



SHIRE OF CARNARVON

AUDIT, RISK & IMPROVEMENT
COMMITTEE
MINUTES

TUESDAY 21 APRIL 2026

CONFIRMATION OF MINUTES

These minutes were confirmed by the Council on
[Type date here](#)
as a true and accurate record

Chairman

Shire Council Chambers
Stuart Street Carnarvon, West
Australia
Phone: (08) 9941 000
Fax: (08) 9941 1099
Website –
www.carnarvon.wa.gov.au

DISCLAIMER

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes **are not** a transcript of the proceedings of the meetings.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)

11. Minutes, content of (Act s.5.25(1)(f))

The content of minutes of a meeting of a council or a committee is to include –

(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time **subject to the questions being asked only relating to the purpose of the Special Meeting** (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)

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1 ATTENDANCES AND APOLOGIES

The Presiding Member declared the meeting open at 1:31pm

- Cr Paul KellyCouncillor, Town Ward
- Cr Mark Young Councillor, Coral Bay Ward
- Cr Luke SkenderCouncillor, Town Ward
- Ms Leah Horton Independent Chair
- Mr Stephen Brown Deputy Chair/Independent Member
- Mrs Amanda Dexter Chief Executive Officer
- Mrs Amanda Leighton Executive Manager, Corporate Strategy & Performance
- Ms Racheal King..... Corporate Assurance and Finance Advisor
- Mrs Rebekah Skender..... Executive Assistant Corporate Strategy and Performance

Apologies

Mr Eddie Smith.....Shire President

Leave of Absence

Nil

Press Nil

Observers Nil

2 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

Public Question Time commenced at 1:31pm

3 DECLARATIONS OF INTEREST

(Elected Members and Officers are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

4 CONFIRMATION OF MINUTES

4.1 Minutes of the Audit and Risk Management Committee Meeting - 17 February 2026

COMMITTEE RESOLUTION ARICC 08/04/26

Moved: Cr Mark Young

Seconded: Cr Paul Kelly

That the minutes of Audit and Risk Management Committee Meeting held on 17 February 2026 be confirmed as a true record of proceedings.

FOR: Mr Eddie Smith, Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 6/0

5 REPORTS

5.1 SIGNIFICANT LANDGATE REVALUATION ADJUSTMENT

File No:	N/A
Location/Address:	A4112 & A4113
Name of Applicant:	N/A
Name of Owner:	N/A
Author(s):	Racheal King, Corporate Assurance and Finance Advisor
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	Nil

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

To advise the Audit & Risk Improvement Committee of a significant Landgate valuation update arising from a requested review of valuation, identified after rates were issued, resulting in a material reduction in rates revenue and the requirement to refund overcharged rates and associated interest, and to outline the related financial, compliance and operational risk considerations.

Background

Landgate undertakes statutory valuations of land for rating purposes, which form the basis of Council's rate-setting and issuance processes.

Following a requested review of valuation from the Ratepayer, in accordance with Landgate processes, updated valuation advice was provided which resulted in a material downward adjustment to rateable values

across two assessments of the rating base. The review was conducted by Landgate and finalised after rates notices for the current financial year had been issued.

As a result of the valuation update:

- Certain rates assessments were calculated using values that were subsequently revised.
- A reduction in overall rates revenue of for Assessment A4112 & A4113, has been identified; and
- Refunds of overcharged rates and associated interest are required for affected ratepayers.

The directly impacts rates revenue and cash flow, The matter is presented to the Committee due to its significance to financial sustainability, compliance, internal controls, and reputational considerations.

Stakeholder and Public Consultation

No public consultation has been undertaken, as the land revaluation process is a statutory function performed independently by Landgate.

External consultation has been undertaken with LG Best Practice to confirm the appropriate accounting treatment, governance considerations, and financial reporting implications associated with the revaluation adjustment.

Internal consultation has also occurred with relevant officers, including finance officers and the Management team, to review the valuation outcomes and ensure accurate recognition and disclosure within the financial statements.

Statutory Environment

- Local Government Act 1995 – Part 6 (Rates and Charges)
- Local Government (Financial Management) Regulations 1996
- Landgate statutory valuation and valuation review framework
- Council's adopted Rates Resolution and Budget

Relevant Plans and Policy

Nil.

Financial Implications

The valuation update resulting from the requested review has led to:

- A material reduction in rates revenue for the current financial year; and
- The requirement to refund or credit overcharged rates and interest already applied.

The refunds will result in a cash outflow in addition to reduced operating revenue and will be managed through existing financial controls and budget monitoring processes.

Based on the amended unimproved values, we have calculated the approximate rates overpayments are as follows:

Assessment A4112 (VEN 2218385)

- 2023/24 (interim rating – 263 days): refund of \$55,101.39
- 2024/25: refund of \$76,376.31

- Total refund for A4112: \$131,477.70

Assessment A4113 (VEN 2218386)

- 2023/24 (interim rating – 263 days): refund of \$80,532.79
- 2024/25: refund of \$111,626.92
- Total refund for A4113: \$192,159.71

Total estimated rates refund payable: \$323,637.41

These figures compare the rates raised using the original valuations against the approximate amended rates calculated using the revised unimproved values provided by Landgate.

Interest charged on outstanding rates

Interest has been applied to the outstanding balances on these assessments while the objections were under consideration. The total interest charged to date is \$50,258.16. As the underlying rates have now been confirmed as overstated due to incorrect valuations, it is recommended that this interest be written off in full, as it would not have been incurred had the correct unimproved values been applied initially.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Reduced revenue and outflows from refunds	C3 - High	Budget review, revised forecasting, cash flow monitoring, material revenue reduction
Health & Safety	Nil		
Reputation	Ratepayer concern regarding rate adjustments and refunds	High	Clear communication and timely refunds
Service disruption	Budget pressure may constrain service delivery if not managed	C2 - Minor	Financial controls and forward planning
Compliance	Statutory obligation to correct rates and interest post-revaluation	C3 – High	LG Best Practice advice, documented refund process
Property	Nil		
Environment	Nil		

Fraud	Independent Landgate valuation and review process	E1 – Low	Independent Statutory Process
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Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon’s physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- *Monitor the implementation of our Community Strategic Plan*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

Landgate is the statutory authority responsible for determining unimproved land valuations for rating purposes. These valuations are undertaken in accordance with State legislation and are independent of local government, with councils having no authority to set, amend or override valuation outcomes.

Valuations are issued by Landgate as part of scheduled valuation cycles and may also be updated following a requested review of valuation, which is a formal process available to landowners and councils where valuation accuracy is queried. Once a review is requested, Landgate undertakes an independent reassessment and issues a revised valuation where warranted.

Local governments are required to use the most current valuation provided by Landgate when calculating and issuing rates. Councils do not control the timing of valuation reviews or the finalisation of updated valuation advice, and revised valuations may be issued after rates have been levied.

As a result, Council’s ability to prevent post-issuance valuation changes is limited. While internal controls can ensure rates are issued correctly based on the information available at the time, Council cannot reasonably mitigate the risk of valuation updates occurring after rates notices have been issued, as the process is externally controlled and statutory in nature.

When updated valuations are received post-issuance, Council is legally obliged to adjust affected rate accounts, including refunding overcharged rates and interest where applicable. This represents a compliance requirement rather than a discretionary action.

Practical Constraints on Future Risk Mitigation

Given the statutory and independent nature of the Landgate valuation framework, Council’s capacity to eliminate this risk in the future is limited. The primary constraints include:

- Council does not control when valuation reviews are requested or finalised
- Council must rely on valuation data as supplied by Landgate at the time of rate issuance
- Rates must be issued within legislated timeframes, which may precede the completion of valuation reviews

Accordingly, the risk cannot be fully avoided, only managed once it materialises.

While the risk cannot be eliminated, Council can mitigate impacts through:

- Early identification and monitoring of valuation reviews in progress
- Clear documentation of post-issuance adjustment procedures
- Prompt processing of refunds and interest corrections
- Transparent communication with affected ratepayers
- Ongoing liaison with Landgate and LG Best Practice regarding timing and process improvements

These actions focus on impact minimisation and compliance, rather than prevention, reflecting the limits of Council's control over statutory valuation processes

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee:

1. *Notes the Landgate valuation update arising from a requested review of valuation and the resulting requirement to refund overcharged rates and associated interest.*
2. *Notes that the Landgate valuation and review process is statutory and externally controlled, limiting the Shire's ability to prevent post-issuance valuation adjustments.*

COMMITTEE RESOLUTION ARICC 09/04/26

Moved: Cr Luke Skender

Seconded: Cr Mark Young

That the Audit & Risk Improvement Committee:

1. *Notes the Landgate valuation update arising from a requested review of valuation and the resulting requirement to refund overcharged rates and associated interest.*
2. *Notes that the Landgate valuation and review process is statutory and externally controlled, limiting the Shire's ability to prevent post-issuance valuation adjustments.*

FOR: Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

ABSENT: Crs E Smith

CARRIED BY ABSOLUTE MAJORITY 5/0

5.2 POLICY REVIEW STATUS UPDATE

File No: ADM0124
 Location/Address: N/A
 Name of Applicant: N/A
 Name of Owner: N/A
 Author(s): Racheal King, Corporate Assurance and Finance Advisor
 Authoriser: Amanda Leighton, Executive Manager, Corporate Strategy & Performance
 Declaration of Interest: Nil
 Voting Requirement: Simple Majority
 Previous Report: 5.3 Policy Review – 17 February 2026
 Schedules:
 1. Policy Review Schedule
 2. Policies - Tracked Changes
 3. Policies - Draft Version for Adoption

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report presents a tranche of policies reviewed under the Shire’s structured Policy Review Program. The selected policies reflect a balanced approach, prioritising:

- High-risk financial and governance control policies
- Policies with direct audit and compliance relevance
- Policies identified as Councillor priorities, particularly in relation to communication and memorial matters

The review ensures policies remain contemporary, aligned with legislative requirements, and consistent with operational practice and governance standards.

Background

The Shire last undertook a comprehensive review of its policy framework in June 2024. Since that time, a number of legislative amendments, regulatory updates, audit observations, and internal operational refinements have occurred. These changes create potential compliance, operational, and reputational risks if not appropriately reflected within Council’s policy settings.

In response, a structured Policy Review Program is currently underway to ensure policies remain contemporary, compliant with applicable legislation, aligned with current operational practice, and consistent with best-practice local government governance standards. The attached review is being conducted in a staged and risk-prioritised manner, with higher-risk and legislatively sensitive policies addressed first.

Each policy is subject to governance review, version control, and documented assessment prior to being presented to Council for determination.

This report is provided for information to advise Council of progress to date and to provide assurance to the Audit & Risk Improvement Committee that a systematic and risk-based approach is being applied to strengthen policy integrity, reduce compliance exposure, and support continuous governance improvement.

Stakeholder and Public Consultation

No public consultation has been undertaken, as the policy review forms part of an internal governance process.

Internal consultation has been undertaken with the Shire's Management Team to:

- Ensure alignment with current operational practices
- Confirm practical applicability of proposed amendments
- Identify opportunities to strengthen internal controls and governance processes

The policy has been informed by sector guidance and better practice principles, including publications from WALGA, the Office of the Auditor General and the Department of Local Government, Industry Regulation and Safety, to ensure alignment with regulatory expectations and audit standards.

This combined approach ensures the reviewed policies are both operationally effective and governance-aligned.

Statutory Environment

The policy review has been undertaken with consideration to:

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*
- *Local Government (Audit) Regulations 1996*
- Relevant subsidiary legislation and sector guidance

Policies have been assessed to ensure alignment with statutory obligations, regulatory requirements, and audit expectations.

Relevant Plans and Policy

This review aligns with:

- Council Policy Framework
- Risk Management Framework
- Integrated Planning and Reporting Framework

The review also supports continuous improvement of governance systems and internal control structures.

Financial Implications

There are no direct financial implications arising from this report.

Any financial impacts associated with individual policy changes will be identified and considered at the time of implementation.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Inadequate debt recovery or inappropriate granting of exemptions may result in loss of revenue and increased burden on other ratepayers.	C3 High	Policies strengthen recovery processes, clarify eligibility criteria, and improve controls over exemptions and debt management.
Financial	Failure to apply consistent or defensible exemption and recovery decisions may expose the Shire to financial disputes, appeals, or legal costs.	C2 Moderate	Clear assessment criteria, documentation requirements, and legislative alignment reduce ambiguity and dispute risk.
Financial	Weak controls or inconsistent practices may result in delayed cashflow, impacting the Shire’s ability to meet operational and capital commitments.	C2 Moderate	Structured recovery timeframes and monitoring improve cashflow predictability and financial planning.
Health & Safety	Limited direct impact, however poor governance may indirectly affect service delivery outcomes.	C1 Low	No material change. Existing operational controls remain in place.
Reputation	Perceived inequity in exemptions or inconsistent debt recovery may reduce community trust and confidence in Council decision-making.	C3 High	Policies introduce clearer eligibility criteria, consistent application, and improved transparency in decision-making.
Reputation	Failure to appropriately manage memorials where individuals or organisations fall into disrepute may result in community concern and reputational damage to the Shire.	C2 Moderate	Memorial policy includes provisions for removal where individuals or organisations are later found to be inappropriate or offensive.
Reputation	Perceived misuse of public funds or lack of governance controls may result in	C3 High	Policies strengthen governance frameworks, documentation, and

	negative audit findings and public scrutiny.		alignment with legislative and best practice expectations.
Service disruption	Ineffective recovery processes may impact cash flow and ability to deliver services.	C2 Moderate	Strengthened escalation pathways and structured recovery processes support financial stability and continuity of services.
Compliance	Non-compliance with legislative requirements may result in audit findings or regulatory action.	C3 High	Policies updated to align with legislative requirements and best practice guidance, with improved documentation and governance controls.
Property	Failure to recover rates may result in prolonged arrears and impact land and asset management decisions.	C2 Moderate	Clear recovery processes, including escalation and legal action provisions, reduce long-term exposure.
Environment	No direct environmental impact identified.	E1	N/A
Fraud	Weak controls in debt management or exemptions may enable misuse, favouritism, or inappropriate financial decisions.	C2 Moderate	Policies strengthen documentation, approval processes, and governance oversight, reducing opportunity for misuse.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our sustainable livelihoods create a community that can flourish into the future*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

Comments

This tranche of the Policy Review Program focuses on a targeted group of policies selected based on risk exposure, audit relevance, and Councillor priorities, ensuring a balanced approach across financial controls, revenue management, and community-facing governance.

The policies reviewed in this tranche are:

- Credit Card Policy
- Rate Exemptions Policy
- Recovery of Rates Policy
- Debt Collection Policy
- Communication Policy
- Memorial Policy

The selection reflects a deliberate prioritisation of:

Financial Control and Governance Policies

- Corporate Credit Card Policy

The review has been refined to focus on core financial control frameworks, with the Procurement Policy review deferred pending further research and benchmarking to ensure a comprehensive and contemporary approach.

The Corporate Credit Card Policy underpins the Shire's expenditure controls and broader financial governance framework and remains an area of consistent audit focus. The review has therefore concentrated on strengthening probity, clearly defining roles and responsibilities, and ensuring alignment with legislative requirements and internal control expectations.

Revenue and Financial Sustainability

- Rate Exemptions Policy
- Recovery of Rates Policy
- Debt Collection Policy

These policies directly influence the Shire's revenue integrity, cashflow management, and equitable treatment of ratepayers. The review has been undertaken in the context of the upcoming three-yearly rate exemption renewals, ensuring the framework supports a structured, transparent, and consistent reassessment process.

In addition, the review reflects Council's increased focus on strengthening debt collection practices and improving rates recovery outcomes. Emphasis has been placed on enhancing transparency, consistency, and legislative alignment in the application of exemptions and recovery processes, thereby reducing the risk of inconsistent decision-making, improving financial sustainability, and minimising exposure to unrecovered revenue.

Community and Reputational Governance

- Communication Policy
- Memorial Policy

These policies have been prioritised in response to Councillor direction and plays a critical role in shaping how the Shire engages with the community, manages sensitive matters, and protects its reputation. They establish clear parameters for both proactive and reactive communication, as well as the appropriate use of public spaces for commemorative purposes.

The review has focused on strengthening governance over public-facing activities by clearly defining roles, responsibilities, and approval pathways, ensuring communications are accurate, timely, and aligned with Council's strategic intent. For the Memorial Policy, particular emphasis has been placed on establishing consistent and defensible criteria for the approval, placement, and potential removal of memorials, plaques, and commemorative items, balancing community sentiment with the intended use and long-term management of public assets.

Collectively, these updates are intended to improve transparency, reduce ambiguity in decision-making, and mitigate reputational risk by ensuring matters of community interest are managed in a structured, consistent, and policy-driven manner.

As a result, amendments have been made to:

- Strengthen procurement and purchasing controls
- Improve revenue management and debt recovery consistency
- Enhance transparency and fairness in rate-related decisions
- Clarify governance over communication and memorial requests

Policy Framework Rationalisation

As part of the broader review of the Policy Register, an assessment has also been undertaken to ensure documents are appropriately classified as either policy (strategic direction) or procedure (operational process).

Through this process, the External Grants Policy has been identified as operational in nature. The document primarily outlines internal processes relating to the identification, application, and management of grant funding, which are operational responsibilities of the administration.

Retaining this document as a Council policy creates overlap between governance and operational functions and may result in:

- Unclear delineation between Council's strategic role and administrative responsibilities
- Reduced flexibility in updating processes in response to changing funding programs
- Elevation of procedural matters to policy level, creating unnecessary governance complexity

It is therefore proposed that the External Grants Policy be removed from the Policy Register, with its content transitioned into an internal Finance Procedure.

This approach ensures that:

- Council policies remain focused on strategic intent and governance principles
- Operational processes are managed efficiently and updated as required
- The overall policy framework remains clear, streamlined, and aligned with best-practice governance

Summary of recommended Changes:

Credit Card Policy:

The policy has been updated to remove references to a non-existent Hospitality Policy, clarify the treatment and permitted use of reward schemes, and strengthen controls around the purchase of alcohol. Additional provisions have been introduced to define required timeframes for reimbursement of any personal expenditure, and to address risks associated with Council data being stored on personal devices.

Materiality: Major

Rate Exemptions Policy:

The policy has been streamlined by removing legislative provisions previously replicated verbatim from the Local Government Act 1995 (WA) and refined to improve clarity and readability. Procedural and operational content has been removed to ensure the policy remains strategic in nature, with detailed processes to be managed through supporting procedures.

Materiality: Major

Recovery of Rates Policy:

The policy has been refined to strengthen the framework for rates recovery, with clearer articulation of escalation pathways and alignment with legislative requirements. A clearer definition of pensioners has been introduced to support consistent application of concessions and recovery considerations. Process and procedural elements have been removed to ensure the policy remains strategic in nature, with detailed operational processes to be managed through supporting procedures.

Materiality: Major

Debt Collection Policy:

The policy has been refined to strengthen the overall debt recovery framework, with improved clarity around escalation pathways, payment arrangements, and hardship considerations. Process and procedural elements have been removed to ensure the policy remains strategic in nature, with operational detail to be managed through supporting procedures.

Materiality: Major

Communication Policy:

The policy has been refined to improve clarity, consistency, and governance over the Shire's communications. Key updates include clearer delineation of roles and responsibilities, establishment of approval pathways for external communications, and strengthened guidance around appropriate use of communication channels, including social media.

Materiality: Minor

Memorial Policy:

The policy has been updated to reflect a revised name, with wording refined to improve clarity, consistency, and enforceability. Provisions have been introduced to allow for the removal of memorials, plaques, or commemorative items where the individual, organisation, or event is later found to be associated with conduct that brings disrepute, and which was not known at the time of approval.

Materiality: Major

Materiality Definitions

Minor: Administrative or clarity improvements with minimal operational impact.

Major: Meaningful changes to processes, controls, or governance requiring implementation and awareness.

Significant: High-impact changes affecting strategic direction, Council decision-making, or community-facing outcomes.

Across all policies, the review process has included:

- Legislative and regulatory compliance assessment
- Alignment with current operational practices
- Strengthening of internal controls and governance clarity
- Review of roles, responsibilities, and delegated authority
- Consistency with broader frameworks, including Risk Management and Integrated Planning

As a result, the updated policies provide:

- Improved financial and procurement controls
- Greater consistency in revenue-related decision-making
- Enhanced transparency in community-facing matters
- Stronger alignment between policy intent and operational practice

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee recommends that council endorse the changes to the policies as outlined in Schedule 3.

COMMITTEE RESOLUTION ARICC 10/04/26

Moved: Mr Stephen Brown

Seconded: Cr Paul Kelly

That the Audit & Risk Improvement Committee recommends that council endorse the changes to the policies as outlined in Schedule 3.

FOR: Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

ABSENT: Crs E Smith

CARRIED BY ABSOLUTE MAJORITY 5/0

5.3 TRANSITION OF BANKING PROVIDERS

File No:	TBC
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Racheal King, Corporate Assurance and Finance Advisor
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Indirect Financial
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	Nil

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
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<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Declaration of Interest

The author of this report is a customer of the Commonwealth Bank of Australia. It is noted that discounted banking products may be made available to employees where their Local Government Employer banks with the institution, and the author may therefore receive a financial benefit if the proposed transition proceeds.

This represents an indirect financial interest. The interest is considered minor, has been disclosed for transparency, and has not influenced the recommendations contained within this report.

Summary of Report

This report seeks approval to transition the Shire's banking services to the Commonwealth Bank of Australia under a State Government Common Use Arrangement (CUA).

The transition is proposed in response to:

- Identified service underperformance by the current provider, and
- Resulting control weaknesses and audit implications

The proposed approach is compliant with legislative and policy requirements and delivers improved:

- Control environment
- Service levels
- Financial outcomes

Background

The Shire currently utilises a banking provider outside of a State Government Common Use Arrangement (CUA), with annual banking fees budgeted at \$30,000.

Over the past 12–18 months, a number of service delivery issues have been identified with the current provider, impacting both operational efficiency and the Shire’s internal control environment. These issues have included:

- Delays in actioning critical banking requests, particularly in relation to:
 - Addition and removal of authorised bank signatories
 - Updates to account authorities and access controls
- Inconsistent responsiveness from the provider, requiring repeated follow-up by Shire staff
- Limited escalation pathways to resolve urgent or control-related matters in a timely manner

Of particular concern, the provider failed to action authorised requests to remove and update bank signatories within an acceptable timeframe. This resulted in:

- Former or unauthorised individuals retaining access to banking authorities longer than appropriate
- A breakdown in segregation of duties controls
- Increased exposure to:
 - Unauthorised transactions
 - Fraud and error risk

These issues have been identified through internal review processes and have contributed to audit findings and/or management letter comments, highlighting deficiencies in the effectiveness of the Shire’s banking controls.

In addition to the control implications, the current arrangement has resulted in:

- Increased administrative burden on staff
- Inefficiencies in day-to-day financial operations
- Reduced confidence in the provider’s ability to support a robust control environment

Given the critical role banking services play in the Shire’s financial management framework, these issues have prompted a review of alternative providers.

A suitable alternative, the Commonwealth Bank of Australia, is available under a State Government Common Use Arrangement and maintains a local branch presence within the Shire, ensuring continuity of service delivery while addressing the identified control and performance concerns.

Stakeholder and Public Consultation

Internal consultation has been undertaken with:

- Management Team
- Finance function

External consultation:

- Review of CUA supplier capability and service offering
- WALGA Procurement Team

No public consultation is required as this is an operational procurement decision.

Statutory Environment

- Local Government Act 1995 (WA)
- Local Government (Functions and General) Regulations 1996

In accordance with Regulation 11(2)(e):

- Where goods or services are available through a State Government Common Use Arrangement, the requirement to publicly invite tenders does not apply

Relevant Plans and Policy

Policy SOC002 – Purchasing & Procurement

Risk Management Framework

Financial Implications

The Shire currently allocates approximately \$30,000 per annum for banking services.

The proposed arrangement with the Commonwealth Bank of Australia is expected to be cost neutral, with fees in line with the current provider, while offering the potential for enhanced returns on invested funds through higher term deposit interest rates.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Loss of interest revenue due to suboptimal investment rates and inefficient cash management under current provider	3D - Moderate	Transition to Commonwealth Bank of Australia with improved term deposit rates; periodic review of investment performance
	Errors or delays in transaction processing impacting cashflow and financial reporting	3D - Moderate	Dedicated banking team to ensure timely processing; improved service level expectations and escalation pathways
Health & Safety	Minimal direct impact; however, manual workarounds due to banking delays may increase staff stress and workload	1D - Low	Improved service responsiveness reducing manual intervention and workload pressures
Reputation	Reputational damage arising from audit findings	3C - High	Immediate remediation of control weaknesses; strengthened

	or perceived weak financial controls		governance and audit compliance through provider transition
Service disruption	Disruption to payroll, creditor payments, or receipting during transition to new banking provider	3D - Moderate	Structured implementation plan; staged transition; parallel testing of systems prior to full cutover
	Reduced banking accessibility impacting daily operations (cash deposits, in-person banking)	1D - Low	CUA provider maintains local branch; no reduction in service accessibility
Compliance	Non-compliance with internal controls and audit requirements due to failure to update bank signatories	4C - Extreme	Transition to provider with dedicated support and clear escalation; immediate update and validation of authorised signatories
	Procurement non-compliance risk if process not aligned with legislation	1D - Low	Use of CUA in accordance with Regulation 11(2)(e); documentation of procurement rationale
Property	No direct impact on Shire property assets	1D - Low	N/A
Environment	No material environmental impact	1D - Low	N/A
Fraud Fraud	Unauthorised access to bank accounts due to delayed removal of signatories	4C - Extreme	Immediate transition; validation of signatories; strengthened controls and monitoring; segregation of duties re-enforced
	Increased fraud risk due to weak banking controls and delayed provider response	3C - High	Dedicated banking team; clear escalation pathways; improved turnaround times; regular review of access controls

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon’s physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

A review of the Shire's current banking arrangements has identified that the existing provider is not meeting service and control expectations, particularly in relation to the timely processing of critical requests such as bank signatory updates.

This has resulted in:

- A breakdown in key internal controls, specifically relating to authorised banking access
- Exposure to:
 - Segregation of duties breaches
 - Unauthorised transaction risk
- Audit findings and/or management letter comments, indicating deficiencies in the effectiveness of the Shire's control environment

Given the importance of banking services in supporting the Shire's financial governance framework, these issues represent a material risk that requires remediation.

In accordance with Policy SOC002– Purchasing & Procurement, procurement decisions must achieve value for money, considering not only price, but also:

- Risk
- Service quality
- Supplier capability
- Operational efficiency

On this basis, the current provider is considered not to represent value for money, as the risks and service limitations outweigh cost considerations.

An assessment of available procurement options has been undertaken. While a public tender or Request for Quotation process could be pursued, this is not considered proportionate given:

- The relatively low annual budgeted spend (\$30,000)
- The availability of a compliant supplier under a State Government Common Use Arrangement
- The need to promptly address identified control weaknesses

The proposed transition to the Commonwealth Bank of Australia under the CUA provides a balanced and practical solution, delivering:

- Improved governance outcomes, supported by a dedicated local government banking team to ensure timely actioning of requests
- Clear escalation pathways for urgent or unresolved matters, improving accountability and responsiveness
- A structured implementation plan, supporting a controlled and orderly transition of banking services
- Strengthening of the control environment, reducing the likelihood of repeat audit findings
- Enhanced service delivery, including improved responsiveness and reduced administrative burden
- Financial benefit, through higher interest rates on term deposits
- Cost neutrality, with fees on par with the current provider
- No impact on service accessibility, with a local branch available to support daily banking operations

From a procurement perspective, the proposed approach is:

- Legislatively compliant, with exemption from public tender under Regulation 11(2)(e)
- Policy compliant, as use of a CUA is an approved procurement pathway within the applicable threshold

Accordingly, the proposed transition represents a proportionate, risk-based, and value-for-money decision, delivering both:

- Immediate remediation of a control deficiency, and

- Improved operational, financial, and governance outcomes for the Shire

The review of the Shire's banking arrangements has identified a material control weakness that has resulted in audit findings and increased exposure to financial and fraud risks.

The proposed transition to the Commonwealth Bank of Australia under a State Government Common Use Arrangement provides a timely and proportionate response, delivering improvements in:

- Control effectiveness and governance
- Service responsiveness and accountability
- Financial outcomes through improved investment returns

Importantly, the transition can be implemented without additional cost and without impacting local service accessibility, while significantly reducing the Shire's risk profile.

Overall, the proposal represents a practical, compliant, and value-for-money solution that strengthens the Shire's financial management and control environment.

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee recommends to Council, to proceed with the Officers recommendation to transition to the Commonwealth Bank of Australia.

COMMITTEE RESOLUTION ARICC 11/04/26

Moved: Cr Paul Kelly

Seconded: Cr Luke Skender

That the Audit & Risk Improvement Committee recommends to Council, to proceed with the Officers recommendation to transition to the Commonwealth Bank of Australia.

FOR: Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

ABSENT: Crs E Smith

CARRIED BY ABSOLUTE MAJORITY 5/0

5.4 OUTSTANDING DEBT REPORT APRIL 2026

File No:	ADM0127
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Racheal King, Corporate Assurance and Finance Advisor
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Outstanding Debt Report – December 2025
Schedules:	Nil

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

This report provides an overview of the Shire's outstanding debt position as at 31 March 2026, including rates, sundry debtors, and other receivables. It outlines current collection performance, key risk areas, and any material movements since the previous reporting period.

The report also highlights debts subject to payment arrangements, ageing of receivables, and any accounts recommended for escalation, including legal recovery where appropriate.

This item is presented to support governance oversight, inform decision-making regarding debt recovery actions, and ensure alignment with the Shire's adopted Debt Collection Policy and financial sustainability objectives.

Background

The Shire is responsible for the effective management and recovery of all outstanding debts, including rates, service charges, and sundry debtor accounts, in accordance with the provisions of the *Local Government Act 1995 (WA)* and supporting regulations.

Outstanding debt is monitored on an ongoing basis to ensure timely collection, maintain cashflow, and minimise the risk of financial loss. Regular reporting to the Audit and Risk Improvement Committee (ARIC) provides oversight of collection performance, emerging risks, and the effectiveness of recovery actions.

The Audit and Risk Improvement Committee will ensure compliance with the Shire's financial reporting requirements and will liaise with the Chief Executive Officer to support the effective and efficient financial management of outstanding debts, ensuring statutory obligations are met.

The Shire has adopted a structured approach to debt recovery, incorporating staged escalation processes, payment arrangements where appropriate, and referral to external agencies or legal action for long-term or high-risk debts. This approach is supported by the Shire's Debt Collection Policy and internal procedures.

This report forms part of the Shire's ongoing financial management and governance framework, providing transparency over debtor management and supporting proactive intervention where required.

Stakeholder and Public Consultation

Internal Consultation

Consultation has been undertaken with relevant internal officers, including Finance and Rates staff, to ensure the accuracy of outstanding debt data, validation of recovery actions, and alignment with current operational practices and reporting requirements.

Local Government Best Practice (Rates Consultants)

Industry guidance and benchmarking have been considered through engagement with Local Government Rates Consultants, ensuring that the Shire's debt recovery approach reflects contemporary best practice, including escalation processes, payment arrangement frameworks, and monitoring of aged receivables.

WALGA

Reference has been made to guidance and resources provided by WALGA to support a consistent and compliant approach to debt recovery, governance, and financial management within the local government sector.

No public consultation has been undertaken in relation to this report, as it relates to internal financial management and operational processes.

Statutory Environment

The management and recovery of outstanding debts is governed by the provisions of the *Local Government Act 1995 (WA)* and the *Local Government (Financial Management) Regulations 1996 (WA)*.

Under the Act, local governments are required to levy and recover rates and service charges, and are provided with mechanisms to recover unpaid amounts, including the imposition of interest, legal recovery action, and, where applicable, property-related recovery processes.

The Regulations establish requirements for sound financial management, including the maintenance of proper accounting records, internal controls, and regular financial reporting. These provisions support the monitoring and management of receivables, ensuring transparency, accountability, and timely intervention where debts remain unpaid.

In addition, the *Local Government (Audit) Regulations 1996 (WA)* require the Audit and Risk Improvement Committee to review financial management practices and support compliance with statutory reporting obligations, including oversight of debtor management as part of the broader financial control framework.

Debt recovery practices must also align with relevant legal processes and principles of administrative fairness, ensuring that all recovery actions are applied consistently, transparently, and in accordance with adopted Council policies.

Relevant Plans and Policy

Shire of Carnarvon Policy Manual

- CF007 Debt Collection
- CF011 Recovery of Rates
- CF006 Financial Hardship

Financial Implications

Outstanding debtors can adversely affect the Shire’s cashflow, reducing its capacity to deliver services and undertake planned projects. They can also increase administrative burden, impact the reliability of budget forecasting, and constrain funds available for capital investment or unforeseen expenditures.

If not effectively managed, outstanding debts may result in higher levels of bad debt write-offs and can give rise to audit concerns regarding the adequacy of financial controls and overall governance practices.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Non-recovery or delayed recovery of outstanding rates and sundry debtors reduces cash flow, impacts the Shire’s ability to fund services and projects, and may increase bad debt write-offs.	B3 High	Maintain proactive debt recovery processes (notices, payment arrangements, legal recovery, sale of land where applicable); continue engagement of LG Best Practices for specialist rates and recovery support; regular monitoring and reporting to ELT, ARIC and Council.
Health & Safety	N/A	N/A	N/A
Reputation	Perception that the Shire is either not managing debts effectively (poor financial governance) or is acting unfairly towards vulnerable ratepayers if recovery is not balanced with hardship considerations.	C3 Moderate	Apply Shire policies CF006 Financial Hardship, CF007 Debt Collection and CF011 Recovery of Rates consistently; ensure clear, respectful communication with debtors; regularly report debt recovery progress to ARIC and Council to demonstrate oversight and transparency.
Service Disruption	Cash flow constraints from high outstanding debt may limit the Shire’s capacity to sustain current service levels or deliver planned projects.	C3 Moderate	Ongoing cash flow forecasting and budget review; prioritise essential services; align recovery activity with treasury management to support operational funding needs.
Compliance	Failure to comply with the Local Government Act 1995, Rates and Charges (Rebates and Deferments) Act 1992 and associated regulations in	C3 Moderate	Use specialist provider (LG Best Practices) for complex rating and recovery functions; provide training to finance staff; conduct periodic internal reviews and audits of rates and debt recovery

	applying concessions, deferrals and recovery processes.		processes; ensure decisions are documented and in line with adopted policies.
Property	Errors in initiating sale of land or other enforcement action for unpaid rates may expose the Shire to disputes or claims.	D2 Low	Follow statutory timelines and notice requirements; obtain legal advice for sale of land and complex recovery matters; maintain clear records of actions taken.
Environment	N/A	N/A	N/A
Fraud	Inadequate segregation of duties or oversight in debtor management could enable misappropriation, unauthorised write-offs or manipulation of debtor balances.	D2 Low	Maintain segregation of duties, delegated authority limits and documented approval processes; ensure regular reconciliations and management review; report material write-offs and variances through ARIC and Council as required.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our economy fosters investment and productivity in industries befitting Carnarvon's physical and natural environment and that grows our horizons*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

1. Rates and Service Charges

For the 2025/2026 financial year, the Shire levied \$7,689,939 in rates, services and charges. When added to the opening outstanding balance from prior years of \$2,085,877, the total collectible amount for the year was \$9,694,567.

As at 31 March 2026, receipts totalled \$6,817,491, leaving a closing outstanding balance of \$2,877,076. This includes \$113,317 in Pensioner Deferred Rates, which are recoverable only upon sale of the property or change of ownership. Excluding these deferrals, the net recoverable outstanding balance is \$2,721,324. The collection rate for the year to date is 70.3%.

Table one – Summary of 2025/2026 Rates Position

Item	Amount	Notes
Opening Balance (Prior Years)	\$2,085,877	Outstanding at 1 July 2025
Rates levied 2025/2026	\$7,689,939	Current year billings
Total Collectible	\$9,694,567	Opening balance + Current Year
Receipts during the year	\$6,817,491	Payments received
Closing balance 30/11/2025	2,877,076	70.3% of total collectible
Less: Pensioner Deferred Rates	(113,317)	Recoverable only upon sale/ownership change
Net recoverable outstanding	\$2,721,324	

Table Two – Breakdown by Years

Reporting Period	Outstanding Rates Levied	Percentage
Current Year (2025/2026)	\$1,224,535	42.56%
One Year Overdue	\$786,665	27.34%
Two Years Overdue	\$404,971	14.08%
Three Years Overdue	\$460,905	16.02%
Total	\$2,877,076	100%

While the proportion of current year debt is encouraging, the level of aged debt remains a concern and will be addressed through targeted recovery action.

Recoverable VS Non-Recoverable Debt

Certain portions of the outstanding debt cannot be recovered immediately due to legislative restrictions, including:

- Pensioner deferrals and rebates under the *Rates and Charges (Rebates and Deferments) Act 1992*
 - Eligible pensioners and seniors may legally defer payment of their rates, or receive a rebate, until the property is sold or ownership changes. The Shire cannot compel payment before that time.
- Hardship arrangements under the *Local Government Act 1995*
 - Allows payment arrangements for ratepayers experiencing genuine financial hardship. While an arrangement is in place and being met, recovery action is paused.
- Properties where sale procedures cannot yet be initiated due to legislative timelines
 - Prescribes specific timeframes and notice requirements before a property can be sold for unpaid rates. Until these are met, sale cannot proceed.

Non recoverable or legislatively restricted debt is not as a result of Shire inaction, but rather statutory requirements

Specific Areas of Concern

- Three-year debt: \$406,905 outstanding. A review is progressing to determine if recovery action can commence under *Local Government Act 1995*, s.6.64, which permits the sale of a property where rates have been unpaid for three or more years, following the required statutory process.
- Commercial waste charges: \$85,791 outstanding. A review is progressing to determine circumstances, with immediate payment demands to be issued where appropriate, along with a review of whether waste collection services can be suspended for persistent non-payment, subject to legal and operational considerations.
- Domestic pensioner waste charges: \$8,252 outstanding. Follow-up letters will be issued immediately after 10 September for any unpaid balances. Approved payment arrangements can help maintain rebate eligibility.
- Principal debt totalling \$1,285,205 in Rates has been referred to Debt Collection, with \$7,674 being collected as of 16th April 2026. Originally this was from 176 Assessments, with 10 Assessments now closed due to payment being received.

Current Legislative Recovery Options

Under Western Australian legislation, the Shire's recovery options include:

- Issuing Final Notices and General Procedure Claims
- Entering payment arrangements
- Applying the three-year sale process for unpaid rates
- Engaging debt collection agencies for formal recovery steps

Limitations include mandatory acceptance of reasonable payment offers (if ordered by a Magistrate), and the inability to recover certain statutory concessions or deferred rate.

Rates Officer Context

Due to the inability to recruit a technically qualified Rates Officer, the service has been outsourced to LG Best Practices. This reflects increasing compliance obligations under the *Local Government Act 1995*, the *Rates and Charges (Rebates and Deferments) Act 1992*, and other subsidiary legislation.

The specialist nature of the role demands accuracy, up-to-date legislative knowledge, and consistent application of complex rating provisions, including exemptions, concessions, pensioner deferrals, minimum payments, and differential rates. Non-compliance in any of these areas can result in significant financial and reputational risk for the Shire.

The Shire will continue using LG Best Practices for specialist rates and debt recovery support, including:

- Staff training
- Monitoring recovery progress
- Assistance with reporting to this Committee and Council to maintain oversight

2. Sundry Debtors (Fees and Charges)

With the debtors balance at close of February being \$493,739, March has seen a significant increase to \$4,910,423. The overall increase should be recognised as reflecting active progress against grant funding, milestone achievements, and the delivery of operational and capital programs. Of the total balance, \$4,461,308 has been raised within the past 14 days and remains within standard payment terms. There are no concerns regarding the receipt of grant funding.

The aged trial balance as at 31 March 2026 shows a total of \$4,910,423 in outstanding amounts, broken down as follows:

- Current (less than 14 days): \$4,461,308
- Greater than 30 days: \$504
- Greater than 60 days: \$361
- Greater than 90 days: \$454,138

A substantial portion of the over-90-day outstanding balance, totalling \$390,707, is associated with Regional Express (REX) Holdings, which is currently under administration, resulting in delays to the recovery process. Of the total outstanding amount 90-day outstanding balances, \$454,138 (approximately 86%) is attributable to REX.

The Shire has submitted a grant application under the Regional and Remote Support Program to offset this amount, with the program closing on 14 March 2026. The outcome is currently pending.

A sum of \$17,735.72 represents the CESM contribution, which is currently on hold pending dispute and an outstanding debt of \$13,750.00 remains outstanding from a supplier who was engaged to perform a service for the Shire as part of a grant funded initiative. Due to circumstances beyond the control of the Shire and Supplier the initiative was unable to occur, and as a result, the supplier is required to repay the deposit. This has now been referred to debt collection as requests to enter into a payment arrangement have been unsuccessful.

In addition, outstanding accounts totalling \$33,916 has been referred to legal for recovery. As at 31 March 2026, the balance remaining for these matters is \$19,820, relating to debtors. The Shire will continue to pursue legal advice and appropriate enforcement pathways to recover all outstanding amounts.

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee Recommends that Council receive the information contained in the report detailing outstanding rates and sundry debtors as at 31 March 2026.

COMMITTEE RESOLUTION ARICC 12/04/26

Moved: Cr Paul Kelly

Seconded: Mr Stephen Brown

That the Audit & Risk Improvement Committee Recommends that Council receive the information contained in the report detailing outstanding rates and sundry debtors as at 31 March 2026.

FOR: Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

ABSENT: Crs E Smith

CARRIED BY ABSOLUTE MAJORITY 5/0

5.5 OVERVIEW OF GRANT FUNDING 2025/2026

File No:	ADM1737
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Amanda Leighton, Executive Manager, Corporate Strategy & Performance
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	Nil
Schedules:	Nil

Authority/Discretion:

- Advocacy When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative Includes adopting local laws, town planning schemes and policies.
- Information Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

An initial overview report to ARMC May 2025 provided a financial year-to-date (FYTD) overview of funding opportunities that have been investigated, applied for, and managed by Shire Officers. This report outlines the outcomes of grant applications submitted over a five-month period from 1 November 2025 and 10 April 2026.

The purpose of this report is to provide the Audit and Risk Improvement Committee with oversight of how external funding supports the delivery of Shire projects and services, and how associated funding risks are being monitored and managed by Officers. This includes assessment of dependencies on grant funding for key operational and capital programs, and measures in place to mitigate non-award or delayed award of grant income.

Annual and recurrent funding sources—such as the Financial Assistance Grants, Roads to Recovery, and LGGS allocations—are tracked separately through the Shire’s financial systems and are not included in this report.

Background

External funding plays a critical role in enabling the Shire of Carnarvon to deliver a wide range of infrastructure and community initiatives that may not otherwise be financially feasible within the constraints of municipal revenue alone. Grant funding is increasingly competitive and often subject to tight timeframes, co-contribution requirements, and performance-based reporting conditions.

As part of good financial governance, it is important that the Shire maintains clear oversight of its external funding activities, including applications made, funding secured, and obligations arising from grant agreements. This supports effective forward planning, ensures funding conditions are met, and assists in identifying and mitigating risks associated with grant dependency, project delays, or potential non-compliance.

The Audit and Risk Improvement Committee has an advisory role in overseeing the Shire's financial management practices and ensuring appropriate risk controls are in place. Providing a financial year-to-date report on funding applications and outcomes promotes transparency and enables the Committee to assess the extent to which grant funding activities align with the Shire's strategic objectives and risk appetite.

This report consolidates funding activity undertaken between 1 November 2025 and 10 April 2026 and includes details of:

- Applications submitted (including purpose, value, and funding body),
- Outcomes of applications (successful, unsuccessful, pending).

Stakeholder and Public Consultation

No formal public consultation has been undertaken in the preparation of this report.

Internal consultation has occurred with relevant Shire officers, cross-departmental collaboration ensures that funding opportunities are aligned with the Shire's Strategic Community Plan, Corporate Business Plan, and Long-Term Financial Plan.

The Strategic Community Plan serves as the guiding framework for identifying priority projects and services for the community. Grant applications are assessed for their alignment with the SCP objectives to ensure the Shire is pursuing external funding that directly supports the aspirations and outcomes identified by the community.

From time to time, ad hoc funding opportunities may arise that fall outside the scope of existing strategic documents. In such cases, Officers undertake a preliminary review of the opportunity to assess feasibility, risks, and potential community benefit. Where deemed suitable, these applications may proceed with the direction or endorsement of Council.

Where required under specific grant programs, stakeholder engagement has been or will be undertaken in accordance with funding body requirements. This may include letters of support, project partnerships, or community consultation to demonstrate need and local benefit.

Statutory Environment

-Local Government Act 1995 (WA) – Part 6: Financial Management

Provides the overarching legislative framework for the proper management of financial resources by local governments, including the responsibility to apply sound financial practices and pursue external funding to support operational and capital activities.

-Local Government (Financial Management) Regulations 1996 – Regulation 5

Requires local governments to establish and maintain financial management systems and procedures that ensure the proper recording, control and accountability of the Shire's financial operations, including grants received.

-Local Government (Audit) Regulations 1996 – Regulation 16

Outlines the role of the Audit and Risk Committee, including its function to review the effectiveness of the Shire's risk management, internal control and legislative compliance — which encompasses risks associated with grant dependency and funding obligations.

-Integrated Planning and Reporting Framework (IPRF) – Department of Local Government, Sport and Cultural Industries (DLGSC)

Requires that all financial planning, including the pursuit of grant funding, is aligned with the Shire's Strategic Community Plan and Corporate Business Plan, ensuring resources are directed towards community-endorsed priorities.

-Individual Grant Funding Agreements

Operate as legally binding contracts that outline specific financial, governance and reporting obligations the Shire must meet. Failure to comply with these obligations may result in funding being withheld, recovered, or reputational damage to the Shire.

Relevant Plans and Policy

- Strategic Community Plan.
- Corporate Business Plan.
- Long Term Financial Plan.
- CD006 External Grants – Procurement and Grants.

Financial Implications

External grant funding forms a critical component of the Shire's overall funding strategy and significantly contributes to the delivery of key community, economic and infrastructure initiatives. While these funds support the expansion of services and capital projects beyond the capacity of municipal revenue alone, they also introduce financial considerations that require ongoing management.

Key financial implications include:

- **Budget Amendments**
Where successful grant applications are not included in the adopted Annual Budget; formal budget amendments are required in accordance with the Shire's Budget Amendment and Review Policy (FIN002). This ensures compliance with the *Local Government Act 1995* and *Financial Management Regulations 1996*.
- **Matching Contributions**
Some grant programs require a co-contribution from the Shire; these obligations are assessed at the application stage and considered in the context of available reserves, operational capacity, and alignment with the Long-Term Financial Plan.
- **Cash Flow and Timing Risk**
Delays in funding announcements or payments can affect project delivery schedules and cash flow forecasting. Officers monitor these closely and seek to mitigate impacts through appropriate phasing of expenditure and regular financial reporting.
- **Unsuccessful Applications**
Where funding is not awarded, projects reliant on external funding may be deferred, reduced in scope, or reprioritised. This has downstream implications for asset renewal programs, service delivery and strategic outcomes.
- **Grant Acquittals and Compliance**
Failure to meet reporting or acquittal obligations may result in grant funds being withheld or reclaimed. Financial and project staff work collaboratively to ensure all grant-related expenditures are documented and acquitted in accordance with funding agreements.
- **Audit and Financial Reporting**
Grant income and associated expenditure are captured in the Shire's financial records and subject to annual audit. Proper documentation and controls ensure accountability and reduce the risk of audit qualification.

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	Risk of funding shortfalls, delayed payments, or the need for unbudgeted co-contributions.	2-C Moderate	Applications are assessed for financial viability; budget amendments are submitted to Council; cash flow is monitored and matched to project milestones.
Health & Safety	Risk to officer health and safety when implementing grant-funded works or community programs.	2-D Low	Projects are planned in accordance with the Shire’s WHS procedures; risk assessments are completed prior to project commencement.
Reputation	Risk of reputational damage if grant obligations are not met, or projects are not delivered.	2-C Moderate	Internal procedures ensure compliance with grant terms; project progress is reported to Council and funding bodies; communication with stakeholders is maintained.
Service disruption	Delays in funding decisions or acquittal processes may impact service delivery timelines.	3-D Moderate	Projects are sequenced and contingency plans developed; officers monitor grant timelines and maintain flexibility in delivery schedules.
Compliance	Risk of non-compliance with funding agreements or statutory reporting.	3-C High	CD006 External Grants Policy and internal controls guide grant management; regular reporting and acquittals are overseen by Finance and project teams.
Property	Potential damage to Shire assets if projects are not appropriately scoped or delivered.	2-D Low	Project scopes and risk assessments include asset impact considerations; works are supervised by technical officers.
Environment	Risk of environmental harm if infrastructure projects are poorly scoped or regulated.	2-D Low	Environmental approvals and assessments are undertaken where required; projects are aligned with applicable legislative and environmental standards.
Fraud	Misuse or misreporting of grant funds.	2-C Moderate	All financial transactions are subject to internal controls, dual authorisations, and audit review; grant acquittals require supporting documentation.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our equitable community is actively involved in and are responsible for developing innovative, local solutions that transcend our region for a safe and unified 6701*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*
- *N/A*

Comments

To support the delivery of its strategic objectives, the Shire of Carnarvon actively seeks funding from a range of sources including State and Federal government agencies, not-for-profit organisations, and philanthropic foundations. These funding arrangements are critical in enabling the Shire to deliver a combination of core community services and additional value-adding programs that respond to community expectations.

A significant portion of grant funding directly supports the Shire’s essential operations—particularly in areas such as infrastructure, community development, and environmental management. Other grants enable the Shire to undertake enhanced or pilot initiatives that would not otherwise be financially viable. In many cases, the ability to proceed with a project or program is contingent upon securing external funding.

Officers apply a rigorous process to assess the suitability of each funding opportunity in terms of strategic alignment, financial implications, delivery capacity, and compliance obligations. Successful grants are incorporated into the budget through formal amendment processes, and all grant-funded activities are tracked to ensure conditions are met and acquittals are completed within required timeframes.

With the appointment of a dedicated Accountant and the establishment of a Special Projects Team, the Shire has strengthened its internal financial oversight and project delivery capacity. The Grants Register is actively maintained and regularly reviewed; funding milestones, project progress, and acquittal status checks will be added to the Attain Compliance calendar to enhance their tracking and ensure continued compliance.

A summary grant activity for the period 1 November 2025 to 10 April 2026 is provided in the table below:

Name of funding body	Name of project	Status / funding period	amount applied for	funding received
Regional & remote airport support program	Rex debt – financial relief to operators (regional/remote)	Pending outcome	\$390,707.02	pending
Road safety commission	Bollards to belonging: safer streets for our people – march application	Pending outcome	\$25,000	pending
Inspiring WA	Seeds for science, nurturing knowledge for all on Yinggarda country	Pending outcome	\$10,000	pending
Lotterywest	EOI – arts and culture infrastructure grant program	Pending outcome	\$497,000	pending
National indigenous Australian agency	Remote jobs and economic development program	Pending outcome	\$250,5546	pending
Department of Communities	Women’s grants for a stronger future grants program 2025-26	Successful Fy 25/26	\$10,000	\$10,000
Town team movement	Streets alive stream 2	Successful Fy 25/26	\$50,000	\$50,000

Volunteering WA – NVW 2026	Carnarvon national volunteer week -2026	Successful Fy 25/26	\$15,000	\$15,000
Department of Primary Industries & Regional Development	Regional traineeship program grant 2025/26	Successful Fy 25/26	\$50,000	\$50,000
Lake MacLeod PTY	Community grant – defibs at blowholes	Successful Fy 25/26	\$5,000	\$5,000
MRWA	Rrg 26/27 – Quobba Gnaraloo Rd	Successful Fy 26/27	717336	717336
MRWA	Rrg 26/27 – Minilya Lyndon Rd	Successful Fy 26/27	\$268,836	\$268,836
Department of Primary Industries & Regional Development	Animal welfare grant program – desexing companion animals	Successful Fy 26/27	\$50,000	\$50,000
Department of Infrastructure, Transport, Regional Development & Arts	Safer local roads and infrastructure program (SLRIP) tranche 4c	Unsuccessful	\$5,000,000	N/A
Injury Matters: Improve your health	Active minds, active lives	Unsuccessful	\$5,000	N/A
Road Safety Commission	Bollards to belonging: safer streets for our people	Unsuccessful	\$25,000	N/A

OFFICER'S RECOMMENDATION

That the Audit & Risk Improvement Committee resolves to receive the summary of grant applications.

COMMITTEE RESOLUTION ARICC 13/04/26

Moved: Cr Mark Young

Seconded: Cr Paul Kelly

That the Audit & Risk Improvement Committee resolves to receive the summary of grant applications.

FOR: Cr Paul Kelly, Cr Mark Young, Cr Luke Skender, Ms Leah Horton and Mr Stephen Brown

AGAINST: Nil

ABSENT: Crs E Smith

CARRIED BY ABSOLUTE MAJORITY 5/0

6 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 16 June 2026 at Shire Council Chambers, Stuart Street Carnarvon commencing at 1.30pm

Note for the minutes: Shire President Eddie Smith entered the meeting at 2:07pm

7 CLOSE

The Presiding Member declared the meeting closed at 2:17PM.