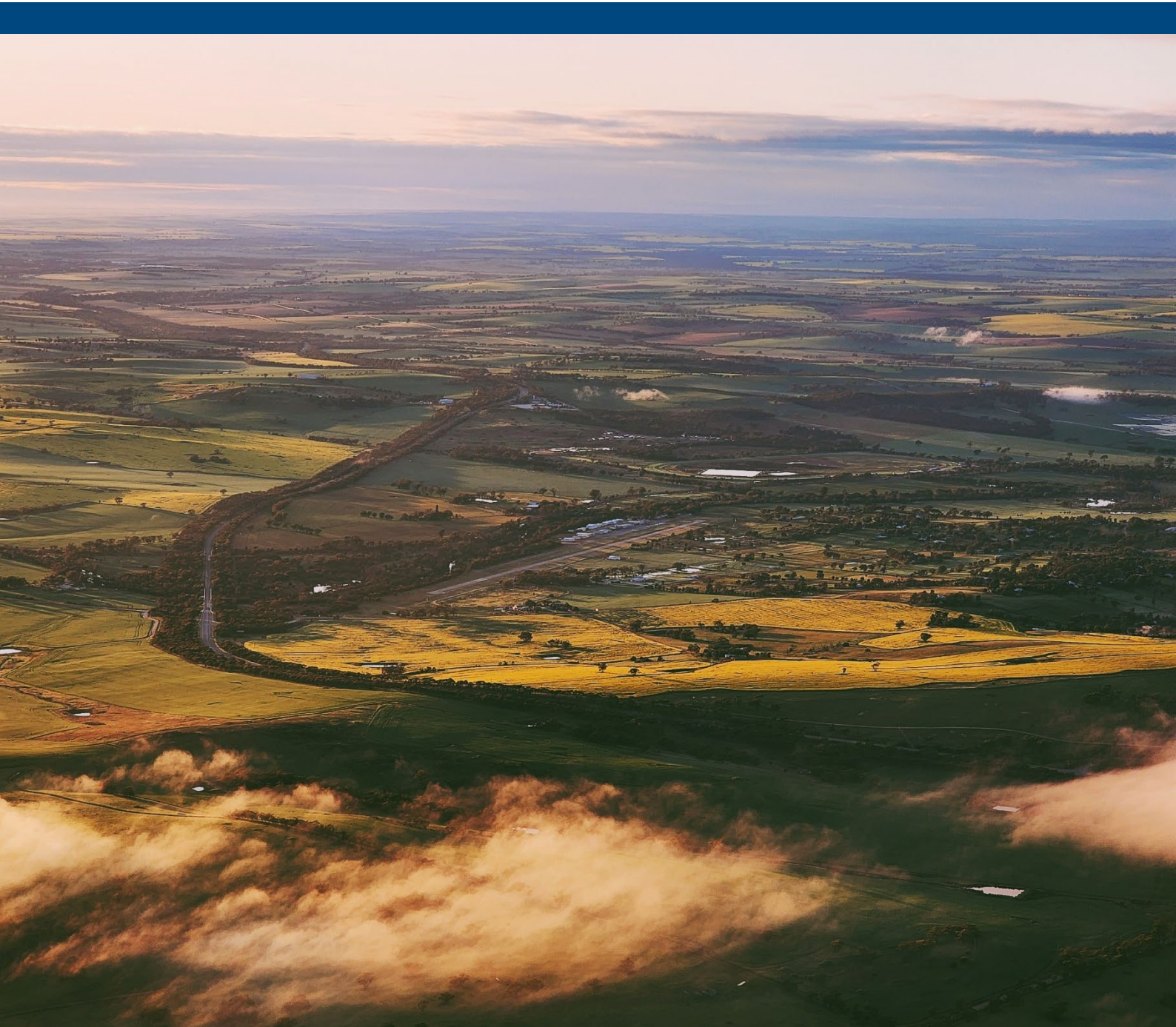




Report 13: 2025-26 | 15 April 2026

FINANCIAL AUDIT RESULTS

Local Government 2025



Office of the Auditor General for Western Australia

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(to assist people with hearing and voice impairment)

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

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

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

**Local Government 2025 – Financial Audit
Results**

Report 13: 2025-26
15 April 2026

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**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

LOCAL GOVERNMENT 2025 – FINANCIAL AUDIT RESULTS

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

The report summarises the final results of our annual audits of 138 of 147 local government entities for the year ended 30 June 2025.

I wish to acknowledge the assistance provided by the councils, chief executive officers, finance officers and others, including my staff and contract audit firms, throughout the financial audit program and in finalising this report.

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

Caroline Spencer
Auditor General
15 April 2026

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Auditor General's overview

This report summarises the results of our annual financial audits of 138 local government entities for the financial year ended 30 June 2025. It also includes results from 11 of the 12 audits outstanding at the time of the *Local Government 2023-24 – Financial Audit Results* report, which have since been finalised.



In 2025, we issued 136 clear audit opinions. Pleasingly, the number of audit qualifications has continued to decrease, with only two of the 138 entities included in this report for 2025 receiving qualified opinions. Of continuing concern is the quality of financial reports submitted for audit. The value of current year errors and the number of prior period errors increased largely as a result of issues linked to property and infrastructure assets. As my office has recommended over successive years, the sector required guidance to support a consistent understanding of valuation obligations and to improve valuation practices generally. So, it is pleasing that the Department of Local Government, Industry Regulation and Safety (LGIRS) recently published this guide on 5 March 2026 which entities can utilise in 2026.

Approximately 33% of entities provided five or more versions of their financial report to my audit teams, with one entity providing 19 versions. As I've said before, this signals a need for greater care and capability in financial reporting. Multiple revisions create delays, cost time and resources and reflect gaps in quality assurance processes. This requires priority attention by entities affected.

This year, for the first time, the online version of this report will include an interactive map graphic to provide insight on our assessment of entity performance from the perspective of financial management control issues raised. This is a useful tool for stakeholders to compare the performance of their local government to those in the surrounding areas or bands. Further, this analysis shows pockets of concerning performance and inability to meet statutory deadlines. We will update this map each year, with the view to showing year on year comparatives.

Of the audits delayed in 2024, four stand out: City of Nedlands, Shire of Coolgardie, Shire of Halls Creek and Shire of Yalgoo. These audits, in conjunction with other delayed audits in 2025 or prior years, were motivating factors behind issuing my recent *Status of Local Government Audits* report¹. The added public oversight of audit delays is intended to improve timeliness.

This year my team performed some financial health analysis around entities' ability to meet their short-term payment obligations (current ratio) which shows numerous entities facing financial pressure (Appendix 9). Four entities had a ratio of less than one, meaning their current liabilities exceeded their current assets and they may not be able to pay their debts as and when they fall due. The four entities were the: Shire of Coolgardie, Shire of Derby-West Kimberley, Shire of Irwin and Shire of Victoria Plains. The sector-average current ratios continue to decline as do the median ratios. This reflects a sector declining in its ability to meet short-term financial obligations. Our opinion on the Shire of Coolgardie's 30 June 2024 financial report included a material uncertainty related to going concern, indicating that the Shire's ability to continue its financial operations (that is, its financial viability) was not assured. While these concerns were known to my office, they were not publicly disclosed until the Shire's audit report was issued in June 2025. Earlier intervention by councillors and CEOs, and failing that the LGIRS, the Local Government Inspector or the Minister is needed for entities in financial difficulty or crisis.

¹ Office of the Auditor General, [Status of Local Government Audits 2025](#), OAG website, 28 January 2026.

It is pleasing to see the sector respond positively to our request to bring audit delivery forward by being audit ready however, there remains opportunities for improvement. The spike in issuing audit opinions (Figure 1) is not sustainable and requires all entities to prepare for earlier completion, thereby enabling more timely reporting to all key stakeholders.


Our advocacy work with entities and LGIRS in relation to legislative reforms has helped reduce certain review requirements for entities, without reducing transparency or accountability. This was a welcome change via the local government legislative reform. It was pleasing to see how responsive LGIRS were to suggestions, and I appreciate their engagement with my office.





Finally, in response to sector feedback, we have refined our best practice entity reporting approach this year. To better reflect the diversity of local government entities, we have aligned our assessment to the WA Local Government banding model². Stakeholders indicated that evaluating best practice at a sector-wide level was less meaningful, and that introducing a level of segmentation would provide clearer and more relevant insights. This change ensures our reporting is more comparable, equitable, and reflective of the unique operating environments within local government. I congratulate those entities recognised as best practice for 2025.

My sincere thanks also to entities, my staff and our contract audit firms for their continued diligent efforts in delivering timely reliable local government financial reports and audits for the Western Australian community.


² In Western Australia, local governments are classified into four bands based on the determination of the [Salaries and Allowances Tribunal](#). These bands are used to determine the maximum and minimum number of council members based on the population of the local government district. The classification of local governments into these bands is a key aspect of the *Local Government Act 1995* and is subject to change with new regulations and amendments.



2025 local government reporting cycle at a glance



-  **147** local government entities (PY: 147)
-  **138** audits finalised and the results included in this report (PY: 146)
-  **0*** disclaimer opinion (PY: 1)
-  **2*** qualified opinions on 4 matters (PY: 10 opinions on 13 matters)

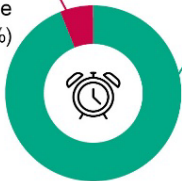
** Does not include the outstanding audits of 9 entities.*



-  We audited **\$5.6 billion** of local government revenue (PY: \$5.4 billion)
-  We audited **\$60.7 billion** of total local government sector assets (PY: \$59.8 billion)

Timeliness

Audit completion

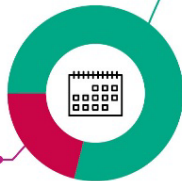


6.1% Not on time (PY: 8.2%)

93.9% On time (PY: 91.8%)

Audits completed within the prescribed period (by 31 December 2025)

Submission of audit ready financial statement



78.9% On or before 30 September (PY: 78.9%)

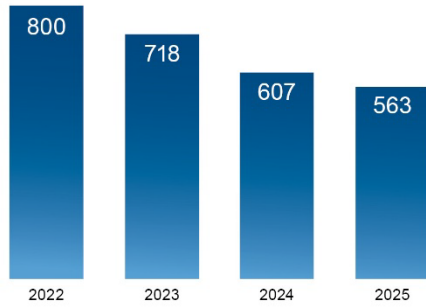
21.1% After 30 September (PY: 21.1%)

PY: prior year

Audit results*

* Does not include the outstanding audits of 9 entities.

Number of financial management issues



0

disclaimer of opinion (PY: 1)

2

qualified opinions (PY: 10)

9

opinions outstanding (PY: 1)

563

financial management issues (PY: 607)

333

information system control issues (PY: 360)

Removed **6**

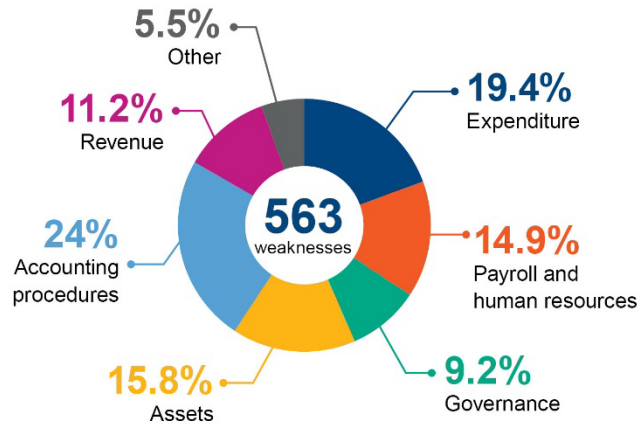
qualified opinions on 7 matters (PY: 6 opinions on 7 matters)

22

emphasis of matter paragraphs (PY: 20)

Financial and management weaknesses

The 138 entities with finalised audits had:



Financial reporting, accountability and audit matters



Quality and timeliness of financial reporting (page 11)



Assets (page 21)



Financial health (page 25)



OAG insights (page 29)

Review of the 2025 financial year

What we did

Our financial audit program is performed under the related Auditing and Assurance Standards Board standards. Our focus is on ensuring the accuracy of an entity's annual financial statements. This report summarises the results of the financial audits of local government entities for the year ended 30 June 2025. It includes the results for 138 of 147³ entities (Appendix 1), with the remaining nine entities included in our *Status of Local Government Audits 2025* report⁴. Appendix 1 also includes opinion types by local government band to enable entities to compare their own results.

Summary of audit opinions

For the financial year ended 30 June 2025, we issued clear opinions for 136 entities by 31 December 2025, and two audit opinions were qualified. We included 22 emphasis of matter (EoM) paragraphs in the auditor's reports of 22 entities. We also issued 11 audit opinions for entities from previous financial years.

Audit year	2024	2025
Number of entities subject to OAG audit	147	147
Number of entity audits included in results report	135	138
Number of entity audits included in updated statistics	146	N/A
Clear (unqualified) audit opinions	135	136
Qualified opinions	10	2
Disclaimer of opinion	1	0
Material uncertainty related to going concern	2	0
Emphasis of matter paragraphs	20	22

Source: OAG

Table 1: Audit results for the past two years

Entities that did not make the 2024 results report cut-off included in this report

At the cut-off date of this report, with the exception of the Shire of Yalgoo, all entities outstanding in the *Local Government 2023-24 – Financial Audit Results* report have now been finalised. While many of these entities received clear 2024 audit opinions, this may not have been the case had the audits been completed on time. The delays with these audits were mostly to give entities time to provide more evidence and correct their financial report. Delays in audits present significant inefficiencies, cost impacts and resourcing pressures on audit teams.

Disclaimer removals

Following a disclaimer of opinion, we generally qualify the comparability of the current year's financial results with the prior year, as the prior year figures were not audited and may be incorrect. Further, when an entity restates figures from a disclaimer year, and they cannot be

³ 31 December 2025 is the statutory deadline for local government entities to complete their audits and is used as the statistics cut-off date for this report.

⁴ Office of the Auditor General, [Status of Local Government Audits 2025](#), OAG website, 28 January 2026.

audited, another related qualification is issued. These qualifications alert users to exercise care when comparing the two years.

The 2024 audit reports for the City of Nedlands and Shire of Halls Creek (issued during 2025) featured disclaimer removals, as did the Shire of Toodyay's 2025 audit report.

The City of Nedlands 2024 audit report contained one qualification on comparability as the prior year numbers could not be audited.

The Shire of Halls Creek 2024 audit report contained three qualifications:

- one was on comparability as the prior year restated numbers could not be audited
- a related qualification, the current year disclosure note on the restated numbers could not be audited
- a third qualification for not valuing other infrastructure assets at 30 June 2022 or 2023.

The Shire of Toodyay 2025 audit report contained three qualifications:

- two were as per the Shire of Halls Creek, comparability of restated numbers which could not be audited, and the related disclosure note
- a third qualification was for unreconciled amounts in cash and cash equivalents.

Full details of the qualifications issued for these three entities can be seen in Appendix 4.

Two qualified opinions

The Shire of Boyup Brook and the Shire of Toodyay were the only entities to receive qualified audit opinions in 2025. This represents a decrease compared to 2024, which recorded 10 entities with audit qualifications out of 146 completed audits. We expect there will be more audit qualifications to come from the nine entities that did not meet their statutory deadline.

The two qualified entities in 2025 had four qualification matter paragraphs, two of which relate to prior year disclaimed opinions (refer above: disclaimer removals). The audit qualifications are included in Appendix 4.

Emphasis of matter paragraphs (EoM)

In 2025, we included 22 EoM (Appendix 5) paragraphs in 22 entity audit reports which is relatively on par with the 20 EoM paragraphs included in 20 reports the prior year. We expect the number of EoM's to increase as the outstanding nine audits are finalised. This year EoM paragraphs directed the readers' attention to:

- restatements of comparative figures or balances to correct prior period errors, largely related to property and infrastructure assets (2025: 16 entities) (2024: 16 entities)
- the basis of accounting used by the entity (2025: 2 entities) (2024: 1 entity)
- investment in associates (2025: 4 entities) (2024: 0).

This year we refined our use of EoM paragraphs relating to prior period errors. Auditing standards allow judgement in this area. We now only include an EoM where errors are deemed fundamental to users' understanding of the financial report. This ensures EoMs highlight to users what is essential for their consideration. While the number of EoM paragraphs this year is similar to 2024, all 2025 errors were serious enough to impact users' understanding of the financial report. This is more concerning, especially as the number would have been higher without our refined EoM approach.

We have a section of this report dedicated to prior period errors, refer to the prior period errors section. A full description of EoM paragraphs is included in Appendix 5.

Material uncertainty related to going concern

Under Australian Auditing Standards, we consider whether events or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern. Essentially, if an entity can fund their continuing operations, they are considered to be able to continue as a going concern.

This applied to the Shire of Coolgardie's 30 June 2024 financial position. This audit was not finalised until June 2025 and therefore it was not included in our *Local Government 2023-24 – Financial Audit Results* report⁵. The audit had challenges largely stemming from the Shire's financial situation and resourcing issues.

The material uncertainty related to the Shire's ability to continue as a going concern, as it had incurred a net loss of \$4.6 million for the year ended 30 June 2024. At that date, the Shire's current liabilities exceeded its current assets by \$14.2 million and the unrestricted cash balance was overdrawn by \$934,000. The Shire disclosed these details along with options available to them to navigate their way through these challenges in a note to the financial statements.

The Shire's 30 June 2025 audit report did not include a material uncertainty related to going concern. A case study of the Shire's financial health is included in the section on financial health of local governments.

Provision of quality financial reports enables timely financial reporting

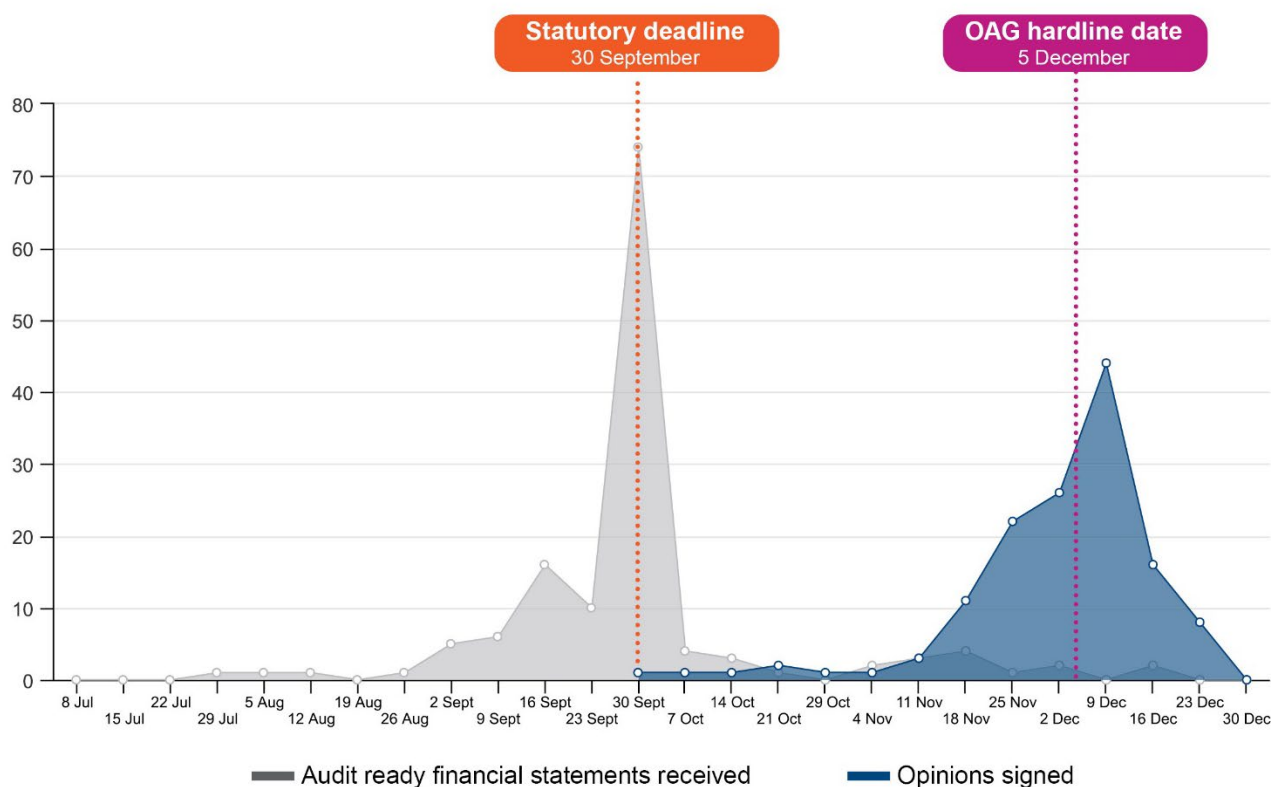
Provision of financial reports

While 84% of the 138 local government entities included within this report provided their financial report by the legislated deadline of 30 September 2025, 54% of entities provided their financial report during the week of the deadline. One-third of entities provided their financial report to the auditors on the deadline. This can be seen in the clear spikes in Figure 1 which suggests entities may be aiming for legislative compliance rather than better practice. Similarly, there is a peak in the number of audit opinions issued at the date of our hardline initiative⁶, on 5 December for 2025. In the week ended 5 December 2025 we issued approximately a third of the 138 opinions included in this report. Again, this represents compliance rather than better practice. To encourage sector-wide uplift and a culture focused on improvement, we encourage entities to access our suite of better practice and audit readiness tools to assist them in earlier financial reporting.

An audit-ready financial report is the starting point for a financial audit, without this, auditors are unable to commence their work in earnest. Also of concern is the accuracy of the financial reports provided. Only 6% of entities required no adjustments to their financial report. The remaining entities needed to make adjustments to their financial report, indicating a lack of quality. Further details on audit adjustments are included in the quality section of this report.

⁵ Office of the Auditor General, [Local Government 2023-24 Financial - Audit Results](#), OAG website, 24 April 2025.

⁶ Our hardline initiative is focused on improving the quality and timeliness of financial reports and associated workings provided for audit. As part of the approach, we will no longer wait until the entity is ready if key information and people are not reasonably available within the agreed schedule. Instead, we will issue our audit opinion on the information available, even if this results in a qualified audit opinion.



Source: OAG

Figure 1: Financial reports received and audit completion dates by week

Timeliness of reporting

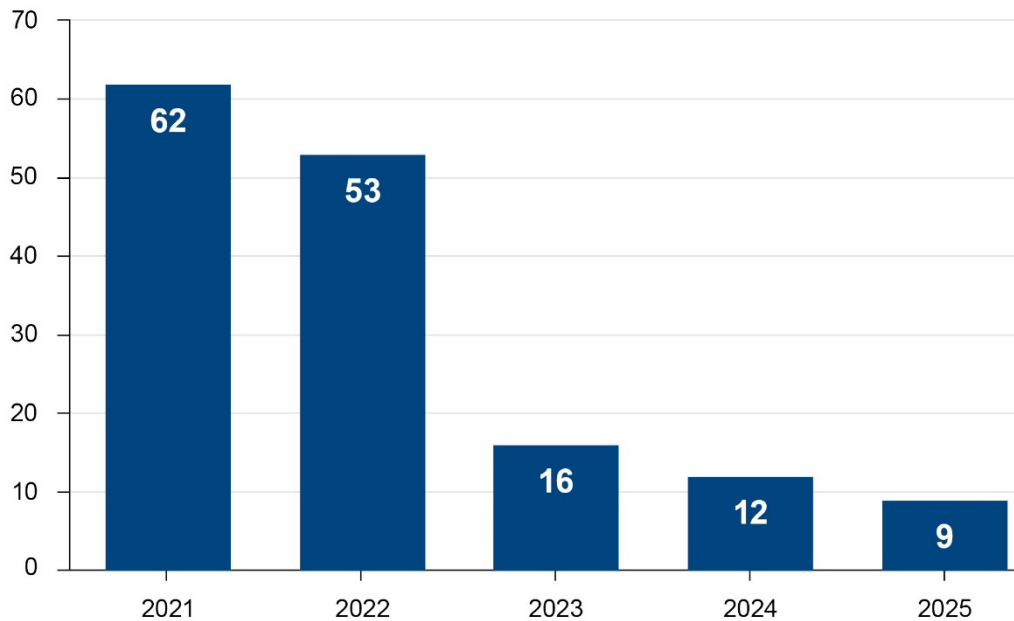
More opinions meeting statutory deadlines

For the first time, we issued a standalone report on the timeliness of local government audit opinions⁷. This new reporting initiative increases transparency, to Parliament and the community, on entity financial report progress and reinforces our commitment to issuing all audit opinions by 31 December, in line with legislated timeframes.

In 2025, 94% of local government audit opinions were issued by the statutory deadline, a continued improvement on prior years. We anticipate further improvement in 2026, with the long-term aim that all audits are completed well within the required timeframe.

Since 2023, we have provided entities with an early December target date, previously referred to as the OAG hardline initiative, to support earlier audit completion and reduce the risk that minor delays push audits beyond 31 December. For the 2025 cycle, this date was 5 December. This initiative has contributed to a significant reduction in the number of audits outstanding at 31 December, as shown in Figure 2.

⁷ Office of the Auditor General, [Status of Local Government Audits 2025](#), OAG website, 28 January 2026.



Source: OAG

Figure 2: Number of audits outstanding at 31 December for the last five years

For the nine outstanding audits included in the *Status of Local Government Audits 2025*⁸ report in January 2026, the only substantive change is for the Shire of Yalgoo with their 2023 and 2024 audits now finalised, and the Shire of Dalwallinu with their 2025 audit now finalised. For both 2023 and 2024 the Shire of Yalgoo’s audit opinions were qualified in respect of:

- bank reconciliation issues
- accrued income recoverability
- valuation of infrastructure asset (roads) not being undertaken.

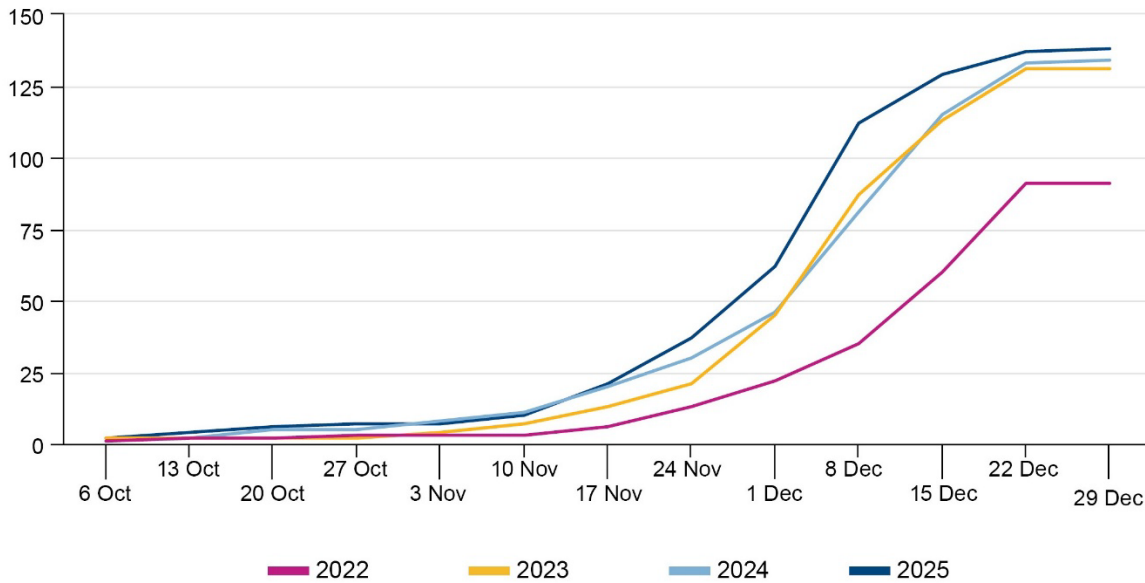
Despite delayed lodgements in 2024 the following entities, through appropriate commitment and resolve, successfully addressed the contributing issues and met the statutory deadline in 2025:

- City of Greater Geraldton
- Shire of Bridgetown-Greenbushes
- Shire of Collie
- Shire of Coolgardie
- Shire of Dundas
- Shire of Nannup
- Shire of Toodyay (last met the statutory deadline in the 2020 financial year)
- Shire of Wickepin
- Town of Cottesloe.

⁸ Office of the Auditor General, [Status of Local Government Audits 2025](#), OAG website, 28 January 2026.

Overall Progress is positive, but audit bottleneck continues

Figure 3 shows that 2025 was ahead of previous years in terms of number and timing of opinions issued. While the improvement in timeliness is encouraging, there continues to be a bottleneck of audit opinions being issued in December.

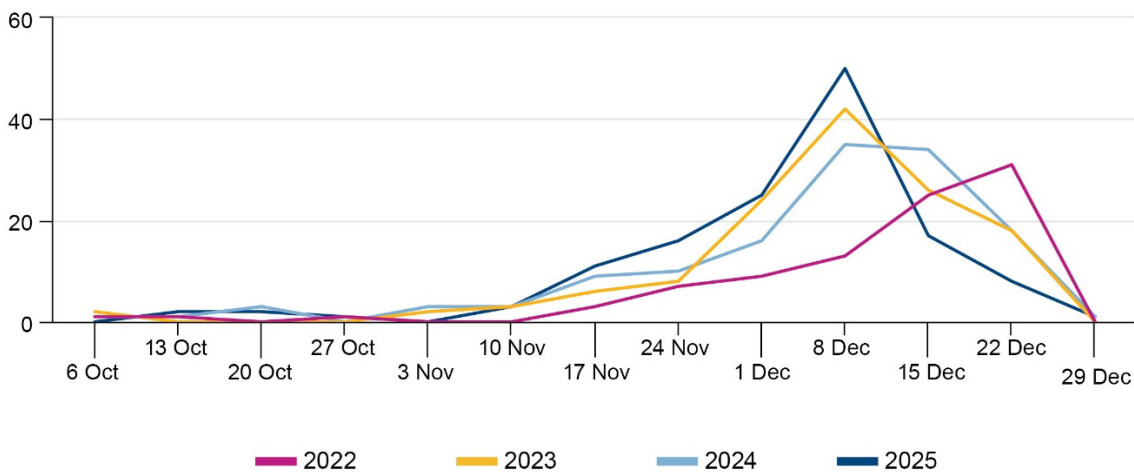


Source: OAG

Figure 3: Cumulative opinions issued from October to December for 2022 to 2025

We are pleased with the sector successfully responding to our efforts to bring audit delivery forward before the 31 December deadline, although there remain opportunities for improvement. There is concern that entities treat our hardline initiative date as their target for receiving an opinion. There were 58% of 2025 local government opinions issued in December, with 33% of opinions issued during the week ended 5 December 2025. The clear spike in opinions issued around this date is shown in Figure 4.

This spike in issuing opinions is unsustainable. Looking forward we want to see entities preparing for earlier audit completions to create a smoother curve of opinions being issued, rather than a sharp spike. This would enable earlier reporting by entities to their ratepayers and have the added benefit of reducing the pressure on finance teams and auditors.



Source: OAG

Figure 4: Opinions issued per week 2022 to 2025

Quality

Good quality financial reports are accurate, clear and complete.

Errors and the number of versions of the financial report submitted to audit are indicators of the quality of financial operations of an entity. Both are indicative of a weakness in an entity's financial report preparation process. It creates additional effort, both internally for the entity and for the auditor, which leads to increased costs (internally and audit fees).

Prior period errors are increasing

A prior period error is a significant misstatement or omission, made by an entity in previous financial years, identified during the current year. It is usually corrected retrospectively by restating the opening balances in the financial statements. Entities with prior period errors have increased by 13% from 2024, with the 2025 numbers subject to increase as the nine outstanding audits are finalised. Many errors relate to asset accounting.

Common themes were:

- found assets
- valuation errors
- duplicate assets.

The growth in prior period errors and continued presence of asset related errors demonstrates a need for entities to focus on improving their asset accounting processes. As revaluations are only required every five years, many entities are in the outer year of a valuation cycle. We expect these errors could get worse in a valuation year.

A compounding issue with prior period errors, once identified, is that many entities are unsure how to correctly account for and disclose these errors in their financial reports. This contributes to inconsistent treatment across the sector and increases the level of auditor involvement required to resolve the matters.

Financial report versions still too high

On average we received four versions of an entity's financial report in 2025, similar to 2024. While the proportion of entities with only one version of the financial report prior to finalisation has increased to 6% (3% in 2024), this proportion is insufficient.

Approximately 33% of entities provided five or more versions of their financial report to audit, which is consistent with the previous year. We consider five or more versions of a financial report to be excessive, and indicative of a lack of financial management and reporting expertise and audit readiness by entities. One entity was a concern with 19 versions of their financial report provided to audit. This is an increase from 2024 where one entity had 16 versions for their financial report before finalisation.

Each version of the financial report provided to auditors needs to be reviewed, compared to previous versions with changes being queried and validated. All of which increase audit hours and costs. Entities should be aiming for one to two versions of their financial report. Any more than this indicates inadequate quality review processes in the preparation of the report.

Value of errors increase in 2025

The number and value of adjustment errors made to financial statements increased in 2025.

Errors are identified during the audit process, and we advise entities of those that are more than clearly trivial. Material errors must be corrected to avoid a potential modified opinion,

while immaterial errors may be left unadjusted where they do not affect the fair presentation of the financial report.

Year	Adjusted errors			Unadjusted errors			Total errors	
	No. of entities	No. of errors	Value	No. of entities	No. of errors	Value	No. of errors	Value
2025	98	301	\$674,314,611	55	125	\$43,987,252	426	\$718,301,863
2024 ⁹	100	297	\$393,532,137	63	137	\$58,713,391	434	\$452,245,528
2023	100	285	\$1,125,288,333	59	104	\$69,157,705	389	\$1,194,446,038
2022	91	335	\$1,613,529,048	58	132	\$50,668,884	467	\$1,664,197,932

Source: OAG

Table 2: Adjusted and unadjusted errors for entities

Entities should exercise discretion when considering adjustments for immaterial errors. While these smaller errors may not affect the fair presentation of the financial report, processing and validating them consumes time and resources.

Entities need to strike a balance between the overall objective of presenting a fair financial report and the additional effort required to process adjustments. Each adjustment not only increases the entity’s workload but also requires auditors to perform further validation and review additional versions of the financial report, increasing audit time and cost, and resulting in delay for both parties.

While the overall number of errors for 2025 appears relatively consistent with 2024, we expect this to increase once the nine outstanding audits are finalised.

The Shire of Toodyay and Town of Claremont had the equal largest number of adjusted errors in 2025, with 10 errors each. The Shire of Toodyay adjusted errors amounting to \$10.3 million, whilst the Town of Claremont’s adjustments amounted to \$38.9 million. Two other entities were significant outliers due to the value of their adjustments:

- The City of Albany undertook infrastructure valuations (internally) for the 2025 financial year that indicated an increase in value of infrastructure assets of \$148 million, which was recorded. However, the valuation was unable to be relied upon for audit purposes as it lacked sufficient supporting evidence. Accordingly, the revaluation adjustment was subsequently reversed.
- The City of Swan recorded \$75.6 million across two adjustments to correct their works in progress (WIP) balance as disclosed in the note:
 - \$18.5 million of property, plant and equipment (PPE) additions were incorrectly classified as transfers from WIP
 - \$57.1 million in infrastructure additions were incorrectly classified as transfers from WIP.

These changes only relate to the WIP balance and PPE disclosures and were not impacting the overall PPE balance in the statement of financial position.

These outliers contributed to the overall increase in value of errors; however, the uplift in error values is evident across the sector.

⁹ 2024 numbers have been restated and are now inclusive of 11 entities which have been signed out since our [Local Government 2023-24 Financial Audit Results](#) report.

Best practice entities

This year we are reporting best practice entities in two categories:

- top 10 band 1 and 2 entities
- top 20 band 3 and 4 entities and regional councils.

This is a change from our prior reporting of a top 20 of all entities. The change better reflects differences, complexities and numbers of entities within the various bands. The number of entities in bands one and two makes up 30% of the total 147 local government entities. Bands three, four and regional councils make up the remaining 70%.

The criteria we rate entities on remains unchanged. We rate entities on their financial reporting practices against the following criteria:

- timeliness of CEO-certified financial report
- quality of financial report (including the number of errors identified)
- quality of working papers that support the financial report
- management resolution of accounting matters
- key staff availability during the audit
- number and significance of management letter findings
- clear opinion with no EoM or other audit report modifications.

We congratulate the entities we rated as the top achievers for 2025.

Best practice top entities	
Top 10 Band 1 & 2	Top 20 Band 3, 4 and other entities
<ul style="list-style-type: none"> • City of Belmont • City of Cockburn • City of Fremantle • City of Greater Geraldton • City of Rockingham • City of Vincent* • Shire of Mundaring* • Shire of Murray* • Shire of Northam • Shire of Wyndham-East Kimberley 	<ul style="list-style-type: none"> • Murchison regional vermin council • Shire of Beverley* • Shire of Boddington • Shire of Chittering • Shire of Christmas Island* • Shire of Donnybrook-Balingup • Shire of Exmouth* • Shire of Gingin • Shire of Irwin* • Shire of Lake Grace* • Shire of Laverton • Shire of Menzies* • Shire of Nannup • Shire of Narembeen • Shire of Ngaanyatjarraku • Shire of Peppermint Grove • Shire of Three Springs* • Shire of Wagin • Shire of Waroona • Shire of Wyalkatchem

Source: OAG

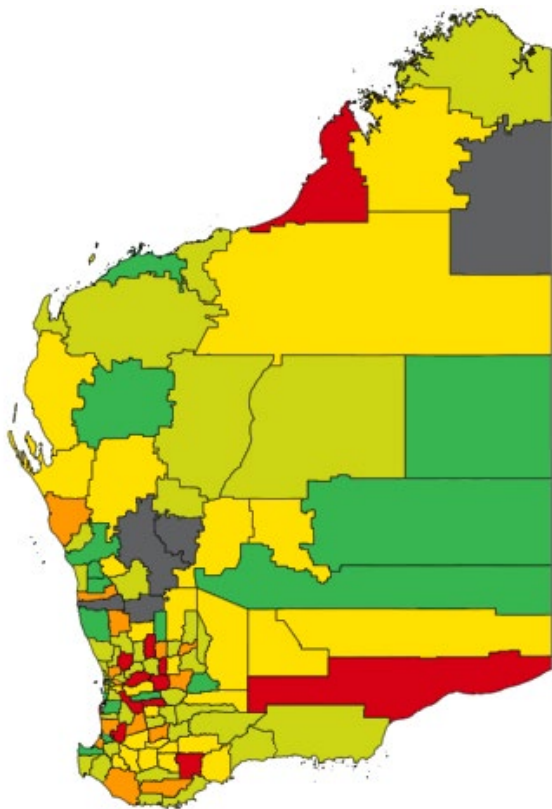
* Indicates entities which received best practice in the Local Government 2023-24 – Financial Audit Results report.

Table 3: Best practice entities for 2025

Control weaknesses

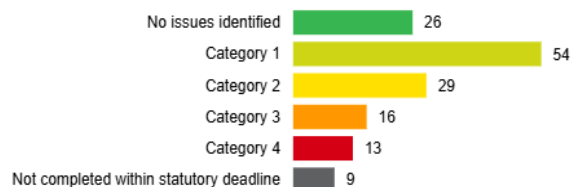
Improvements in overall control environment

An entity's control environment includes the governance and management functions as well as the attitudes, awareness and day-to-day actions that contribute to the internal control practices of importance to the entity. We reported a total of 896 control findings in 2025 which is a decrease from the prior year (967 control findings). These are made up of 563 financial management issues (2024: 607) and 333 information systems (IS) control issues (2024: 360).



For the first time in 2025 we have compiled an interactive map graphic to provide clear visuals on the comparative financial control performance of local governments. Figure 5 is only accessible via the online version of this report. This graphic can be filtered by WALGA region, local government band or metro or regional entities.

This is a useful tool for stakeholders to compare the performance of their local government to those in the surrounding areas. Further, this shows pockets of concerning performance and inability to meet statutory deadlines. We will update this map each year, with the view to showing year on year comparatives.



Source: OAG

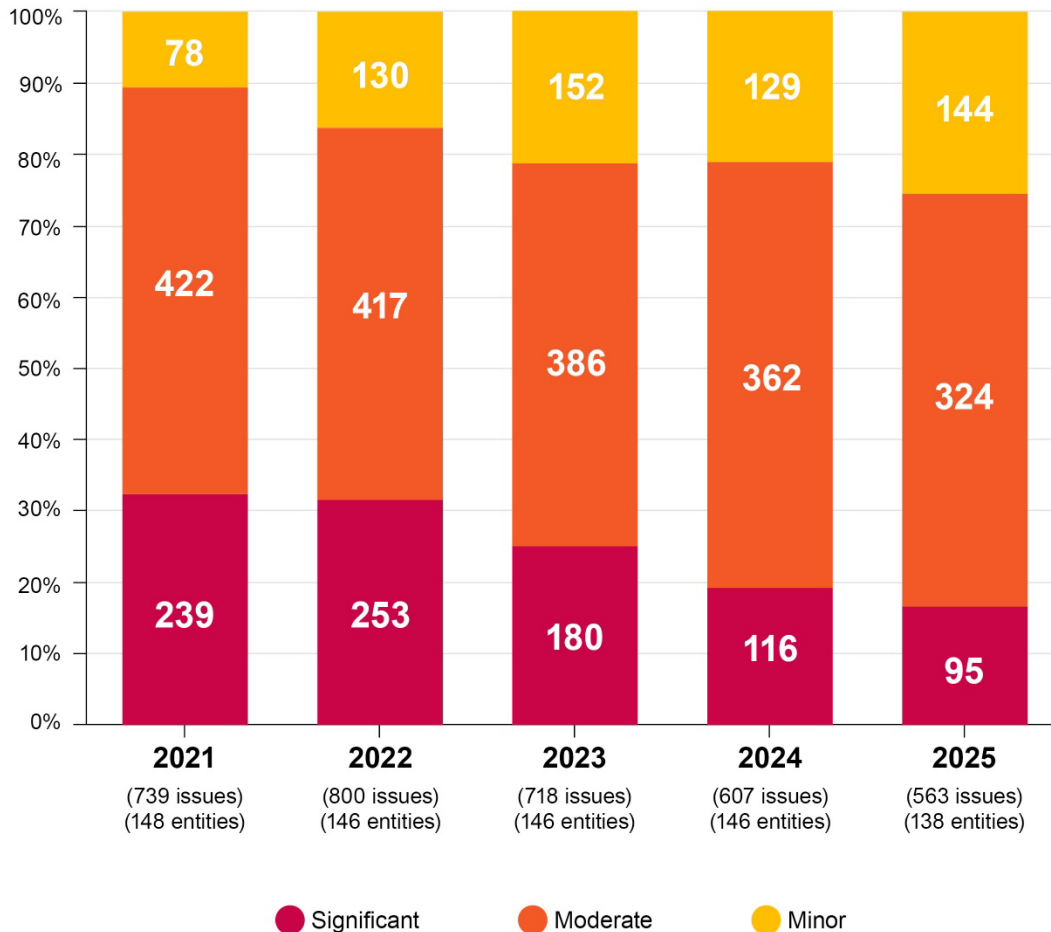
Figure 5: Entities by financial management control rating category

Our audits are primarily focused on controls that support the preparation of the financial report. A control environment with adequate systems, processes and people reduces the risk of error and fraud, and provides assurance to management, council and other stakeholders that financial reports are materially correct. We assess each entity's control environment during our risk assessment procedures. We report details of weaknesses identified through the audit process in the control environment to entities management and those charged with governance. The main themes of these weaknesses are discussed in further detail. We reported in detail the IS control findings in a separate report to Parliament.¹⁰

¹⁰ Office of the Auditor General, [Local Government 2025 – Information Systems Audit Results report](#), OAG website, 25 March 2026.

Financial management controls

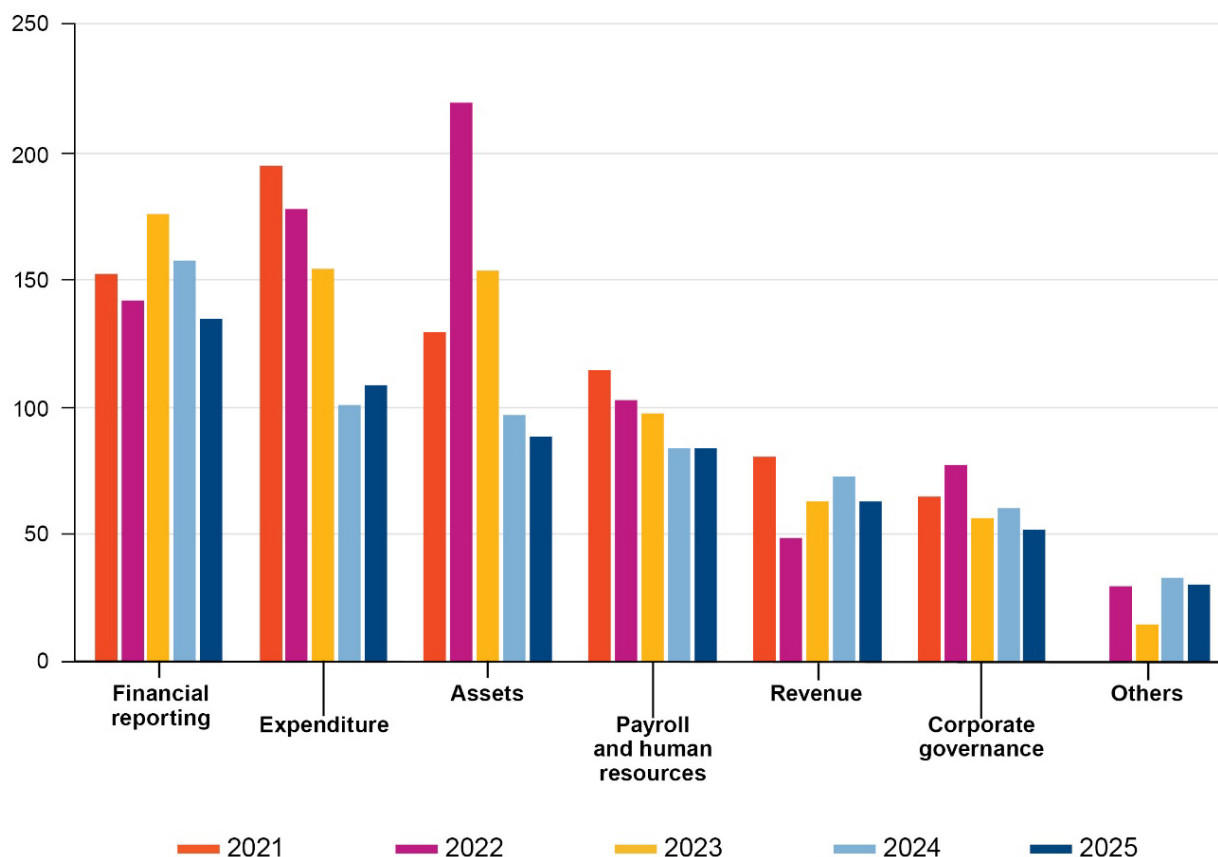
In 2025, management letter issues continued their downward trend, reducing from 607 in 2024 to 563. The number of entities with reported control weaknesses also decreased, from 130 in 2024 to 112 in 2025. The number of control weaknesses is expected to increase once the nine outstanding audits are finalised. The reduction was driven by fewer significant and moderate findings, though minor issues increased in both number and proportion as can be seen in Figure 6. Definitions of our finding risk ratings are included in Appendix 12.



Source: OAG

Figure 6: Proportion of control weaknesses reported to management in each rating category

The movement in findings by category was mixed for 2025, as seen in Figure 7. Financial reporting remained the largest area of concern, although the number of issues decreased slightly compared to 2024. Conversely, issues relating to expenditure increased modestly year on year. Other categories either decreased slightly or remained broadly consistent with 2024.



Source: OAG

Figure 7: Financial management control issues reported to entities by category

Financial reporting

We raised 135 issues (2024: 158 issues) across 70 entities (2024: 77 entities) relating to their financial reporting procedures. Of these issues, 49 were unresolved from the prior year and 14 were rated as significant.

- Journal entries and reconciliations:** 27% of issues (36 issues) related to journal entries and general ledger reconciliations (excluding bank reconciliations). Journal entries are commonplace but present a high-risk area, as they adjust approved transactions. Key controls include appropriate review processes and segregation of duties between those who post and those who approve journals. Without these controls, the risk of error and fraud increases. Similarly, when finance system balances are not reconciled to sub-systems in a timely manner, errors within the financial report are more likely. These risks are further compounded when reconciliations are not appropriately reviewed. Importantly, these control weaknesses are readily addressed through the implementation of basic controls.
- Policies and procedures:** 22% of issues (30 issues) related to policies and procedures, predominantly where they were outdated, not recently reviewed, or not implemented. Without up-to-date approved policies and procedures, staff may be unaware of council and management expectations regarding their responsibilities and the performance of key transactions and activities. This increases the risk of errors, fraud and non-compliance.
- Bank reconciliations:** 16% of issues (22 issues) related to bank reconciliations. Bank reconciliations are a critical financial management control for all entities. As with

general ledger reconciliations, inadequate reconciliation processes increase the risk of errors and undetected fraud. This risk is heightened for bank reconciliations due to their direct connection to cash balances, which are more susceptible to misappropriation if controls are weak. We again found instances of basic reconciliations not being performed or reviewed in a timely manner, and reconciling items remaining long outstanding.

Preparation of an accurate financial report requires timely completion of reconciliations and high quality supporting working papers. These should be provided to auditors at the commencement of the audit. We expect the financial report to be reviewed by the CEO and council or the audit committee prior to submission, ensuring its completeness and accuracy. Following this review, the CEO should sign the financial report and submit it for audit. Guidance for entities is available in our better practice guides, accessible on our website¹¹.

Expenditure

We reported 109 expenditure weaknesses to 61 entities in 2025, compared with 101 issues to 64 entities in 2024. Of these 109 weaknesses, 33 were unresolved from the prior year and five were rated as significant. Poor procurement practices continue to be of concern, as they increase the risk of fraud and reduce the likelihood that entities achieve value for money. Entities need to ensure they have appropriate controls and processes in place that operate effectively to mitigate these risks.

- **Purchase orders:** As with previous years, we identified instances where purchase orders were raised after the invoice date and where entities did not seek an adequate number of quotes. Obtaining an appropriate number of quotes is an important control to ensure value for money. Purchases made without authorised purchase orders increase the risk of unauthorised spending. These issues accounted for 52% (57 issues) of all expenditure related findings.
- **Supplier master files:** Issues relating to supplier master files formed the second largest category of expenditure findings, representing 17% (19 issues). Strong controls over supplier master files are essential in preventing fraudulent payments. Where controls are weak, there is an increased risk that payments may be made to incorrect or fraudulent bank accounts.
- **Credit cards:** Credit card controls accounted for 16% (17 issues) of findings. We identified instances where credit card purchases were not supported by receipts, transactions were not appropriately reviewed or approved, and credit card policies were not complied with. This reflects non-compliance with policies and procedures and increases the risk of fraud.

Asset management

We identified 89 findings at 56 entities in 2025, compared with 97 findings at 57 entities in 2024. Of the 89 findings, 27 were prior year issues which remained unresolved, and eight were rated as significant.

- **Valuations:** Most asset management findings related to valuations, comprising 26% of issues (23 issues). This area was a key source of findings in 2023 but not in 2024. This fluctuation is partly due to the cyclical nature of valuations under local government regulations, which require entities to revalue assets every five years. Each year a different cohort of entities is due for revaluation, influencing the number and nature of findings identified.

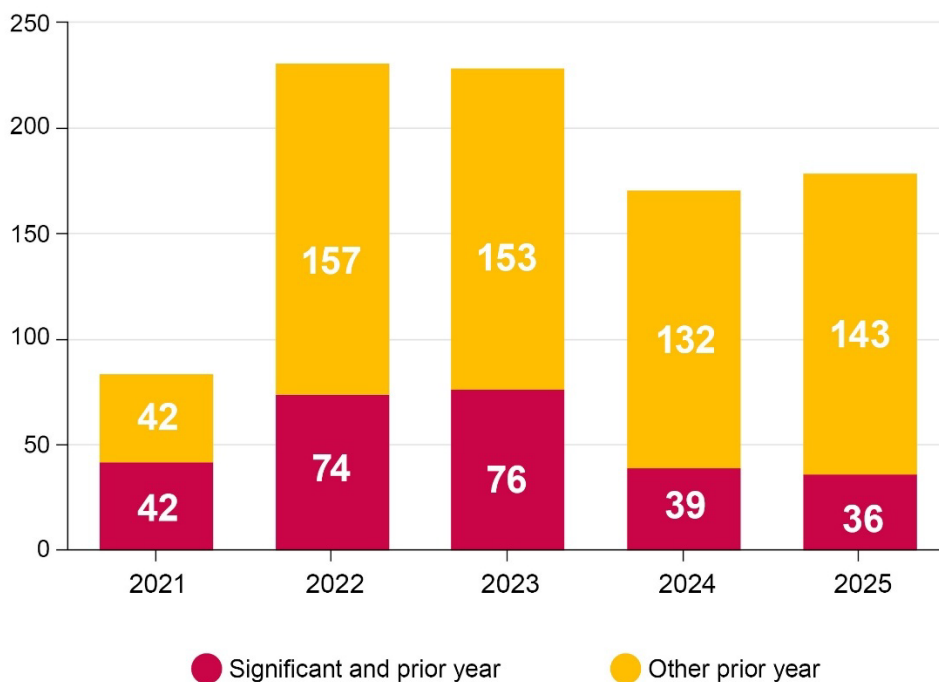
¹¹ Office of the Auditor General, [Better practice guidance](#), OAG website, n.d., accessed 9 February 2026.

- **Capitalisation of works in progress (WIP):** The second largest category of asset management findings related to WIP, representing 20% (18 issues) in 2025. These findings generally related to late capitalisation of WIP, where assets were available for use or already in use, but were not depreciated. In some cases, errors involved assets from prior years that should have been transferred from WIP but were not, resulting in prior period errors.
- **Asset reconciliations:** Asset reconciliations were the third largest category, comprising 18% (16 issues). Reconciliations ensure that asset records are complete, accurate and aligned between the finance and asset systems. Where reconciliation processes are inadequate, entities risk losing track of assets or incorrectly recognising them, which can affect asset valuations and lead to found asset errors in future years.

Control weaknesses in asset management can lead to qualified audit opinions due to the material value of property and infrastructure assets held by local governments. Entities need to remain vigilant and ensure valuation, capitalisation and reconciliation processes are robust and consistently applied each year.

Findings unresolved from prior year

For 2025, 179 financial management control findings raised across 81 entities (2024: 171 findings across 77 entities) remained unresolved from prior years. This represents 32% of all current year findings (2024: 28%). Of these unresolved issues, 20% (36 issues) (2024: 23% 39 issues) were rated as significant, requiring urgent action. While the proportion of significant unresolved findings has remained consistent, it is concerning that the number of unresolved issues increased.



Source: OAG

Figure 8: Prior year issues per year

Unresolved findings from prior years primarily relate to financial reporting, expenditure and asset management. These unresolved issues align with the underlying themes previously identified within this report, for each category. It is concerning that these matters remain

unresolved, as they continue to add to audit time and costs. Entities need to prioritise addressing these issues, particularly those rated as significant.

Information system controls

The purpose of general computer control (GCC) audits is to assess the effectiveness of entities' computer controls relied on to accurately process and maintain the integrity, confidentiality and availability of key financial business systems and information.

For the 2025 financial year, we reported 333 general computer control weaknesses to 68 entities, compared to 360 control findings to 89 entities in 2024. Over half of these weaknesses (60%) were unaddressed prior year issues. Nine percent of findings were rated significant, 69% moderate and 22% minor (Figure 9).

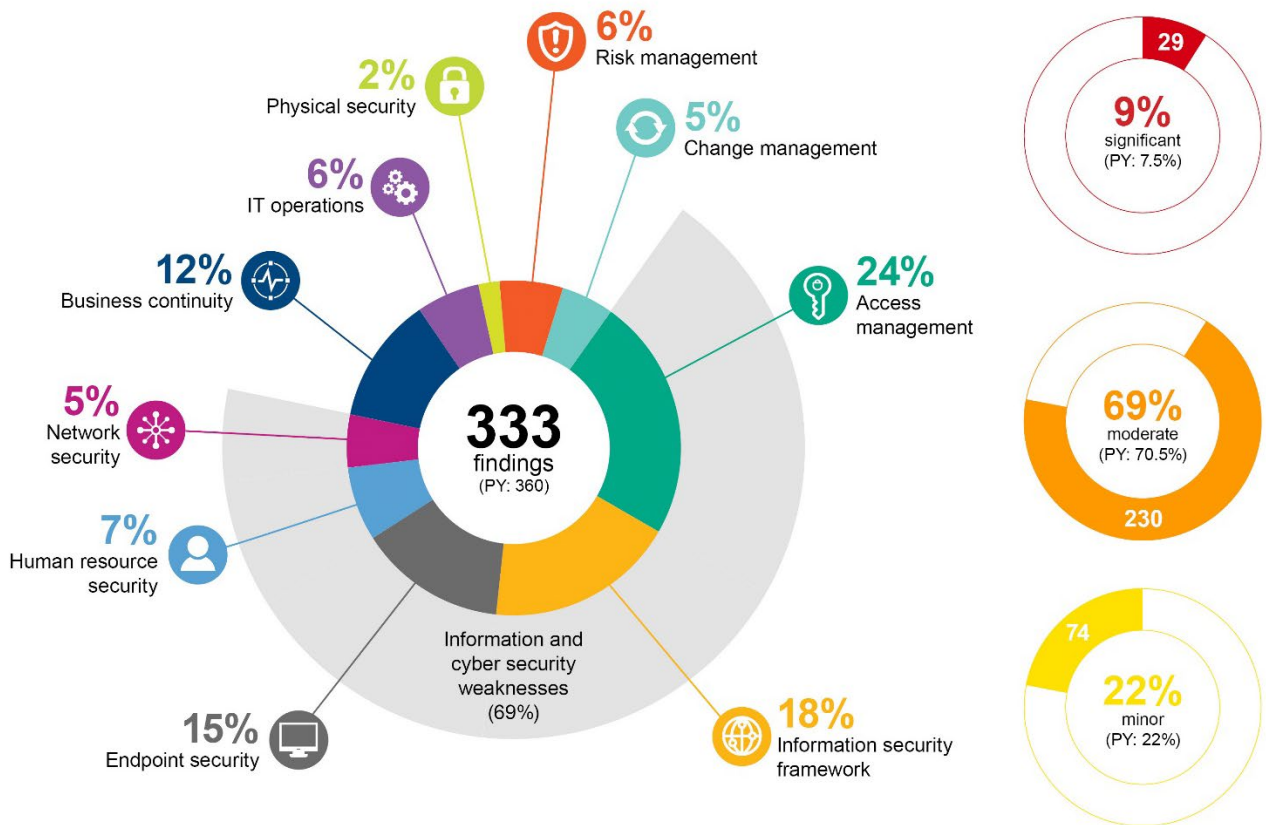
Entity controls in the following control categories showed significant weaknesses:

- access management
- business continuity
- endpoint security
- information security framework
- network security.

Of the 333 weaknesses identified, the majority related to information and cyber security controls:

- 24% related to managing access, such as delays in removing access of former staff and contractors, poor control over privileged and system accounts, and insufficient user activity monitoring.
- 18% related to information security framework weaknesses. These issues comprised insufficient information and cybersecurity policies, as well as governance and compliance weaknesses.
- 15% related to controls to protect endpoints (end user devices and servers). These included system vulnerabilities, legacy systems, and limited controls to prevent malware.

The *Local Government 2025 – Information Systems Audit Results* report presents a detailed analysis of these findings.



Source: OAG

Figure 9: Information system weaknesses across 10 control risk categories and ratings

Improvement opportunities

Financial health of local governments

Financial sustainability is a challenge for many local governments across the country due to a combination of:

- operating losses
- declining cash reserves
- increasing compliance and complexity
- limited capacity to generate sufficient own source revenue (from existing or alternative means)
- the general economic environment.

These factors are just as relevant in Western Australia and were most evident for the Shire of Coolgardie in 2024 when we included a material uncertainty related to going concern in the Shire's 2024 audit report.

Case study 1: Historical financial viability concerns at the Shire of Coolgardie

Under the going concern basis of accounting, financial statements are prepared on the assumption that an entity will continue operating for the foreseeable future. Auditors are required to report when there is a material uncertainty about an entity's ability to continue as a going concern.

For the Shire of Coolgardie's 2024 audit, finalised on 23 June 2025, we highlighted concerns by drawing attention to note 1 of the Shire's financial report. The note disclosed that the Shire:

- recorded a net loss of \$4.6 million for the year ended 30 June 2024
- had current liabilities exceeding current assets by \$14.2 million
- had an overdrawn unrestricted cash balance of \$934,000
- had inappropriately used restricted funds for operational purposes.

These issues, along with other disclosures in the financial report, indicated the presence of a material uncertainty that cast significant doubt on the Shire's ability to continue as a going concern.

Following the 2024 audit, the Shire undertook debt restructuring and other initiatives to improve its financial position. We were satisfied with these actions, and as a result, a material uncertainty paragraph was not required in the 2025 audit report. However, because the 2024 audit report and financial statements were the first public signal of concerns, the situation highlights the importance of stronger monitoring and guidance for entities on financial sustainability.

LGIRS has developed the Local Government Financial Indicator (LGFI) tool, which provides a point-in-time assessment of an entity's capacity to meet its short and long term financial obligations, having regard to its funding sources. The LGFI replaced the former Financial Health Indicator (FHI) and, unlike the FHI, is not designed to assess longer term

financial sustainability. Further information on the methodology and application of the LGFI is available through the MyCouncil FAQs¹².

LGFI data was first published on the MyCouncil website in May 2025 for the 2019 to 2023 financial years. As the indicator relies on audited financial information, data publication necessarily follows the completion of audit and associated validation processes. At 23 February 2026, LGFI results were available up to the 2023 reporting period, with subsequent years to be released in line with established update schedules. However, the indicator is only genuinely useful when it is updated in a timely manner after audited financial reports and grant information returns are released.

LGIRS has established a benchmark score of 70 for the LGFI. Scores below this benchmark indicate that an entity may warrant further consideration in relation to its financial position. Looking back, the LGFI for the Shire of Coolgardie had been declining for some time, indicating emerging concerns well before the issues became public in June 2025, acknowledging that the department had been engaging with the Shire, and our Office, since early 2024 in respect of a variety of concerns identified by them through other available information.

Financial analysis

For 2025, we analysed the current ratios of all local government entities with audits finalised by 31 December 2025. The current ratio is an indicator of an entity's ability to meet its short-term obligations for payment, with a ratio of less than one suggesting that an entity owes more in the short term than it may be able to afford to pay. Four entities recorded a current ratio of less than one (2024: 2; 2023: 1). The four entities with ratios less than one were:

- Shire of Coolgardie
- Shire of Derby-West Kimberley
- Shire of Irwin
- Shire of Victoria Plains.

A further 13 entities reported a ratio between 1 and 2 (2024: 11; 2023: 13), which also indicates potential financial pressure.

Appendix 9 contains a complete listing of the current ratio for each entity for 2024 and 2025.

Case study 2: Historical financial viability concerns at the Shire of Coolgardie

For 2025, the Shire of Coolgardie recorded a current ratio of 0.57. Given the heightened concern with the Shire's financial viability, we performed further audit procedures to satisfy ourselves that the going concern basis for preparation of the financial report was appropriate and a material uncertainty was not required to be included in the audit report. The procedures included:

- deeper and more intensive analysis of cashflow forecasts
- review of budgets
- status of financial facilities
- asset disposal alternatives
- year to date actual financial information for 2026.

¹² Government of Western Australia, *MyCouncil*, mycouncil.wa.gov.au, n.d., 9 February 2026.

Entities hovering around a score of one or trending downwards, should pay particular attention to their cashflow needs and forecasts. Sector-wide results also show a gradual decline. The sector-average current ratio decreased from 5.5 in both 2023 and 2024 to 5.0 in 2025. Median ratios similarly declined from 4.1 in 2023 to 3.75 in 2024 and 3.63 in 2025. The decline in the median indicates that this trend is not driven by outliers but reflects a broader sector decline in entities' ability to meet their short-term payment obligations.

While a number of entities report large surpluses each year, the sector is facing increasing cost pressures with a limited ability for entities to expand their revenue base. Local governments will need to closely monitor their financial outlays and positions to ensure they can continue to deliver essential community services and maintain appropriate levels of investment in their community infrastructure.

Valuations

This year we encountered several instances where a valuer did not comply with the LGIRS (previously the Department of Local Government, Sports and Cultural Industries) directive requiring the use of the market approach for valuing land, including the consideration of public sector restrictions. In all cases, entities were unaware that their valuations were non-compliant with the above requirements, resulting in additional auditor involvement to resolve the matter with the valuer. Adjustments were required to valuations and financial reports.

Assets (PPE and infrastructure) are generally the largest balances in the financial report, meaning that errors in this area tend to be large and carry significant exposure for entities. This is also an area where we see significant numbers of prior period errors, as discussed in the quality section of this report¹³.

For several years, we have recommended LGIRS develop and finalise their valuation guidance for the sector. We have provided input on various drafts since September 2023; and this guide has recently been published on 5 March 2026. This guidance will support a consistent understanding of valuation obligations and improve valuation practices generally. Ahead of their 2026 audits, entities should review this guidance to ensure their compliance with the guidelines.

Advocacy and reform

We engage closely with stakeholders and maintain a sector-wide view of emerging risks and systemic issues through our ongoing liaison with key stakeholders. This enabled us to raise with LGIRS a duplication in review requirements. As a result, regulation 5(2)(c)¹⁴ of the Local Government (Financial Management) Regulations 1996, which required a three-yearly CEO review of the appropriateness and effectiveness of financial management systems, was removed effective 1 January 2026. Enhancements have been made to the remaining review obligations under regulations 16 and 17 of the Local Government (Audit) Regulations 1996.

Further reforms have also progressed, importantly the Local Government Inspector has been established to strengthen the regulation of council members and local government staff conduct. In addition, audit committees have been re-constituted as audit, risk and improvement committees, with a requirement for an independent chair to enhance objectivity, accountability and oversight across the sector.

¹³ Prior period errors are increasing.

¹⁴ Government of Western Australia, [Local Government Regulations Amendment Regulations \(No 4\) 2025](#), Western Australian Legislation, 17 Dec 2025, 9 February 2026.

We welcome these regulatory changes, which streamline oversight and reduce unnecessary administrative burden on entities. We hope to see positive impacts from these changes when we audit entities.

Governance expectations

We are often asked to meet separately with the council outside of entrance and exit meetings and may also be asked to attend the annual electors meeting. The requests stem from the requirement in 7.12A of the *Local Government Act 1995*, which requires a local government to meet with the auditor of the local government at least once in every year. LGIRS advice is if council formally delegated this responsibility, a meeting between the audit, risk and improvement committee and the auditor would satisfy this requirement.

Meeting with the auditors should occur in a non-public audit entrance and/or exit meeting. This is so conversations can occur outside of normal standing order meeting protocols and confidential matters can be discussed. These are the forum for members of council, the audit committee and administration to speak to their auditors. They are meetings to discuss risks, issues, progress, status and results. It's important these meetings are closed to the public to maintain confidentiality around audit sensitivities and to ensure public or media enquiries are addressed to the Auditor General directly for consideration, rather than audit staff.

We plan to provide guidance on meeting attendance to support a consistent approach to audit related meetings across the sector. This will help streamline processes for entities and ensure best value for money.

We are often asked by entities to meet pre-determined deliverable dates to attend meetings with council, audit, risk and improvement committees, and electors. This can become challenging when there are delays in the audit process. These delays are commonly linked to issues with entity work papers supporting the financial report, or matters requiring formal technical resolution. Greater flexibility from councils is appreciated when necessary to ensure timelines remain reasonable and achievable. The alternative is to stay with the set meetings and report based on the status at that point and specify what is outstanding and plan to resolution.

OAG insights and tips

Our observations from the year are largely unchanged from previous years, indicating entities need continued refinement of their operations.

Streamline the audit process

Entities should:

1. Submit good quality, reviewed and CEO-signed financial reports for audit, no later than 30 September. Earlier submission is encouraged. CEO certification should indicate that management and those charged with governance are satisfied the financial report is complete, accurate and supported by underlying work papers. Supporting work papers and reconciliations should be available when financial reports are lodged. All content should be error free.
2. Communicate to the auditor their assessment of the significance of errors and determine whether adjustments are required. Entities should also analyse the root cause of identified errors.
3. Communicate delays to financial report submission early to minimise disruptions and enable effective resource allocation. Flexibility may be required when rescheduling audits.
4. Evaluate opportunities to submit financial reports earlier for audit.
5. Exercise greater flexibility around committee and council meeting times.
6. Ensure council attend audit entrance and exit meetings with the audit, risk and improvement committee, or that an appropriate delegation is in place. Audit entry and exit meetings are not intended to be part of public proceedings, but are undertaken to communicate audit plans, timeframes and findings with relevant entity staff and committee members.

Better support for entities

The Department of Local Government, Industry Regulation and Safety (LGIRS) should:

7. Update LGFI data on the MyCouncil website as a priority following audit finalisation
8. Consider LGFI information along with other intelligence to proactively intervene and support entities with challenges.

LGIRS response to 7 and 8:

LGIRS recognises the importance of timely publication and updates LGFI data on the MyCouncil website once governance and quality assurance processes are completed. For future reporting years, LGFI data will be published by the end of April following finalisation of audited financial statements by 31 December and receipt of grant information by the end of February each year. This timing will be communicated to local governments via an LG Alert and on the MyCouncil website.

LGIRS continues to strengthen its governance and quality assurance processes to support timely reporting and enhanced transparency, including clearer internal verification milestones, more structured follow-up with local governments, and improved monitoring and oversight arrangements, in coordination with the Local Government Inspector where appropriate. These measures support earlier identification of emerging risks and more proactive engagement with local governments. LGFI information is considered within a

broader monitoring and assurance framework and is assessed alongside audit outcomes, compliance activity and direct engagement, rather than in isolation.

The Local Government Inspector has the statutory powers to intervene where this is considered necessary. Any proactive engagement or intervention is undertaken in a measured and proportionate manner, having regard to the specific circumstances of each local government. LGIRS' approach is focused on the early identification of risk and the provision of guidance and support to assist local governments in addressing emerging challenges.

Improve reporting and accounting for fixed assets

Entities should:

9. Conduct asset counts/stocktakes to support the completeness and accuracy of asset records.
10. Review the newly released LGIRS valuation guide to ensure compliance.

Reduce financial report errors, versions and management letter findings

Entities should:

11. Establish robust financial report quality control procedures, incorporating review by the audit, risk and improvement committee and council.
12. Seek appropriate and timely independent advice when unsure on accounting and disclosure obligations.
13. Alert OAG audit engagement leaders to new processes or systems, issues encountered during the year, or any area of concern or technical accounting determinations.

LGIRS should:

14. Provide guidance for entities via model accounts on how to account for prior period errors.

LGIRS response to 14:

Guidance on the correction of prior period errors is included in the Guidance Material Annual Financial Report Models (2025) for Class 1 and 2 local governments and for Class 3 and 4 local governments. This guidance references the relevant disclosure and retrospective application requirements under AASB 101 and AASB 108.

While the existing material provides an appropriate framework, it is acknowledged that additional practical guidance may assist entities in applying these requirements in particular circumstances. Further enhancements to the guidance are being considered for inclusion in the 2026 annual guidelines. Where a local government identifies a material prior period error, early engagement with LGIRS is expected. While this expectation is not currently formalised in published guidance, it will be communicated through an LG Alert accompanying the updated annual Model Financial Statements, which will be published in Q2 of 2026.

LGIRS will provide guidance as required, including examples where appropriate, to support compliance with the applicable accounting and disclosure requirements. This approach maintains consistency with the existing legislative and accounting framework while allowing LGIRS to provide targeted and proportionate support based on the specific circumstances of each case.

Resources






OAG provide various tools to assist entities with audit readiness and better practice and are available on our website:




- [Audit Readiness Tool](#)
- [Prepared by client listing](#)
- [Financial statements review](#)
- [Going concern assessment](#)
- [Western Australian Public Sector Audit Committees –Better Practice Guide](#)
- [Better practice guidance](#)

LGIRS provide the following to assist entities monitor their performance and prepare their financial report.

- Government of Western Australia, *MyCouncil*, mycouncil.wa.gov.au, n.d., 9 February 2026.
- Department of Local Government, Industry Regulation and Safety, *Financial policy and accounting*, dlspsc.wa.gov.au, 5 March 2026, 9 February 2026.

























Appendix 1: Status and timeliness of audits




Type of audit opinion	
Clear (unmodified)	
Clear opinion with emphasis of matter, matter of significance paragraph or material uncertainty related to going concern	
Material uncertainty related to going concern	
Qualified or a disclaimer of opinion	
Qualified opinion with an emphasis of matter, matter of significance paragraph or material uncertainty related to going concern	























































Financial report timeliness – audit ready submissions*	
Received financial report by statutory deadline of 30 September 2025 and assessed audit ready	
Received an extension from DLGSC to the statutory deadline and met this extension with audit ready financial report	
Extension or statutory deadline was not met with audit ready financial report	

* Financial report initially provided may not be of a quality that is audit ready. The icon in the table below reflects the date we assessed the financial report as audit ready.

Entities listed in alphabetical order with opinion type, opinion date and audit ready financial report submission status.

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report
1	Catalina Regional Council	Other		24/09/2025	
2	City of Albany	1		4/12/2025	
3	City of Armadale	1		12/12/2025	
4	City of Bayswater	1		1/12/2025	
5	City of Belmont	1		21/11/2025	
6	City of Bunbury	1		19/11/2025	
7	City of Busselton	1		19/11/2025	
8	City of Canning	1		3/12/2025	
9	City of Cockburn	1		26/11/2025	
10	City of Fremantle	1		3/12/2025	
11	City of Gosnells	1		5/12/2025	
12	City of Greater Geraldton	1		4/12/2025	

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report
13	City of Joondalup	1		17/11/2025	
14	City of Kalamunda	2		12/11/2025	
15	City of Kalgoorlie-Boulder	1		8/12/2025	
16	City of Karratha	1		28/11/2025	
17	City of Kwinana	1		25/11/2025	
18	City of Mandurah	1		11/12/2025	
19	City of Melville	1		15/12/2025	
20	City of Perth	1		28/11/2025	
21	City of Rockingham	1		24/10/2025	
22	City of South Perth	2		12/11/2025	
23	City of Stirling	1		16/12/2025	
24	City of Subiaco	2		5/12/2025	
25	City of Swan	1		25/11/2025	
26	City of Vincent	2		14/11/2025	
27	City of Wanneroo	1		19/11/2025	
28	Eastern Metropolitan Regional Council	Other		7/10/2025	
29	Mindarie Regional Council	Other		10/11/2025	
30	Murchison Regional Vermin Council	Other		12/12/2025	
31	Resource Recovery Group	Other		18/12/2025	
32	Rivers Regional Council	Other		21/02/2025	
33	Shire of Ashburton	2		21/11/2025	
34	Shire of Augusta-Margaret River	2		14/11/2025	
35	Shire of Beverley	4		4/11/2025	
36	Shire of Boddington	4		8/12/2025	
37	Shire of Boyup Brook	4		19/12/2025	
38	Shire of Bridgetown-Greenbushes	3		8/12/2025	
39	Shire of Brookton	4		20/11/2025	

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report
40	Shire of Broome	2		2/12/2025	
41	Shire of Broomehill-Tambellup	4		5/11/2025	
42	Shire of Bruce Rock	4		8/12/2025	
43	Shire of Capel	3		3/12/2025	
44	Shire of Carnamah	4		5/12/2025	
45	Shire of Carnarvon	2		5/12/2025	
46	Shire of Chapman Valley	4		4/12/2025	
47	Shire of Chittering	3		8/12/2025	
48	Shire of Christmas Island	3		4/12/2025	
49	Shire of Collie	3		19/12/2025	
50	Shire of Coolgardie	3		3/12/2025	
51	Shire of Corrigin	4		24/11/2025	
52	Shire of Cranbrook	4		11/11/2025	
53	Shire of Cuballing	4		4/12/2025	
54	Shire of Cue	4		8/12/2025	
55	Shire of Cunderdin	4		8/12/2025	
56	Shire of Dandaragan	3		4/12/2025	
57	Shire of Dardanup	3		21/11/2025	
58	Shire of Denmark	3		3/12/2025	
59	Shire of Derby-West Kimberley	2		24/11/2025	
60	Shire of Donnybrook Balingup	3		9/12/2025	
61	Shire of Dowerin	4		10/12/2025	
62	Shire of Dumbleyung	4		4/12/2025	
63	Shire of Dundas	4		10/12/2025	
64	Shire of East Pilbara	2		27/11/2025	
65	Shire of Esperance	2		5/12/2025	
66	Shire of Exmouth	3		3/12/2025	

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report
67	Shire of Gingin	3		20/11/2025	
68	Shire of Gnowangerup	4		21/11/2025	
69	Shire of Goomalling	4		26/11/2025	
70	Shire of Harvey	2		20/11/2025	
71	Shire of Irwin	3		1/12/2025	
72	Shire of Jerramungup	4		27/11/2025	
73	Shire of Katanning	3		10/12/2025	
74	Shire of Kellerberrin	4		25/11/2025	
75	Shire of Kent	4		2/12/2025	
76	Shire of Kojonup	3		2/12/2025	
77	Shire of Kondinin	4		5/12/2025	
78	Shire of Koorda	4		16/10/2025	
79	Shire of Kulin	4		5/12/2025	
80	Shire of Lake Grace	4		25/11/2025	
81	Shire of Laverton	3		5/12/2025	
82	Shire of Leonora	3		22/12/2025	
83	Shire of Manjimup	2		25/11/2025	
84	Shire of Meekatharra	3		18/12/2025	
85	Shire of Menzies	4		21/11/2025	
86	Shire of Merredin	3		25/11/2025	
87	Shire of Mingenew	4		24/11/2025	
88	Shire of Moora	3		28/11/2025	
89	Shire of Morawa	4		27/11/2025	
90	Shire of Mount Marshall	4		1/12/2025	
91	Shire of Mukinbudin	4		13/11/2025	
92	Shire of Mundaring	2		2/12/2025	
93	Shire of Murchison	4		27/11/2025	

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report
94	Shire of Murray	2	✓	18/11/2025	📄
95	Shire of Nannup	4	✓	4/12/2025	📄
96	Shire of Narembeen	4	✓	28/11/2025	📄
97	Shire of Narrogin	3	✓	14/11/2025	📄
98	Shire of Ngaanyatjaraku	4	✓	4/12/2025	📄
99	Shire of Northam	2	✓	1/12/2025	📄
100	Shire of Northampton	3	✓	15/12/2025	📄
101	Shire of Nungarin	4	✓	3/12/2025	📄
102	Shire of Peppermint Grove	4	✓	27/11/2025	📄
103	Shire of Perenjori	4	✓	4/12/2025	📄
104	Shire of Pingelly	4	✓	19/12/2025	📄
105	Shire of Plantagenet	3	✓	15/12/2025	📄
106	Shire of Quairading	4	✓	4/12/2025	📄
107	Shire of Ravensthorpe	3	✓	4/12/2025	📄
108	Shire of Sandstone	4	✓	15/12/2025	📄
109	Shire of Serpentine-Jarrahdale	2	⚠	12/11/2025	📄
110	Shire of Shark Bay	4	⚠	11/12/2025	📄
111	Shire of Tammin	4	✓	2/12/2025	📄
112	Shire of Three Springs	4	✓	2/12/2025	📄
113	Shire of Toodyay	3	✗	23/12/2025	📄
114	Shire of Trayning	4	✓	2/12/2025	📄
115	Shire of Upper Gascoyne	4	✓	5/12/2025	📄
116	Shire of Victoria Plains	4	✓	28/11/2025	📄
117	Shire of Wagin	4	✓	14/11/2025	📄
118	Shire of Wandering	4	✓	15/12/2025	📄
119	Shire of Waroona	3	✓	21/11/2025	📄
120	Shire of West Arthur	4	✓	10/12/2025	📄

	Entity	Band	Type of opinion	Opinion issued	Audit ready submission of financial report
121	Shire of Westonia	4	✓	4/12/2025	Ⓜ
122	Shire of Wickepin	4	✓	4/12/2025	Ⓜ
123	Shire of Williams	4	✓	9/12/2025	Ⓜ
124	Shire of Wiluna	4	✓	2/12/2025	Ⓜ
125	Shire of Wongan-Ballidu	4	✓	12/12/2025	Ⓜ
126	Shire of Woodanilling	4	✓	4/12/2025	Ⓜ
127	Shire of Wyalkatchem	4	✓	28/11/2025	Ⓜ
128	Shire of Wyndham-East Kimberley	2	✓	25/11/2025	Ⓜ
129	Shire of Yilgarn	3	✓	9/10/2025	Ⓜ
130	Shire of York	3	✓	27/11/2025	Ⓜ
131	Town of Bassendean	3	✓	14/11/2025	Ⓜ
132	Town of Cambridge	2	✓	4/12/2025	Ⓜ
133	Town of Claremont	3	✓	10/12/2025	Ⓜ
134	Town of Cottesloe	3	✓	3/12/2025	Ⓜ
135	Town of Mosman Park	3	✓	8/12/2025	Ⓜ
136	Town of Port Hedland	1	✓	17/12/2025	Ⓜ
137	Town of Victoria Park	2	✓	8/12/2025	Ⓜ
138	Western Metropolitan Regional Council	Other	✓	17/10/2025	Ⓜ

Source: OAG















Opinion type by entity band allocations

Band of entity	Number of entities	Opinions issued	Clean opinions	Modified opinions	Opinions including EoM paragraphs
Band 1	23 (23)	23 (23)	23 (22)	0 (1)	6 (4)
Band 2	21 (21)	20 (21)	20 (20)	0 (1)	6 (5)
Band 3	35 (35)	32 (35)	31 (32)	1 (3)	5 (5)
Band 4	60 (60)	56 (59)	55 (52)	1 (7)	3 (5)
Other (e.g. councils)	8 (8)	7 (8)	7 (7)	0 (1)	2 (1)
Total	147 (147)	138 (146)	136 (133)	2 (13)	22 (20)

Source: OAG

Notes: 2024 numbers included in brackets.

Audits from prior years finalised in 2025

Entity	Balance date	Opinion issued	Opinion type
City of Greater Geraldton	30 June 2024	28 March 2025	
City of Nedlands*	30 June 2024	5 September 2025	 
Shire of Bridgetown Greenbushes	30 June 2024	4 April 2025	
Shire of Collie	30 June 2024	20 May 2025	
Shire of Coolgardie	30 June 2024	23 June 2025	 
Shire of Dundas	30 June 2024	9 April 2025	
Shire of Halls Creek*	30 June 2024	19 December 2025	
Shire of Nannup	30 June 2024	4 February 2025	
Shire of Toodyay	30 June 2024	13 June 2025	
Shire of Wickepin	30 June 2024	14 February 2025	
Town of Cottesloe	30 June 2024	14 February 2025	 

Source: OAG

* These entities audits are also delayed for 2025 and were included in our *Status of Local Government Audits 2025 report*¹⁵

¹⁵ Office of the Auditor General, [Status of Local Government Audits 2025](#), OAG website, 28 January 2026.

Appendix 2: Entities who received an extension from LGIRS to submit their financial report after the 30 September legislated deadline

Entity	Approved extension date
Resource Recovery Group	17 October 2025
Shire of Dundas	3 November 2025
Shire of Halls Creek	18 December 2025
Shire of Leonora	31 October 2025
Shire of Merredin	14 October 2025
Shire of Toodyay	1 October 2025
Shire of Wongan-Ballidu	10 October 2025
Town of Cottesloe	13 October 2025
Town of East Fremantle	31 October 2025

Source: LGIRS

Appendix 3: Qualified and disclaimer of opinions

2025 qualifications

Entity	Details of qualification
Shire of Boyup Brook	<p>Biological assets</p> <p>We were unable to obtain sufficient appropriate audit evidence to verify the existence and number of biological assets at 30 June 2024, nor were we able to confirm the biological assets by alternative means. Our audit opinion on the annual financial report for the period ending 30 June 2024 was modified accordingly. Since the closing balance at 30 June 2024 of biological assets is the opening balance at 1 July 2024 and forms the basis for the determination of operations for the year, we were unable to determine whether any adjustments to the operations net result for the year ended 30 June 2025 may be necessary.</p>
Shire of Toodyay	<p>Financial report comparative information not supported with complete and accurate underlying records</p> <p>We were unable to obtain sufficient and appropriate audit evidence regarding the prior year financial report, as the financial report was submitted for audit purposes without complete and accurate underlying records. Our opinion on the financial report for the year ended 30 June 2024 was modified accordingly. Our opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.</p>
	<p>Cash and cash equivalents</p> <p>The Shire's bank reconciliation at 30 June 2025 included an unreconciled balance of \$22,991. We were unable to confirm this figure by alternative means and consequently were unable to determine whether any adjustments were necessary on cash and cash equivalents at 30 June 2025.</p>
	<p>Restatement of corresponding figures</p> <p>We were unable to obtain sufficient and appropriate audit evidence for the restatement of corresponding figures as set out in Note 28. We were unable to confirm these restatements by alternative means and consequently were unable to determine whether any adjustments were necessary to Note 28. In addition, Note 28 does not comply with the disclosure requirements of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and it did not include all corrected line items in the statement of cash flow and the statement of financial activity.</p>

Source: OAG

Delayed 2024 qualified and disclaimer of opinions

The below list of qualified and disclaimer of opinions is for those entities listed in Appendix 1 which had their 2024 audits finalised in 2025.

Entity	Details of qualification or disclaimer
City of Nedlands	<p>Qualification</p> <p>Financial report comparative information not supported with complete and accurate underlying records</p> <p>We were unable to obtain sufficient and appropriate audit evidence regarding the prior year financial report, as the financial report was submitted for audit purposes without complete and accurate underlying records. The opinion on the financial report for the year ended 30 June 2023 was modified accordingly. The opinion on the current year financial report is also modified because of the</p>

Entity	Details of qualification or disclaimer
	possible effect of this matter on the comparability of the current year's figures and the corresponding figures.
Shire of Halls Creek	<p>Qualification Financial report comparative information not supported with complete and accurate underlying records</p> <p>We were unable to obtain sufficient and appropriate audit evidence regarding the prior year financial report, as the financial report was submitted for audit purposes without complete and accurate underlying records. The opinion on the financial report for the year ended 30 June 2023 was modified accordingly. The opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.</p> <p>Qualification Restatement of corresponding figures</p> <p>We were unable to obtain sufficient and appropriate audit evidence for the restatement of corresponding figures as stated in the Statement of Comprehensive Income, Statement of Cash Flows, Statement of Financial Activity and Note 28 of the financial report. We were unable to confirm these restatements by alternative means and consequently were unable to determine whether any adjustments were necessary on the corresponding figures of these statements.</p> <p>Qualification Infrastructure assets not revalued as required by the Local Government (Financial Management) Regulations</p> <p>Other Infrastructure assets reported at the carrying values of \$6,460,241 and \$6,963,171 as at 30 June 2023 and 30 June 2022 respectively in Note 9 (a) of the financial report have not been revalued as required by Regulation 17A(4A)(b) of the Local Government (Financial Management) Regulations 1996 since 30 June 2018. Consequently, we were unable to determine the extent to which the carrying amounts of other infrastructure assets are misstated, as it was impracticable to do so. Additionally, we are unable to determine whether there may be any consequential impact on Revaluation Surplus as at 30 June 2023 and 30 June 2022, as well as Depreciation, Net Result for the Period and Retained Surplus as at 30 June 2023.</p>
Shire of Nannup	<p>Qualification Land and buildings and infrastructure</p> <p>The opinion in the prior year was qualified because land, buildings and infrastructure with carrying values of \$1,615,000, \$8,737,435 and \$100,957,611 respectively disclosed in Notes 8(a) and 9(a) of the financial report as at 30 June 2023, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p>
Shire of Wickepin	<p>Qualification Infrastructure asset valuation</p> <p>The opinion in the prior year was qualified because infrastructure assets reported at the carrying value of \$92,213,435 as disclosed in Note 7(a) as at 30 June 2023, had not been revalued as required by the Regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.</p>

Entity	Details of qualification or disclaimer
Shire of Toodyay	<p>Disclaimer</p> <p>Financial report not supported with complete and accurate underlying records</p> <p>We were unable to obtain sufficient appropriate audit evidence regarding the financial report as a whole, as the financial report was submitted for audit purposes without complete and accurate underlying records. We were unable to audit the financial report by alternative means. Consequently, we are unable to determine whether any adjustments were necessary to the financial report as a whole for the year ended 30 June 2024.</p>

Source: OAG

Appendix 4: Prior year qualifications and disclaimers removed in 2025

Entity	Details of prior year qualification
Shire of Goomalling	<p>Infrastructure</p> <p>The opinion in the prior year was qualified because infrastructure asset classes of roads, drainage and footpaths (as disclosed in note 8(a) of the financial report at 30 June 2023) with the carrying values of \$40,811,938, \$2,153,484 and \$770,060 respectively, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.</p>
Shire of Kent	<p>Infrastructure</p> <p>The opinion in the prior year was qualified because other infrastructure assets (as disclosed in note 9(a) of the financial report at 30 June 2023) with a carrying value of \$4,867,091, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p>
Shire of Nannup	<p>Land and buildings and infrastructure</p> <p>The opinion in the prior year was qualified because land, buildings and infrastructure assets (disclosed in notes 8(a) and 9(a) of the financial report at 30 June 2023) with carrying values of \$1,615,000, \$8,737,435 and \$100,957,611 respectively, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p>
Shire of Westonia	<p>Infrastructure</p> <p>The opinion in the prior year was qualified because infrastructure assets (as disclosed in note 9(a) of the financial report at 30 June 2023) with a carrying value of \$43,562,879, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p>
Shire of Wickepin	<p>Infrastructure assets valuation</p> <p>The opinion in the prior year was qualified because infrastructure assets (as disclosed in note 7(a) of the financial report at 30 June 2023) reported at the carrying value of \$92,213,435, had not been revalued as required by the regulations. The Shire was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.</p>
Town of Port Hedland	<p>Infrastructure assets valuations</p> <p>The Town did not recognise 670 (2023:797) infrastructure assets with a value of \$17,371,521 (2023: \$25,112,117) in accordance with the Regulation 17A(2)(a) of the Local Government Financial Management Regulations 1996, as these assets could not be located due to weaknesses in the asset management system. The assets were instead adjusted to a nil carrying value while still being in use and accounted for in the asset register. We were unable to determine the</p>

Entity	Details of prior year qualification
	<p>impact on the net carrying amount of infrastructure assets and the consequential impact on retained earnings, revaluation reserves, depreciation and net surplus for the year, as it is impracticable to do so. In addition, the opinion in the prior year was qualified because drainage and other infrastructure assets, reported at a carrying value of \$33,243,203 and \$47,582,860 respectively (as disclosed in note 9 to the financial statements at 30 June 2023), were not all revalued as required by the regulations. The Town was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p> <p>Investment property</p> <p>The opinion in the prior year was qualified because investment property (as disclosed in note 12 of the financial report at 30 June 2023) with the carrying value of \$45,027,262, had not been revalued as required by the regulations. The Town was unable to correct these prior year figures in the current year. Consequently, the opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p>

Source: OAG

Entity	Details of prior year disclaimer
<p>Shire of Toodyay</p>	<p>Financial report not supported with complete and accurate underlying records</p> <p>We were unable to obtain sufficient appropriate audit evidence regarding the financial report as a whole, as the financial report was submitted for audit purposes without complete and accurate underlying records. We were unable to audit the financial report by alternative means. Consequently, we were unable to determine whether any adjustments were necessary to the financial report as a whole for the year ended 30 June 2024.</p>

Source: OAG

Appendix 5: Emphasis of matter paragraphs included in auditor reports

2025 emphasis of matter paragraphs

Entity	Description of EoM paragraphs
City of Bayswater	<p>Investment in Associates</p> <p>We draw attention to note 27 to the financial report, which states that effective 1 July 2025, two member participants have resolved to withdraw as member participants from Eastern Metropolitan Regional Council effective from 1 July 2025. The City continues to be a member council participant. Our opinion is not modified in respect of this matter.</p>
City of Busselton	<p>Restatement of Comparative balances</p> <p>We draw attention to Note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.</p>
City of Joondalup	<p>Restatement of Comparative balances</p> <p>We draw attention to Note 26 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in these financial statements. Our opinion is not modified in respect of this matter.</p>
City of Kwinana	<p>Restatement of comparative figures</p> <p>We draw attention to Note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.</p>
City of Subiaco	<p>Restatement of comparative balances</p> <p>We draw attention to Note 31 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.</p>
City of Swan	<p>Investment in Associates</p> <p>We draw attention to Note 25 to the financial report, which states that the City has resolved to withdraw as a member participant from Eastern Metropolitan Regional Council effective from 1 July 2025. Our opinion is not modified in respect of this matter.</p>
Rivers Regional Council	<p>Basis of accounting</p> <p>We draw attention to Note 1 of the financial report, which discloses that the Council has decided to wind up Rivers Regional Council. Consequently, the financial report has been prepared on a liquidation basis. Our opinion is not modified in respect of this matter.</p>
Shire of Bruce Rock	<p>Restatement of comparative balances</p> <p>We draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.</p>
Shire of Coolgardie	<p>Restatement of comparative figures</p> <p>We draw attention to Note 31 to the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated</p>

Entity	Description of EoM paragraphs
	and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Shire of Dardanup	Restatement of comparative balances We draw attention to Note 30 of the financial statements which states that the amounts reported in the previously issued 30 June 2024 financial statements have been restated and disclosed as comparatives in these financial statements. Our opinion is not modified in respect of this matter.
Shire of Denmark	Restatement of Comparative balances We draw attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Shire of Manjimup	Restatement of Comparative Balances We draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Shire of Meekatharra	Restatement of Comparative balances We draw attention to Note 25 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Shire of Mundaring	Investment in Associates We draw attention to Note 22 to the financial report, which states that the Shire has resolved to withdraw as a member participant from Eastern Metropolitan Regional Council effective from 1 July 2025. Our opinion is not modified in respect of this matter.
Shire of Serpentine-Jarrahdale	Correction of Error We draw attention to Note 34 of the financial report which states that previously unrecognised assets have been recognised prospectively at 30 June 2025 as retrospective restatement was impracticable. Our opinion is not modified in respect of this matter.
Shire of Shark Bay	Restatement of Comparative Balances We draw attention to Note 27 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Shire of Williams	Restatement of comparative figures We draw attention to Note 29 to the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Resource Recovery Group	Basis of Accounting We draw attention to Note 1 of the financial report which describes the basis of accounting and that the financial report has been prepared on a non-going concern basis for the reasons set out therein. Our opinion is not modified in respect of this matter.
Town of Bassendean	Investment in Associates We draw attention to Note 22 to the financial report, which states that effective 1 July 2025, two member participants have resolved to withdraw as member

Entity	Description of EoM paragraphs
	participants from Eastern Metropolitan Regional Council effective from 1 July 2025. The Town continues to be a member council participant. Our opinion is not modified in respect of this matter.
Town of Cambridge	Restatement of Comparative Balances We draw attention to Note 31 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Town of Port Hedland	Restatement of comparative figures We draw attention to Note 33 to the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.
Town of Victoria Park	Restatement of comparative figures We draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in these financial statements. Our opinion is not modified in respect of this matter.

Source: OAG

2024 delayed emphasis of matter paragraphs

The below list of emphasis of matter paragraphs is for those entities listed in Appendix 1 which had their 2024 audits finalised in 2025.

Entity	Description of EoM paragraphs
City of Nedlands	Restatement of assets, liabilities and equity as at 1 July 2023 We draw attention to Note 29 of the financial report which states that historical errors in assets, liabilities and equity amounts reported have been corrected in opening balances as at 1 July 2023 in this financial report. Our opinion is not modified in respect of this matter.
Town of Cottesloe	Restatement of Comparative balances We draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. Our opinion is not modified in respect of this matter.

Source: OAG

Appendix 6: Delayed 2024 audit material uncertainty related to going concern paragraph

The below list of material uncertainty relating to going concern (MURGC) paragraph is for those entities listed in Appendix 1 which had their 2024 audits finalised in 2025.

Entity	Description of MURGC paragraph
Shire of Coolgardie	<p>Material uncertainty related to going concern</p> <p>We draw attention to Note 1 in the financial report, which indicates that the Shire incurred a net loss of \$4,617,984 for the year ended 30 June 2024 and as of that date, the Shire's current liabilities exceeded its current assets by \$14,210,643 and the unrestricted cash balance was overdrawn by \$934,081. As stated in Note 1, these events, or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Shire 's ability to continue as a going concern. The audit opinion is not modified in respect of this matter.</p>

Source: OAG

Appendix 7: Local government certifications issued since September 2025

Certifications issued for 2025

Entity and opinion	Opinion issued
City of Bayswater Local Roads and Community Infrastructure Program (Phases 1-4)	31 October 2025
City of Mandurah Roads to Recovery Local Roads and Community Infrastructure Program (Phase 4)	5 November 2025 5 November 2025
City of Busselton Roads to Recovery Local Roads and Community Infrastructure Program	14 November 2025 14 November 2025

Source: OAG

Outstanding certifications issued from 2021-22

Entity and opinion	Opinion issued
Shire of Halls Creek Local Roads and Community Infrastructure Program	23 December 2025

Source: OAG

Note: the cut-off date is 24 March 2026.

Appendix 8: Other local government opinions issued since September 2025

Entity	Opinion issued
Shire of Yalgoo 2023	19 February 2026
Shire of Yalgoo 2024	19 February 2026
Shire of Dalwallinu	23 March 2026

Source: OAG

Note: the cut-off date for this appendix is 24 March 2026.

Appendix 9: Local government current ratios for 2025

Below are the calculated current ratios for each local government for the past two years. The current ratio calculated as the current assets divided by current liabilities. A current ratio of less than one means an entity has more current liabilities than current assets, meaning they may not be able to pay their debts as and when they fall due.

Entity	Band	Current ratio 2025	Current ratio 2024
Bunbury-Harvey Regional Council	Other	NCWST	1.70
City of Albany	1	3.30	3.46
City of Armadale	1	3.52	3.11
City of Bayswater	1	4.41	4.27
City of Belmont	1	5.34	6.92
City of Bunbury	1	2.29	2.24
City of Busselton	1	3.90	4.26
City of Canning	1	4.14	4.11
City of Cockburn	1	4.75	5.56
City of Fremantle	1	2.39	2.75
City of Gosnells	1	2.41	3.17
City of Greater Geraldton	1	1.91	2.66
City of Joondalup	1	3.47	3.60
City of Kalamunda	2	3.57	2.78
City of Kalgoorlie - Boulder	1	1.61	2.55
City of Karratha	1	9.15	8.45
City of Kwinana	1	1.90	1.99
City of Mandurah	1	2.35	2.41
City of Melville	1	4.32	5.25
City of Nedlands	2	NCWST	2.31
City of Perth	1	6.10	5.94
City of Rockingham	1	3.40	3.99
City of South Perth	2	3.88	3.55
City of Stirling	1	3.16	2.77
City of Subiaco	2	12.03	9.87
City of Swan	1	4.36	3.57
City of Vincent	2	3.06	2.72
City of Wanneroo	1	4.40	4.90
Eastern Metropolitan Regional Council	Other	1.75	2.32
Mindarie Regional Council	Other	3.28	4.83
Murchison Regional Vermin Council	Other	3.10	2.33

Entity	Band	Current ratio 2025	Current ratio 2024
Rivers Regional Council	Other	8.31	5.06
Shire of Ashburton	2	4.92	4.46
Shire of Augusta-Margaret River	2	2.48	2.77
Shire of Beverley	4	2.70	2.14
Shire of Boddington	4	1.92	1.84
Shire of Boyup Brook	4	2.32	2.91
Shire of Bridgetown-Greenbushes	3	1.70	2.55
Shire of Brookton	4	11.38	10.52
Shire of Broome	2	3.64	4.01
Shire of Broomehill-Tambellup	4	2.89	4.18
Shire of Bruce Rock	4	3.01	3.15
Shire of Capel	3	2.30	4.21
Shire of Carnamah	4	4.07	5.03
Shire of Carnarvon	2	2.17	2.46
Shire of Chapman Valley	4	2.00	2.36
Shire of Chittering	3	2.18	1.89
Shire of Christmas Island	3	2.52	2.45
Shire of Cocos (Keeling) Islands	4	NCWST	9.42
Shire of Collie	3	2.22	1.86
Shire of Coolgardie	3	0.57	0.17
Shire of Coorow	4	NCWST	3.75
Shire of Corrigin	4	10.60	7.10
Shire of Cranbrook	4	5.97	7.99
Shire of Cuballing	4	2.15	2.33
Shire of Cue	4	17.13	12.93
Shire of Cunderdin	4	4.25	7.00
Shire of Dalwallinu	3	NCWST	6.08
Shire of Dandaragan	3	4.81	3.83
Shire of Dardanup	3	2.98	3.53
Shire of Denmark	3	2.49	2.24
Shire of Derby-West Kimberley	2	0.96	0.95
Shire of Donnybrook-Balingup	3	2.82	2.24
Shire of Dowerin	4	5.13	4.87
Shire of Dumbleyung	4	9.66	7.15
Shire of Dundas	4	3.68	5.81
Shire of East Pilbara	2	5.43	7.34
Shire of Esperance	2	5.07	5.32

Entity	Band	Current ratio 2025	Current ratio 2024
Shire of Exmouth	3	8.39	6.71
Shire of Gingin	3	2.70	2.60
Shire of Gnowangerup	4	4.19	5.46
Shire of Goomalling	4	1.07	1.30
Shire of Halls Creek	3	NCWST	2.73
Shire of Harvey	2	2.30	2.35
Shire of Irwin	3	0.92	1.09
Shire of Jerramungup	4	4.32	4.14
Shire of Katanning	3	2.27	2.40
Shire of Kellerberrin	4	2.51	3.43
Shire of Kent	4	12.23	10.26
Shire of Kojonup	3	2.46	1.50
Shire of Kondinin	4	3.90	6.45
Shire of Koorda	4	7.27	6.92
Shire of Kulin	4	4.90	4.04
Shire of Lake Grace	4	7.62	13.96
Shire of Laverton	3	6.17	4.54
Shire of Leonora	3	4.42	3.75
Shire of Manjimup	2	3.42	3.50
Shire of Meekatharra	3	28.45	25.36
Shire of Menzies	4	11.32	11.85
Shire of Merredin	3	4.90	3.25
Shire of Mingenew	4	2.87	2.98
Shire of Moora	3	1.94	3.65
Shire of Morawa	4	6.64	6.61
Shire of Mount Magnet	4	NCWST	5.90
Shire of Mount Marshall	4	4.37	2.85
Shire of Mukinbudin	4	4.83	4.19
Shire of Mundaring	2	3.71	3.89
Shire of Murchison	4	2.26	3.05
Shire of Murray	2	2.38	2.89
Shire of Nannup	4	2.53	2.96
Shire of Narembeen	4	6.14	8.24
Shire of Narrogin	3	3.85	3.41
Shire of Ngaanyatjarraku	4	37.74	10.03
Shire of Northam	2	2.38	2.45
Shire of Northampton	3	1.47	2.10

Entity	Band	Current ratio 2025	Current ratio 2024
Shire of Nungarin	4	5.04	5.93
Shire of Peppermint Grove	4	4.83	4.50
Shire of Perenjori	4	4.69	3.99
Shire of Pingelly	4	2.84	2.09
Shire of Plantagenet	3	3.49	5.41
Shire of Quairading	4	5.38	4.50
Shire of Ravensthorpe	3	3.96	3.80
Shire of Sandstone	4	16.22	32.52
Shire of Serpentine-Jarrahdale	2	2.53	2.56
Shire of Shark Bay	4	6.94	2.70
Shire of Tammin	4	11.07	12.76
Shire of Three Springs	4	7.97	5.34
Shire of Toodyay	3	2.19	2.21
Shire of Trayning	4	6.39	4.31
Shire of Upper Gascoyne	4	3.24	3.30
Shire of Victoria Plains	4	0.81	1.52
Shire of Wagin	4	5.19	6.45
Shire of Wandering	4	1.13	1.55
Shire of Waroona	3	2.60	2.28
Shire of West Arthur	4	4.07	4.46
Shire of Westonia	4	9.74	14.69
Shire of Wickpin	4	8.48	10.74
Shire of Williams	4	3.38	4.82
Shire of Wiluna	4	6.79	11.30
Shire of Wongan-Ballidu	4	4.02	5.87
Shire of Woodanilling	4	3.63	2.95
Shire of Wyalkatchem	4	4.53	14.88
Shire of Wyndam-East Kimberley	2	1.82	3.12
Shire of Yalgoo	4	NCWST	NCWST
Shire of Yilgarn	3	10.45	10.53
Shire of York	3	1.77	2.95
Resource Recovery Group	Other	1.58	1.94
Catalina Regional Council	Other	30.98	93.29
Town of Bassendean	3	2.77	2.55
Town of Cambridge	2	5.89	5.31
Town of Claremont	3	4.25	3.94
Town of Cottesloe	3	2.91	3.05

Entity	Band	Current ratio 2025	Current ratio 2024
Town of East Fremantle	3	NCWST	2.08
Town of Mosman Park	3	3.48	3.17
Town of Port Hedland	1	8.95	12.07
Town of Victoria Park	2	3.60	3.78
Western Metropolitan Regional Council	Other	2.41	2.13

Source: OAG

NCWST: audit not completed within statutory timeframes, data was not available at the cut-off date of this report.

Average current ratio by band

Refer to the below table which shows the average ratio across each band of local government.

Band	2025 Average	2025 Median	2024 Average	2024 Median
Band 1	3.98	3.52	4.35	3.60
Band 2	3.76	3.42	3.73	3.12
Band 3	4.08	2.60	3.89	2.95
Band 4	6.11	4.35	6.38	4.84
Other (regional councils)	7.35	2.76	14.20	2.33
Sector overall	5.00	3.63	5.51	3.75

Source: OAG

Appendix 10: Other certifications issued since September 2025

Certifications issued for 2025

Entity and opinion	Opinion issued
Western Australian Land Authority Royalties for Regions - Collie Eco-Concrete Feasibility Study & Peel Business Park Activation - Aryzta Bakery	1 December 2025
Commissioner for Main Roads National Partnership on Infrastructure Projects in Western Australia Black Spot Projects (<i>National Land Transport Act 2014</i>) Land Transport Infrastructure Projects (<i>National Land Transport Act 2014</i>)	18 December 2025 18 December 2025 18 December 2025
Department of Local Government, Industrial Relations and Safety <i>Local Government Financial Assistance Act 1995</i>	20 January 2026
Department of Creative Industries, Tourism and Sport Royalties for Regions– Regional Exhibition Touring Boost Project- Final Report	26 February 2026

Source: OAG

Note: the cut-off date for this appendix is 24 March 2026.

Appendix 11: Other opinions issued since September 2025

Entity and opinion	Opinion issued
Albany Cemetery Board	25 November 2025
Bunbury Cemetery Board	26 November 2025
Electricity Networks Corporation trading as Western Power - agreed upon procedures	17 December 2025
Kalgoorlie-Boulder Cemetery Board	5 December 2025
Keep Australia Beautiful Council (W.A.)	11 November 2025
Trustees of the Public Education Endowment	26 November 2025
Western Australian Greyhound Racing Association	1 December 2025

Source: OAG

Note: the cut-off date for this appendix is 24 March 2026.

Appendix 12: Opinion and management letter definitions

In the auditor’s report we include the audit opinion on the annual financial report and any other matters that, in our judgement, need to be highlighted. This year the Auditor General has issued the following types of opinions:

- **Clear opinion:** Indicates satisfactory financial controls. The financial report is based on proper accounts, complies with relevant legislation and accounting standards, and fairly represents performance and financial position.
- **Clear opinion with an EoM:** Draws attention to a matter disclosed in the financial report to aid the readers understanding but does not result in a qualified opinion.
- **Qualified opinion:** Given when the audit identifies materially misleading information, inadequate controls or conflicts with the financial reporting frameworks.
- **Disclaimer of opinion:** The most serious audit outcome, issued when the auditor is unable to form an opinion due to insufficient evidence to form an opinion after all reasonable efforts.

We report weaknesses in the control environment to the CEO, mayor, president or chairperson and the Minister for Local Government. Findings will be rated as significant, moderate or minor. We also indicate if the finding has the potential to impact the audit opinion and if it relates to the prior year and remains unresolved. Both quantitative and qualitative aspects guide our ratings.

Risk category	Audit impact	Management action required
Significant	Findings where there is potentially a significant risk to the entity should it 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.	Priority or urgent action by management to correct the material misstatement in the financial report to avoid a qualified opinion or for control risks, implement a detailed action plan as soon as possible, within one to two months.
Moderate	Findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.	Control weaknesses of sufficient concern to warrant action being taken as soon as practicable, within three to six months. If not addressed promptly, they may escalate to significant or high risk.
Minor	Those findings that are not of primary concern but still warrant action being taken.	Management to implement an action plan within six to 12 months to improve existing process or internal control.

Source: OAG

We give management the opportunity to review our audit findings and provide comments prior to completion of the audit. Each control finding is documented in a management letter which identifies weakness, implications for the entity, risk category and a recommended improvement action.

Auditor General's 2025-26 reports

Number	Title	Date tabled
13	Local Government 2025 – Financial Audit Results	15 April 2026
12	Local Government 2025 – Information System Audit Results	25 March 2026
11	Local Government Management of Gifts and Benefits	18 March 2026
10	Controls Over Portable Assets – State Entities	6 March 2026
9	Microsoft 365 Security Controls – State Entities	6 March 2026
8	Local Government Audit Status Report	28 January 2026
7	State Government 2025 – Information Systems Audit Results	3 December 2025
6	State Government 2025 – Financial Audit Results	3 December 2025
5	Valuation of Property Held by the Public Education Endowment Trust	3 December 2025
4	WA's Progress to Implement the National Principles for Child Safe Organisations (arising from the Royal Commission into Institutional Responses to Child Sexual Abuse)	27 November 2025
3	Maintaining Regional Local Roads	12 November 2025
2	Gold Corporation – Trade Applications	29 October 2025
1	Management of Housing Maintenance Information	6 August 2025

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