



Audit, Risk and Improvement Committee Minutes¹

Monday 17 November 2025



¹ The Minutes were amended on 8 December 2025 to include Cr Harris as a voting member for Items 5.1, 11.1, 11.2 and 11.3 on pages 6, 10, 123 and 133 respectively.

CITY OF BELMONT

Audit, Risk and Improvement Committee

Minutes

Table of Contents

Monday 17 November 2025

Item	Subject Heading	Page
1	Official Opening.....	5
2	Apologies and leave of absence.....	5
3	Declarations of interest that might cause a conflict.....	5
3.1	Financial interests	5
3.2	Disclosure of interest that may affect impartiality	5
4	Announcements by the Presiding Member (without discussion).....	5
4.1	Announcements	5
4.2	Declarations by Members who have not given due consideration to all matters contained in the business papers presently before the meeting .	6
5	Confirmation of Minutes	6
5.1	Standing Committee (Audit and Risk) Meeting held 28 July 2025	6
6	Questions by Members on which due notice has been given (without discussion).....	6
7	New business of an urgent nature approved by the person presiding or by decision.....	6
8	Questions by members without notice	7
9	Business adjourned from a previous meeting.....	7
10	Information items	7
10.1	Audit Log - Office of the Auditor General and Other Audits	7
10.2	Insurance Portfolio 2025-26 / Risk and Business Continuity Update.....	7

11 Items requiring recommendation to Council9
11.3 2024-25 OAG Annual Financial and Information Systems Audits9
11.1 Internal Audit Report 2025.....120
11.2 Internal Audit Plan 2025-26 – 2027-28131
12 Next Meeting139
13 Closure139

Attachments Index

- Attachment 11.2.1 - Item 11.2 refers
- Attachment 11.2.2 - Item 11.2 refers
- Attachment 11.3.1 - Item 11.3 refers
- Attachment 11.3.1 - Item 11.3 refers
- Attachment 11.3.2 - Item 11.3 refers
- Attachment 11.3.3 - Item 11.3 refers
- Attachment 11.3.4 - Item 11.3 refers

Confidential Attachments Index

- Confidential Attachment 10.1.1 – Item 10.1 refers
- Confidential Attachment 11.1.1 – Item 11.1 refers
- Confidential Attachment 11.1.2 – Item 11.1 refers
- Confidential Attachment 11.1.3 – Item 11.1 refers
- Confidential Attachment 11.3.5 – Item 11.3 refers

Confidential Tabled Attachments Index

- Confidential Tabled Attachment 10.2.1 - Item 10.2 refers

Elected Members are reminded to retain their confidential papers for discussion with the minutes.

Minutes of the Audit, Risk and Improvement Committee held in the Rivervale Room, City of Belmont Civic Centre, 215 Wright Street, Cloverdale on Monday 17 November 2025 commencing at 6:30pm.

Minutes

Present

Mr J Seth	Independent Presiding Member
Mayor R Rossi JP (Ex Officio)	Mayor
Cr J Harris	Central Ward
Cr B Ryan	East Ward
Cr J Davis	South Ward
Cr C Kulczycki	West Ward

In attendance

Mr J Christie	Chief Executive Officer
Mr S Downing	Director Corporate and Governance
Mr M Murphy	Director Infrastructure Services
Mr W Loh	Director Development and Communities
Mr J Rechner	Senior Internal Auditor
Ms S Jessop (dep. 7:07pm)	Manager Finance
Mr M Smith (dep. 7:07pm)	Manager Information Technology
Mr G Dally	Coordinator Business Planning, Improvement and Risk
Mr J Bidwell: (arr. 7:09pm, dep. 7:28pm)	Manager City Projects
Ms M Norton: (dep. 7:28pm)	Manager Economic & Community Development
Ms D Dabala	Manager Governance and Legal

Guests

Mr M Ambrose (arr. 6:53pm, dep. 7:07pm)	Senior Director, Financial Audit
Mr K Aslam (via MS Teams: arr. 6:53pm, dep. 7:07pm)	Senior Director, Information Systems Audit
Ms M Lai (arr. 6:53pm, dep. 7:07pm)	Assistant Director, Financial Audit
Mr G Wahid (arr. 6:53pm, 7:07pm)	Auditor, Information Systems Audit

Observers

Cr Abedin (arr. 6:49pm)

1 Official Opening

6:30pm The Presiding Member welcomed all those in attendance and declared the meeting open.

The Presiding Member read aloud the Acknowledgement of Country.

Acknowledgement of Country

Before I begin, I would like to acknowledge the Whadjuk Noongar people as the Traditional Owners of this land and pay my respects to Elders past, present and emerging.

I further acknowledge their cultural heritage, beliefs, connection and relationship with this land which continues today.

2 Apologies and leave of absence

Ms S Zulsdorf (apology)
Mr S Reeves (apology)

Independent Deputy Presiding Member
Manager Parks, Leisure and Environment

3 Declarations of interest that might cause a conflict

3.1 Financial interests

Nil.

3.2 Disclosure of interest that may affect impartiality

Nil.

4 Announcements by the Presiding Member (without discussion)

4.1 Announcements

Nil.

4.2 Declarations by Members who have not given due consideration to all matters contained in the business papers presently before the meeting

Nil.

5 Confirmation of Minutes

5.1 Standing Committee (Audit and Risk) Meeting held 28 July 2025

6:49pm Cr Abedin joined the meeting.

Officer Recommendation

Kulczycki moved, Rossi seconded

That the Minutes of the Standing Committee (Audit and Risk) Meeting held on 28 July 2025 be confirmed as a true and accurate record.

Carried Unanimously 6 votes to 0

For: Davis, Harris, Kulczycki, Mr J Seth, Rossi and Ryan

Against: Nil

6 Questions by Members on which due notice has been given (without discussion)

Nil.

7 New business of an urgent nature approved by the person presiding or by decision

Nil.

8 Questions by members without notice

Nil.

9 Business adjourned from a previous meeting

Nil.

10 Information items

10.1 Audit Log - Office of the Auditor General and Other Audits

An Audit Log (refer Confidential Attachment 10.1.1) has been developed to capture and report on progress of all recommended actions from previous audit reports as requested by the Audit, Risk and Improvement Committee.

The Audit Log will be included for information on all Audit, Risk and Improvement Committee Agendas. Questions from Committee Members are welcome.

Attachment details

Attachment No and title
1. CONFIDENTIAL - Audit Log - Office of the Auditor General and other Audits (Confidential Matter in accordance with the Local Government Act 1995 (WA) Section 5.23(2)(f)(ii)) [10.1.1 - 10 pages]

Committee Notes

Nil.

10.2 Insurance Portfolio 2025-26 / Risk and Business Continuity Update

An update was provided on insurance renewals, claims history, risk management and business continuity practices.

Attachment details

Attachment No and title
Confidential Tabled Attachment 10.2.1 - Insurance Portfolio 2025-26

Committee Notes

A series of questions were asked and responded to as follows:

- Regarding the decrease in property insurance rate, the City’s claim experience has been good with fewer claims / lower cost of claims.
- Regarding Public liability insurance claims, most were declined with only one settled.

11 Items requiring recommendation to Council

Note: The Presiding Member brought forward Item 11.3 to be discussed before Items 11.1 and 11.2 due to the attendance of external guests.

11.3 2024-25 OAG Annual Financial and Information Systems Audits

Voting Requirement	:	Simple Majority
Subject Index	:	19/001 - Report of Council Audit
Location/Property Index	:	N/A
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	N/A
Applicant	:	N/A
Owner	:	N/A
Responsible Division	:	Corporate and Governance

Council role

Legislative The making and adopting of local laws, local town planning schemes and Council policies.

Purpose of report

To provide the Audit, Risk and Improvement Committee (the Committee) with details of the outcomes of the 30 June 2025 Financial Audit including the Information Systems (IS) Audit, present the audited Annual Financial Statements, IS Audit Management Letter, Management Representation Letter and Exit Closing Report for the year ended 30 June 2025.

Summary and key issues

The *Local Government Act 1995 (WA)* (the Act) and *Local Government (Financial Management) Regulations 1996 (WA)* (the Regulations) require the preparation and audit of a Local Government's Annual Financial Statements. Since 2019 the Office of the Auditor General (OAG) has incorporated an IS Audit as a component of the Financial Audit to ensure the City has appropriate IT controls and systems in place.

Subsequent to the finalisation of the audit, the Annual Financial Statements are incorporated in the City's Annual Report each year.

6:53pm Mr Ambrose, Mr Aslam, Ms Lai and Mr Wahid, representatives from the Office of the Auditor General (OAG), joined the meeting.

Officer Recommendation

Rossi moved, Ryan seconded

That the Audit, Risk and Improvement Committee recommend that Council:

1. Accepts the Annual Financial Statements for the period ending 30 June 2025 at Attachment 11.3.2.
2. Accepts the Annual Financial Audit Exit Report for the year ended 30 June 2025 at Attachment 11.3.3.
3. Accepts the Auditor's Management Letter (Information Systems Audit) for the year ended 30 June 2025 at Confidential Attachment 11.3.5; and
4. Approves the Chief Executive Officer to sign the Annual Financial Report for the period ending 30 June 2025 and Management Representation Letter at Attachments 11.3.2 and 11.3.4.

Carried Unanimously 6 votes to 0

For: Davis, Harris, Kulczycki, Mr J Seth, Rossi and Ryan

Against: Nil

Committee Notes:

- No questions for the representatives of the OAG from the Committee.
- The Chair recognised the efforts of the OAG team, CEO, Director Corporate and Governance, Manager Finance and Manager Information Technology in the smooth running of the audit.

7:09pm The Manager Finance, Manager Information Technology, Mr Ambrose, Mr Aslam, Ms Lai and Mr Wahid departed the meeting and did not return.

Location

Not applicable.

Consultation

There has been no specific consultation undertaken in respect to this matter.

Strategic Community Plan implications

In accordance with the 2024–2034 Strategic Community Plan:

Key Performance Area: Performance

Outcome: 10. Effective leadership, governance and financial management.

Policy implications

There are no policy implications associated with this report.

Statutory environment

Sections 6.4 and 7.9 of the Act requires the annual financial reporting and audit process as follows:

6.4 Financial Report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to –
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor –
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
 - (b) the annual financial report of the local government for the preceding financial year.

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be

prescribed, to prepare a report thereon and forward a copy of that report to

—

- (a) the mayor or president; and
- (b) the CEO of the local government; and
- (c) the Minister.

Section 7.12A of the Act provides further detail with respect to audits including that the auditor must meet with the local government at least once every financial year, and that the local government is to report to the Minister addressing any findings identified as significant by the auditor.

The Regulations prescribe the following relating to the audit procedures:

9. Performance of audit

- (1) An auditor must carry out an audit in accordance with the Australian Auditing Standards made or formulated and amended from time to time by the Auditing and Assurance Standards Board established by the *Australian Securities and Investments Commission Act 2001 (Commonwealth)* section 227A.
- (2) An auditor must carry out the work necessary to form an opinion whether the annual financial report —
 - (a) is based on proper accounts and records; and
 - (b) fairly represents the results of the operations of the local government for the financial year and the financial position of the local government at 30 June in accordance with —
 - (i) the Act; and
 - (ii) the Australian Accounting Standards (to the extent that they are not inconsistent with the Act).

Regulation 10 of the Regulations prescribes the following:

10. Report by auditor

An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.

- (1) The report is to give the auditor's opinion on —
 - (a) the financial position of the local government; and
 - (b) the results of the operations of the local government.
- (2) The report must include a report on the conduct of the audit.
- (3) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and

to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

Background

The OAG has performed its financial audit for the City of Belmont, commencing with the City's IS audit. This preliminary audit determines the extent of testing that will be performed during the financial audit. The findings from the IS audit are included within the Report section below.

In accordance with its' Terms of Reference, the Committee must review the Audited Annual Financial Statements and audit findings (Attachment 11.3.2 and Attachment 11.3.3). Approval is also sought for the Committee to endorse the Annual Financial Statements together with the representation letter. The audited financial statements, a key component of the City's Annual Report, are scheduled to be presented at the Annual General Meeting of Electors on 15 December 2025.

In addition, a copy of the Audited Annual Financial Statements is also required to be submitted to the Director General of the Department of Local Government, Industry Regulation and Safety (the Department) within 30 days of receipt of the Auditor's Report.

Report

Section 6.4 of the Act requires the Annual financial statements for the year ended 30 June 2025 to be prepared and presented to the auditor by 30 September 2025. Accordingly, the City submitted the completed 2024-25 Draft Annual Financial Statement to OAG for review on 25 September 2025.

In accordance with Section 7.9 of the Act, the OAG is required to submit a report of the City's Audited Annual Financial Statement by 30 December 2025. The City received the Exit Closing report on 12 November 2025.

The City will again be presented with an unqualified audit opinion which is to be signed by the auditors following the Annual Financial Statements being accepted by the Committee.

Representatives from the OAG will attend the Committee Meeting to present the Audited Financial Statements (Attachments 11.3.2), Management Letter (Attachments 11.3.5) and Audit Exit Report (Attachment 11.3.3). An agenda for this presentation is included at Attachment 11.3.1. Some of the highlights of the report include:

Financial audit findings

After performing a thorough review of the City's financial statements, the OAG did not identify any new audit findings during the final audit.

Withdrawal from EMRC

The City's withdrawal from the Eastern Metropolitan Regional Council (EMRC) was identified as a key area of risk as part of the annual financial audit planning.

The City withdrew from the EMRC effective 1 July 2021. According to the EMRC Establishment Agreement, after a member withdraws, any proceeds and surplus funds that would have been distributed if the EMRC were wound up become payable at the end of the second financial year following withdrawal (i.e., after 1 July 2023).

On 5 March 2025, the City received a payment of \$15,218,456 from the EMRC, representing its share of net assets as determined by an independent valuation. This amount was less than the anticipated proceeds of \$21,000,517, resulting in the City recognizing a loss on disposal of its investment in the EMRC of \$5,782,061.

As part of the financial audit, the OAG assessed management's accounting treatment of the EMRC receivable, ensuring compliance with the EMRC establishment agreement. No accounting adjustments were required as a result of this review.

Information systems audit findings

The City's 2025 OAG IS Audit formally concluded on 11 November 2025, with the final IS audit management letter being finalised by both parties on this date.

The 2025 IS Audit concluded with no findings with a potential impact on audit opinion; however, it did result in a single significant finding being raised which was remediated immediately during audit conduct. The City maintains strong opposition to the risk rating applied to this finding, and mutual agreement was not reached prior to the audit conclusion date. In addition, while two IS Audit areas within the 'Moderate' rating bracket elevated in ranking, 10 areas in the same bracket decreased in risk ranking (as shown in the image below). This reflects continued maturity in the City's control environment and sustained effort in addressing prior audit recommendations.



The audit raised five new findings:

- Remote Access Management
 - Closed and reopened in the same audit
- Access Management
- Network Device Management
- Finance Application Project Management
- Cyber Incident Response Testing

Please note that as organisations continue to evolve in IS maturity, the scope of audit grows in tandem, often resulting in analysis of new areas not considered in prior years.

In addition, 13 findings from prior years remain ongoing. While most continue to show progress, several relate to broader organisational improvements or multi-phase technology uplift programs. These include:

- Network Segregation
- Data Loss Prevention
- Finance Application Management
- Vulnerability Management
- Server Room Management
- Asset Management (now downgraded to minor)
- Logging and Monitoring
- Screening and Induction
- Database Security
- Web-Application Access Control
- Cloud Vendor Assessment
- Rates System Payment Gateway
- Information Classification

The audit closed four findings in full. These included:

- Network Access Management
- Review of Master File Changes
- Remote Access Management
- Pathway Application Management

The audit indicates a stable and maturing control environment with incremental improvement and no areas of significant concern. The continued presence of multi-year and capability-based findings highlights the need for sustained investment in cybersecurity uplift, system modernisation and information governance practices.

Progress remains on track and aligns to the City's ICT Strategic Plan and Corporate Business Plan.

Financial implications

The preparation, audit and distribution of the Annual Financial Statements are a statutory obligation. Audit fees are determined by the OAG on a cost recovery basis.

Environmental implications

There are no environmental implications associated with this report.

Social implications

There are no social implications associated with this report.

Attachment details

Attachment No and title	
1.	City of Belmont - 30 June 2025 - Exit Meeting Agenda [11.3.1 - 1 page]
2.	Annual Financial Statements 2024-25 [11.3.2 - 70 pages]
3.	City of Belmont - 30 June 2025 - Annual Financial Audit Exit Report [11.3.3 - 25 pages]
4.	City of Belmont - 30 June 2025 - Management Representation Letter [11.3.4 - 6 pages]
5.	CONFIDENTIAL - City of Belmont IS GCC Audit Management Letter (Confidential matter in accordance with Local Government Act 1995 (WA) Section 5.23(2)(f)(ii)) [11.3.5 - 24 pages]



Exit Meeting

ANNUAL FINANCIAL AUDIT OF THE CITY OF BELMONT FOR THE YEAR ENDED 30 JUNE 2025

ATTENDEES:

City of Belmont

Mayor Robert Rossi	Committee member
Cr Jenny Davis	Committee member
Cr Christopher Kulczycki	Committee member
Cr Bernie Ryan	Committee member
Cr Jarod Harris	Committee member
Jonathan Seth	Independent Presiding Member
Shona Zulsdorf	Independent Deputy Presiding Member
John Christie	Chief Executive Officer
Stuart Downing	Director Corporate and Governance
Sarah Jessop	Manager Finance
Donna Dabala	Manager Governance and Legal
Mathew Smith	Manager Information Technology
Jacob Rechner	Senior Internal Auditor
Greg Dally	Coordinator Business Planning, Improvement & Risk
Sophie Bell	Senior Governance Officer

Office of the Auditor General

Mark Ambrose	Senior Director, Financial Audit
Kamran Aslam	Senior Director, Information Systems Audit
Michelle Lai	Assistant Director, Financial Audit
Michael Chumak	A/ Associate Director, Information Systems Audit
Ghulam Wahid	Auditor, Information Systems Audit

Interview Date & Time:

Monday, 17th November 2025 at 6.30 pm

Location:

City of Belmont

Agenda

1. Introduction
2. Outcome of the financial and information systems audit
3. Actions for next year's audit
4. General and closing comments



Financial Report

For the year ended 30 June 2025



City of Belmont
Financial Report
for the year ended 30 June 2025

City of Belmont Financial Report 2024-25

Contents	Page
Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Notes to the Financial Statements	8
Independent auditor's report	69

Content Overview

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

Belmont - The City of Opportunity

Our Vision is to be home to a diverse and harmonious community, thriving from the opportunities of our unique, riverside City.

Principal place of business:
215 Wright Street
Cloverdale WA 6105

City of Belmont

City of Belmont Financial Report 2024-25

Financial Report
for the year ended 30 June 2025

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Statement by CEO

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

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

Signed on the 17 day of November 2025

Chief Executive Officer

John Christie

City of Belmont

City of Belmont Financial Report 2024-25

Statement of comprehensive income
for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	28,2a	60,305,167	59,790,869	56,821,093
Grants, subsidies and contributions	2a	2,845,544	2,425,280	2,687,747
Fees and charges	2a	11,263,155	10,444,111	10,603,344
Interest revenue	2a	4,480,788	6,751,202	5,498,868
Other revenue	2a	1,309,085	592,353	1,637,147
		80,203,739	80,003,815	77,248,199
Expenses				
Employee costs	2b	(29,132,513)	(29,084,855)	(26,371,607)
Materials and contracts		(37,538,951)	(36,674,146)	(33,568,344)
Utility charges		(1,634,698)	(2,392,835)	(2,329,974)
Depreciation		(13,028,201)	(12,935,924)	(12,953,278)
Finance costs	2b	(530,097)	(520,949)	(531,283)
Insurance		(874,833)	(940,842)	(722,861)
Other expenditure	2b	(1,273,229)	(1,543,703)	(1,622,528)
		(84,012,522)	(84,093,254)	(78,099,875)
		(3,808,783)	(4,089,439)	(851,676)
Capital grants, subsidies and contributions	2a	4,696,717	3,566,506	2,379,832
Profit on asset disposals		28,259	87,469	27,368
Loss on asset disposals		(261,932)	-	(744,290)
Loss on disposal of investment in EMRC	23	(5,782,061)	-	-
Fair value adjustments to financial assets at fair value through profit or loss	4b	(8,878)	4,203	4,203
		(1,327,895)	3,658,178	1,667,113
Net result for the period	27b	(5,136,678)	(431,261)	815,437
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss		-	-	-
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		(5,136,678)	(431,261)	815,437

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

City of Belmont

City of Belmont Financial Report 2024-25

Statement of financial position
as at 30 June 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	3	65,020,615	23,433,621
Trade and other receivables	5	4,214,593	24,999,919
Other financial assets	4a	25,187,565	53,024,893
Inventories	6	239,454	262,339
Contract assets		260,661	37,717
Other assets	7	3,604,977	3,483,614
Total current assets		98,527,865	105,242,103
Non-current assets			
Trade and other receivables	5	415,855	515,831
Other financial assets	4b	199,049	3,486,733
Property, plant and equipment	8	340,724,864	342,414,320
Infrastructure	9	300,745,115	291,434,830
Right of use assets	11a	166,998	158,975
Intangible assets	12	136,843	236,828
Total non-current assets		642,388,724	638,247,517
Total assets		740,916,589	743,489,620
Current liabilities			
Trade and other payables	13	11,062,651	7,630,356
Contract liabilities	14	1,105,399	929,402
Capital grant/contributions liabilities	14	368,476	906,148
Lease liabilities	11b	84,567	105,428
Borrowings	15	666,573	641,884
Employee related provisions	16	5,160,839	4,987,946
Total current liabilities		18,448,505	15,201,164
Non-current liabilities			
Contract liabilities	14	127,197	151,558
Lease liabilities	11b	52,499	57,042
Borrowings	15	10,309,794	10,976,367
Employee related provisions	16	553,045	541,262
Total non-current liabilities		11,042,535	11,726,229
Total liabilities		29,491,040	26,927,393
Net assets		711,425,549	716,562,227
Equity			
Retained surplus		181,531,738	195,472,405
Reserve accounts	31	82,270,244	69,265,327
Revaluation surplus	17	447,623,567	451,824,495
Total equity		711,425,549	716,562,227

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

City of Belmont

City of Belmont Financial Report 2024-25

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

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total Equity \$
Balance as at 1 July 2023		202,240,918	61,681,377	451,824,495	715,746,790
Comprehensive income for the period					
Net result for the period		815,437	-	-	815,437
Total comprehensive income for the period		815,437	-	-	815,437
Transfer of revaluation surplus - share from investment in associates		-	-	-	-
Transfers from reserve accounts	31	5,874,818	(5,874,818)	-	-
Transfers to reserve accounts	31	(13,458,768)	13,458,768	-	-
Balance as at 30 June 2024		195,472,405	69,265,327	451,824,495	716,562,227
Balance as at 1 July 2024		195,472,405	69,265,327	451,824,495	716,562,227
Comprehensive income for the period					
Net result for the period		(5,136,678)	-	-	(5,136,678)
Total comprehensive income for the period		(5,136,678)	-	-	(5,136,678)
Transfer of revaluation surplus - share from investment in associates		4,200,928	-	(4,200,928)	-
Transfers from reserve accounts	31	9,376,293	(9,376,293)	-	-
Transfers to reserve accounts	31	(22,381,210)	22,381,210	-	-
Balance as at 30 June 2025		181,531,738	82,270,244	447,623,567	711,425,549

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

City of Belmont

City of Belmont Financial Report 2024-25

Statement of cash flows
for the year ended 30 June 2025

	Note	2025 Actual \$	2024 Actual \$
Cash flows from operating activities			
Rates		60,567,713	56,784,697
Grants, subsidies and contributions		2,777,946	2,674,717
Fees and charges		11,111,903	10,536,127
Interest revenue		4,480,788	5,498,868
Goods and services tax received		5,376,822	4,270,594
Other revenue		1,485,082	1,677,024
		85,800,254	81,442,027
Employee costs		(28,775,958)	(25,663,318)
Materials and contracts		(35,509,576)	(32,815,633)
Utility charges		(1,634,698)	(2,329,974)
Finance costs		(534,151)	(531,283)
Insurance paid		(874,833)	(722,861)
Goods and services tax paid		(5,832,514)	(4,514,849)
Other expenditure		(1,273,227)	(1,688,278)
		(74,434,957)	(68,266,196)
Net cash provided by operating activities	18b	11,365,297	13,175,831
Cash flows from investing activities			
Payments for purchase of property, plant & equipment	8a	(3,405,959)	(4,038,462)
Payments for construction of infrastructure	9a	(16,541,222)	(8,743,245)
Payments for intangible assets	12	-	(166,533)
Proceeds from capital grants, subsidies and contributions		4,159,045	2,602,175
Proceeds from financial assets at amortised cost		31,116,134	7,972,063
Proceeds from sale of property, plant & equipment		317,904	696,997
Proceeds from sale of infrastructure		108,130	-
Proceeds from disposal of investment in EMRC		15,218,456	-
Net cash (used in) investing activities		30,972,488	(1,677,005)
Cash flows from financing activities			
Repayment of borrowings	30a	(641,884)	(618,112)
Payments for principal portion of lease liabilities	30c	(108,907)	(118,561)
Net cash (used in) financing activities		(750,791)	(736,673)
Net increase /(decrease) in cash held		41,586,994	10,762,153
Cash at beginning of year		23,433,621	12,671,468
Cash and cash equivalents at the end of the year	3	65,020,615	23,433,621

City of Belmont

City of Belmont Financial Report 2024-25

Statement of financial activity
for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	28	45,459,259	45,259,803	42,251,503
Rates excluding general rates	28	14,845,908	14,531,066	14,569,590
Grants, subsidies and contributions		2,845,544	2,425,280	2,687,747
Fees and charges		11,263,155	10,444,111	10,603,344
Interest revenue		4,480,788	6,751,202	5,498,868
Other revenue		1,309,085	592,353	1,637,147
Profit on asset disposals		28,259	87,469	27,368
Fair value adjustments to financial assets at fair value through profit or loss	4b	(8,878)	4,203	4,203
		80,223,120	80,095,487	77,279,770
Expenditure from operating activities				
Employee costs		(29,132,513)	(29,084,855)	(26,371,607)
Materials and contracts		(37,538,951)	(36,674,146)	(33,568,344)
Utility charges		(1,634,698)	(2,392,835)	(2,329,974)
Depreciation		(13,028,201)	(12,935,924)	(12,953,278)
Finance costs		(530,097)	(520,949)	(531,283)
Insurance		(874,833)	(940,842)	(722,861)
Other expenditure		(1,273,229)	(1,543,703)	(1,622,528)
Loss on asset disposals		(261,932)	-	(744,290)
Loss on disposal of investment in EMRC		(5,782,061)	-	-
		(90,056,515)	(84,093,254)	(78,844,165)
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	29	19,237,837	12,829,160	13,599,408
Amount attributable to operating activities		9,404,442	8,831,393	12,035,013
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,696,717	3,566,506	2,379,832
Proceeds from disposal of assets		426,032	672,140	696,997
Proceeds from disposal of investment in EMRC		15,218,456	-	-
		20,341,205	4,238,646	3,076,829
Outflows from investing activities				
Acquisition of property, plant and equipment	8a	(3,405,963)	(4,084,028)	(4,038,462)
Acquisition of infrastructure	9a	(16,541,223)	(13,995,445)	(8,743,245)
Right of use assets received - non cash		(90,261)	-	-
Payments for intangible assets	12	-	-	(166,533)
		(20,037,447)	(18,079,473)	(12,948,240)
Non-cash amounts excluded from investing activities	29	(1,095,829)	-	-
Amount attributable to investing activities		(792,071)	(13,840,827)	(9,871,411)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	31	9,376,293	11,309,790	5,874,818
Proceeds from new leases - non cash	30c	90,261	-	-
		9,466,554	11,309,790	5,874,818
Outflows from financing activities				
Repayment of borrowings	30a	(641,886)	(641,885)	(618,112)
Payments for principal portion of lease liabilities	30c	(115,664)	(105,427)	(118,561)
Transfers to reserve accounts	31	(22,381,210)	(11,360,386)	(13,458,768)
		(23,138,760)	(12,107,698)	(14,195,441)
Non-cash amounts excluded from financing activities		(90,261)	-	-
Amount attributable to financing activities		(13,762,467)	(797,908)	(8,320,623)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	29	5,795,621	6,304,342	11,952,642
Amount attributable to operating activities		9,404,442	8,831,393	12,035,013
Amount attributable to investing activities		(792,071)	(13,840,827)	(9,871,411)
Amount attributable to financing activities		(13,762,467)	(797,908)	(8,320,623)
Surplus/(deficit) after imposition of general rates	29	645,525	497,000	5,795,621

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Index of notes to the Financial Report

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	11
Note 3	Cash and cash equivalents	14
Note 4	Other financial assets	15
Note 5	Trade and other receivables	17
Note 6	Inventories	19
Note 7	Other assets	20
Note 8	Property, plant and equipment	21
Note 9	Infrastructure	24
Note 10	Fixed assets	26
Note 11	Leases	29
Note 12	Intangible assets	33
Note 13	Trade and other payables	35
Note 14	Other liabilities	36
Note 15	Borrowings	38
Note 16	Employee related provisions	39
Note 17	Revaluation surplus	41
Note 18	Notes to the statement of cash flows	42
Note 19	Contingent liabilities	44
Note 20	Capital commitments	44
Note 21	Related party transactions	45
Note 22	Joint Arrangements	48
Note 23	Investment in associates	49
Note 24	Financial risk management	50
Note 25	Events occurring after the end of the reporting period	54
Note 26	Other Material Accounting Policies	55
Note 27	Function and activity	57
 Information required by legislation		
Note 28	Rating information	60
Note 29	Determination of surplus or deficit	61
Note 30	Borrowing and lease liabilities	63
Note 31	Reserve accounts	66
Note 32	Trust funds	68

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 1. BASIS OF PREPARATION

The financial report of the City of Belmont, a Class 1 local government, comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995*, read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

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

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

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

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Impairment losses of non-financial assets - note 8 and 9
- Estimated useful life of intangible assets - note 10
- Measurement of employee benefits - note 16

Fair value hierarchy information can be found in note 26.

The local government reporting entity

All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 32 of the financial report.

Initial application of accounting standards

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

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

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

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

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

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2024-4b Amendments to Australian Accounting Standards - Effective date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 1. BASIS OF PREPARATION (continued)

- *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*
- *AASB 18 (FP) Presentation and Disclosure in Financial Statements - (Appendix D) [for for-profit entities]*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards - Annual Improvements Volume 11*

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 2. Revenue and expenses

(a) Revenue**Contracts with customers**

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

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)**Revenue Recognition**

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

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

Nature	Contracts with customers \$	Capital grant/ contributions \$	Statutory requirements \$	Other \$	Total \$
For the year ended 30 June 2025					
Rates	-	-	60,305,167	-	60,305,167
Grants, subsidies and contributions	504,842	-	-	2,340,702	2,845,544
Fees and charges	2,048,465	-	9,077,547	137,143	11,263,155
Interest revenue	-	-	235,513	4,245,275	4,480,788
Other revenue	1,226,746	-	-	82,339	1,309,085
Capital grants, subsidies and contributions	-	4,544,181	-	152,536	4,696,717
Total	3,780,053	4,544,181	69,618,227	6,957,995	84,900,456
For the year ended 30 June 2024					
Rates	-	-	56,821,093	-	56,821,093
Grants, subsidies and contributions	441,678	-	-	2,246,069	2,687,747
Fees and charges	1,762,985	-	8,565,263	275,096	10,603,344
Interest revenue	-	-	312,866	5,186,002	5,498,868
Other revenue	1,246,890	-	-	390,257	1,637,147
Capital grants, subsidies and contributions	-	2,379,832	-	-	2,379,832
Total	3,451,553	2,379,832	65,699,222	8,097,424	79,628,031
				2025 Actual \$	2024 Actual \$

Interest revenue

Interest on reserve account	3,114,935	2,881,939
Trade and other receivables overdue interest	235,513	312,866
Other interest revenue	1,130,340	2,304,063
Total interest earnings	4,480,788	5,498,868

Fees and charges relating to rates receivable

Charges on instalment plan	2,580	108,760
----------------------------	-------	---------

The 2025 original budget estimate in relation to charges on instalment plans was nil.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 2. Revenue and expenses (continued)

(b) Expenses

	2025 Actual \$	2024 Actual \$
Auditors remuneration		
- Audit of the Annual Financial Report	90,190	74,847
- Other services - grant acquittals	34,352	3,400
	<u>124,542</u>	<u>78,247</u>
 Employee costs		
Employee benefit costs	28,522,283	25,784,084
Workers' compensation insurance	361,571	299,878
Other employee costs	248,659	287,645
	<u>29,132,513</u>	<u>26,371,607</u>
 Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	530,097	531,283
	<u>530,097</u>	<u>531,283</u>
 Other expenditure		
Impairment losses on trade receivables	(11,267)	(67,233)
Sundry expenses	1,284,496	1,689,761
	<u>1,273,229</u>	<u>1,622,528</u>

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 3. CASH AND CASH EQUIVALENTS

	Note	2025 \$	2024 \$
Cash at bank and on hand		4,466,071	10,980,523
Term deposits		60,554,544	12,453,098
Total cash and cash equivalents	18a	65,020,615	23,433,621
Held as			
- Unrestricted cash and cash equivalents		7,502,407	9,500,744
- Restricted cash and cash equivalents	18a	57,518,208	13,932,877
		65,020,615	23,433,621

MATERIAL ACCOUNTING POLICIES**Cash and cash equivalents**

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

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

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

Restricted financial assets

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 4. OTHER FINANCIAL ASSETS

	Note	2025 \$	2024 \$
(a) Current assets			
Financial assets at amortised cost		25,187,565	53,024,893
		25,187,565	53,024,893
Other financial assets at amortised cost			
Term deposits		25,187,565	53,024,893
		25,187,565	53,024,893
Held as			
- Restricted other financial assets at amortised cost	18a	25,187,565	53,024,893
		25,187,565	53,024,893
(b) Non current assets			
Financial assets at amortised cost		-	3,278,806
Financial assets at fair value through profit or loss		199,049	207,927
		199,049	3,486,733
Financial assets at amortised cost			
Term deposits		-	3,278,806
		-	3,278,806
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		207,927	203,724
Movement attributable to fair value increment		(8,878)	4,203
Units in Local Government House Trust - closing balance		199,049	207,927

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

MATERIAL ACCOUNTING POLICIES**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26(i)) due to the observable market rates.

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

Financial assets at fair value through profit or loss

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 4. OTHER FINANCIAL ASSETS (continued)

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 24.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 5. TRADE AND OTHER RECEIVABLES

	Note	2025 \$	2024 \$
Current			
Rates and statutory receivables		2,173,462	2,364,117
Trade receivables		449,581	604,927
GST receivable		1,251,351	795,659
Receivables for employee related provisions		340,199	245,966
Allowance for credit losses of trade receivables	24b	–	(11,267)
EMRC receivable *		–	21,000,517
		4,214,593	24,999,919

(*) The City was a participant in the Eastern Metropolitan Regional Council (EMRC) and had voting rights of 1/6th and the interest in the assets and liabilities of the EMRC (refer note 23a for further details).

Non-current

Rates and statutory receivables	331,278	384,022
Receivable for employee related provisions	84,577	131,809
	415,855	515,831

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
Trade and other receivables from contracts with customers	447,733	602,361	418,178
Contract assets	260,661	37,717	–
Allowance for credit losses of trade receivables	–	(11,267)	(78,500)
Total trade and other receivables from contracts with customers	708,394	628,811	339,678

MATERIAL ACCOUNTING POLICIES**Rates and statutory receivables**

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

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

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other Receivables

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 5. TRADE AND OTHER RECEIVABLES (continued)

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 6. INVENTORIES

	2025	2024
	\$	\$
Current		
Fuel and materials	239,454	262,339
	239,454	262,339
The following movements in inventories occurred during the year:		
Balance at beginning of year	262,339	246,770
Inventories expensed during the year	(22,885)	–
Additions to inventory	–	15,569
Balance at end of year	239,454	262,339

MATERIAL ACCOUNTING POLICIES

General

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 7. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Prepayments	757,790	590,562
Accrued income	2,847,187	2,893,052
	3,604,977	3,483,614

MATERIAL ACCOUNTING POLICIES

Other current assets

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Assets not subject to operating lease		Assets subject to operating lease		Total Property			Work in progress	Total Property	Plant and equipment		Total property, plant and equipment
	Land	Buildings specialised	Land	Buildings specialised	Land	Buildings specialised	Furniture and equipment			Plant and equipment		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Balance at 1 July 2023	197,124,960	92,401,149	15,938,000	31,850,156	213,062,960	124,251,305	327,459	337,641,724	2,185,713	4,096,989	343,924,426	
Additions	-	-	-	-	-	-	1,730,625	1,730,625	938,566	819,845	3,489,036	
Disposals	(582,000)	-	-	-	(582,000)	-	-	(582,000)	(37,765)	(373,368)	(993,133)	
Depreciation	-	(2,461,203)	-	(873,577)	-	(3,334,780)	-	(3,334,780)	(981,878)	(238,778)	(4,555,436)	
Transfers	-	1,408,495	-	35,586	-	1,444,081	(1,161,539)	282,542	266,885	-	549,427	
Balance at 30 June 2024	196,542,960	91,348,441	15,938,000	31,012,165	212,480,960	122,360,606	896,545	335,738,111	2,371,521	4,304,688	342,414,320	
Comprises:												
Gross balance amount at 30 June 2024	196,542,960	135,352,254	15,938,000	48,069,033	212,480,960	183,421,287	896,545	396,798,792	12,009,317	7,649,482	416,457,591	
Accumulated depreciation at 30 June 2024	-	(44,003,813)	-	(17,056,868)	-	(61,060,681)	-	(61,060,681)	(9,637,796)	(3,344,794)	(74,043,271)	
Balance at 30 June 2024	196,542,960	91,348,441	15,938,000	31,012,165	212,480,960	122,360,606	896,545	335,738,111	2,371,521	4,304,688	342,414,320	
Balance at 1 July 2024	196,542,960	91,348,441	15,938,000	31,012,165	212,480,960	122,360,606	896,545	335,738,111	2,371,521	4,304,688	342,414,320	
Additions	-	-	-	-	-	-	2,153,451	2,153,451	678,556	573,956	3,405,963	
Disposals	-	(4,424)	-	-	-	(4,424)	-	(4,424)	(73,119)	(474,034)	(551,577)	
Depreciation	-	(2,538,331)	-	(874,590)	-	(3,412,921)	-	(3,412,921)	(864,912)	(266,009)	(4,543,842)	
Transfers	-	2,787,151	-	4,890	-	2,792,041	(2,992,987)	(200,946)	173,427	27,519	-	
Balance at 30 June 2025	196,542,960	91,592,837	15,938,000	30,142,465	212,480,960	121,735,302	57,009	334,273,271	2,285,473	4,166,120	340,724,864	
Comprises:												
Gross balance amount at 30 June 2025	196,542,960	138,123,105	15,938,000	48,073,923	212,480,960	186,197,028	57,009	398,734,997	12,284,931	7,525,918	418,545,846	
Accumulated depreciation at 30 June 2025	-	(46,530,268)	-	(17,931,458)	-	(64,461,726)	-	(64,461,726)	(9,999,458)	(3,359,798)	(77,820,982)	
Balance at 30 June 2025	196,542,960	91,592,837	15,938,000	30,142,465	212,480,960	121,735,302	57,009	334,273,271	2,285,473	4,166,120	340,724,864	

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 8. PROPERTY, PLANT AND EQUIPMENT (continued)

**(b) Carrying
Amount
Measurements**

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date								
Land and buildings								
Land - market value		81,144,000	81,144,000	2	Market approach using recent sales evidence of similar or reference assets	Independent Valuation	April 2023	Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.
Land - subject to useage restrictions		131,336,960	131,336,960	2	Market approach using recent sales evidence of similar or reference assets	Independent Valuation	April 2023	Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.
Total land	8a	212,480,960	212,480,960					
Buildings		121,735,302	-	3	Cost approach using current replacement cost	Independent Valuation	May 2023	This required estimating the replacement costs for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Other inputs such as residual value, useful life, pattern of consumption and asset condition required extensive professional judgement and impacted significantly on the final determination.
Total buildings	8a	121,735,302	-					

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

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

City of Belmont

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

Note 8. PROPERTY, PLANT AND EQUIPMENT (continued)

Asset class	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(ii) Cost				
Furniture and equipment	Cost	Cost	N/A	Cost
Plant and equipment	Cost	Cost	N/A	Cost

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 9. INFRASTRUCTURE

(a) Movements in balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Footpath Network	Drainage Network	Infrastructure Reserve Improvements	Carparks	Work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2023	135,885,010	33,987,765	74,635,128	41,695,407	3,811,147	1,303,888	291,318,345
Additions	-	-	-	-	-	9,292,674	9,292,674
(Disposals)	-	-	-	(420,786)	-	-	(420,786)
Depreciation	(3,984,856)	(1,141,404)	(1,178,996)	(1,781,336)	(119,384)	-	(8,205,976)
Transfers	3,986,224	230,200	433,685	3,000,834	-	(8,200,370)	(549,427)
Balance at 30 June 2024	135,886,378	33,076,561	73,889,817	42,494,119	3,691,763	2,396,192	291,434,830
Comprises:							
Gross balance amount at 30 June 2024	207,004,047	53,795,449	109,598,831	54,738,738	6,861,154	2,396,192	434,394,411
Accumulated depreciation at 30 June 2024	(71,117,669)	(20,718,888)	(35,709,014)	(12,244,619)	(3,169,391)	-	(142,959,581)
Balance at 30 June 2024	135,886,378	33,076,561	73,889,817	42,494,119	3,691,763	2,396,192	291,434,830
Balance as at 1 July 2024	135,886,378	33,076,561	73,889,817	42,494,119	3,691,763	2,396,192	291,434,830
Additions	-	-	-	-	-	17,727,312	17,727,312
(Disposals)	-	-	-	(108,128)	-	-	(108,128)
Depreciation	(4,061,379)	(1,145,892)	(1,184,020)	(1,798,224)	(119,384)	-	(8,308,899)
Transfers	5,319,179	811,000	323,044	1,460,999	-	(7,914,222)	-
Balance at 30 June 2025	137,144,178	32,741,669	73,028,841	42,048,766	3,572,379	12,209,282	300,745,115
Comprises:							
Gross balance amount at 30 June 2025	212,323,226	54,606,448	109,921,875	55,895,576	6,861,154	12,209,282	451,817,561
Accumulated depreciation at 30 June 2025	(75,179,048)	(21,864,779)	(36,893,034)	(13,846,810)	(3,288,775)	-	(151,072,446)
Balance at 30 June 2025	137,144,178	32,741,669	73,028,841	42,048,766	3,572,379	12,209,282	300,745,115

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 9. INFRASTRUCTURE (continued)

**(b) Carrying Amount
Measurements**

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).
Infrastructure - Reserve Improvements	3	Cost approach using depreciated replacement cost	Independent Valuation	May 2023	Cost guides and recent City project costs have been utilised to determine the gross replacement cost to construct a modern equivalent asset (level 2), recommended useful lives are primarily informed by industry experience through reliable and trusted industry sources (Level 3).
Infrastructure - Reserve Improvements	3	Cost approach using depreciated replacement cost	Management Valuation	May 2023	Current replacement costs as included in current City contracts.
Infrastructure - Footpath Network	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).
Infrastructure - Drainage Network	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).
Infrastructure - Carparks	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 10. FIXED ASSETS

Depreciation rates

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

Asset Class	Useful life
Buildings	25 - 80 years
Sub Structure	30 - 96 years
Envelope	25 - 80 years
Roof	20 - 64 years
Floor Coverings	20 - 40 years
Internal Fitout	30 - 48 years
Services - Mechanical	30 - 48 years
Services - Fire	30 - 48 years
Services - Electrical	30 - 64 years
Services - Hydraulic	32 - 64 years
Services - Other & Security & Transport	36 - 48 years
Furniture and equipment	3 - 20 years
Plant and equipment	3 - 15 years
Right-of-use assets - plant and equipment	2 - 5 years
Infrastructure - Roads	
Access Roads	
Surface	35 - 70 years
Subbase	70 years
Formation	Not depreciated
Distributor Roads	
Surface	25 - 70 years
Subbase	50 years
Formation	Not depreciated
Infrastructure - Reserve Improvements	5 - 80 years
Irrigation	5 - 30 years
Playgrounds	10 - 15 years
Park furniture	10 - 20 years
Other structures	20 - 80 years
Turf	Not depreciated
Infrastructure - Footpath Network	20 - 50 years
Asphalt	20 years
Paved	35 years
Concrete	50 years
Infrastructure - Drainage Network	
Pits	77 years
Pipes	100 years
Sumps	200 years
Infrastructure - Carparks	35 - 70 years
Intangible assets	3 years

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 10. FIXED ASSETS (continued)

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

(a) Fully depreciated assets in use

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

Plant and equipment	2,010,350	2,340,189
	2,010,350	2,340,189

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 10. FIXED ASSETS (continued)

MATERIAL ACCOUNTING POLICIES**Initial recognition**

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

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

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

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

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

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 11. LEASES

(a) Right of use assets

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

	Plant & Equipment \$	Total \$
2024		
Balance at 1 July 2023	275,308	275,308
Depreciation	(116,333)	(116,333)
Balance at 30 June 2024	158,975	158,975
Gross balance amount at 30 June 2024	362,107	362,107
Accumulated depreciation at 30 June 2024	(203,133)	(203,133)
Balance at 30 June 2024	158,974	158,974
2025		
Balance at 1 July 2024	158,975	158,975
Additions *	83,503	83,503
Depreciation	(75,480)	(75,480)
Balance at 30 June 2025	166,998	166,998
Gross balance amount at 30 June 2025	445,611	445,611
Accumulated depreciation at 30 June 2025	(278,613)	(278,613)
Balance at 30 June 2025	166,998	166,998

(*) Right of use asset additions are non-cash additions. Refer to note 18(c).

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

		2025 Actual \$	2024 Actual \$
	Note		
Depreciation on right-of-use assets		(75,480)	(116,333)
Finance charge on lease liabilities	30c	(14,838)	(9,284)
Total amount recognised in the statement of comprehensive income		(90,318)	(125,617)
Total cash outflow from leases		(123,745)	(118,562)

(b) Lease liabilities

Current		84,567	105,428
Non-current		52,499	57,042
	30c	137,066	162,470

The City has two leases relating to plant and equipment for terms of two and three years, both with fixed lease payments. The measurement of lease liabilities does not include variable lease payments and any future cash outflows associated with leases not yet commenced to which the City is committed. Refer to Note 30c for details of lease liabilities.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 11. LEASES (continued)

Secured liabilities and assets pledged as security

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 11. LEASES (continued)

MATERIAL ACCOUNTING POLICIES**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 30c.

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

	2025 Actual	2024 Actual
	\$	\$

(c) Lessor - Property, Plant and Equipment Subject to Lease

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

Less than 1 year	783,248	531,061
1 to 2 years	247,331	355,502
2 to 3 years	204,347	206,691
3 to 4 years	171,384	200,347
4 to 5 years	136,363	170,786
> 5 years	96,197	227,708
	1,638,870	1,692,095

Amounts recognised in profit or loss for property, plant and equipment subject to lease

Rental income	1,059,030	937,629
---------------	-----------	---------

The City leases property to tenants, with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 11. LEASES (continued)

assets. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the City is exposed to changes in the residual value at the end of the current leases, the City typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

MATERIAL ACCOUNTING POLICIES

The City as Lessor

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

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

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 12. INTANGIBLE ASSETS

	2025 Actual \$	2024 Actual \$
Intangible assets		
Non-current		
Corporate website	473,929	473,929
Less: Accumulated amortisation	(337,086)	(237,101)
	136,843	236,828
Movements in balances during the financial year are shown as follows:		
Balance at 1 July	236,828	145,828
Recognition of computer software	–	166,533
Amortisation	(99,985)	(75,533)
Balance at 30 June	136,843	236,828
TOTAL INTANGIBLE ASSETS	136,843	236,828

Amortisation

The estimated useful life of intangible assets is 5 years for the current and prior years.

MATERIAL ACCOUNTING POLICIES**Corporate Website**

Costs associated with planning, administration and other general overhead expenses are recognised as an expense when incurred. The application, graphical design and content development costs directly attributable to preparing the website to operate in the manner requested by management meets the recognition criteria in AASB 138.21 and AASB 138.57 and are recognised as intangible assets.

Similarly, the operating website costs are recognised as intangible assets when it meets the recognition criteria set out in AASB 138.18 where it is demonstrated that the intangible asset will generate probable future economic benefits when the asset is ready for use.

Computer software

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

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

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

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

Amortisation

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 12. INTANGIBLE ASSETS (continued)

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

Amortisation is included within depreciation in the Statement of Comprehensive Income.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 13. TRADE AND OTHER PAYABLES

	2025 \$	2024 \$
Current		
Sundry creditors	3,003,064	1,245,963
Accrued interest	69,321	73,375
Prepaid rates	1,183,586	1,111,695
Accrued payroll liabilities	797,302	625,423
Accrued expenses	6,009,378	4,573,900
	11,062,651	7,630,356

MATERIAL ACCOUNTING POLICIES**Financial liabilities**

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 14. OTHER LIABILITIES

	2025 \$	2024 \$
Current		
Contract liabilities		
Payable to other Councils	247,516	221,387
Emergency Services Levy	311,014	383,640
Bonds and deposits held	452,380	230,983
Contract liabilities	67,053	65,100
Other Liabilities	27,436	28,292
	1,105,399	929,402
Capital grant/contributions liabilities		
Capital grant/contributions liabilities	368,476	906,148
	368,476	906,148
	1,473,875	1,835,550
Non-current		
Contract liabilities		
Emergency Services Levy (Deferred)	59,787	68,468
Payable to other Councils	67,410	83,090
	127,197	151,558
	127,197	151,558
Reconciliation of changes in contract liabilities		
Opening balance	65,100	79,883
Additions	67,053	65,100
Revenue from contracts with customers included as a contract liability at the start of the period	(65,100)	(79,883)
	67,053	65,100
The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$67,053 (2024: \$65,100)		
The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	906,148	453,553
Additions	368,476	676,066
Revenue from capital grant/contributions held as a liability at the start of the period	(906,148)	(223,471)
	368,476	906,148
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	37,376	906,148
1 to 2 years	331,100	–
	368,476	906,148

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 14. OTHER LIABILITIES (continued)

MATERIAL ACCOUNTING POLICIES

Contract Liabilities

Contract liabilities represent the the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 15. BORROWINGS

	Note	2025			2024		
		Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured							
WATC loan		666,573	10,309,794	10,976,367	641,884	10,976,367	11,618,251
Total secured borrowings	30a	666,573	10,309,794	10,976,367	641,884	10,976,367	11,618,251

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Belmont

Other loans relate to transferred receivables. Refer to Note 5.

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

MATERIAL ACCOUNTING POLICIES**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 24.

Details of individual borrowings required by regulations are provided at Note 30a.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 16. EMPLOYEE RELATED PROVISIONS

	2025 \$	2024 \$
Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	2,199,735	2,192,843
Long service leave	2,085,269	1,994,409
Other employee leave provision	199,310	170,678
	4,484,314	4,357,930
Employee related other provisions		
Employment on-costs	676,525	630,016
	676,525	630,016
Total current employee related provisions	5,160,839	4,987,946
Non-current provisions		
Employee benefit provisions		
Long service leave	477,337	469,767
	477,337	469,767
Employee related other provisions		
Employment on-costs	75,708	71,495
	75,708	71,495
Total non-current employee related provisions	553,045	541,262
Total employee related provisions	5,713,884	5,529,208

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

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

	Note	2025 \$	2024 \$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		3,412,992	3,338,703
More than 12 months from reporting date		2,300,892	2,190,505
		5,713,884	5,529,208
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	(424,776)	(377,775)

MATERIAL ACCOUNTING POLICIES**Employee benefits**

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 16. EMPLOYEE RELATED PROVISIONS (continued)

Short-term employee benefits

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

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position

Other long-term employee benefits

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

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 17. REVALUATION SURPLUS

	2025		2025		2024		2024
	Opening Balance	Total Movement on Revaluation	Closing Balance		Opening Balance	Total Movement on Revaluation	Closing Balance
	\$	\$	\$		\$	\$	\$
Revaluation surplus - Land - freehold land	214,759,687	–	214,759,687		214,759,687	–	214,759,687
Revaluation surplus - Buildings	64,985,519	–	64,985,519		64,985,519	–	64,985,519
Revaluation surplus - Assets subject to operating lease – land	2,632,500	–	2,632,500		2,632,500	–	2,632,500
Revaluation surplus - Assets subject to operating lease - buildings specialised	(2,311,546)	–	(2,311,546)		(2,311,546)	–	(2,311,546)
Revaluation surplus - Infrastructure - roads	52,470,322	–	52,470,322		52,470,322	–	52,470,322
Revaluation surplus - Infrastructure - footpaths	29,715,529	–	29,715,529		29,715,529	–	29,715,529
Revaluation surplus - Infrastructure - drainage	61,308,956	–	61,308,956		61,308,956	–	61,308,956
Revaluation surplus - Infrastructure - reserve improvements	21,359,009	–	21,359,009		21,359,009	–	21,359,009
Revaluation surplus - Infrastructure - carparks	2,703,591	–	2,703,591		2,703,591	–	2,703,591
	447,623,567	–	447,623,567		447,623,567	–	447,623,567
Revaluation surplus - Share from investments in associates	4,200,928	(4,200,928)	–		4,200,928	–	4,200,928
	451,824,495	(4,200,928)	447,623,567		451,824,495	–	451,824,495

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

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

	Note	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	65,020,615	23,433,621
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	57,518,208	13,932,877
- Financial assets at amortised cost	4	25,187,565	56,303,699
		82,705,773	70,236,576
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	31	82,270,244	69,265,328
Contract liabilities	14	67,053	65,100
Capital grant liabilities	14	368,476	906,148
Total restricted financial assets		82,705,773	70,236,576

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result	(5,136,678)	815,437
Non-cash items:		
Depreciation/amortisation	13,028,201	12,953,278
Adjustments to fair value of financial assets at fair value through profit or loss	8,878	(4,203)
(Profit)/loss on sale of asset	233,673	716,922
Loss on the disposal of investment in EMRC	5,782,061	-
Movement in receivable from EMRC	-	(72,898)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(115,216)	(669,467)
(Increase)/decrease in inventories	22,885	(15,569)
(Increase)/decrease in other assets	(121,363)	(1,053,753)
(Increase)/decrease in contract assets	(222,944)	65,750
Increase/(decrease) in trade and other payables	2,250,259	1,890,826
Increase/(decrease) in contract liabilities	-	-
Increase/(decrease) in accrued interest payable	(4,054)	(3,904)
Increase/(decrease) in employee related provisions	184,676	734,116
Increase/(decrease) in other liabilities	151,636	421,471
Capital grants, subsidies and contributions	(4,696,717)	(2,602,175)
Net cash provided by/(used in) operating activities	11,365,297	13,175,831

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 18. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

	Note	2025 Actual \$	2024 Actual \$
(c) Undrawn borrowing facilities credit standby arrangements			
Credit standby arrangements			
Bank overdraft limit		200,000	200,000
Bank overdraft at balance date		–	–
Credit card limit		60,000	60,000
Credit card balance at balance date		(5,646)	(4,045)
Total amount of credit unused		254,354	255,955
Loan facilities			
Loan facilities - current	15	666,573	641,884
Loan facilities - non-current	15	10,309,794	10,976,367
Total facilities in use at balance date		10,976,367	11,618,251
Unused loan facilities at balance date		–	–

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 19. CONTINGENT LIABILITIES

(a) Contaminated Sites

The City has 2 sites with possible contamination at 5 Resolution Drive, Ascot and 78 Hardey Road, Belmont. Additionally, the City has 1 site classified as 'Contaminated – Restricted Use' at Peachey Park (400 Acton Ave and 50 Peachey Ave, Kewdale).

Regarding 5 Resolution Drive and 78 Hardey Road, until the City conducts investigations to determine the presence and scope of contamination, assesses the risk, and agrees with the respective state government authorities on the need and criteria for remediation, the City is unable to estimate the potential costs associated with the remediation works.

Two lots within Peachey Park are classified as 'Contaminated - Restricted Use', as they are suitable for public open space and recreational use, but may not be suitable for a more sensitive land use.

(b) Springs Development Contribution Plan

In February 2017 the Springs Development Contribution Plan (DCP) was established which required landowners to make a financial contribution towards infrastructure when undertaking any subdivision or development within the area, with the funds collected by the City used to reimburse Development WA.

This future reimbursement by the City is a contingent liability of which the amount and timing of the development is uncertain. The previous DCP expired in February 2022 and the City sought an extension of the DCP through an amendment to Local Planning Scheme No. 15. This Amendment was approved by the Minister for Planning and notice of the approval was published in the 14 February 2023 Government Gazette. The Minister approved an extension of the Development Contribution Plan until 7 February 2027.

Note 20. CAPITAL COMMITMENTS

	2025 \$	2024 \$
(a) Capital expenditure commitments		
Contracted for:		
- capital expenditure projects	9,906,213	5,896,249
- plant & equipment purchases	403,076	784,612
	10,309,289	6,680,861
Payable:		
- not later than one year	10,309,289	6,680,861

The capital expenditure projects outstanding at the end of the current reporting period represents various projects including foreshore project works, traffic management for various infrastructure projects and various replacements of fleet and plant assets for which delivery has been delayed.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 21. RELATED PARTY TRANSACTIONS

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Note			
(a) Council Member Remuneration			
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
Mayor's annual allowance	97,115	97,115	93,125
Mayor's meeting attendance fees	51,412	51,412	49,301
Mayor's other expenses	3,500	–	4
Mayor's superannuation	7,117	–	–
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
	162,644	152,027	145,930
Deputy Mayor's annual allowance	24,279	24,279	23,281
Deputy Mayor's meeting attendance fees	34,278	34,278	32,960
Deputy Mayor's other expenses	5,067	–	654
Deputy Mayor's superannuation	2,806	–	–
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
	69,930	62,057	60,395
All other council member's meeting attendance fees	233,104	205,668	209,373
All other council member's expenses	299	–	235
All other council member's superannuation	8,212	–	–
All other council member's annual allowance for ICT expenses	23,803	21,000	22,243
	265,418	226,668	231,851
21b	497,992	440,752	438,176

	2025 Actual \$	2024 Actual \$
Note		

(b) Key management personnel

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

Short-term employee benefits	1,374,089	1,083,275
Post-employment benefits	181,133	127,896
Employee - other long-term benefits	35,739	3,300
Council member costs	497,992	438,176
Total	2,088,953	1,652,647

Short-term employee benefits

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

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 21. RELATED PARTY TRANSACTIONS (continued)

Other long-term benefits

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

Termination benefits

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

Council member costs

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

(c) Transactions with related parties

Transactions between related parties and the City are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

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

	2025 Actual \$	2024 Actual \$
In addition to KMP compensation above the following transactions occurred with related parties:		
Payments made to Faulkner Park Board of Management	–	243,405
Income from the Belmont Retirement Villages Board of Management	308,094	313,267
	308,094	556,672

(d) Related parties**The City's main related parties are as follows:***i. Key management personnel*

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

ii. Other Related Parties

Short-term employee benefits related to an associate person of the CEO who was employed by the City under normal employment terms and conditions.

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

iii. Entities subject to significant influence by the City

Joint arrangements detailed in Note 22 and associates detailed in Note 23.

The City of Belmont has 2 elected members and the CEO on the Board of the Belmont Retirement Villages Board of Management (BRVBM). As the City is represented by 3 of the 7 Board members this would illustrate significant influence although it is not an investee/investor relationship and the City cannot benefit financially from this arrangement.

Under the Lease to Residents of Faulkner Park Retirement Village, certain monies are received from the Residents and retained by the Board. Income derived from investing these monies, in addition to annual

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 21. RELATED PARTY TRANSACTIONS (continued)

operational costs payable by the Residents, fund ongoing operations and management. A percentage of income from unit sales is received by the City and placed into reserves controlled by the City.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 22. JOINT ARRANGEMENTS

Share of joint operations

The City has an agreement with the Housing Authority for the provision of aged accommodation. This arrangement has been determined to be a joint arrangement. The assets held under the agreement by both parties are land and 22 units located at Orana Aged Persons and land and 20 units located at Gabriel Gardens Retirement Village.

The ownership of the joint operation is defined in the agreement including the percentage of each party's proportionate interest in the assets of the joint operation. The total value of the City's share of jointly controlled assets at 30 June 2025 is \$2,405,358 (2024: \$2,215,986) being 30.63% share of Gabriel Gardens and 13.04% share of Orana Aged Persons. Surplus funds are returned to the City and transferred to the Homeswest and Aged Housing Reserves for future building maintenance and capital improvements of the City's aged housing centres.

	2025 Actual \$	2024 Actual \$
Statement of Financial Position		
Cash and cash equivalents	1,049,910	1,010,521
Land and buildings	3,403,532	3,169,800
Less: accumulated depreciation	(998,175)	(953,814)
Total assets	3,455,267	3,226,507
Reserve accounts	1,049,910	1,010,521
Total equity	1,049,910	1,010,521
Statement of Comprehensive Income		
Grants, subsidies and contributions	–	319,250
Interest revenue	15,569	9,794
Other revenue	492,432	1,164
Employee costs	(23,170)	(14,104)
Materials and contracts	(79,354)	(217,818)
Depreciation	(52,821)	(38,490)
Finance costs	(1,169)	(465)
Profit/(loss) for the period	351,487	59,331
Other comprehensive income	–	–
Total comprehensive income for the period	351,487	59,331
Statement of Cash Flows		
Grants, subsidies and contributions	–	–
Net cash provided by (used in) operating activities	–	–

MATERIAL ACCOUNTING POLICIES**Joint operations**

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 23. INVESTMENT IN ASSOCIATES

Investment in associates

Set out below are the associates of the City. All associates are measured using the equity method.

Western Australia is the principal place of business for all associates.

Investment in EMRC

The City was a participant in the Eastern Metropolitan Regional Council (EMRC), with voting rights and interest in assets and liabilities of the EMRC equal to 1/6th of the total. The City's interest in the EMRC was calculated to be 11.31% as at 30 June 2021, representing a share of net assets equal to \$21,000,517. On the 23 December 2020 the City issued its Notice of Withdrawal from the EMRC, effective from 1 July 2021, with the City's interest in the EMRC as at 30 June 2021 to be payable on 1 July 2023. This value was discounted and incorporated as a non current receivable from the EMRC for the year ended 30 June 2022.

For the year ended 30 June 2023, the City's equity entitlement remained subject to a valuation methodology and subsequent payment of the City's share of net assets. The amount of \$21,000,517 was therefore discounted to the present value as at 30 June 2023 and was reclassified from a non current to a current asset receivable.

For the year ended 30 June 2024, the City's equity entitlement remained subject to a valuation methodology and subsequent payment of the City's share of net assets on a wind-up basis per the EMRC establishment agreement. While a draft valuation had been prepared by the appointed financial advisory, it remained subject to review by both parties before finalisation. In the absence of the finalised valuation, the amount of \$21,000,517, being the City's share of EMRC's Net Book Value at the time of departure, was used to calculate the receivable as at 30 June 2024, with the asset continuing to be classified as a current asset receivable (refer note 5).

On the 5 March 2025, the City received payment of \$15,218,456 from the EMRC, being the City's share of net assets on a wind-up basis per the EMRC establishment agreement. This resulted in the City recognising a loss on disposal of the investment in EMRC of \$5,782,061.

MATERIAL ACCOUNTING POLICIES

Investments in associates

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 24. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk**Cash and cash equivalents**

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

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

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
2025					
Cash and cash equivalents	4.76%	65,020,614	60,554,544	4,463,021	3,050
Financial assets at amortised cost - term deposits	4.65%	25,187,565	25,187,565	–	–
2024					
Cash and cash equivalents	4.37%	23,433,627	12,453,104	10,976,473	4,050
Financial assets at amortised cost - term deposits	5.04%	56,303,699	56,303,699	–	–

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 24. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity

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

	2025 \$	2024 \$
Impact of a 1% movement in interest rates on profit or loss and equity *	44,630	109,765

(*) Holding all other variables constant

Borrowings

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

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

Details of interest rates applicable to each borrowing may be found at Note 30a.

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 24. FINANCIAL RISK MANAGEMENT (continued)

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
30 June 2025					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	395,650	4,070	24,214	25,647	449,581
Loss allowance	–	–	–	–	–
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	424,776	–	–	–	424,776
Loss allowance	–	–	–	–	–
30 June 2024					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	4.49%	
Gross carrying amount	203,659	114,943	35,407	250,918	604,927
Loss allowance	–	–	–	11,267	11,267
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	377,775	–	–	–	377,775
Loss allowance	–	–	–	–	–

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

	Trade receivables		Other receivables		Contract Assets	
	2025 Actual \$	2024 Actual \$	2025 Actual \$	2024 Actual \$	2025 Actual \$	2024 Actual \$
Opening loss allowance as at 1 July	11,267	78,500	–	–	–	–
Receivables written off during the year as uncollectible	–	–	12,840	2,566	–	–
Unused amount reversed	(11,267)	(67,233)	(12,840)	(2,566)	–	–
Closing loss allowance at 30 June	–	11,267	–	–	–	–

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 24. FINANCIAL RISK MANAGEMENT (continued)

Contract Assets

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(c) Liquidity risk**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18c.

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2025					
Trade and other payables	10,993,330	–	–	10,993,330	10,993,330
Borrowings	1,153,415	4,564,589	8,847,207	14,565,211	10,976,367
Other liabilities	727,332	70,214	–	797,546	794,742
Lease liabilities	84,567	52,499	–	137,066	137,066
	<u>12,958,644</u>	<u>4,687,302</u>	<u>8,847,207</u>	<u>26,493,153</u>	<u>22,901,505</u>
2024					
Trade and other payables	7,556,981	–	–	7,556,981	7,556,981
Borrowings	1,158,165	4,584,687	9,980,524	15,723,376	11,618,251
Other liabilities	480,662	87,585	–	568,247	563,752
Lease liabilities	114,763	61,623	–	176,386	162,470
	<u>9,310,571</u>	<u>4,733,895</u>	<u>9,980,524</u>	<u>24,024,990</u>	<u>19,901,454</u>

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There has been no material post balance sheet event after 30 June 2025.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 26. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

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

h) Interest revenue

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

i) Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 26. OTHER MATERIAL ACCOUNTING POLICIES (continued)

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards, the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 27. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

City operations as disclosed in this financial report encompass the following service orientated functions and activities.

**OBJECTIVE
GOVERNANCE**

To provide a decision-making process for the efficient allocation of scarce resources.

DESCRIPTION

All costs associated with the elected members of Council, together with all costs associated with the general governance of the district. Includes all costs generated by the full allocation of administration costs in accordance with the principles of Activity Based Costing.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Includes the cost of collecting rates revenue and all general purpose funding e.g. Grants Commission funding.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

The control and prevention of fire. Administration of all matters relating to the control of animals, mainly dogs and all general law, order and public safety matters administered by City Rangers.

HEALTH

To provide an operational framework for environmental and community health.

The administration of maternal health and infant health through child health clinics. The administration of preventative services such as: immunisation, inspection of food premises and pest control.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

The provision of children services, the care of the aged and disabled through aged and disabled services and senior citizen centres. The provision of some pre-school education facilities, but not the delivery of education.

HOUSING

To provide and maintain elderly residents housing.

The provision of aged housing facilities throughout the district.

COMMUNITY AMENITIES

To provide services required by the community.

Includes sanitation (household refuse); stormwater drainage; town and regional planning and development; the provision of rest rooms and protection of the environment.

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

The provision of facilities and support of organisations concerned with leisure time activities and sport. The provision and maintenance of a public library. The provision of a cultural centre and a historical museum.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of streets, roads, footpaths, cycleways and Council Operations Centre. The control of street parking and the control of traffic management of local streets.

ECONOMIC SERVICES

To help promote the local government and its economic wellbeing.

The management of local tourism and area promotion. The provision of building approvals, control and any other economic services.

OTHER PROPERTY AND SERVICES

To monitor and control operating accounts.

Private works, public work overheads, plant operations. A summary of salaries and wages total costs and any other miscellaneous activities that cannot otherwise be classified in the above.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 27. FUNCTION AND ACTIVITY (continued)

(b) Income and expenses

	2025 Actual \$	2024 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	342,267	456,058
General purpose funding	66,570,579	64,275,145
Law, order, public safety	395,468	499,921
Health	300,344	270,201
Education and welfare	5,671	14,499
Housing	383,439	428,008
Community amenities	7,867,543	7,477,267
Recreation and culture	724,698	620,227
Transport	6,202	46,234
Economic services	597,686	389,679
Other property and services	192,560	114,783
	77,386,457	74,592,022
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	92,018	44,004
General purpose funding	810,737	1,045,953
Law, order, public safety	95,901	99,124
Health	38,010	60,574
Education and welfare	74,939	85,727
Housing	508,001	330,208
Community amenities	1,291,043	169,819
Recreation and culture	62,559	149,247
Transport	2,554,917	2,808,658
Economic services	524,752	19,067
Other property and services	1,489,381	255,197
	7,542,258	5,067,578
Total income	84,928,715	79,659,600
Expenses		
Governance	(9,390,024)	(9,515,690)
General purpose funding	(9,794,384)	(4,103,449)
Law, order, public safety	(4,940,111)	(4,241,143)
Health	(1,803,026)	(1,967,297)
Education and welfare	(3,089,842)	(2,339,878)
Housing	(605,624)	(1,117,053)
Community amenities	(11,622,241)	(12,938,325)
Recreation and culture	(23,437,854)	(20,691,382)
Transport	(16,000,123)	(14,024,543)
Economic services	(4,786,169)	(3,734,354)
Other property and services	(4,595,993)	(4,171,049)
Total expenses	(90,065,391)	(78,844,163)
Net result for the period	(5,136,676)	815,437

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 27. FUNCTION AND ACTIVITY (continued)

(c) Assets

	2025 Actual \$	2024 Actual \$
Governance	5,208,205	3,952,963
General purpose funding	207,553,389	207,879,033
Law, order, public safety	1,376,183	1,080,112
Health	2,116,120	3,138,575
Education and welfare	3,304,200	4,462,638
Housing	6,246,089	4,857,441
Community amenities	2,825,766	22,047,723
Recreation and culture	117,386,132	113,899,382
Transport	263,186,355	265,157,745
Economic services	28,904,209	24,971,017
Other property and services	10,535,384	12,097,745
Unallocated	92,274,559	79,945,246
Total assets	740,916,591	743,489,620

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 28. RATING INFORMATION

Rate type	Basis of valuation	Rate in \$	Number of properties	2024/25 Actual Rateable value *	2024/25 Actual Rate revenue	2024/25 Actual Interim rates	2024/25 Actual Total revenue	2024/25 Budget rate revenue	2024/25 Budget interim rate	2024/25 Budget total revenue	2023/24 Actual Total revenue
				\$	\$	\$	\$	\$	\$	\$	\$
(a) General Rates											
Rate Description											
Residential rate	Gross rental valuation	0.063171	18,330	367,235,276	23,226,722	285,675	23,512,397	23,188,559	245,253	23,433,812	22,316,257
Commercial Rate	Gross rental valuation	0.075805	885	147,133,955	11,153,490	(20,140)	11,133,350	11,130,313	56,390	11,186,703	10,758,150
Industrial Rate	Gross rental valuation	0.082122	475	129,554,659	10,639,288	89,391	10,728,679	10,639,288	-	10,639,288	9,601,418
Total general rates			19,690	643,923,890	45,019,500	354,926	45,374,426	44,958,160	301,643	45,259,803	42,675,825
Minimum payment											
Residential rate	Gross rental valuation	880	1,507	17,701,228	1,326,160	-	1,326,160	1,336,720	-	1,336,720	1,378,700
Commercial Rate	Gross rental valuation	1,040	142	997,975	147,680	-	147,680	147,680	-	147,680	141,000
Industrial Rate	Gross rental valuation	1,060	8	77,155	8,480	-	8,480	8,480	-	8,480	13,260
Total minimum payments			1,657	18,776,358	1,482,320	-	1,482,320	1,492,880	-	1,492,880	1,532,960
Total general rates and minimum payments			21,347	662,700,248	46,501,820	354,926	46,856,746	46,451,040	301,643	46,752,683	44,208,785
Ex-gratia rates											
Airport Rates		0.075805	1	199,385,969	15,114,453	353,319	15,467,772	15,012,867	-	15,012,867	14,460,296
Other Rates in Lieu		-	1	-	133,859	-	133,859	102,337	-	102,337	109,294
Total amount raised from rates (excluding general rates)			2	199,385,969	15,248,312	353,319	15,601,631	15,115,204	-	15,115,204	14,569,590
							62,458,377			61,867,887	58,778,375
Discounts											
General rates							(2,153,210)			(2,077,018)	(1,957,282)
Total rates							60,305,167			59,790,869	56,821,093
(b) Rates related information											
Rate instalment interest							-			-	150,765
Rates overdue interest							222,228			150,000	151,371

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

(*) Rateable Value at time of raising of rate.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 29. DETERMINATION OF SURPLUS OR DEFICIT

	2024/25	2024/25	2023/24
	30 June 2025	30 June 2025	30 June 2024
	Carried Forward	Budget Carried Forward	Carried Forward
Note	\$	\$	\$

(a) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals	(28,259)	(87,469)	(27,368)
Less: Fair value adjustments to financial assets at fair value through profit or loss	8,878	(4,203)	(4,203)
Add: Loss on disposal of assets	261,932	–	744,290
Add: Loss on disposal of investment in EMRC	5,782,061	–	–
Add: Depreciation	13,028,201	12,935,924	12,953,278
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	52,744	–	24,053
Employee benefit provisions	132,280	–	(4,611)
Movement in current lease liability	–	–	(13,133)
Movement in receivable from EMRC	–	–	(72,898)
Movement in current employee provisions associated with restricted cash	–	(15,092)	–
Non-cash amounts excluded from operating activities	19,237,837	12,829,160	13,599,408

(b) Non-cash amounts excluded from investing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to investing activities

Right of use assets received - non cash	11a	90,261	–	–
Movement in Work in Progress		(1,186,090)	–	–
Non-cash amounts excluded from investing activities		(1,095,829)	–	–
Non cash proceeds from new leases	30c	(90,261)	–	–
Non-cash amounts excluded from financing activities		(90,261)	–	–

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 29. DETERMINATION OF SURPLUS OR DEFICIT (continued)

	2024/25	2024/25	2023/24
	30 June 2025	Budget	30 June 2024
	Carried	30 June 2025	Carried
	Forward	Carried	Forward
Note	\$	\$	\$

(c) Surplus/(deficit) after imposition of general rates

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

Adjustments to net current assets

Less: Reserve accounts	31	(82,270,244)	(64,831,110)	(69,265,327)
Add: Financial assets at amortised cost		–	–	3,278,806
Less: Current assets not expected to be received at end of year - EMRC receivable		–	–	(21,000,517)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	666,573	666,573	641,884
- Current portion of lease liabilities	11	84,567	39,341	105,428
- Employee benefit provisions		2,085,269	2,539,414	1,994,408
Total adjustments to net current assets		(79,433,835)	(61,585,782)	(84,245,318)

Net current assets used in the Statement of Financial Activity

Total current assets		98,527,865	74,101,879	105,242,103
Less: Total current liabilities		(18,448,505)	(12,019,097)	(15,201,164)
Less: Total adjustments to net current assets		(79,433,835)	(61,585,782)	(84,245,318)
Surplus or deficit after imposition of general rates		645,525	497,000	5,795,621

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 30. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Principal at 1 July 2023 \$	New loans During 2023-24 \$	Principal repayments During 2023-24 \$	Actual		Principal repayments During 2024-25 \$	Principal at 30 June 2025 \$	Principal at 1 July 2024 \$	Budget		Principal at 30 June 2025 \$
					Principal at 30 June 2024 \$	New loans During 2024-25 \$				New loans during 2024-25 \$	Principal repayments during 2024-25 \$	
New Community Centre		12,236,363	-	(618,110)	11,618,253	-	(641,886)	10,976,367	10,682,228	-	(641,884)	10,040,344
Total Borrowings	15	12,236,363	-	(618,110)	11,618,253	-	(641,886)	10,976,367	10,682,228	-	(641,884)	10,040,344

All loan payments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025 \$	Budget for year ending 30 June 2025 \$	Actual for year ending 30 June 2024 \$
New Community Centre	183	WATC*	3.81%	01/05/2038	(522,015)	(516,281)	(540,567)
Total Finance Cost Payments					(522,015)	(516,281)	(540,567)

*WA Treasury Corporation

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 30. Borrowing and lease liabilities (continued)

(b) Unspent Borrowings

There were no unspent borrowings as at 30 June.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 30. Borrowing and lease liabilities (continued)

(c) Lease liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Parking Sensors		156,981	–	(51,554)	105,427	2,151	(49,103)	58,475	104,413	–	(47,371)	57,042
Cardio Equipment		124,049	–	(67,007)	57,042	88,110	(66,561)	78,591	58,056	–	(58,056)	–
Total lease liabilities	11b	281,030	–	(118,561)	162,469	90,261	(115,664)	137,066	162,469	–	(105,427)	57,042

Lease Finance Cost Payments

Purpose	Lease number	Institution	Lease interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
					\$	\$	\$	
Cardio Equipment	E6TEC63884	MAIA	3.82%	25/05/2025	(10,907)	(3,659)	(3,571)	36 months
Parking Sensors	20200618	Database Consultants	4.50%	02/04/2028	(3,931)	(1,009)	(5,713)	60 months
Total Finance Cost Payments					(14,838)	(4,668)	(9,284)	

City of Belmont

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

Note 31. RESERVE ACCOUNTS

	2025 Opening Balance Actual \$	2025 Transfer to Actual \$	2025 Transfer (from) Actual \$	2025 Closing Balance Actual \$	2025 Opening Balance Budget \$	2025 Transfer to Budget \$	2025 Transfer (from) Budget \$	2025 Closing Balance Budget \$	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$
Restricted by legislation/agreement												
(a) Car Parking Reserve	67,593	3,040	-	70,633	67,645	2,956	-	70,601	64,595	2,998	-	67,593
	67,593	3,040	-	70,633	67,645	2,956	-	70,601	64,595	2,998	-	67,593
Restricted by council												
(b) Administration Building Reserve	257,553	11,582	-	269,135	257,768	11,264	-	269,032	246,141	11,412	-	257,553
(c) Aged Accommodation - Homeswest Reserve	1,010,521	95,736	(56,347)	1,049,910	980,051	51,084	-	1,031,135	928,711	81,810	-	1,010,521
(d) Aged Community Care Reserve	238,904	10,744	-	249,648	239,107	10,449	-	249,556	228,320	10,584	-	238,904
(e) Aged Persons Housing Reserve	244,913	225,561	(154,996)	315,478	467,246	32,618	(309,374)	190,490	712,757	32,899	(500,743)	244,913
(f) Aged Services Reserve	1,162,167	52,264	(57,730)	1,156,701	1,163,138	50,828	-	1,213,966	1,110,671	51,496	-	1,162,167
(g) Ascot Waters Marina Maintenance & Restoration Reserve	1,106,060	49,741	-	1,155,801	1,057,555	48,399	(50,000)	1,055,954	1,057,595	49,040	(575)	1,106,060
(h) Belmont District Band Reserve	51,255	2,305	-	53,560	51,297	2,242	-	53,539	48,983	2,272	-	51,255
(i) Belmont Oasis Refurbishment Reserve	4,517,363	7,762,584	-	12,279,947	4,521,127	197,568	-	4,718,695	4,317,188	200,175	-	4,517,363
(j) Belmont Trust Reserve	1,681,258	75,608	(70,794)	1,686,072	1,707,597	74,620	(216,324)	1,565,893	1,630,570	75,574	(24,886)	1,681,258
(k) Building Maintenance Reserve	4,739,102	5,128,615	(102,750)	9,764,967	5,022,812	233,538	(200,000)	5,056,350	5,103,194	236,912	(601,004)	4,739,102
(l) Capital Projects Reserve	5,827,421	1,717,141	(2,349,477)	5,195,085	3,801,763	7,844,987	(705,161)	10,941,589	-	6,057,504	(230,083)	5,827,421
(m) Carry Forward Projects Reserve	1,744,079	1,525,951	(1,907,316)	1,362,714	3,508,977	(25,166)	(2,738,320)	745,491	-	1,744,079	-	1,744,079
(n) District Valuation Reserve	23,679	96,065	-	119,744	108,999	96,049	-	205,048	22,915	764	-	23,679
(o) Election Expenses Reserve	8,497	75,382	-	83,879	43,723	81,412	-	125,135	140,105	6,562	(138,170)	8,497
(p) Environment Reserve	927,841	41,726	-	969,567	928,453	69,281	-	997,734	1,513,904	70,902	(656,965)	927,841
(q) Faulkner Park Retirement Village Buy Back Reserve	2,568,148	467,902	-	3,036,050	2,590,287	112,319	-	2,702,606	2,454,348	113,800	-	2,568,148
(r) Faulkner Park Retirement Village Owners Maintenance Reserve	525,107	37,029	-	562,136	532,453	31,613	-	564,066	690,804	32,142	(197,839)	525,107
(s) History Reserve	181,468	8,161	-	189,629	181,622	7,937	-	189,559	173,429	8,039	-	181,468
(t) Information Technology Reserve	1,506,984	67,771	-	1,574,755	1,448,239	65,908	-	1,514,147	1,440,206	66,778	-	1,506,984
(u) Land Acquisition Reserve	11,039,182	496,444	-	11,535,626	11,047,425	467,902	-	11,515,327	10,224,436	814,746	-	11,039,182
(v) Long Service Leave - Salaries Reserve	2,103,511	342,923	(476,103)	1,970,331	1,520,081	86,855	(143,273)	1,463,663	1,897,920	678,237	(472,646)	2,103,511
(w) Long Service Leave - Wages Reserve	360,664	16,219	(56,942)	319,941	231,924	11,137	(5,753)	237,308	243,366	171,554	(54,256)	360,664
(x) Miscellaneous Entitlements Reserve	791,398	35,590	(66,761)	760,227	802,501	35,942	-	838,443	785,400	36,769	(30,771)	791,398
(y) Plant Replacement Reserve	1,650,203	170,446	-	1,820,649	1,482,390	662,491	(323,278)	1,821,603	1,646,845	202,255	(198,897)	1,650,203
(z) Property Development Reserve	17,573,013	790,277	(3,144,816)	15,218,474	21,754,992	703,244	(5,347,558)	17,110,678	15,367,065	2,205,948	-	17,573,013
(aa) Public Art Reserve	417,466	18,774	(590)	435,650	417,826	18,870	(30,000)	406,696	412,347	19,119	(14,000)	417,466
(ab) Ruth Faulkner Library Reserve	50,112	2,254	-	52,366	50,154	2,192	-	52,346	47,891	2,221	-	50,112
(ac) Streetscapes Reserve	536,898	24,145	(561,043)	-	537,345	23,481	-	560,826	513,107	23,791	-	536,898
(ad) Urban Forest Strategy Management Reserve	126,787	1,005,702	-	1,132,489	126,892	5,545	-	132,437	121,167	5,620	-	126,787
(ae) Waste Management Reserve	4,808,296	1,959,764	(370,628)	6,397,432	5,481,809	282,028	(1,240,749)	4,523,088	7,208,970	350,947	(2,751,621)	4,808,296
(af) Workers Compensation/Insurance Reserve	1,417,884	63,764	-	1,481,648	1,301,180	60,793	-	1,361,973	1,328,427	91,819	(2,362)	1,417,884
	69,197,734	22,378,170	(9,376,293)	82,199,611	73,366,733	11,357,430	(11,309,790)	73,414,373	61,616,782	13,455,770	(5,874,818)	69,197,734
	69,265,327	22,381,210	(9,376,293)	82,270,244	73,434,378	11,360,386	(11,309,790)	73,484,974	61,681,377	13,458,768	(5,874,818)	69,265,327

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

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

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 31. RESERVE ACCOUNTS (continued)

Name of reserve	Purpose of the reserve
(a) Car parking reserve	This reserve is used to fund any activities that create or enhance car parks and includes funds received as cash in lieu for this purpose.
(b) Administration Building Reserve	This reserve is used to fund the refurbishment of the City's administration building.
(c) Aged Accommodation - Homeswest Reserve	This reserve is used to provide for the long term maintenance of Gabriel Gardens and Orana aged housing units.
(d) Aged Community Care Reserve	This reserve is used to fund the provision of aged care community services within the City.
(e) Aged Persons Housing Reserve	This reserve is used to manage the surplus/deficit position and capital improvements of the City's aged housing centres.
(f) Aged Services Reserve	This reserve is used to fund the provision of aged services within the City.
(g) Ascot Waters Marina Maintenance & Restoration Reserve	This reserve is used to provide for the ongoing maintenance and future redevelopment needs of the marina at Ascot Waters.
(h) Belmont District Band Reserve	This reserve is used to provide funds for the replacement and acquisition of instruments for the Belmont District Band.
(i) Belmont Oasis Refurbishment Reserve	This reserve is used to fund the future refurbishment of the Belmont Oasis Leisure Centre.
(j) Belmont Trust Reserve	This reserve is used to fund costs in relation to the Belmont Trust land.
(k) Building Maintenance Reserve	This reserve is used to provide funds for the refurbishment and maintenance of the City's buildings.
(l) Capital Projects Reserve	This reserve is used to manage municipal funding for capital works projects to occur over multiple financial years.
(m) Carry Forward Projects Reserve	This reserve is used to manage municipal funding for incomplete projects carried forward to the following financial year.
(n) District Valuation Reserve	This reserve is used to spread the costs of the 3 yearly revaluation of properties for rating purposes.
(o) Election Expenses Reserve	This reserve is used to spread the biennial cost of postal voting for elections over two years.
(p) Environment Reserve	This reserve is used to fund environmental programs.
(q) Faulkner Park Retirement Village Buy Back Reserve	This reserve is used to fund the future buy-back of the Faulkner Park Retirement Village from existing residents.
(r) Faulkner Park Retirement Village Owners Maintenance Reserve	This reserve is used to provide for the future major maintenance and refurbishment requirements at the Faulkner Park Retirement Village.
(s) History Reserve	This reserve is used to provide for the future costs associated with the acquisition, recording, preservation and display of articles and information.
(t) Information Technology Reserve	This reserve is used for the replacement and enhancement of the City's core business hardware and software requirements.
(u) Land Acquisition Reserve	This reserve is used for the acquisition and/or redevelopment of land and buildings and receives the proceeds of any land or building sales.
(v) Long Service Leave Reserve - Salaries	This reserve is used to part fund the long service leave liability of the City's salaried staff.
(w) Long Service Leave Reserve - Wages	This reserve is used to part fund the long service leave liability of the City's waged staff.
(x) Miscellaneous Entitlements Reserve	This reserve is used to provide funding for unforeseen expenditures relating to staff and entitlements.
(y) Plant Replacement Reserve	This reserve is used to fund the shortfall between income generated through plant operation recoveries and replacement costs of the City's heavy plant.
(z) Property Development Reserve	This reserve is used to fund any property development within the City.
(aa) Public Art Reserve	This reserve is used to fund future acquisitions of public art for display in the City.
(ab) Ruth Faulkner Library Reserve	This reserve is used for capital improvements to the City's library.
(ac) Streetscapes Reserve	This reserve is used to fund shopping centre revitalisation and streetscape enhancements.
(ad) Urban Forest Strategy Management Reserve	This reserve is used to fund the management and retention of the urban forest.
(ae) Waste Management Reserve	This reserve is used to fund waste management initiatives and activities.
(af) Workers Compensation/Insurance Reserve	This reserve is used to fund self insurance expenses and major fluctuations in insurance premiums.

City of Belmont

City of Belmont Financial Report 2024-25

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

Note 32. TRUST FUNDS

	1-Jul-2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:				
BCITF Levy	2,435	11,596	(13,492)	539
Cash-in-lieu of public open space	1,303,865	-	-	1,303,865
Building Services Levy	56,702	562,818	(575,460)	44,060
Development Asset Panels	511	70,325	(70,836)	-
Unclaimed Monies	-	21,130	(8,957)	12,173
	1,363,513	665,869	(668,745)	1,360,637

City of Belmont
Financial Report
for the year ended 30 June 2025
Independent auditor's report

City of Belmont Financial Report 2024-25

Insert Independent Auditor's Report here



Annual Financial Audit Exit Report

City of Belmont

Year ended 30 June 2025



Contents

1. Executive summary 1

2. Result of key audit focus areas..... 3

3. Management letter findings 11

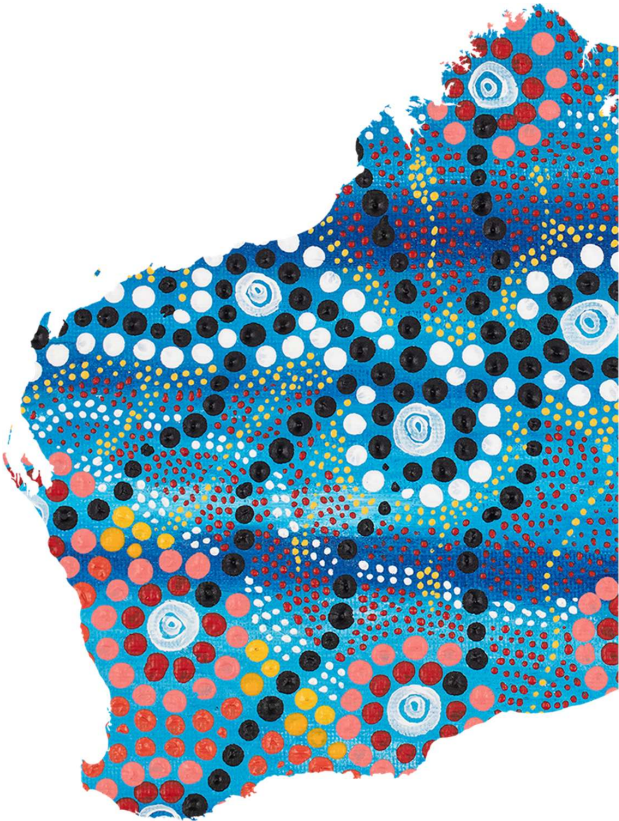
4. Information systems maturity model 12

5. Adjusted and unadjusted audit differences 13

6. Other communications from the audit process 14

7. Variations to the indicative audit fee 16

8. Actions and other considerations for next year’s audit 17



1. Executive summary

To the Audit, Risk & Improvement Committee of City of Belmont.

We look forward to the exit meeting we have scheduled for 17 November 2025 to discuss the outcomes and key findings from the audit of your City for the year ended 30 June 2025.







Our audit team have completed our audit work and, subject to the resolution of the outstanding matters listed below, we intend to recommend to the Auditor General to issue an unqualified audit opinion on the financial statements.

We received draft financial statements which were considered to be of audit-ready quality on 25 September 2025. These draft financial statements were certified by the CEO.

We would like to extend our thanks to your City's staff for their assistance with the audit process. If you have any questions prior to or following our exit meeting please contact your Engagement Leader, Mark Ambrose on 08 6557 7521.

Yours faithfully

Mark Ambrose
Engagement Leader

AUDIT OPINION: <ul style="list-style-type: none">Financial statements Unqualified		Number of audit focus areas  10	
Management letter issues 	SIGNIFICANT 1	MODERATE 13	MINOR 4
Adjusted differences 	0 (PY: 2)	Unadjusted differences 	0 (PY: 0)
Number of outstanding items 	3	Audit-ready date 	25/07/2025

1.1 Outstanding items

OUTSTANDING ITEMS	CITY OF BELMONT	OAG	DATE
Receipt of signed financial statements	✓	-	17 November 2025
Receipt of signed representation letter	✓	-	17 November 2025
Issuance of audit opinion	-	✓	21 November 2025

1.2 Purpose of report

We are providing this report before the exit meeting so you can consider the results of our audit work. Please read this report in conjunction with the audit planning summary we presented to you on 19 May 2025.

This report is not an audit report and is not intended to provide any additional assurance to the audit opinion.

The report is provided only for the information and use of your City's Audit, Risk & Improvement Committee, and it is not to be quoted, referenced or circulated to others without the OAG's prior written consent. The report should also not be made publicly available on your City's website or as part of any publicly available minutes or published reports.

We look forward to any feedback you have on the audit process. We encourage you and your management to reach out to your OAG engagement leader to discuss any ways we can continuously improve our conduct and communications during the audit process. Following the completion of the audit, we will send your City a survey to complete.

2. Result of key audit focus areas

Our planning summary noted a number of key audit focus areas. The result of our audit of these areas is set out below.

2.1 Significant risks

BACKGROUND	OUR APPROACH	OUTCOME
Management override of controls Reasons for significant risk <ul style="list-style-type: none"> Key fraud risks identified to be responded to under auditing standards 	<ul style="list-style-type: none"> Evaluate and test any unusual and significant journal entries made during the year to determine if they are appropriately supported. Review key estimates and judgements applied by management. Consider if any misstatements found represent bias or intentional misstatement. Use computer aided audit techniques (CAATS) to assist in identifying journal entry transactions for testing. 	<ul style="list-style-type: none"> We updated our understanding of the journal entry processes and non-standard transactions occurring during the year, including an evaluation of the business rationale, and a review of key estimates and judgements applied by management. We tested journal entry transactions including the use of computer aided audit techniques (CAATS) to identify journal entry transactions for testing. Based on our audit procedures performed, there were no indications or evidence of management override of controls. We have nothing further to report.
Eastern Metropolitan Regional Council (EMRC) receivable (valuation) Reasons for significant risk <ul style="list-style-type: none"> Amount to be received has been contentious and required legal intervention and subjected to complex calculations, estimates and judgements. The amount would be based on the wind-up basis as per the EMRC establishment agreement. Experts <ul style="list-style-type: none"> Deloitte 	<ul style="list-style-type: none"> Assess management's accounting treat of the EMRC receivable ensuring compliance with EMRC establishment agreement. Verify the subsequent receipt in 2024-25. Assess the skills, expertise and qualifications of management's valuation experts to ensure reliability of the valuations. 	<ul style="list-style-type: none"> The City was previously a member of the EMRC and their equity interest recognised as Investment in Associate in accordance with AASB 128 <i>Investments in Associates and Joint Ventures</i>. The City formally withdrew from EMRC effective 1 July 2021. Per the EMRC Establishment Agreement: <ul style="list-style-type: none"> A payout was due at the end of the second financial year following withdrawal (1 July 2023) EMRC is required to distribute to the withdrawn participant "an amount equal to

BACKGROUND	OUR APPROACH	OUTCOME
<p>Relevant accounting standards</p> <p>AASB 101: Presentation of financial statements</p>		<p>the proceeds and any surplus funds which would have been payable if the EMRC was wound up".</p> <ul style="list-style-type: none"> A provisional receivable of \$21,000,517 was initially recognised, based on the City's 11% share of EMRC's net book value of assets as at 30 June 2021, pending finalisation of the wind-up valuation in accordance with the establishment agreement. In October 2022, EMRC and the City jointly engaged Deloitte to determine the amount payable to the City based on a wind-up valuation. Deloitte completed the valuation in February 2025, resulting in a final payout of \$15,218,456, which was received on 28 February 2025. The City recognised a loss of \$5,782,061 in the Statement of Profit or Loss in accordance with AASB 128.22. Additionally, the City had previously carried forward a revaluation surplus of \$4,200,928 related to its investment in EMRC. In accordance with AASB116.41 <i>Property, Plant and Equipment</i>, this revaluation surplus was transferred directly to retained surplus within equity upon derecognition of the investment.

BACKGROUND	OUR APPROACH	OUTCOME
		<ul style="list-style-type: none"> Based on our audit procedures performed, we are satisfied with: <ul style="list-style-type: none"> the valuation of the EMRC receivable calculated on a wind-up basis in accordance with the Establishment Agreement; the accounting treatment applied to the EMRC receivable and the associated revaluation surplus; and the disclosure of the EMRC receivable and the related transactions in the financial report. We have nothing further to report.

2.2 Other material balances

BACKGROUND	OUR APPROACH	OUTCOME
<p>Employee costs (occurrence, completeness and accuracy) and the related employee liabilities (completeness and valuation)</p> <p>Reasons for area of key focus</p> <ul style="list-style-type: none"> Material balances Involves judgements and estimates on provisions <p>Key estimates/judgements</p> <ul style="list-style-type: none"> Actuarial assumptions for employee liabilities 	<ul style="list-style-type: none"> Assess design and implementation of material controls. Perform substantive analytical procedures on employee expenses for the year. Test a sample of leave balances for accuracy and completeness of employee liabilities. Assess the appropriateness of the management's work on actuarial assumptions for leave balances. 	<ul style="list-style-type: none"> We have updated our understanding of payroll processes and controls in place. We reviewed the methods and underlying data that management used when calculating employee provisions. We are satisfied with the reasonableness of the assumptions, methodologies used, and the corroborating representations made by management. We have performed relevant substantive procedures over employee costs and the related employee liabilities. Based on the work

BACKGROUND	OUR APPROACH	OUTCOME
Relevant accounting standards <ul style="list-style-type: none"> AASB 119: Employee benefits 		<p>performed, we are satisfied that they have been correctly recognised and incurred during the year.</p> <ul style="list-style-type: none"> We have nothing further to report.
Expenses (occurrence, cut off, completeness and accuracy) and the related payables/ contract liabilities (completeness and valuation) Reasons for area of key focus <ul style="list-style-type: none"> Material balances High volume of transactions Relevant accounting standards <ul style="list-style-type: none"> AASB 101: Presentation of financial statements 	<ul style="list-style-type: none"> Assess design and implementation of material controls. Test a sample of expense transactions to supporting documents and determine if they have been correctly recognised. Perform testing of subsequent payments and unpaid invoices at year-end to determine if there are unrecorded liabilities. 	<ul style="list-style-type: none"> We have updated our understanding of the expenditure processes and controls in place. We have performed relevant substantive procedures over expenditures and the related payables/ contract liabilities. Based on the work performed, we are satisfied that expenditure has been correctly recognised and incurred during the year. We have nothing further to report.
Property, plant, equipment and infrastructure (existence, valuation and completeness) and the related depreciation and impairment expense (accuracy) Reasons for area of key focus <ul style="list-style-type: none"> Material value of assets Asset recorded may not be owned by the entity Appropriateness of impairment assessment Estimates involved in valuations <ul style="list-style-type: none"> Under Regulation 17A of the <i>Local Government (Financial Management) Regulations 1996</i>, local governments are required to revalue their land, buildings and infrastructure assets every 5 years from the asset's last valuation date. 	<ul style="list-style-type: none"> Assess the design and implementation of material controls. Test a sample of additions and disposals to supporting documents. Test items posted to construction in progress to assess appropriateness of expenses being capitalised. Perform substantive analytical procedures to determine appropriateness of depreciation expense. Obtain and review management's assessment of assets useful lives and indicators of impairment. 	<ul style="list-style-type: none"> We have updated our understanding of the asset processes and controls in place. We have performed relevant substantive procedures over property, plant, equipment and infrastructure and the related depreciation and impairment expense. We have nothing further to report.

BACKGROUND	OUR APPROACH	OUTCOME
<ul style="list-style-type: none"> As all land, building and infrastructure assets classes were last revalued in 2022-23, no revaluations are required in the current financial year. <p>Key estimates/judgements</p> <ul style="list-style-type: none"> Fair value of land, buildings and infrastructures Useful life of assets <p>Relevant accounting standards</p> <ul style="list-style-type: none"> AASB 116: Property, plant and equipment AASB 136: Impairment of assets AASB 13: Fair value measurement AASB 2022-10: Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities** <p>** Of particular note is the guidance arising from the amending accounting standard AASB 2022-10 on once-only costs (e.g. professional and project management fees) that should be included in the current replacement cost of an asset. The entity will need to estimate the professional and project management fees to be added to buildings and infrastructure valuations provided by valuers. No valuation in current year, therefore, this change must be considered for the next revaluation.</p>		

BACKGROUND	OUR APPROACH	OUTCOME
<p>Revenue (completeness, cut off and accuracy) and the related receivables/ accrued income (existence and valuation)</p> <p>Reasons for area of key focus</p> <ul style="list-style-type: none"> High volume of transactions Risk of grants and revenue streams not being appropriately recognised under the requirements of accounting standards <p>Key estimates/judgements</p> <ul style="list-style-type: none"> Revenue recognition <p>Relevant accounting standards</p> <ul style="list-style-type: none"> AASB 15: Revenue from contracts with customers <p>AASB 1058: Income of not-for-profit entities</p>	<ul style="list-style-type: none"> Under ASA 240, the presumption that there are risks of fraud in revenue recognition may be rebutted. We will consider rebutting the fraud risk based on the fraud triangle i.e. incentive, opportunity and rationalisation for each revenue stream. Understand and evaluate control environment. Test the design and implementation of material controls. Test a sample of revenue transactions to supporting documents and determine if they have been correctly recognised. Test a sample of grants to determine whether they have been appropriately recognised in the correct period, including any relevant assets and liabilities. Perform substantive analytical procedures. Review the provision of estimated credit losses. Perform testing of subsequent receipts and unpaid invoices at year-end to determine if there are unrecorded assets. 	<ul style="list-style-type: none"> We have updated our understanding of the key revenue streams, the revenue accounting policies as well as the systems, processes and controls in place. We have performed design and implementation testing of identified revenue controls. Based on the implementation of the controls and the absence of management incentives to manipulate revenue, the revenue recognition risk was rebutted. We have performed relevant substantive procedures for each revenue stream. Based on the work performed, we are satisfied that revenue have been correctly recognised and incurred during the year. We have nothing further to report.
<p>Cash and cash equivalents and other financial assets (valuation)</p> <p>Reasons for area of key focus</p> <ul style="list-style-type: none"> Material balances <p>Relevant accounting standards</p> <p>AASB 101: Presentation of financial statements</p>	<ul style="list-style-type: none"> Assess design and implementation of material controls. Review bank reconciliation. Agree year-end through bank confirmations. 	<ul style="list-style-type: none"> We have updated our understanding of the cash processes and controls in place. We performed relevant substantive procedures over cash and cash equivalents and other financial assets. We have nothing further to report.

2.3 Other areas of consideration

BACKGROUND	OUR APPROACH	OUTCOME
<p>Risks associated with procurement</p> <p>Reasons for area of key focus</p> <ul style="list-style-type: none"> Under the OAG audit methodology, the procurement process and potential misappropriation of assets related to this process has an elevated focus. This is mainly due to the inherently large and complex procurement processes across public sector agencies. 	<ul style="list-style-type: none"> During the risk assessment phase of our audit planning, we will perform specific procedures in response to procurement risks for your entity including (but not limited to): <ul style="list-style-type: none"> fraud inquiries of management, those charged with governance and internal audit input from other planning procedures including those relating to understanding of the entity, preliminary analytical reviews and walkthrough of procurement processes. We will then perform specific and tailored audit procedures to address the key identified risks including where applicable use of computer aided audit techniques (CAATS). 	<ul style="list-style-type: none"> We have updated our understanding of the procurement processes and controls in place. We performed relevant substantive procedures over expenditure. Based on the work performed, we are satisfied that expenditure has been correctly recognised and incurred during the year. We have nothing further to report.

BACKGROUND	OUR APPROACH	OUTCOME
<p>Key changes to accounting standards</p> <p>Reasons for area of key focus</p> <p>Key changes to accounting standards that impact your entity for the first time this year. Refer to Appendix 2 for details.</p>	<ul style="list-style-type: none"> We will review management's assessment of the impact of the new standards, determine whether, to the extent necessary, your entity has applied the standards correctly, and ensure the financial statements comply with the revised requirements of each standard. 	<ul style="list-style-type: none"> We reviewed management's assessment of the impact of changes to the accounting standards; and confirmed the City applied the accounting standards correctly and the financial report complies with the revised requirements of each standard.
<p>Change in financial management systems this year</p> <ul style="list-style-type: none"> The TechnologyOne financial system has been upgraded from Ci SaaS to CiA Financials from 24 January 2025. 	<ul style="list-style-type: none"> The design and implementation of key controls for the cloud-based CiA Financials system will be performed by OAG Information System teams as part of the general computer controls audit. 	<ul style="list-style-type: none"> The FinanceOne financial system was upgraded to CiA Financials from January 2025. Below is the summary of the testing performed and the outcome of the testing: <ul style="list-style-type: none"> The process of the data being upgraded to CiA Financials. We are satisfied with the internal process of assessment and review of data prior to and after upgrade to the CiA Financials. The process that involves upgrading to the CiA Financials. One moderate rated finding was raising on this (Refer to IS management letter finding no. 7 in Appendix 1 below).



3. Management letter findings

The following is a summary of the key issues identified during the audit which have been discussed with your management. We may also provide the Parliamentary Standing Committee on Estimates and Financial Operations and/or the Public Accounts Committee with copies of the management letters issued for any or all audits during the year. See Appendix 1: for a more detailed summary of the findings.

RATINGS	●	●	●	TOTAL
Open at 30 June 2024	-	13	4	17
Closed during FY2025		(2)	(2)	(4)
Change of risk rating	1	(2)	1	-
New points raised in FY2025	-	4	1	5
Total open points at 30 June 2025	1	13	4	18

Ratings

- Significant
- Moderate
- Minor

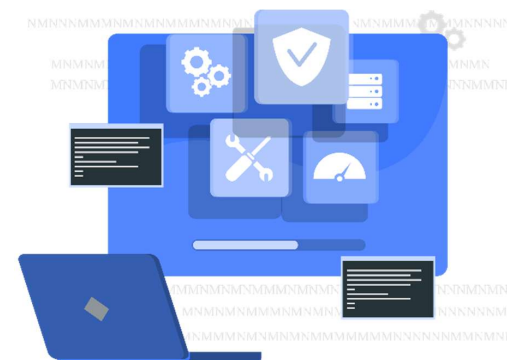
See Appendix 1: for description of ratings.

4. Information systems maturity model

As part of our information systems audit, we also completed a capability maturity assessment of your City, which has been agreed with your management. A capability maturity model assesses how well developed and capable the established IT controls are and how well developed or capable they should be. A rating scale was used to evaluate your entity's capability and maturity levels in each of the audit focus areas. The scale ranges from 0 (non-existent) to 5 (optimised).

The results of our work will be included in a report to Parliament, which will include findings from all examined entities. This will allow you to benchmark your IT capability for these focus areas against other local government entities.

FOCUS AREA	RATING	PRIOR YEAR RATING	CHANGE
Manage IT risk	3	3	–
Information security framework	2	2	–
Human resource security	3	3	–
Manage access	2	2	–
Endpoint security	2	2	–
Network security	2	2	–
Physical security	2	2	–
Manage change	3	3	–
Manage IT operations	3	3	–
Manage continuity	3	3	–



5. Adjusted and unadjusted audit differences

There were no adjusted or unadjusted audit differences arising from the audit process.

6. Other communications from the audit process

We additionally note the following mandatory communications to the Audit, Risk & Improvement Committee in accordance with the requirements of Australian Auditing Standards:

MATTERS TO COMMUNICATE	AUDIT PLAN	EXIT REPORT
Our responsibilities for the financial statement audit	✓	No matters to report
Communication process and timelines	✓	No matters to report
Our views on significant qualitative aspects of your accounting practices. This includes accounting policies, accounting estimates and financial statement disclosures	✓	No matters to report
Actual or suspected fraud identified during the audit	-	No matters to report
Matters involving identified or suspected non-compliance with laws and regulations	-	No matters to report
Events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and related significant matters	-	No matters to report
Significant matters related to the entity's related parties	-	No matters to report
Significant matters discussed or subject to correspondence with management	✓	Refer section 2
Other significant matters relevant to the oversight of the financial reporting process	-	No matters to report
Significant difficulties we encounter in this audit	-	No matters to report
Specific written representations we request from the entity	✓	No matters to report
Circumstances that may cause us to modify the audit opinion. This can include an emphasis of matter paragraph, other matter paragraph or misstatements in other information	-	No matters to report
Uncorrected audit misstatements, including material disclosure omissions	-	No matters to report
Significant deficiencies in internal control	✓	Refer section 3 for management letter findings raised
Issues found in council minutes	-	No matters to report



MATTERS TO COMMUNICATE	AUDIT PLAN	EXIT REPORT
Our independence: <ul style="list-style-type: none">a statement that we have complied with relevant ethical requirements regarding independencerelationships and other matters which may affect independencesafeguards that we apply to eliminate or reduce to an acceptable level of threat to independence	✓	No matters to report

7. Variations to the indicative audit fee

During the conduct of the audit we have incurred additional time that was not known when we issued the indicative fee to your City on 27 March 2025. This time related to:

- IS audit: Additional IS work for CiA Financials upgrade and significant management letter findings

The impact of the above is a total of \$684, which increases the total fee to \$88,834 (GST excluded). We have discussed and agreed these additional fees with your management.

8. Actions and other considerations for next year's audit

The following items are key actions and considerations for next year's audit:

- Assess progress of the matters raised in the 2024-25 audit as appropriate.

We will be engaging early with your management on these items during next year's planning work.

Please note: OAG has changed the basis for assessing best practice entities, in respect of the date that auditable, certified financial statements (i.e. complete and of sufficient quality) are submitted for audit. Previously, the actual date was only assessed relative to the requirement for the annual financial report to be submitted for audit by 30 September each year under s6.4 of the *Local Government Act 1995*. We have also included additional consideration for it to be assessed relative to the agreed date of submission between OAG and the management.



Appendix 1: Management letter findings

FINDINGS	RATING	YEAR FINDING FIRST RAISED	STATUS	TARGET COMPLETION DATE
Information system control issues				
1. Finance application management	Significant	2024	In progress	31 October 2025
2. Remote access management	Moderate	2025	In progress	31 December 2025
3. Database security	Moderate	2020	In progress	30 June 2026
4. Network segregation	Moderate	2024	In progress	30 June 2026
5. Access management	Moderate	2025	In progress	30 June 2026
6. Network device management	Moderate	2025	In progress	30 September 2026
7. Finance application project management	Moderate	2025	In progress	31 December 2025
8. Logging and monitoring	Moderate	2022	In progress	30 June 2026
9. Data loss prevention	Moderate	2022	In progress	30 June 2026
10. Screening and induction	Moderate	2023	In progress	31 December 2026
11. Vulnerability management	Moderate	2024	In progress	30 June 2026
12. Web application access control	Moderate	2023	In progress	31 March 2026
13. Server room management	Moderate	2023	In progress	31 March 2026
14. Cloud vendor assessment	Moderate	2023	In progress	31 March 2026
15. Cyber security incident response testing	Minor	2025	In progress	31 March 2026
16. Asset management	Minor	2023	In progress	31 March 2026
17. Rates system payment gateway	Minor	2022	In progress	30 June 2026
18. Information classification	Minor	2023	In progress	30 June 2026

RATINGS

- **SIGNIFICANT** – Findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- **MODERATE** – Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- **MINOR** – Those findings that are not of primary concern but still warrant action being taken.

Appendix 2: Key changes to accounting standards

Key changes to accounting standards that impact your entity for the first time this year.

Nº	Accounting Standard	First year end	Summary
Accounting standards issued:			
1	<p>AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p>AASB 2022-6 <i>Amendments to Australian Accounting Standards - Non-current Liabilities with covenants</i></p> <p>AASB 2023-3 <i>Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2</i></p>	31 December 2024	<p>This Standard amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.</p> <p>AASB 2022-6 amends AASB 101 to provide further clarity on the presentation and disclosure of non-current liabilities with covenants, and to defer the effective date of the 2020 amendments from 1 January 2023 to 1 January 2024.</p> <p>Consistent with the amendments made by AASB 2020-1 and AASB 2022-6 for Tier 1 reporting requirements, AASB 2023-3 amends AASB 1060 to:</p> <p>(a) clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least 12 months after the reporting date;</p>

			<p>(b) clarify the reference to settlement of a liability by the issue of equity instruments in classifying liabilities; and</p> <p>(c) require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months.</p>
2	AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	31 December 2024	<p>This Standard amends AASB 16 <i>Leases</i> to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 <i>Revenue from Contracts with Customers</i> to be accounted for as a sale.</p> <p>AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessee. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.</p>
3	AASB 2022-10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	31 December 2024	<p>This Standard amends AASB 13 <i>Fair Value Measurement</i> for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. Changes include:</p> <p>(a) For the purpose of fair value measurement, current use of land used for a public sector community purpose (e.g. land used for a school) is presumed to be the highest and best use, except if:</p> <ul style="list-style-type: none"> The land is classified as held for sale or held for distribution to owners in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>; or

Office of the Auditor General for WA | City of Belmont | Annual Financial Audit Exit Report

Office of the
Auditor General
for Western Australia

Street address

7th Floor, Albert Facey House
469 Wellington Street Perth

Mail to

PO Box 8489 Perth BC WA 6849

T 08 6557 7500

E info@audit.wa.gov.au

www.audit.wa.gov.au





17 November 2025

Ms Caroline Spencer
Auditor General
Office of the Auditor General
7th Floor, Albert Facey House
469 Wellington Street
PERTH WA 6000

Council Reference number: 6062692

Customer Reference number:

Dear Ms Spencer

Representation Letter in respect of the City of Belmont's Annual Financial Report for the year ended 30 June 2025

This representation letter is provided in connection with your audit of the City of Belmont's annual financial report for the year ended 30 June 2025 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2025 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

1. General

- (a) We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.

belmont@belmont.wa.gov.au
belmont.wa.gov.au
(08) 9477 7222

National Relay Service
TTY 1800 555 677
Voice 1800 555 727

Street Address
215 Wright Street, Cloverdale
Western Australia 6105

Postal Address
Locked Bag 379, Cloverdale
Western Australia 6985

- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.
- (d) The prior period comparative information in the financial report has not been restated.
- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.
- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.
- (g) We have provided your auditors with:
 - (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
 - (ii) Additional information that your auditors have requested for the purpose of the audit.
 - (iii) Unrestricted access to staff and councillors of the City from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations, and all known data or security breaches whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) No frauds or suspected frauds affecting the City involving:
 - (i) management
 - (ii) employees who have significant roles in internal control; or
 - (iii) others where the fraud could have a material effect on the financial statementshave occurred to the knowledge of management of the City.

- (m) To our knowledge no allegations of fraud or suspected fraud affecting the City's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

2. Fair value measurements and disclosures

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each revalued physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions and data used by management in determining fair values are appropriate and have been consistently applied.

We confirm that the fair value disclosures in the financial report are complete and appropriate.

3. Going concern

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

4. Contingent liabilities

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

5. Commitments for capital expenditure

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital expenditure contracts carrying over at year end.

6. Contaminated sites

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the City that is known to be, or is suspected of being, contaminated. All provisions or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

7. Related entities

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to you if any of the City's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust.

We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2025.

8. Related parties

We have disclosed to your auditors the identity of the City's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the City's key management personnel and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

9. Key management personnel compensation

We confirm the City's key management personnel have not received any other remuneration, consideration or in-kind benefit (except amounts being reimbursements for out-of-pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

10. Subsequent events

All events subsequent to the date of the financial report and up to the date of this letter for which Australian Accounting Standards require adjustment or disclosure, have been adjusted or disclosed.

11. Internal control

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

12. Insurance

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

13. Risk management

We confirm that we have established and maintained a risk management framework that is appropriate to the City.

14. Accounting misstatements

There are no uncorrected misstatements in the financial report.

15. Electronic presentation of the audited annual financial report and auditor's report

- (a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- (b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the City's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- (c) We have clearly differentiated between audited and unaudited information in the construction of City's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- (d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

16. Other (unaudited) information in the annual report

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.

Stuart Downing
Director Corporate and Governance

John Christie
Chief Executive Officer

11.1 Internal Audit Report 2025

Voting Requirement	:	Simple Majority
Subject Index	:	19/006
Location/Property Index	:	N/A
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	N/A
Applicant	:	N/A
Owner	:	N/A
Responsible Division	:	Executive Services

Council role

Overseeing Overseeing the allocation of the City's finances and resources e.g. setting the annual budget, accepting tenders, determining what services and facilities the City is to provide, annual reports, selecting the CEO and reviewing the CEO's performance.

Purpose of report

To submit three completed internal audit reports to the Audit, Risk and Improvement Committee. These audits have been completed in accordance with the Council approved 2025-26 internal audit plan.

Summary and key issues

Findings for the completed audits are detailed below.

Infrastructure Services Division – Construction Contract – Ornamental Lakes (report issued 29 August 2025)

Good practices observed:

- Sound Contract Management

Tender 18/2024 – Ornamental Lakes Renewal Works contract was effectively managed by the Contract Administrator. Both Separable Portions of the contract were successfully completed within the approved timeframes, despite a series of unforeseen latent conditions encountered on site.

- Regular Project Meetings

The Contract Administrator attended site progress meetings at least fortnightly to ensure that worksite practices complied with the Health, Safety & Environmental requirements and that quality standards were maintained.

- Effective Coordination

City Projects demonstrated effective coordination in planning and consultation with internal and external key stakeholders, minimising disruptions and optimising the scheduling of project work programs.

City Projects' use of the Product Acceptance Record was an effective quality management tool to ensure that the project was delivered in alignment with its goals and objectives. This document also records the acceptance of deliverables by the Project Control Group and key stakeholders.

- Sound Governance and Reporting Lines

The project was delivered under a structured governance framework to ensure effective oversight, risk management, and alignment with strategic priorities.

Coordinator City Projects was responsible for day-to-day delivery and reported directly to Manager City Projects. Progress updates, key milestones, risks, and budget status are reported through established internal channels, including email communication to the Project Control Group (PCG) and regular line communication and briefings to the Director Infrastructure Services.

Clear reporting lines and escalation pathways support informed decision-making, promote accountability, and enable timely intervention where necessary to keep the project on track.

Finding:

- Contract Variation No.16 consisting of Item 5 – Contractor Ref: VAR#28.1 (Extension to Dewatering Period) amounting to \$40,563.66, contained a discrepancy in the calculation of the number of weeks. The period from 31 March to 28 April 2025 was calculated as five weeks instead of the correct four weeks of groundwater monitoring for dewatering, resulting in an overpayment of \$1,350.00 (excluding GST).

Development and Communities Division – Economic Development Programs (report issued 16 October 2025)

Good practices observed:

- Economic Development Strategy accurately mapped to Implementation Plan.

- Implementation Plan was endorsed by Operational Leadership Team (OLT) on 9 May 2023 for submission to Executive Leadership Team (ELT).
- Economic Development Strategy accurately mapped to CEO/ELT Dashboard.
- Implementation Plan is materially consistent with the comments provided in the Director approved CEO/ELT Dashboard.
- CEO/ELT Dashboard is up to date (i.e. last updated June and July 2025).
- Appropriate controls in place for awarding and acquittal of Business Innovation Grants.
- Internal audit selected the last grant that had completed its acquittal process and confirmed that all appropriate documentation was in place.
- The process for monitoring and reporting is efficient and effective.

Findings:

- Several Business Management System (BMS) documents that have not been reviewed within the last 5 years.
- Implementation plan includes list of Key Performance Indicators (KPIs) and other success indicators for required actions. Although some baseline data is documented in the Economic Development Strategy, it is not included in the Implementation Plan. Although KPI targets have been set, not all have a measured target in the Implementation Plan.
- For Business Innovation Grants, there is no requirement for:
 - Panel members to sign a declaration confirming no conflict of interest prior to assessment of applications and recommendation to ELT.
 - Any officer to sign off on either acquittal reports as evidence confirming that all requirements have been met.

Infrastructure Services Division – Parks – Asset Management and Maintenance (report issued 30 October 2025)

Good practices observed:

- The Manager of Parks, Leisure & Environment holds fortnightly meetings with the Parks Coordinator and Supervisors to review the progress of the Annual Maintenance Plan (AMP).
- The deployment of RAPID Audit App on mobile devices for relevant Parks crew to record daily machinery pre-starts and site inspections has been completed, replacing the use of hardcopy checklists. The RAPID App provides easy remote access to inspection webforms, reducing the amount of paperwork required from Parks supervisors and heavy machinery operators.
- Forestree is a purpose-built tree management system developed specifically for local governments to enhance the management of tree inspections, works programs, and associated risk processes. The system enables Parks

supervisors to efficiently prioritise and allocate tasks to Parks crews and contractors effectively, while maintaining a comprehensive and centralised record of all activities.

Findings:

- The City's Flowmeter Reading Table 2024-2025 indicates several locations with faulty flowmeters. The City has not notified the Department of Water and Environment Regulation (DWER) of these faults within seven days of detecting the malfunction.
- Tender 20/2024 – Supply & Installation of Irrigation Systems awarded for a lump sum of \$333,360.00 (excl. GST). The final total payment made amounted to \$337,440.00 (excl. GST). No Variation to Contract form for \$4,080.00 was completed.
- No documented process in place specifying how the City should manage incidents affecting members of the public.

7:09pm The Manager City Projects joined the meeting.

Officer Recommendation

Rossi moved, Kulczycki seconded

That the Audit, Risk and Improvement Committee accepts the three internal audit reports from the Senior Internal Auditor (Confidential Attachments 11.1.1, 11.1.2 and 11.1.3) and recommends that Council:

1. Receives the report (Confidential Attachment 11.1.1) titled Internal Audit Construction Contract – Ornamental Lakes.
2. Receives the report (Confidential Attachment 11.1.2) titled Internal Audit Economic Development Programs.
3. Receives the report (Confidential Attachment 11.1.3) titled Internal Audit Parks – Asset Management and Maintenance.
4. Notes the City of Belmont management comments in Confidential Attachments 11.1.1, 11.1.2 and 11.1.3 and actions to be undertaken in response to the internal audit recommendations.

Carried Unanimously 6 votes to 0

For: Davis, Harris, Kulczycki, Mr J Seth, Rossi and Ryan

Against: Nil

Committee Notes

A series of questions were asked and responded to as follows:

- Re Economic Development Strategy, Implementation Plan and KPI's: the Economic Development Strategy is mapped to both the Implementation Plan and CEO dashboard. Internal audit confirmed that the CEO dashboard is accurate and up to date.
- Council have set the CEO's KPI's and the CEO's achievement of these is reported to Council.
- Re second finding on page 29 Confidential Attachment, the due date is 30 January 2026.
- Further updates on progress of Economic Development Strategy Implementation Plan will be provided in the next reporting against the CEO's KPIs.

Refer to the Confidential Minutes for questions responded to on the confidential attachments.

7:28pm The Manager City Projects and Manager Economic and Community Development departed the meeting and did not return.

Location

Not applicable.

Consultation

All draft internal audit reports were reviewed by relevant staff, Managers, Directors and the CEO before being issued for action.

Strategic Community Plan implications

In accordance with the 2024–2034 Strategic Community Plan:

Key Performance Area: Performance

Outcome: 10. Effective leadership, governance and financial management.

Key Performance Area: Performance

Outcome: 10. Effective leadership, governance and financial management.

Policy implications

There are no policy implications associated with this report.

Statutory environment

Local Government Act 1995 (WA)

7.1A. Audit committee

- (1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

Local Government (Audit) Regulations 1996 (WA)

16. Functions of audit committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management.
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council.
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and

- (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

[Regulation 16 inserted: Gazette 26 Jun 2018 p. 2386-7.]

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

[Regulation 17 inserted: Gazette 8 Feb 2013 p. 868;

amended: Gazette 26 Jun 2018 p. 2387.]

Local Government (Financial Management) Regulations 1996 (WA)

(2) CEO's duties as to financial management

- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Background

The internal audit function operates in accordance with Council approved Terms of reference (TOR) and Council approved annual internal audit plans.

The TOR requires the Senior Internal Auditor to be functionally accountable to the CEO and Council via the Audit, Risk and Improvement Committee.

The TOR also requires final engagement audit reports to be issued to the CEO and Council via the Audit, Risk and Improvement Committee.

Report

Infrastructure Services Division – Construction Contract – Ornamental Lakes (report issued 29 August 2025)

Audit objectives were:

- Determine if appropriate controls are in place to ensure the potential risks (as identified under *Standard 13.2 Engagement Risk Assessment*) are appropriately mitigated.
- Determine if the contract management process for construction projects is efficient and effective.

Scope included:

- Key documents specific to the construction project:
 - Project Management Plan.
 - Project Risk Register.
 - Signed contracts with:
 - Design representative.
 - Superintendent.
 - Environmental consultant.
 - Construction company.

- Key policy/procedure documents:
 - Project Management Framework (restricted to Implementation stage).
 - SP23 – Contract Management.
 - SP24 – Management of Contract Variations.
 - Delegations Register 2024-2025.
 - Environment and Sustainability Policy.
 - Environmental Management Plan.
- Key processes:
 - Financial viability assessments completed prior to contract award.
 - Start-up inductions for contractors and sub-contractors.
 - Project delivery.
 - Incident/hazard reporting.
 - Processing of contractor invoices.

Governance and reporting lines between:

- City of Belmont officers.
- Design representative.
- Superintendent.
- Environmental Consultant.

Findings and Management Responses

- Contract Variation No.16 consisting of Item 5 – Contractor Ref: VAR#28.1 (Extension to Dewatering Period) amounting to \$40,563.66, contained a discrepancy in the calculation of the number of weeks.

The period from 31 March to 28 April 2025 was calculated as five weeks instead of the correct four weeks of groundwater monitoring for dewatering, resulting in an overpayment of \$1,350.00 (excluding GST).

Management has agreed to recover the overpayment.

Development and Communities Division – Economic Development Programs (report issued 16 October 2025)

The audit objective was to determine if:

- Economic Development Strategy 2023-2028 themes and activity priorities are accurately mapped to an Implementation Plan.
- Implementation Plan has appropriate actions that are measured, independently reviewed and reported.
- Implementation Plan is accurate and up to date.
- The process for monitoring and reporting is efficient and effective.

Scope included:

- Economic Development Strategy 2023-2028.
- Economic Development Strategy Implementation Plan as at 30 June 2025.
- Performance Reporting (Power BI dashboard) against the Economic Development Strategy 2023-2028.

Economic and Community Development information found within the Development and Communities Information Report was excluded from scope.

Findings and Management Responses

- Several Business Management System (BMS) documents that have not been reviewed within the last 5 years.
- Management has agreed to review and update these BMSs by mid-December 2025.
- Implementation plan includes list of Key Performance Indicators (KPIs) and other success indicators for required actions. Although some baseline data is documented in the Economic Development Strategy, it is not included in the Implementation Plan. Although KPI targets have been set, not all have a measured target in the Implementation Plan.
- Management has agreed to set baseline data/measured targets in the Implementation Plan.
- For Business Innovation Grants, there is no requirement for:
 - panel members to sign a declaration confirming no conflict of interest prior to assessment of applications and recommendation to ELT.
 - Any officer to sign off on either acquittal reports as evidence confirming that all requirements have been met.

Management has agreed to introduce a conflict of interest declaration and for the Coordinator to sign off on both acquittal reports.

Infrastructure Services Division – Parks – Asset Management and Maintenance (report issued 30 October 2025)

The audit objectives were to:

- Determine if the parks maintenance plan is accurate, up to date, on track, and effectively managed and monitored.
- Determine if maintenance contracts:
 - Cover all maintenance requirements.
 - Are appropriately costed.
 - Cover quality control, safety and Work Health & Safety induction.
 - Require periodic review of contractor performance.

Scope included:

- Parks Annual Maintenance Plan for 2024-25 and 2025-26.
- Five maintenance contracts.
- Assessment of compliance with:
 - Project Management Plan and Contract Management Plan.
 - SP 23 - Contract Management.
 - SP 24 – Management of Contract Variations.
- Evaluation of first and second lines of defence checks.
- Delegation and clarity of authority and responsibility.

Findings and Management Responses

- The City's Flowmeter Reading Table 2024-2025 indicates several locations with faulty flowmeters. The City has not notified the Department of Water and Environment Regulation (DWER) of these faults within seven days of detecting the malfunction.

Management has agreed to conduct a comprehensive review of the City's Groundwater Use Management to ensure compliance with metering regulations and the conditions stipulated in the water licence GWL 157042(9).

- Tender 20/2024 – Supply & Installation of Irrigation Systems awarded for a lump sum of \$333,360.00 (excl. GST). The final total payment made amounted to \$337,440.00 (excl. GST). No Variation to Contract form for \$4,080.00 was completed.

Management has agreed to complete a Variation to Contract form for \$4,080.00 for approval by the Director Infrastructure Services or the CEO.

- No documented process in place specifying how the City should manage incidents affecting members of the public.
- Management has agreed to review and update SP11 Incident/Hazard – WHS and Environment Reporting and Investigating Procedure.

Financial implications

There are no financial implications evident at this time.

Environmental implications

There are no environmental implications associated with this report.

Social implications

There are no social implications associated with this report.

Attachment details

Attachment No and title
1. CONFIDENTIAL - Internal Audit 2025 - Audit Report (Construction Contract Ornamental Lakes) - FINAL (Confidential matter in accordance with Local Government Act 1995 (WA) Section 5.23(2)(f)(ii)) [11.1.1 - 9 pages]
2. CONFIDENTIAL - Internal Audit 2025 - Audit Report (Economic Development Programs) - FINAL (Confidential matter in accordance with Local Government Act 1995 (WA) Section 5.23(2)(f)(ii)) [11.1.2 - 10 pages]
3. CONFIDENTIAL - Internal Audit 2025 - Audit Report (Parks - Asset Management & Maintenance) - FINAL (Confidential matter in accordance with Local Government Act 1995 (WA) Section 5.23(2)(f)(ii)) [11.1.3 - 14 pages]

11.2 Internal Audit Plan 2025-26 – 2027-28

Voting Requirement	: Simple Majority
Subject Index	: 19/003 Audit and Risk Committee
Location/Property Index	: N/A
Application Index	: N/A
Disclosure of any Interest	: Nil
Previous Items	: Item 12.3 OCM 10 December 2024
Applicant	: N/A
Owner	: N/A
Responsible Division	: Executive Services

Council role

Overseeing Overseeing the allocation of the City's finances and resources e.g. setting the annual budget, accepting tenders, determining what services and facilities the City is to provide, annual reports, selecting the CEO and reviewing the CEO's performance.

Purpose of report

To submit the draft three year forward "Internal Audit Plan 2025-26 – 2027-28" to the Audit, Risk and Improvement Committee for review and recommendation to Council. Refer Attachment 11.2.1.

Summary and key issues

The "Terms of Reference – Internal Audit" requires the internal audit activity present "annual and longer term risk based internal audit plans" to the committee for review prior to recommendation to Council.

The plan at Attachment 11.2.1, records:

- Audits planned and completed this financial year (2025-26) to date.
- Audits planned for the future financial years 2026-27 – 2027-28.

For historical information the plan also records 2022-23, 2023-24 and 2024-25 audits planned and completed.

Officer Recommendation

Rossi moved, Kulczycki seconded

That the Audit, Risk and Improvement Committee recommends the draft three year forward “Internal Audit Plan 2025-26 – 2027-28”, as Attachment 11.2.1, be received by Council for endorsement.

Carried Unanimously 6 votes to 0

For: Davis, Harris, Kulczycki, Mr J Seth, Rossi and Ryan

Against: Nil

Location

Not applicable.

Consultation

The development of the “Internal Audit Plan 2025-2026 – 2027/2028 was reviewed by:

- All department managers.
- All division directors.
- The CEO.
- Executive Leadership Team.

Comments provided have been considered and incorporated in the draft plan.

Strategic Community Plan implications

In accordance with the 2024–2034 Strategic Community Plan:

Key Performance Area: Performance

Outcome: 10. Effective leadership, governance and financial management.

Policy implications

There are no policy implications associated with this report.

Statutory environment

Local Government Act 1995

7.1A Audit Committee

- (1) A local Government is to establish an audit committee of three or more persons to exercise the powers and discharge the duties conferred on it.

Local Government (Audit) Regulations 1996

16. Functions of audit committee

An audit committee has the following functions:

- (a) to guide and assist the local government in carrying out:
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management.
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council.
- (d) To monitor and advise the CEO when the CEO is carrying out functions in relation to a review under:
 - (i) Regulation 17(1); and
 - (ii) The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government:
 - (i) is required to take by section 7.12A(3); and

- (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other functions conferred on the audit committee by those regulations or another written law.

[Regulation 16 inserted: Gazette 26 Jun 2018 p.2386-7.]

Background

The City of Belmont's internal audit activity commenced in June 2021 and the first internal audit plan was endorsed by the committee in August 2022.

This is the fourth internal audit plan submitted to the committee and covers the three year forward period 2025-2028.

Internal Audit Plan - Methodology

The draft internal audit plan was developed using the following steps:

- Status of the 2024-25 internal audit plan.
- Meeting with City department managers to identify their operations, key objectives, key risks, new developments and related City strategies.
- Meeting with Division Directors and the CEO to identify need for additional audits.

The Institute of Internal Auditors (IIA) Supplementary Guidance paper "Developing a Risk Based Internal Audit Plan" was also used as a reference to develop the draft plan.

When each audit is commenced a detailed engagement plan is completed and discussed with management to ensure areas of current risk are identified.

Report

The attached three year forward Internal Audit Plan 2025-2026 – 2027-28 provides an outline for the two internal audit staff to review the city's activities using a risk-based approach.

Financial implications

There are no financial implications evident at this time.

Environmental implications

There are no environmental implications associated with this report.

Social implications

There are no social implications associated with this report.

Attachment details

Attachment No and title	
1.	Three Year Rolling Internal Audit Plan 2025.26 to 2027.28 - Attachment (Page 1) [11.2.1 - 1 page]
2.	Three Year Rolling Internal Audit Plan 2025.26 to 2027.28 - Attachment (Page 2) [11.2.2 - 1 page]

INTERNAL AUDIT PLAN 2025-26 TO 2027-28 (FINANCIAL YEARS)													
STRATEGIC COMMUNITY PLAN 2024-2034		AUDIT UNIVERSE		AUDIT COVERAGE	AUDIT TYPE	AUDIT NAME	RISK LEVEL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
KEY PERFORMANCE AREA	OBJECTIVES	ORGANISATION CHART STRUCTURE LEVEL 1	ORGANISATION CHART STRUCTURE LEVEL 2					2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028
								PAST YR	PAST YR	PAST YR	CURRENT	FUTURE YR	FUTURE YR
DEVELOPMENT & COMMUNITIES													
PLACE	OBJECTIVE 6.1	PLANNING SERVICES		√	Operational	1 Development Applications / Projects	Major	√		√		4	
PLACE	OBJECTIVE 6.1	SAFER COMMUNITIES	BUILDING SURVEYING	√	Operational	2 Building Permit Approvals	Major	√		√		4	
PEOPLE	OBJECTIVE 1.2 & 3.1		ENVIRONMENTAL HEALTH	√	Operational	3 Community Environmental Health	Major		√			4	
PEOPLE	OBJECTIVE 1.1 & 1.2		COMMUNITY SAFETY	√	Operational	4 Surveillance and Ranger Activities	Major		√		4		4
PROSPERITY	OBJECTIVE 9.1 - 9.4	ECONOMIC & COMMUNITY DEV	ECONOMIC DEVELOPMENT	√	Operational	5 Economic Development Programs	Moderate				4		4
PEOPLE	OBJECTIVE 1.2 & 3.1 - 3.5		COMMUNITY DEVELOPMENT	√	Operational	6 Community Development Programs	Moderate						
PEOPLE	OBJECTIVE 2.1 & 2.2, 3.3 & 3.4		CULTURAL ENGAGEMENT	√	Operational	7 Community & Cultural Engagement Programs	Moderate				4		4
PEOPLE	OBJECTIVE 2.1	LIBRARY,CULTURE AND PLACE	LIBRARY AND MUSEUM HUB	√	Operational	8 Belmont Hub Library and Museum Services	Moderate					4	
PEOPLE & PROSPERITY	OBJECTIVE 2.2, 2.3 & 9.4		ARTS AND PLACE	√	Operational	9 Art and Place	Moderate					4	
DEVELOPMENT & COMMUNITIES - TOTAL WEEKS											12	20	12
INFRASTRUCTURE SERVICES													
PERFORMANCE	OBJECTIVE 10.2	DESIGN, ASSETS & DEVELOPMENT	ASSET MANAGEMENT	√	Operational	10 Drains - Asset Management	Moderate						
PERFORMANCE	OBJECTIVE 10.2		ASSET MANAGEMENT	√	Operational	11 Roads - Asset Management	Moderate				4		
PLACE	OBJECTIVE 6.1		DEVELOPMENT	√	Operational	12 Development Applications Engineering	Moderate			√			4
PLACE	OBJECTIVE 8.1 & 8.2		DESIGN	√	Operational	13 Sustainable Transport	Moderate					4	
PLACE	OBJECTIVE 7.2	CITY PROJECTS		√	Project	14 Construction Contract (Ornamental & Foreshore)	Major	√			4		
PLACE	OBJECTIVE 7.2			√	Project	15 Construction Contract (Wilson Park & BKB)	Major				4		
PERFORMANCE	OBJECTIVE 10.2	CITY FACILITIES AND PROPERTY	BUILDING & FACILITIES OPERATIONS	√	Operational	16 Buildings - Asset Management	Moderate		√			4	
PERFORMANCE	OBJECTIVE 10.2		BUILDING & FACILITIES OPERATIONS	√	Project	17 Construction Contract (TBA)	Major	√		√			4
PLACE	OBJECTIVE 8.1 & 8.2	WORKS	WORKS	√	Operational	18 Roads, Footpaths & Drains Maintenance	Moderate		√			4	
PLACE	OBJECTIVE 8.1 & 8.2		WORKS	√	Operational	19 Roads, Footpaths & Drains Construction	Moderate		√			4	
PLANET & PERFORMANCE	OBJECTIVE 5.1 & 10.2		FLEET AND PLANT	√	Operational	20 Fleet and Plant Maintenance	Minor				4		4
PLANET	OBJECTIVE 5.1		WASTE MANAGEMENT	√	Operational	21 Waste Management	Major	√		√		4	
PLANET & PERFORMANCE	OBJECTIVE 4.1 - 4.3 & 10.1 - 10.5	PARKS LEISURE AND ENVIRON	PARKS	√	Operational	22 Parks - Asset Management & Maintenance	Moderate		√		4		
PERFORMANCE	OBJECTIVE 10.1		PARKS	√	Operational	23 Parks - WHS	Major		√		4		
PLANET & PERFORMANCE	OBJECTIVE 5.1, 10.2 & 10.5		ENVIRONMENT	√	Operational	24 Water Management	Moderate					4	
PEOPLE	OBJECTIVE 1.2, 1.3 & 3.1 - 3.4		COMMUNITY WELLBEING	√	Operational	25 Leisure and Wellbeing - Oasis Contract Audit	Moderate			√			4
						26 Construction Contract (TBA)	Major						4
INFRASTRUCTURE SERVICES - TOTAL WEEKS											24	24	20
EXECUTIVE SERVICES													
PERFORMANCE	OBJECTIVE 10.1		INTERNAL AUDIT	√	Strategic	27 Internal Audit Quality Assurances	Major	√	√	√	2	4	2
PERFORMANCE	OBJECTIVE 10.1		INTERNAL AUDIT	√	Strategic	28 Strategic Audit Plan	Major	√	√	√	2	2	2
PERFORMANCE	OBJECTIVE 10.1	PEOPLE AND CULTURE	HUMAN RESOURCES	√	Operational	29 Human Resource Planning and Management	Moderate					4	
PERFORMANCE	OBJECTIVE 10.1		PAYROLL	√	Operational	30 Payroll System Reliability	Moderate				4		4
PERFORMANCE	OBJECTIVE 10.1	WORK HEALTH & SAFETY		√	Operational	31 WHS legislation Compliance	Major	√		√		4	
EXECUTIVE SERVICES - TOTAL WEEKS											8	14	8
CORPORATE AND GOVERNANCE													
PERFORMANCE	OBJECTIVE 10.2 & 10.3	INFORMATION TECHNOLOGY	BUSINESS APPLICATIONS	√	Operational	32 OAG Follow up	Major	√	√			2	
PERFORMANCE	OBJECTIVE 10.2 & 10.3		BUSINESS APPLICATIONS	√	Operational	33 Applications and General controls	Major				4		
PERFORMANCE	OBJECTIVE 10.2 & 10.3		BUSINESS APPLICATIONS	√	Operational	34 Cybersecurity and Disaster Recovery	Major					4	
PERFORMANCE	OBJECTIVE 10.2 & 10.3		BUSINESS APPLICATIONS	√	Project	35 Performance Indicators Development	Major				4		
PERFORMANCE	OBJECTIVE 10.2	FINANCE	REVENUE	√	Financial	36 Revenue & Funding cycle	Moderate			√			4
PERFORMANCE	OBJECTIVE 10.2		PROCUREMENT	√	Operational & Financial	37 Procurement & Expenditure cycle	Major	√		√			4
						Purchase orders raised after invoice date					4		
PERFORMANCE	OBJECTIVE 10.2		ASSETS	√	Financial	38 Current & Non Current Assets	Moderate					4	
PERFORMANCE	OBJECTIVE 10.2		LIABILITIES	√	Financial	39 Current and Non Current Liabilities	Moderate					4	
PERFORMANCE	OBJECTIVE 10.2		REPORTING	(OAG)	Financial	40 Statutory Financial Reporting	Moderate						4
PERFORMANCE	OBJECTIVE 11.1 & 11.2	PUBLIC RELATIONS & STAKE.	MARKETING	√	Operational	41 Marketing & Communications	Moderate				4		
PERFORMANCE	OBJECTIVE 10.1	GOVERNANCE, STRAT & RISK	BUSINESS CONTINUITY AND RISK	√	Operational	42 Risk Management, Business Continuity, Fraud	Major	√			4		4
PERFORMANCE	OBJECTIVE 10.2		GOVERNANCE AND COMPLIANCE	√	Operational	43 Governance and Compliance	Moderate		√		4		
PERFORMANCE	OBJECTIVE 10.3		BUSINESS PLANNING & IMPROVE	√	Operational	44 Business Planning and Improvement	Major					4	
CORPORATE & GOVERNANCE - TOTAL WEEKS											24	18	16
TOTAL ANNUAL WORK WEEKS								62	58	62	68	76	56

INTERNAL AUDIT PLAN 2025-2026 TO 2027-2028 (FINANCIAL YEARS)									
AUDIT NAME		DEPARTMENT BACKGROUND	RISK	AUDIT OBJECTIVES	RELATED	CONSEQUENCE RISK LEVELS			
1	2		3	4	5	6			
					SCP 2024-2034 OBJECTIVES	STRATEGIC IMPACT	OPERATIONAL IMPACT	COMPLIANCE IMPACT	FINANCIAL IMPACT
DEVELOPMENT AND COMMUNITIES									
1	Development Applications / Projects	Manages DA's, Projects Planning, non compliant "R" codes. Checks compliance generally.	Planning approvals process incorrect .	Check DA 's / Projects legal compliance, non compliant R code plans approved.	6.1	Major	Minor	Moderate	Moderate
2	Building Permit Approvals	Manages approval of Building Licences and issue of Occupancy Certificates	Completed building not compliant	Check correct approval of building licenses and occupancy certificates	6.1	Major	Minor	Minor	Moderate
3	Community Environmental Health	Manages environment risks e.g. noise, vermin, dust, food in the community	Environment hazards	Check environment plans and controls are timely and effective.	1.2 & 3.1	Major	Minor	Moderate	Moderate
4	Surveillance and Ranger Activities	Manages community vehicle patrols, CCTV monitoring, emergency management	Injury to public	Check vehicle patrols and ranger plans and controls are timely and effective.	1.1 & 1.2	Major	Minor	Minor	Moderate
5	Economic Development Programs	Actively engages with the business community to promote business retention, growth	Business performance is poor.	Programs are performance measured and actively managed as necessary.	9.1 - 9.4	Moderate	Minor	Moderate	Moderate
6	Community Development Programs	Actively engages with community to promote "Liveable Belmont"	Community groups not supported.	Programs are performance measured and actively managed as necessary.	1.2 & 3.1 - 3.5	Moderate	Minor	Moderate	Moderate
7	Community & Cultural Engage Progs	Actively engages with community to promote "Liveable Belmont"	Community groups not supported.	Programs are performance measured and actively managed as necessary.	2.1 & 2.2, 3.3 & 3.4	Moderate	Minor	Moderate	Moderate
8	Belmont Hub Library and Museum Services	Manages Belmont Hub to deliver services that meet community needs. NFP leases.	Facilities underutilised	Programs are performance measured and actively managed as necessary.	2.1	Moderate	Minor	Moderate	Moderate
9	Art and Place	Actively engages with community to promote art and "Creative Belmont"	Placemaking not maximised	Programs are performance measured and actively managed as necessary.	2.2, 2.3 & 9.4	Moderate	Minor	Moderate	Moderate
INFRASTRUCTURE SERVICES									
10	Drains - Asset Management	Manages drains asset management plans including maintenance	Drains fail.	Check asset management plans including maintenance are timely and effective	10.2	Moderate	Moderate	Moderate	Moderate
11	Roads - Asset Management	Manages roads, paths asset management plans including design and maintenance	Roads, paths fail	Check asset managment plans including design, maintenance timely and effective	10.2	Moderate	Moderate	Moderate	Moderate
12	Development Applications Engineering	Reviews development plans e.g traffic / pedestrian traffic managed.	Non Compliance / rework	Check development plans are correctly reviewed	6.1	Moderate	Moderate	Moderate	Moderate
13	Sustainable Transport	Support Sustainable Transport by promoting walking, cycling, public transport, to reduce cars	Program not effective	Programs are performance measured and actively managed as necessary.	8.1 & 8.2	Moderate	Moderate	Moderate	Moderate
14	Construction Contract (Ornamental & Foreshore)	Manages one off, high value, complex high risk projects	Project fails to meet all expectations	Check tender, time, cost, quality, environment, OHS, variations are managed	7.2	Major	Moderate	Moderate	Moderate
15	Construction Contract (Wilson Park & BKB)	Manages one off, high value, complex high risk projects	Project fails to meet all expectations	Check tender, time, cost, quality, environment, OHS, variations are managed	7.2	Major	Moderate	Moderate	Moderate
16	Buildings - Asset Management	Manages Buildings asset management plans including maintenance and leasing	Buildings not fully operational	Check asset management plans including maintenance are timely and effective	10.2	Moderate	Moderate	Moderate	Moderate
17	Construction Contract (TBA)	Manages major upgrades to C of B facilities and property	Project fails	Check tender, time, cost, quality, environment, OHS, variations are managed	10.2	Major	Moderate	Moderate	Moderate
18	Roads, Footpaths & Drains Maintenance	Develops budgets and maintains roads, footpaths, and drains owned by the C of B	Roads etc not fully operational	Check maintenance plans are timely and effective	8.1 & 8.2	Moderate	Moderate	Moderate	Moderate
19	Roads, Footpaths & Drains Construction	Develops budgets and constructs new roads, footpaths, drains. Traffic Management.	Project fails to meet all expectations	Check tender, time, cost, quality, environment, OHS, variations are managed	8.1 & 8.2	Moderate	Moderate	Moderate	Moderate
20	Fleet and Plant Maintenance	Manages C of B fleet and plant maintenance	Plant and equipment fails	Check maintenance plans are timely and effective	5.1 & 10.2	Minor	Minor	Minor	Minor
21	Waste Management	Manages C of B contract with SUEZ for waste disposal	Environmental non compliance	Check contract and environmental conditions are met	5.1	Major	Moderate	Moderate	Moderate
22	Parks - Asset Management & Maintenance	Manages Parks asset management plans including maintenance, irrigation	Parks etc. not fully operational	Check asset management plans including maintenance are timely and effective	4.1 - 4.3 & 10.1 - 10.5	Moderate	Moderate	Moderate	Moderate
23	Parks - WHS	Manages Parks asset management plans including maintenance	Park employees or public injured	Check compliance with OHS Act, Regulations, Policy	10.1	Major	Major	Major	Major
24	Water Management	Manages water usage	Excess water useage or pollution.	Check environmetal conditions are met	5.1, 10.2 & 10.5	Moderate	Moderate	Moderate	Moderate
25	Leisure and Wellbeing - Oasis Contract	Manages community leisure facilities	Leisure facilities not fully operational	Check maintenance plans are timely and effective. Check Blufit - Oasis contract	1.2, 1.3 & 3.1 - 3.4	Moderate	Moderate	Moderate	Moderate
26	Construction Contract (TBA)	Manages one off, high value, complex high risk projects	Project fails to meet all expectations	Check tender, time, cost, quality, environment, OHS, variations are managed	7.2	Major	Moderate	Moderate	Moderate
EXECUTIVE SERVICES									
27	Internal Audit Quality Assurances	Manages internal audit function.	3rd Line of assurance not effective	Check internal audit reports results of Quality Assurance annually and 5 yearly	10.1	Major	Moderate	Moderate	Moderate
28	Strategic Audit Plan	Manages internal audit function.	3rd Line of assurance not effective	Plan Audits	10.1	Major	Moderate	Moderate	Moderate
29	Human Resource Planning & Management	Manages H R. Partners business, drives ethics, culture and talent management.	Strategic plans not effectively resourced	Check Strategic plans inform resource planning, ethics, culture and talent managment.	10.1	Moderate	Moderate	Moderate	Moderate
30	Payroll System Reliability	Manages payroll	Unauthorised input, processing delays	Check payroll input authorised and control reports independently approved.	10.1	Minor	Minor	Minor	Moderate
31	WHS legislation Compliance	Manages OHS.	Non compliance with act, injuries	Check adequacy of policies and compliance monitoring across all City functions.	10.1	Major	Major	Major	Major
CORPORATE GOVERNANCE									
32	OAG Follow up	Manages IT Applications and Servers	Business Applications not Available	Check outstanding OAG recommendations are implemented	10.2 & 10.3	Moderate	Moderate	Moderate	Major
33	Applications and General controls	Manages IT Applications and Servers	Business Applications not Available	Check Applications and General controls meet statndards	10.2 & 10.3	Moderate	Moderate	Moderate	Major
34	Cybersecurity and Disaster Recovery	Manages IT Applications and Servers	Business Applications not Available	Check Cybersecurity and Disaster Recovery controls meet standards	10.2 & 10.3	Moderate	Moderate	Moderate	Major
35	Performance Indicators Development	Manages management reporting	Management reporting not reliable	Management reporting timely, reliable, effective & supports Reg 5 & 17 attestations.	10.2 & 10.3	Major	Moderate	Moderate	Major
36	Revenue & Funding cycle	Manages revenue and grants collection	Revenue collections not maximised.	Check revenue sources identified, invoiced and collected	10.2	Moderate	Moderate	Moderate	Moderate
37	Procurement & Expenditure cycle	Manages procurement procedures and resulting payments.	Expenditures not authorised	Check adequate segregation of duties and delegations of authorities.	10.2	Major	Moderate	Moderate	Major
38	Current & Non Current Assets	Manages financial records and reconciliations. Check Bank Reconciliation	Assets lost	Check financial records are reliable, reconciled to data and physical assets.	10.2	Moderate	Moderate	Moderate	Moderate
39	Current and Non Current Liabilities	Manages financial records and reconciliations	Liabilities not managed	Check financial records are reliable, reconciled to data and discharged on time	10.2	Moderate	Moderate	Moderate	Moderate
40	Statutory Reporting	Manages statutory reporting	Statutory reporting not reliable.	Statutory reporting reviewed by the OAG, not reviewed by internal audit.	10.2	Moderate	Moderate	Moderate	Moderate
41	Marketing & Communications	Manages promotion of "City of Opportunity" branding to all stakeholders	City branding not optimised	Programs are performance measured and actively managed as necessary.	11.1 & 11.2	Moderate	Moderate	Moderate	Moderate
42	Risk Management, Business Continuity, Fraud	Manages risk identification & mitigation, business continuity, Fraud policy	Business interruption	Check business risks including fraud are managed within risk appetite and tolerances	10.1	Major	Major	Major	Major
43	Governance and Compliance	Manages administrative and legal support to council.	Council not effective	Check administration & compliance objectives e.g. Compliance Return met.	10.2	Moderate	Moderate	Moderate	Moderate
44	Business Planning and Improvement	Manages Strategic Community Plan (SCP) & Corporate Business Plan performance	SCP outcomes not met on time.	Programs are performance measured and actively managed as necessary.	10.3	Major	Major	Moderate	Moderate
					RMSS Consequence Categories	Catastrophic			
						Major			
						Moderate			
						Minor			
						Insignificant			
COMMENTS ON INTERNAL AUDIT PLANS									
1. The internal audit plan page 1, identifies audits that may be completed to assist the C of B meet strategies and achieve objectives.									
2. The internal audit plan page 1, sets out potential audit coverage for each audit based on 2-3 staff. The amount of audit coverage over the three years is fully variable in response to resouces allocated to internal audit.									
3. The compliance driver for the plan is the "Terms of Reference for Internal Audit" which requires the internal audit activity to develop risk based plans for CEO, Audit and Risk Committee and Council approval.									
4. The Institute of Internal Auditors Supplemental Guidance paper "Developing a Risk Based Internal Audit Plan" was used as a primary reference to develop this plan.									

12 Next Meeting

The next meeting of the Audit, Risk and Improvement Committee will be advised.

13 Closure

There being no further business, the Presiding Member thanked everyone for their attendance and closed the meeting at 7:30pm.