



# East Euramo Drainage Board

Final Report

1 July 2013 to 2 October 2014

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## Introduction

Effective 3 October 2014, the East Euramo Drainage Board (the water authority) was dissolved by the Water Amendment Regulation (No. 2) 2014.

The water authority was constituted under the *Water Act 2000* (the Water Act), and was a statutory body under the *Financial Accountability Act 2009* (FA Act) and the *Statutory Bodies Financial Arrangements Act 1982*. As the former appropriate Minister for the abolished water authority, the Minister is required to table the final annual report (final report) for the water authority in the Queensland Legislative Assembly for the water authority's final period of operation (final period)—from 1 July 2013 to 2 October 2014.

Copies of the final report are available from the Department of Natural Resources and Mines (the department).

The water authority is dissolving to amalgamate with the Orchard Creek Drainage Board, to become the Orchard Creek and East Euramo Drainage Board, with a view to gaining efficiencies in meeting its obligations as a statutory body. In terms of other institutional reform, a number of water authorities are transferring the provision of their functions away from a statutory body framework to an alternative institutional structure, or to the local government whose authority area their water authority shares. Others are committed to remaining in their current form as statutory bodies.

As at 3 October 2014, the department continues to liaise regularly with representatives of each water authority as well as liaising with other key stakeholders, such as the Queensland Farmers' Federation, Canegrowers Queensland, and relevant local governments. Relevant water authorities are currently actioning their preferred institutional changes. Meanwhile, all water authorities are progressing, as applicable, with meeting new legislative obligations applicable to them while statutory bodies. The department will continue working alongside and actively supporting water authorities.

## Nature of the water authority

The water authority was a small water authority servicing 10 rural holdings. The landholders shared the cost and workload of maintaining the water authority's water infrastructure.

## Roles and objectives

The water authority provided services aligned to the government's objectives for the community and other whole-of-government strategies.

Under section 569 of the Water Act, a water authority's main function is to carry out the water activities decided by the authority. If the water authority has an authority area, its main function is to carry out the water activities for the authority area.

The water authority's main function was to provide a coordinated drainage system for the removal and disposal of excess water from agricultural lands.

## Location

The administrative plan reference number for the water authority's authority area was AP4048. The Cassowary Coast Regional Council was the local government for the authority area.



## Operations

### Management

The water authority was managed by a board of directors. Prospective directors were elected in accordance with the procedures prescribed by regulation. The Water Regulation 2002 contains the relevant provisions for the conduct of elections either by mail or at a meeting of ratepayers. Subsequent to the election of persons, all directors were appointed by the Governor in Council.

During the final period, the water authority's principal place of business was situated in Tully, with all correspondence being directed to PO Box 514, Tully Qld 4854.

The contact person for the water authority was its secretary, Mr Peter Lucy. My Lucy's phone number is 4068 4900, his facsimile 4068 2351, and his email peter\_lucy@canegrowers.com.au.

### Organisational Structure

The organisational structure of the water authority consisted of three persons elected by the ratepayers in the water authority's authority area. Once elected, these persons were appointed by the Governor in Council as directors of the water authority. Mr Bruno Maifredi (Chairperson), Mr Rino Cargnello (Deputy Chairperson) and Mr Peter Vecchio remained on the board of the water authority in the final period.

No new directors were appointed to the water authority in the final period.

### Staff

The water authority did not employ any staff. Therefore, it was unnecessary for the water authority to establish workforce planning, attraction and retention practices.

### Related entities

The water authority did not have any related entities.

### Consultancies

The water authority did not engage any consultants during the final period.

Information in relation to consultancies' expenditure of water authorities is publicly accessible at the Government's Open Data website: [www.data.qld.gov.au/dataset/consultancy-spending-category-2-water-authorities](http://www.data.qld.gov.au/dataset/consultancy-spending-category-2-water-authorities).

### Overseas travel

No member of the water authority travelled overseas during the final period.

Information in relation to overseas travel costs incurred by water authority members is to be publicly accessible at the Government's Open Data website. Currently, as no member of a water authority has incurred overseas travel costs, no data set exists.

### Information systems and record keeping

During the final period the water authority had a records management system appropriate for its particular operations.



## Public Sector Ethics Act

Water authority members were reminded of their obligations when appointed to the water authority and given access to the Department of the Premier and Cabinet's publication titled 'Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities'. Further, compliance with the *Public Sector Ethics Act 1994* also requires the water authority to have had in place a Code of Conduct; the water authority had not yet developed a code of conduct at the time it was abolished.

## Audit committee

The water authority's secretary ensured appropriate accounting standards were used by the water authority during the final period.

## Risk management and accountability

For the purpose of enabling the department to assess the financial viability of the water authority in past years, the water authority was requested to submit:

- its financial statements
- a prudential assessment questionnaire
- an entity indebtedness statement
- a budget for the next financial year.

Based on this information, the department conducted an annual risk management and governance assessment of the water authority. From the latest review, the department found the water authority had been prudent in managing its financial affairs and had adopted appropriate risk management strategies.

## Machinery-of-government changes

The water authority was not subject to any machinery-of-government changes during the final period.

## Overview of operations

During its final period, the water authority continued to provide a coordinated drainage system for the removal and disposal of excess water from agricultural lands.



## Financial operations

### Internal audit

When required, the water authority's secretary undertook internal audit functions. There was nothing to report for the final period.

### Outputs and output performance measures

The water authority was self-funded and therefore funding outputs and output performance measures are not applicable.

### Remuneration of chairperson and directors

No remuneration was paid to any members or officers of the water authority during the final period.

### External scrutiny

Except for audits of the financial statements carried out by the Queensland Audit Office, no external auditor reviews of the water authority's operations occurred during the final period.

### Summary of financial performance

The primary source of the water authority's funding during the final period was from its ratepayers. During the final period, the water authority was financially viable and had sufficient funds to service its debts.

### Letter of compliance

The water authority's former responsible person has certified that the water authority's final report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009
- the detailed requirements set out in the Department of the Premier and Cabinet's publication, Annual report requirements for Queensland Government agencies (ARRs) for 2013–14.

### Audit report information

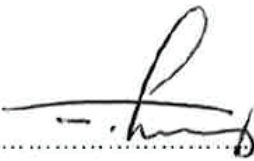
The water authority's certified financial statements are at the Appendix.

### Summary of independent audit report

In accordance with section 40 of the *Auditor-General Act 2009*, the Auditor-General certified that:

- the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
- the final financial report presents a true and fair view of the transactions of the former East Euramo Drainage Board for the final period 1 July 2013 to 2 October 2014 and of the financial position as at the end of that final period.

Peter Lucy, Former Responsible Person, East Euramo Drainage Board

Signed.....

Date...1/6/2015

Rino Cargnello, Former Deputy Chairperson, East Euramo Drainage Board

Signed.....

Date...5/6/15



# Annual report requirements for Queensland Government agencies

The compliance checklist provided in Table 1 indicates where the ARR for the 2013–14 reporting period are addressed in this report. The relevant legislative provisions are also provided.

**Table 1:** Compliance checklist—annual report

| Summary of requirement                       |  | Basis for requirement                               | Annual report reference |
|--|--|---|-------------------------|
| <b>Letter of compliance</b>                  | <ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister</li> </ul> | ARRs – section 8                                    | Page 5                  |
| <b>Accessibility</b>                         | <ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>  | ARRs – section 10.1                                 | Page i<br>Page 9        |
|  | <ul style="list-style-type: none"> <li>Public availability</li> </ul>  | ARRs – section 10.2                                 | Page 2                  |
|  | <ul style="list-style-type: none"> <li>Copyright notice</li> </ul>   | Copyright Act 1968<br>ARRs – section 10.4           | Inside cover            |
|  | <ul style="list-style-type: none"> <li>Information Licensing</li> </ul>  | QGEA – Information Licensing<br>ARRs – section 10.5 | Not applicable          |
|  | <ul style="list-style-type: none"> <li>Introductory Information</li> </ul>   | ARRs – section 11.1                                 | Page 2                  |
| <b>General information</b>                   | <ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>   | ARRs – section 11.2                                 | Page 2                  |
|  | <ul style="list-style-type: none"> <li>Operating environment</li> </ul>  | ARRs – section 11.3                                 | Page 3                  |
|  | <ul style="list-style-type: none"> <li>Machinery of government changes</li> </ul>  | ARRs – section 11.4                                 | Page 4                  |
|  | <ul style="list-style-type: none"> <li>Government’s objectives for the community</li> </ul>  | ARRs – section 12.1                                 | Page 2                  |
| <b>Non-financial performance</b>             | <ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>   | ARRs – section 12.2                                 | Page 2                  |
|  | <ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>   | ARRs – section 12.3                                 | Page 2                  |
|  | <ul style="list-style-type: none"> <li>Agency service areas, and service standards</li> </ul>  | ARRs – section 12.4                                 | Page 2                  |
|  | <ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>   | ARRs – section 13.1                                 | Page 5                  |
| <b>Financial performance</b>                 | <ul style="list-style-type: none"> <li>Organisational structure</li> </ul>   | ARRs – section 14.1                                 | Page 3                  |
| <b>Governance – management and structure</b> | <ul style="list-style-type: none"> <li>Executive management</li> </ul>   | ARRs – section 14.2                                 | Page 3                  |
|  | <ul style="list-style-type: none"> <li>Related entities</li> </ul>   | ARRs – section 14.3                                 | Page 3                  |

|  |  |   |                |
|--|--|---|----------------|
|  | <ul style="list-style-type: none"> <li>• <b>Government bodies</b></li> </ul>   | ARRs – section 14.4   | Not applicable |
|  | <ul style="list-style-type: none"> <li>• <b>Public Sector Ethics Act 1994</b></li> </ul>                                 | Public Sector Ethics Act 1994<br>(section 23 and Schedule)<br>ARRs – section 14.5                 | Page 4         |
|  | <ul style="list-style-type: none"> <li>• <b>Risk management</b></li> </ul>   | ARRs – section 15.1   | Page 4         |
| <b>Governance – risk management and accountability</b> | <ul style="list-style-type: none"> <li>• <b>External scrutiny</b></li> </ul>   | ARRs – section 15.2   | Page 5         |
|  | <ul style="list-style-type: none"> <li>• <b>Audit committee</b></li> </ul>   | ARRs – section 15.3   | Page 4         |
|  | <ul style="list-style-type: none"> <li>• <b>Internal audit</b></li> </ul>  | ARRs – section 15.4   | Page 5         |
|  | <ul style="list-style-type: none"> <li>• <b>Public Sector Renewal</b></li> </ul>   | ARRs – section 15.5   | Not applicable |
|  | <ul style="list-style-type: none"> <li>• <b>Information systems and recordkeeping</b></li> </ul>                         | ARRs – section 15.6   | Page 3         |
|  | <ul style="list-style-type: none"> <li>• <b>Workforce planning, attraction and retention, and performance</b></li> </ul> | ARRs – section 16.1   | Page 3         |
| <b>Governance – human resources</b>                    | <ul style="list-style-type: none"> <li>• <b>Early retirement, redundancy and retrenchment</b></li> </ul>                 | Directive No.11/12 Early Retirement, Redundancy and Retrenchment<br>ARRs – section 16.2           | Page 3         |
|  | <ul style="list-style-type: none"> <li>• <b>Open Data</b></li> </ul>   | ARRs – section 17   | Page 3         |
| <b>Open Data</b>                                       | <ul style="list-style-type: none"> <li>• <b>Certification of financial statements</b></li> </ul>                         | FAA – section 62<br>FPMS – sections 42, 43 and 50<br>ARRs – section 18.1                          | Pages 5 and 13 |
| <b>Financial statements</b>                            | <ul style="list-style-type: none"> <li>• <b>Independent Auditors Report</b></li> </ul>                                   | FAA – section 62<br>FPMS – section 50<br>ARRs – section 18.2                                      | Pages 14-15    |
|  | <ul style="list-style-type: none"> <li>• <b>Remuneration disclosures</b></li> </ul>                                      | <i>Financial Reporting Requirements for Queensland Government Agencies</i><br>ARRs – section 18.3 | Page 5         |



## Glossary

|      |   |
|------|---|
| ARRs | Annual report requirements for Queensland Government agencies |
| FAA  | <i>Financial Accountability Act 2009</i>                      |
| FPMS | Financial and Performance Management Standard 2009            |
| QGEA | Queensland Government Enterprise Architecture                 |

# Appendix

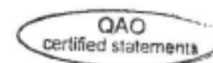
## EAST EURAMO DRAINAGE BOARD

### OPERATING FUND

#### STATEMENT OF RECEIPTS AND PAYMENTS FOR FINAL PERIOD 01 July 2013 to 02 Oct 2014

|  | Notes | 2013-14<br>\$ | 2012-13<br>\$  |
|--|-------|---------------|----------------|
| <b>Balance at commencement of period -</b>         |       |               |                |
| Cash at Bank/Bank Overdraft                        |       | <u>3,924</u>  | <u>10,843</u>  |
|  |       | <b>3,924</b>  | <b>10,843</b>  |
| <b>Receipts for the period were -</b>              |       |               |                |
| Rates and Charges <sup>1</sup>                     |       | 8,661         | 3,557          |
| State Government Grants & Subsidies                |       | 2,500         | --             |
| GST Collected on Sales                             |       | 1,116         | 356            |
| GST Input Tax Credits Received                     |       | <u>1,320</u>  | <u>2,821</u>   |
|  |       | <b>13,597</b> | <b>6,734</b>   |
| <b>Payments for the period were -</b>              |       |               |                |
| Administration Expenses <sup>1</sup>               | (3)   | 2,779         | 1,628          |
| Operation and Maintenance <sup>1</sup>             | (4)   | 7,553         | 10,598         |
| GST Paid on Purchases                              |       | 1,033         | 1,223          |
| GST Remitted to the ATO                            |       | 840           | 204            |
| Transfer of cash balance to Tully Cane Growers Ltd |       | <u>5,316</u>  | —              |
|  |       | <b>17,521</b> | <b>13,653</b>  |
| <b>Leaving a period end balance comprising -</b>   |       |               |                |
| Cash at Bank                                       |       | Nil           | 3,924          |
|  |       | <u>\$Nil</u>  | <u>\$3,924</u> |

<sup>1</sup> Net of GST



EAST EURAMO DRAINAGE BOARD

**NOTES TO AND FORMING PART  
OF THE FINANCIAL STATEMENTS**

**Note (1) STATEMENT OF OBJECTIVES AND PRINCIPAL ACTIVITIES**

The main function of the East Euramo Drainage Board is to carry out the water activities decided by the water authority. The specific role of the authority is to facilitate drainage to cane lands.

**Note (2) STATEMENT OF ACCOUNTING POLICIES.**

**Note (2)(a) Basis of Accounting**

Under the provisions of Section 59 of the *Financial Accountability Act 2009* (the Act), the Minister for Natural Resources and Mines has sought exemption from the Treasurer for this entity from compliance with following provisions of the *Financial and Performance Management Standard 2009* (the Standard):

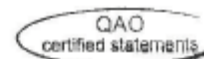
- Section 48(1), which required the entity to prepare its final financial statements having regard to the minimum reporting requirements as detailed in the Financial Reporting Requirements for Queensland Government Agencies, published by Queensland Treasury and Trade

Accordingly, these special purpose financial statements have been prepared to satisfy the water authority's reporting requirements under the *Financial Accountability Act 2009*, and in accordance with the reporting framework as determined by the Department of Natural Resources & Mines. These financial statements have not been prepared in accordance with prescribed accounting standards as it is assessed that there is a limited number of intended users of the financial statements and the format is appropriate to meet the information needs of these users. The intended users of these financial statements are limited to:

- Members of the Queensland Parliament
- The Minister and Department of Natural Resources & Mines
- The Treasurer and Queensland Treasury & Trade
- Members of the Water Authority and related local community members

Given that these financial statements have not been prepared in accordance with prescribed accounting standards, they may not satisfy the information needs of users beyond those identified above.

The financial statements have been prepared on a cash basis<sup>1</sup>, consistent with that which applied in the previous financial year.



EAST EURAMO DRAINAGE BOARD

**NOTES TO AND FORMING PART  
OF THE FINANCIAL STATEMENTS**

(continued)

**Note 2(h) Intended change in institutional arrangements**

**Dissolution of East Euramo Drainage Board**

The East Euramo Drainage Board elected to amalgamate. On 2 October 2014, the Governor in Council abolished the East Euramo Drainage Board and nominated Orchard Creek – East Euramo Drainage Board as the new statutory authority.

On dissolution, the assets and liabilities of the East Euramo Drainage Board became the assets and liabilities of the Orchard Creek – East Euramo Drainage Board. The specific values of the assets and liabilities transferred were as follows:-

|  |           |
|--|-----------|
| Cash                                   | \$ 5316   |
| Fixed Assets - Drains & Infrastructure | \$602,504 |
| Less Accumulated Depreciation          | \$336,568 |

Accordingly, this financial report has been prepared on a basis that is consistent with a going concern basis.

QAO  
certified statements

EAST EURAMO DRAINAGE BOARD

CERTIFICATE OF THE

EAST EURAMO DRAINAGE BOARD

We have prepared the foregoing final financial statements pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the Financial Performance and Management Standard 2009, and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects;
- (ii) the special purpose financial statements have been drawn up so as to present a true and fair view of the transactions of the water authority for the period 1 July 2013 to 02 October 2014, and of the financial position as at 02 October 2014 in accordance with the basis of accounting as detailed in Note 2(a) to the financial statements; and
- (iii) financial assistance received has been expended in accord with the purposes for which it was given in the financial year.

02/10 /14

Date



Signed

Rino Cargnello

Former Deputy Chairperson

02/10 /14

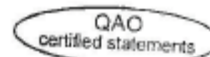
Date



Signed

P D Lucy

Former Secretary





## INDEPENDENT AUDITOR'S REPORT

To the former Minister of East Euramo Drainage Board

### Report on the final Financial Report

I have audited the accompanying final financial report of the former East Euramo Drainage Board which comprises statements of receipts and payments for the Operating Fund for the period 1 July 2013 to 2 October 2014, notes to and forming part of the final financial statements comprising a statement of accounting policies and other explanatory information, and certificate of the former East Euramo Drainage Board given by the former Chairperson and former Secretary.

#### *The former Board's Responsibility for the final Financial Report*

The former Board is responsible for the preparation of the final financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards – Reduced Disclosure Requirements. The former Board's responsibility also includes such internal control as the former Board determines is necessary to enable the preparation of the final financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.



*Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

*Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the final financial report presents a true and fair view of the transactions of the former East Euramo Drainage Board for the final period 1 July 2013 to 2 October 2014 and of the financial position as at the end of that final period, in accordance with the accounting policies described in Note 2(a).

*Emphasis of Matter - Basis of Accounting*

Without modifying my opinion, attention is drawn to Note 2(a) to the final financial report, which describes the basis of accounting. The final financial report has been prepared for the purpose of fulfilling the former Board's financial reporting responsibilities under the *Financial Accountability Act 2009*, in accordance with the exemption provided by the Treasurer under section 59 of that Act. As a result, the final financial report may not be suitable for another purpose.

*Emphasis of Matter – Abolition of East Euramo Drainage Board*

Without modifying my opinion, attention is drawn to Note 2(h) in the final financial report which identifies that pursuant to the *Regulation* the former East Euramo Drainage Board was effectively abolished on 2 October 2014. In accordance with the requirements of the Regulation, all assets and liabilities of the former statutory body as at the date of abolition were transferred to Orchard Creek and East Euramo Drainage Board immediately after the abolishment at the values reported in note 2 (h).

Accordingly this final financial report has been prepared on a basis that is consistent with a going concern basis.



N GEORGE CPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane

