	**Nil**
Attachments:	**1. 2025-2026 Budget Review**

SUMMARY:
The Audit & Risk Committee is requested to recommend that Council adopt the budget review for the eight months from 1 July 2025 to 28 February 2026 and adopt the budget amendments as presented.

BACKGROUND:
Local governments are required to conduct at least one budget review between six and eight months into a financial year.

The budget review compares the actual results from the year to date with the adopted budget.

The following reports are included for information:

- Budget Review
- Explanation of Variances

COMMENT:
Comments are provided in the Explanation of Variances.

CONSULTATION:
Chief Executive Officer
Manager Corporate Services
Manager Works and Services

STATUTORY ENVIRONMENT:
Local governments are required to conduct a budget review between 1 January and 28 February each financial year. This is a requirement covered by Regulation 33A of the *Local Government (Financial Management) Regulations 1996*.

Regulation 33A(2) and (3) requires the results of the budget review to be submitted to Council within 30 days of the review. Council is then to consider the review and determine whether or not to adopt the review. Regulation 33A(4) states that within 14 days after Council has made a determination a copy of the review and determination is to be provided to the Department.

The *Local Government Act 1995* Part 6, Division 4, s6.8 requires any expenditure for an additional purpose that is not included in the annual budget to be authorised in advance by resolution (absolute majority required)

POLICY IMPLICATIONS:
Nil

FINANCIAL IMPLICATIONS:
Acceptance of the recommendations will alter the allocations of budgeted expenditure.

STRATEGIC IMPLICATIONS:
West Arthur Towards 2031

Theme: Leadership and Management

Outcome: Establish and maintain sound business and governance structures

Strategy: Comply with regulations and best practice standards to drive good decision making by Council and Staff

RISK IMPLICATIONS:

Risk management is the removal of uncertainty from business decisions. Risk is expressed in terms of likelihood it may occur and the consequences that may flow from it. The consequences may be positive or negative or simply a deviation from the expected. The risk or consequence may be related to health and safety; financial; business or service interruption; compliance; reputation; or the environment. ***Reference to the risk matrix below will generate a risk rating by assessing the likelihood and consequence and multiplying these scores by each other.*** The greater the risk rating, the greater the risk and the higher the need for specific plans to be developed. All items with a risk rating greater than 10 should be added to the Risk Register and specific controls developed.

Risk Themes:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
- Misconduct
- Inadequate safety or security practices
- Inadequate project or change management
- Errors Omissions or Delays
- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
- Ineffective Employment practices
- Compliance failure
- Inadequate asset management
- Inadequate engagement practices
- Ineffective facility or event management
- Inadequate environmental management

Risk Matrix:

Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (25)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)

Unlikely	**2**	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	**1**	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	Failing to undertake a legislated requirement to review the annual budget
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Low (2)
Principal Risk Theme	Compliance Failure
Risk Action Plan (Controls or Treatment Proposed)	Ensure the budget review is included in the Compliance Calendar

VOTING REQUIREMENTS:

Absolute Majority

RESOLUTION ARIC-2026-005

Moved: Cr Karen Harrington
Seconded: Cr Graeme Peirce

The Audit & Risk Committee recommends that:

1. Council adopt the budget review for the 2025/2026 financial year, as presented.
2. As part of the review, Council:
   a. Increase fuel expenditure budget by $85,000
   b. Increase animal control budget by $12,500
   c. Increase interest income by $39,000
   d. Increase ESL grant income by $44,892
   e. Increase workers compensation income by $13,608

In Favour: Katrina Crute, Cr Karen Harrington, Cr Graeme Peirce
Against: Nil

CARRIED BY ABSOLUTE MAJORITY 3/0

Notes:

Transfer of special project bridge funds received via the Shire's FAGs (Financial Assistance Grants) to capital bridge works will be required as part of special project bridge work to be invoiced by Main Roads ($94,788) (waiting on confirmation if expected to fund this financial year, balance of funds for bridge currently budgeted as transfer to road reserve).

SHIRE OF WEST ARTHUR

BUDGET REVIEW REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2026

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF WEST ARTHUR
STATEMENT OF BUDGET REVIEW
FOR THE PERIOD ENDED 28 FEBRUARY 2026

		Budget v Actual					
	Note	Adopted Budget	Updated Budget Estimates (a)	Year to Date Actual	Estimated Year at End Amount (b)	Predicted Variance (a) - (b)	
		$	$	$	$	$	
OPERATING ACTIVITIES							
Revenue from operating activities							
General rates		2,252,484	2,252,484	2,251,551	2,252,484	0	
Grants, subsidies and contributions	4.1	1,668,654	1,668,654	1,324,565	1,686,346	17,692	▲
Fees and charges	4.2	406,331	406,331	300,681	410,607	4,276	▲
Interest revenue	4.3	122,314	122,314	50,356	161,314	39,000	▲
Other revenue	4.4	139,059	139,059	94,421	168,532	29,473	▲
Profit on asset disposals		14,292	14,292	49,092	14,292	0	
		4,603,134	4,603,134	4,070,666	4,693,575	90,441	
Expenditure from operating activities							
Employee costs	4.5	(2,273,833)	(2,266,333)	(1,620,271)	(2,224,203)	42,130	▲
Materials and contracts	4.6	(1,668,570)	(1,607,170)	(934,023)	(1,644,670)	(37,500)	▼
Utility charges	4.7	(119,390)	(119,390)	(63,927)	(109,390)	10,000	▲
Depreciation		(3,676,619)	(3,676,619)	(448,480)	(3,676,619)	0	
Finance costs		(23,952)	(23,952)	(12,512)	(23,952)	0	
Insurance		(157,053)	(157,053)	(158,910)	(157,053)	0	
Other expenditure		(83,800)	(83,800)	(19,108)	(83,800)	0	
Loss on asset disposals		(27,554)	(27,554)	0	(27,554)	0	
		(8,030,771)	(7,961,871)	(3,257,231)	(7,947,241)	14,630	
Non-cash amounts excluded from operating activities		3,689,881	3,689,881	335,898	3,689,881	0	
Amount attributable to operating activities		262,244	331,144	1,149,333	436,215	105,071	
INVESTING ACTIVITIES							
Inflows from investing activities							
Capital grants, subsidies and contributions	4.8	4,428,614	4,428,614	281,423	1,449,503	(2,979,111)	▼
Distributions from investments in associates					0		
Proceeds from disposal of assets	4.9	161,364	161,364	49,092	115,000	(46,364)	▼
Proceeds from self supporting loans		32,059	32,059	15,897	32,059	0	
		4,622,037	4,622,037	346,412	1,596,562	(3,025,475)	
Outflows from investing activities							
Purchase of land and buildings	4.10	(3,279,415)	(3,389,415)	(58,810)	(463,401)	2,926,014	▲
Purchase of plant and equipment	4.11	(743,006)	(743,006)	(500,194)	(619,083)	123,923	▲
Purchase of furniture and equipment		(6,000)	0	0	0	0	
Purchase and construction of infrastructure-roads		(1,337,741)	(1,337,741)	(479,019)	(1,337,741)	0	
Purchase and construction of infrastructure-other	4.12	(324,687)	(324,687)	(142,762)	(223,316)	101,371	▲
		(5,690,849)	(5,794,849)	(1,180,785)	(2,643,541)	3,151,308	
Non-cash amounts excluded from investing activities		0	0	0	0		
Amount attributable to investing activities		(1,068,812)	(1,172,812)	(834,373)	(1,046,979)	125,833	
FINANCING ACTIVITIES							
Cash inflows from financing activities							
Proceeds from new borrowings		0	110,000	110,000	110,000	0	
Transfers from reserve accounts	4.13	1,016,027	1,016,027	0	913,690	(102,337)	▼
		1,016,027	1,126,027	110,000	1,023,690	(102,337)	
Cash outflows from financing activities							
Repayment of borrowings		(91,151)	(91,151)	(48,070)	(91,151)	0	
Transfers to reserve accounts		(956,688)	(956,688)	(6,150)	(956,688)	0	
		(1,047,839)	(1,047,839)	(54,220)	(1,047,839)	0	
Amount attributable to financing activities		(31,812)	78,188	55,780	(24,149)	(102,337)	
MOVEMENT IN SURPLUS OR DEFICIT							
Surplus or deficit at the start of the financial year		838,380	860,021	860,021	860,021	0	
Amount attributable to operating activities		262,244	331,144	1,149,333	436,215	105,071	
Amount attributable to investing activities		(1,068,812)	(1,172,812)	(834,373)	(1,046,979)	125,833	
Amount attributable to financing activities		(31,812)	78,188	55,780	(24,149)	(102,337)	
Surplus or deficit after imposition of general rates	3(a), 4.14	**0**	**96,541**	**1,230,761**	**225,108**	**128,567**	▲

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2026

1. BASIS OF PREPARATION

This budget review has 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 budget review 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 Leases which would have required the Shire of West Arthur to measure any vested improvements at zero cost.

Local Government (Financial Management) Regulations 1996, regulation 33A prescribes contents of the budget review.

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

THE LOCAL GOVERNMENT REPORTING ENTITY
All funds through which the Shire of West Arthur controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

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

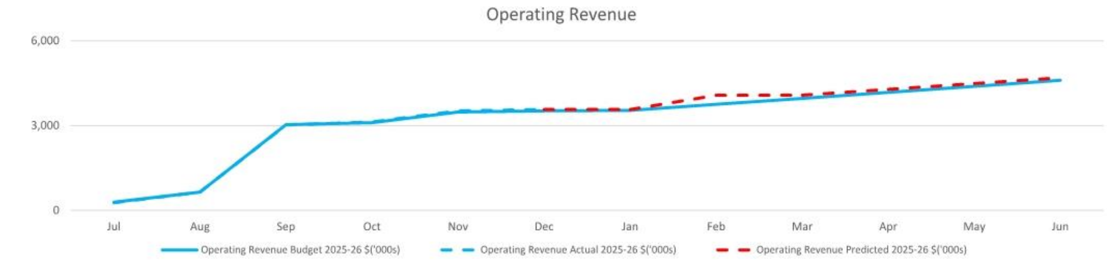
The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other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

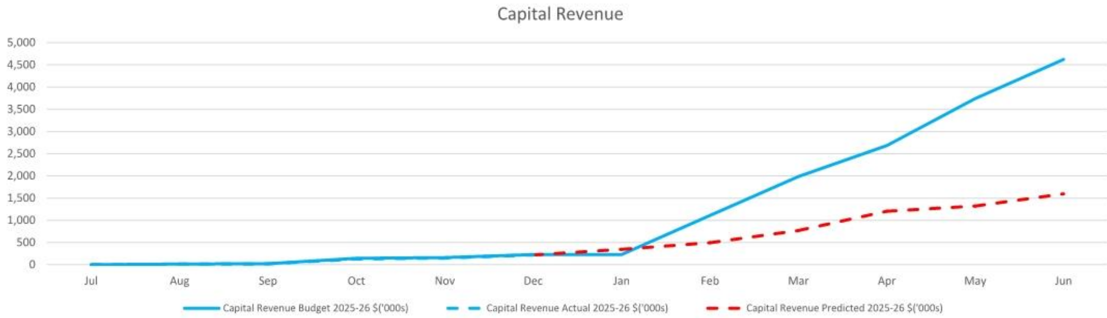
The balances, transactions and disclosures impacted by accounting estimates are as follows:
- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

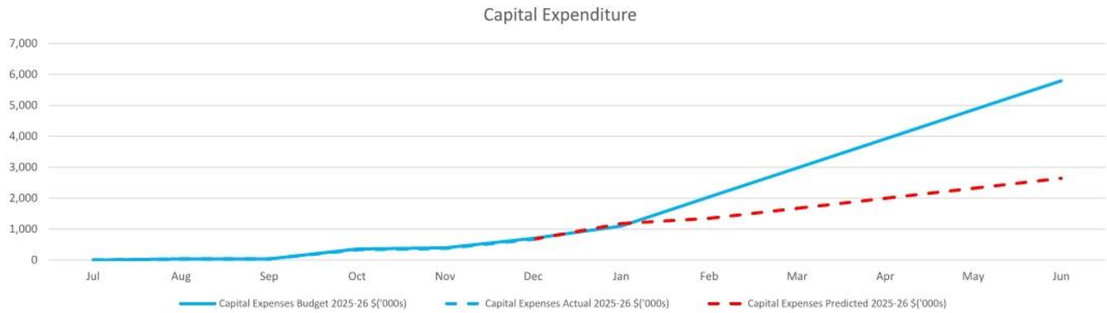
SIGNIFICANT ACCOUNTING POLICES
Significant accounting policies utilised in the preparation of these statements are as described within the 2025-26 Annual Budget. Please refer to the adopted budget document for details of these policies.

SHIRE OF WEST ARTHUR
SUMMARY GRAPHS - BUDGET REVIEW
FOR THE PERIOD ENDED 28 FEBRUARY 2026

2. SUMMARY GRAPHS - BUDGET REVIEW







This information is to be read in conjunction with the accompanying financial statements and notes.

| 4

SHIRE OF WEST ARTHUR
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2026

3 NET CURRENT FUNDING POSTION
EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

(a) Composition of estimated net current assets	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Updated Budget Estimates 30 June 2026	Year to Date Actual 28 February 2026	Estimated Year at End Amount 30 June 2026
	$	$	$	$	$
Current assets					
Cash and cash equivalents	2,863,502	2,202,283	2,298,824	5,535,157	4,435,800
Financial assets	32,059	33,136	33,136	16,162	33,136
Trade and other receivables	214,307	202,562	202,562	224,098	202,562
Inventories	102,097	100,597	100,597	102,097	100,597
Other assets	340,677	3,936	3,936	2,056	3,936
Assets classified as held for sale	65,107	0	0	0	65,107
	3,617,749	2,542,514	2,639,055	5,879,570	4,841,138
Less: current liabilities					
Trade and other payables	(396,379)	(334,729)	(334,729)	(113,157)	(334,729)
Other liabilities	0	0	0	(2,214,429)	0
Capital grant/contribution liability	(30,198)		0	0	(2,008,409)
Borrowings	(91,150)	(88,646)	(88,646)	(43,081)	(88,646)
Employee related provisions	(372,217)	(366,876)	(366,876)	(373,651)	(366,876)
	(889,944)	(790,251)	(790,251)	(2,744,318)	(2,798,660)
Net current assets	2,727,805	1,752,263	1,848,804	3,135,252	2,042,478
Less: Total adjustments to net current assets	(1,867,787)	(1,752,263)	(1,752,263)	(1,904,491)	(1,817,370)
Closing funding surplus / (deficit)	860,018	0	96,541	1,230,761	225,108

(b) Non-cash amounts excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Updated Budget Estimates 30 June 2026	Year to Date Actual 28 February 2026	Estimated Year at End Amount 30 June 2026
	$	$	$	$	$
Adjustments to operating activities					
Less: Profit on asset disposals	(822)	(14,292)	(14,292)	(49,092)	(14,292)
Less: Fair value adjustments to financial assets at fair value through profit or loss	2,663				
Add: Loss on disposal of assets	15,368	27,554	27,554	0	27,554
Add: Depreciation on assets	3,680,409	3,676,619	3,676,619	448,480	3,676,619
Non-cash movements in non-current assets and liabilities:					
Employee benefit provisions	(11,660)	0	0	0	0
Movement in accrued wages	8,083			(63,490)	
Non-cash amounts excluded from operating activities	3,694,041	3,689,881	3,689,881	335,898	3,689,881

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Updated Budget Estimates 30 June 2026	Year to Date Actual 28 February 2026	Estimated Year at End Amount 30 June 2026
	$	$	$	$	$
Adjustments to net current assets					
Less: Reserve accounts	(2,219,793)	(2,160,454)	(2,160,454)	(2,225,943)	(2,160,454)
Less: Financial assets at amortised cost - self supporting loans	(32,059)	(33,136)	(33,136)	(16,162)	(33,136)
Less : Land held for resale	(79,118)	(79,118)	(79,118)	(79,118)	(79,118)
Less : Assets held for resale	(65,107)	0	0	0	(65,107)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	91,150	88,646	88,646	43,081	88,646
- Employee benefit provisions	437,140	431,799	431,799	373,651	431,799
Total adjustments to net current assets	(1,867,787)	(1,752,263)	(1,752,263)	(1,904,491)	(1,817,370)

SHIRE OF WEST ARTHUR
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2026

3 COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities.

FINANCIAL ASSETS AT AMORTISED COST

The Shire of West Arthur 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.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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.

The Shire of West Arthur applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

INVENTORIES

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.

CONTRACT ASSETS

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

CONTRACT LIABILITIES

Contract liabilities represent the Shire of West Arthur's obligation to transfer goods or services to a customer for which the Shire of West Arthur 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.

PROVISIONS

Provisions are recognised when the Shire of West Arthur has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire of West Arthur's operational cycle. In the case of liabilities where the Shire of West Arthur does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire of West Arthur's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of West Arthur prior to the end of the financial year that are unpaid and arise when the Shire of West Arthur 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 normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

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

EMPLOYEE BENEFITS

Short-Term Employee Benefits

Provision is made for the Shire of West Arthur's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire of West Arthur'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 net current funding position. Shire of West Arthur's current obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the net current funding position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire of West Arthur's obligations for long-term employee benefits where the Shire of West Arthur does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, are presented as current provisions in the net current funding position.

SHIRE OF WEST ARTHUR
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28 FEBRUARY 2026

4 PREDICTED VARIANCES		**Variance**	
		$	
	Revenue from operating activities		
4.1	Grants, subsidies and contributions	17,692	▲
	Lotterywest Grant for Lake signage to be reconsidered in 2026/2027 budget ($20,000)		
	ESL grant received for 2024/2025 additional expenditure $44,892		
	Landcare grant will not be received ($7,200)		
4.2	Fees and charges	4,276	▲
	Town planning fees are greater than budget $10,076		
	Caravan park income expected to be greater than budget $8,000		
	Private works expected to be less than budget ($7,000)		
	Techvision income will be below budget ($6,800)		
4.3	Interest revenue	39,000	▲
	Interest income on municipal funds is expected to be greater than budget $39,000		
4.4	Other revenue	29,473	▲
	Workers compensation reimbursement received $29,473 additional income		
	Expenditure from operating activities		
4.5	Employee costs	42,130	▲
	Wages are forecast to be $42,130 below budget		
4.6	Materials and contracts	(37,500)	▼
	Legal costs are expected to be below budget $15,000		
	Animal control expenditure expected to be greater than budget ($12,500)		
	Lake signage funded by Lotterywest will be considered for 2026/2027 budget $20,000		
	Fuel is expected to be greater than budget. ($85,000)		
	Parts and repairs are below budget $15,000		
	Gym equipment will be below budget $10,000		
4.7	Utility charges	10,000	▲
	Utilities are expected to be below budget		
	Inflows from investing activities		
4.8	Capital grants, subsidies and contributions	(2,979,111)	▼
	HSP2 funding will be carried forward to 2026/2027 $2,906,014		
	Darkan Hall evacuation funding will not be received this year		
4.9	Proceeds from disposal of assets	(46,364)	▼
	Proceeds on sale of MCS vehicle below budget $46,364		
	Outflows from investing activities		
4.10	Purchase of land and buildings	2,926,014	▲
	Staff house expenditure expected to be below budget - transfer less from Reserve		
	HSP2 project will be carried forward to 2026/2027 $2,906,014		
4.11	Purchase of plant and equipment	123,923	▲
	Plant purchases below budget - lower transfer to fund from the reserve account of $82,337		
	Truck $40,000 Ute $6,974 Works Manager vehicle $11,739 Roller $7,135 Jet trailer $1,335 Metro count $15,154		
	MCS vehicle will not be traded this year - net trade was to be funded from municipal funds. $41,586		
4.12	Purchase and construction of infrastructure-other	101,371	▲
	Truck bay survey will be reconsidered for 2026/2027 budget		
	Darkan Hall evacuation centre project will not go ahead this year		
	Cash inflows from financing activities		
4.13	Transfers from reserve accounts	(102,337)	▼
	Reduce transfer from reserve required for CEO house $20,000		
	Plant purchases funded by reserve will be less than budget $84,637		
4.14	**Surplus or deficit after imposition of general rates**	128,567	▲
	Due to variances described above		

5 NEW OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING

Nil

6 CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 5.26pm.