

Wanda Creek Drainage Board

Final Report

1 July 2014 to 11 September 2015

This publication has been compiled by Catchment Programs of Operations Support, Department of Natural Resources and Mines.

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Introduction

On 11 September 2015, the Wanda Creek Drainage Board (the water authority) was dissolved by the Water and Other Legislation Amendment Regulation (No. 2) 2015.

The water authority was constituted under the *Water Act 2000* (the Act) and was a statutory body under the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*. As the former appropriate Minister for the abolished water authority, the Minister for Natural Resources and Mines 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 2014 to 11 September 2015.

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

In dissolving for the purposes of converting to the institutional structure consisting of all the parties to the closed water activity agreement titled 'Wanda Creek Drainage Scheme Agreement', registered dealing number 716214490, the water authority was one of a number of water authorities 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. In terms of other institutional reform of water authorities, some water authorities are undergoing amalgamation with related water authorities with a view to gaining efficiencies in meeting their obligations as a statutory body. Others are committed to remaining in their current form as statutory bodies.

As at 11 September 2015, 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 actioning their preferred institutional changes, while others work to meet the various obligations applicable to them as statutory bodies. The department will continue working alongside and actively supporting water authorities.

Nature of the water authority

The water authority serviced 13 ratepayers in its provision of a coordinated drainage system for the removal and disposal of excess water from agricultural lands. The water authority's ratepayers shared the cost of administrating, operating and maintaining the water authority's infrastructure, with Canegrowers Innisfail providing in-kind administrative support to the water authority.

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 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 service its ratepayers by providing a coordinated drainage system for the removal and disposal of excess water from agricultural lands

Location

The administration plan reference number for the water authority's authority area was AP4061. 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. During the final period, the Water Regulation 2002 contained 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 at the Canegrowers Office, Australian Sugar Heritage Centre, 18-24 Bruce Highway, Mourilyan, with all correspondence being directed to PO Box 67, Mourilyan Qld 4858.

The contact person for the water authority was its secretary, Mrs Carolyn Jones, whose phone number is 4063 2477, facsimile 4063 2488, and email carolyn_jones@canegrowers.com.au.

Organisational structure

The composition of the board of the water authority was three directors elected by ratepayers for appointment by the Governor in Council.

Mr Ivan Andrijevic, Mr Alan Cross (chairperson) and Mr Baljinder Singh were all appointed as directors to the board of the water authority in 2008 and remained on the board until the water authority was dissolved.

Staff

The water authority employed no staff. The secretary of the water authority was employed by Canegrowers Innisfail.

Related entities

The water authority did not have any related entities.

Consultancies

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

Information in relation to water authorities' expenditure on consultancies is publicly accessible at the Government's Open Data website: <https://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 dataset exists.

Information systems and record keeping

During the final period, the water authority had a records management system appropriate for its particular operations. The records management system of the water authority used both hard and electronic filing processes.

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'. 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 a code of conduct in place during the final period.

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 annual risk management and governance assessments 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 the 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 board of the water authority 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

The water authority reports that no remuneration was paid to any members, chairperson or directors 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 (FPMS)
- the detailed requirements set out in the Department of the Premier and Cabinet's publication, *Annual report requirements for Queensland Government agencies: requirements for the 2014–15 reporting period*.

Audit report information

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

Summary of independent audit report

The Auditor-General issued a Disclaimer of Opinion on the final financial report of the water authority. The basis for this was that the water authority had not complied with the requirements of section 48 of the FPMS to prepare the final financial report having regard to the minimum reporting requirements published by Queensland Treasury.

Carolyn Jones, Former Responsible Person, Wanda Creek Drainage Board

Signed..........

Date.....12/01/2016.....

Alan Cross, Former Chairperson, Wanda Creek Drainage Board

Signed..........

Date.....12/1/16.....

Annual report requirements for Queensland Government agencies

The compliance checklist provided in Table 1 indicates where the annual report requirements (ARRs) for the 2014–15 reporting period are addressed in this report. The relevant legislative provisions are also provided.

Table 1 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> • A letter of compliance from the statutory body to the relevant Minister 	ARRs – section 8	Page 3
Accessibility	<ul style="list-style-type: none"> • Table of contents • Glossary 	ARRs – section 10.1	Page i Page 7
	<ul style="list-style-type: none"> • Public availability 	ARRs – section 10.2	Page 1
	<ul style="list-style-type: none"> • Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	Not applicable
	<ul style="list-style-type: none"> • Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 10.4	Inside front cover
	<ul style="list-style-type: none"> • Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 10.5	Inside front cover
General information	<ul style="list-style-type: none"> • Introductory Information 	ARRs – section 11.1	Page 1
	<ul style="list-style-type: none"> • Agency role and main functions 	ARRs – section 11.2	Page 1
	<ul style="list-style-type: none"> • Operating environment 	ARRs – section 11.3	Page 2
	<ul style="list-style-type: none"> • Machinery of government changes 	ARRs – section 11.4	Page 3
Non-financial performance	<ul style="list-style-type: none"> • Government’s objectives for the community 	ARRs – section 12.1	Page 1
	<ul style="list-style-type: none"> • Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	Page 1
	<ul style="list-style-type: none"> • Agency objectives and performance indicators 	ARRs – section 12.3	Page 1
	<ul style="list-style-type: none"> • Agency service areas and service standards 	ARRs – section 12.4	Page 1
Financial performance	<ul style="list-style-type: none"> • Summary of financial performance 	ARRs – section 13.1	Page 3

Governance – management and structure	• Organisational structure	ARRs – section 14.1	Page 2
	• Executive management	ARRs – section 14.2	Page 2
	• Government bodies (statutory bodies and other entities)	ARRs – section 14.3	Page 2
	• Public Sector Ethics Act 1994	<i>Public Sector Ethics Act 1994</i> ARRs – section 14.4	Page 3
Governance – risk management and accountability	• Risk management	ARRs – section 15.1	Page 3
	• External scrutiny	ARRs – section 15.2	Page 5
	• Audit committee	ARRs – section 15.3	Page 3
	• Internal audit	ARRs – section 15.4	Page 3
	• Information systems and recordkeeping	ARRs – section 15.5	Page 3
Governance – human resources	• Workforce planning and performance	ARRs – section 16.1	Page 2
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	Page 2
Open Data	• Consultancies	ARRs – section 17 ARRs – section 34.1	Page 3
	• Overseas travel	ARRs – section 17 ARRs – section 34.2	Page 3
	• Queensland Language Services Policy	ARRs – section 17 ARRs – section 34.3	Not applicable
	• Government bodies	ARRs – section 17 ARRs – section 34.4	Page 2
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Page 3
	• Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Pages 8 to 14
	• Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	Page 3

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

Wanda Creek Drainage Board

OPERATING FUND

STATEMENT OF RECEIPTS AND PAYMENTS FOR PERIOD 1st JULY 2014 to 11th SEPTEMBER 2015

	Notes	2014-15 \$	2013-14 \$
Balance at commencement of year –			
Cash at Bank/Bank Overdraft		4,454	4,281
Investments (at cost)		244	237
		4,698	4,518
Receipts for the year were –			
Rates and Charges ¹		536	4,528
Interest on Investments		-	7
Other	(3)	5000	-
GST Input Tax Credits Received		981	353
		6,517	4,888
Payments for the year were –			
Administration Expenses ¹	(4)	5,309	4,290
Operation and Maintenance ¹		5265	-
GST Paid on Purchases		641	418
Other		-	-
		11,215	4,708
Leaving a year end balance comprising -			
Cash at Bank		0	4,454
Investments (at cost)		0	244
		0	4,698

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Wanda Creek Drainage Board

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note (1) STATEMENT OF OBJECTIVES AND PRINCIPAL ACTIVITIES

The main function of the Wanda Creek Drainage Board was to carry out the water activities decided by the water authority. Our principal activity was to provide a coordinated drainage system for the removal and disposal of excess water from agricultural lands within the Wanda Creek Drainage Area.

Note (2) STATEMENT OF ACCOUNTING POLICIES

Note (2)(a) Basis of Accounting

Although exemptions are no longer granted by the Treasurer, special purpose financial statements have been prepared by the water authority (due to its transition away from statutory body status), certified by the former acting chairperson and former secretary.

Under the provisions of Section 59 of the *Financial Accountability Act 2009* (the Act), the entity has received an exemption from compliance with the following provisions of the Financial and Performance Management Standard 2009 (the Standard):

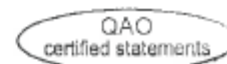
- Section 23, which requires the entity to have established an appropriate asset management system and comply with the *Non-current asset policies for the Queensland Public Sector*, publishing by Queensland Treasury and Trade; and
- Section 48(1), which requires the entity to prepare its final financial statements for the year having regard to the minimum reporting requirements as detailed in the *Financial Reporting Requirements for Queensland Government Agencies*, published by Queensland Treasury & 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 basis¹, consistent with that which applied in the previous financial year.



Wanda Creek Drainage Board

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

Note (2)(b) Non-Current Assets

Non-Current Assets

	2014-15	2013-14
	\$	\$
Controlled Drains	0	31,525
Controlled Crossings	<u>0</u>	<u>55,000</u>
	<u>0</u>	<u>\$86,525</u>

The Wanda Creek Drainage Board elected to transition away from statutory body status. On 11th September 2015, the Governor in Council abolished the Wanda Creek Drainage Board and nominated the Wanda Creek Drainage Scheme Agreement as the new alternative institutional structure.

The assets and liabilities of the Wanda Creek Drainage Board became the assets and liabilities of the Wanda Creek Drainage Scheme Agreement.

The Wanda Creek Drainage Board did not have any plant or equipment. No allowance for depreciation had been made.

Note (2)(c) Rates and Charges Outstanding

	2014-15	2013-14
	\$	\$
0-3 months		2,740
3-6 months		-
Over 6 months		784
		<hr style="width: 100%; border: 0.5px solid black;"/> 3,524

There are no outstanding rates or charges as at the 11th September 2015.

Bad debts written off during the year totalled \$83.60.

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Wanda Creek Drainage Board

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

(continued)

Note (2)(d) Sundry Creditors

There were no Sundry Creditors at the end on the 1 July 2014 to 11th September 2015 period.

Note (2)(e) Loan Indebtedness

The authority's loan indebtedness ending the period 1 July 2014 to 11th September 2015 was \$ NIL.

Note (2)(f) Contingent Assets/Liabilities

There were no known contingent assets or liabilities of a significant nature at 11th September 2015.

Note (2)(g) Employee entitlements

The Wanda Creek Drainage Board did not have any employees at the end of or during the 1 July 2014 to 11th September 2015 period.

Note 2(h) Intended change in institutional arrangements

The Wanda Creek Drainage Board elected to transition away from statutory body status. On the 11th September 2015, the Governor in Council abolished the Wanda Creek Drainage Board and nominated the Wanda Creek Drainage Scheme Agreement as the new alternative institutional structure.

On dissolution, the assets and liabilities of the Wanda Creek Drainage Board became the assets and liabilities of the Wanda Creek Drainage Scheme Agreement. The specific values of the assets and liabilities transferred were as follows:

Cash	\$ 0.00
Controlled Drains	\$ 31,525.00
Controlled Crossings	\$ 55,000.00

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

	2014-15	2013-14
Note 3 Other	-	-
Grant – DNRM	5,000	-
	-	-
Note 4 Administration Expenses	70	70
Insurance & Stamp duty	-	586
Audit Fees	1,600	1,800
Legal Fees	3,639	1,834
	<u>5,309</u>	<u>4,290</u>

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**CERTIFICATE OF THE
Wanda Creek 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 2014 to 11 September 2015, and of the financial position as at 11 September 2015 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.

2 11/01/15

Date



Former Acting Chairperson

Ivan Andrijevic

2 11/01/15

Date



Former Secretary

Carolyn Jones



INDEPENDENT AUDITOR'S REPORT

To the Minister for the former Wanda Creek Drainage Board

Report on the Financial Report

I have audited the accompanying financial report of the former Wanda Creek Drainage Board which comprises statements of receipts and payments for the Operating Fund for the period 1 July 2014 to 11 September 2015, notes to and forming part of the financial statements comprising a statement of accounting policies and other explanatory information, and certificate of then former Wanda Creek Drainage Board given by the Former Acting Chairperson and Former Secretary.

The Former Board's Responsibility for the Financial Report

The Former Board is responsible for the preparation of the 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 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 Former 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.

Due to the matters discussed in the Basis for Disclaimer of Auditor's Opinion paragraphs, I have not been able to obtain sufficient and appropriate audit evidence in order to form an opinion on the financial report.

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.

Basis of Disclaimer of Opinion

The former Wanda Creek Drainage Board has not complied with the requirements of s.48(1) of the *Financial and Performance Management Standard 2009* to prepare the financial report having regard to the minimum reporting requirements published by Queensland Treasury. In particular, the financial report is special purpose rather than general purposes and has been prepared on a cash basis rather than an accruals basis. The former Board did not provide me with evidence supporting its statement in note (2)(a) of the financial report that it had received an exemption from complying with s.48(1) of the *Financial and Performance Management Standard 2009*. It is impracticable to include the omitted disclosures in this report. The impact of the statements being prepared on a cash basis rather than an accrual basis is unable to be quantified due to an absence of reliable data.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have been unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial report.

Emphasis of Matter – Dissolution of Wanda Creek Drainage Board

Without further modifying my opinion, attention is drawn to Note 2(h) to the financial report, which states that the Wanda Creek Drainage Board was abolished by Governor in Council on 11 September 2015 with all assets and liabilities transferring to the Wanda Creek Drainage Scheme Agreement on that date.



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



Queensland Audit Office
Brisbane