

Weengallon Water Authority

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 Weengallon Water Authority (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 'Weengallon Bore Water Group Agreement', registered dealing number 716094379, 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 50 ratepayers in supplying water for stock watering and domestic purposes. The water authority's ratepayers shared the cost of administrating, operating and maintaining the water authority's plant, equipment and 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 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 in supplying water for stock watering and domestic purposes.

Location

The administration plan reference number for the water authority's authority area was AP13399. The Goondiwindi Regional Council and the Balonne Shire Council were the local governments for the authority area of the water authority.

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 1464 Lower Daymar Road, Thallon Qld 4497, with all correspondence being directed there.

The contact person for the water authority was its secretary, Mr Walter Brosnan, whose phone number is 0427 259 654, facsimile 4625 9654, and email wally.brosnan@gmail.com.

Organisational structure

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

Mr Walter Brosnan, Mr Sidney Harris (chairperson), Mr Ross Hindle and Mr Timothy Turvey were all appointed as directors to the board of the water authority in 2007 and remained on the board until the water authority was dissolved.

Staff

The water authority employed no staff.

Related entities

The water authority did not have any related entities.

Consultancies

The water authority reports that it did not engage any consultancies 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 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 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 service its ratepayers by supplying water for stock watering and domestic purposes.

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 did not certify 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, and to certify the statements in the prescribed form.

Walter Brosnan, Former Responsible Person, Weengallon Water Authority

Signed Walt Bro Date 11/7/16

Sidney Harris, Former Chairperson, Weengallon Water Authority

Signed S Harris Date 11-1-16

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	Final 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 –	<ul style="list-style-type: none"> • Organisational structure 	ARRs – section 14.1	Page 2

management and structure	• 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 2
Governance – risk management and accountability	• Risk management	ARRs – section 15.1	Page 2
	• External scrutiny	ARRs – section 15.2	Page 3
	• 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 2
	• Overseas travel	ARRs – section 17 ARRs – section 34.2	Page 2
	• 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 12
	• 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

Income & Expenditure

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Weengallon Water Authority

Accrual report
 Months : Jul 2014 to Oct 2015
 Cashflow accounts only : Weengallon Water Cheque, Weengallon Water Cash Acc,
 Weengallon Water Term Deposit, ACCOUNTS, ACCOUNTS

Income		
Previous (\$)	Category	Current (\$)
1,493.51	1 Interest	904.84
6,360.00	2 SUNDRY INCOME	0.00
0.00	Tier Account Transfer	0.00
<u>7,853.51</u>		<u>904.84</u>
Expense		
Previous (\$)	Category	Current (\$)
9.04	5 Banks Charges	0.00
1,650.00	6 Audit Fees	1,925.00
<u>1,659.04</u>		<u>1,925.00</u>
7,853.51	Total Income	904.84
1,659.04	Total Expenditure	1,925.00
6,194.47	NET	(1,020.16)

*** End of Report ***

FORMER
 CHAIRMAN
 x S. F. Harris
 SID HARRIS
 3/12/15

FORMER
 Secretary
 Watt Brown
 WALTER BROSNAN
 3/12/15

QAO
 certified statements

Weengallon Water Authority

Reconciliation Statement

Tr #	Reference	Date	From/Paid To	C/S	Ent	Comment	\$ Credit	\$ Debit	\$ Balance
<u>Feb 2015</u>									
						<u>Opening Balance</u>			<u>35,000.00</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,000.00</u>
<u>Mar 2015</u>									
						<u>Opening Balance</u>			<u>35,000.00</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,000.00</u>
<u>Apr 2015</u>									
						<u>Opening Balance</u>			<u>35,000.00</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,000.00</u>
<u>May 2015</u>									
						<u>Opening Balance</u>			<u>35,000.00</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,000.00</u>
<u>Jun 2015</u>									
						<u>Opening Balance</u>			<u>35,000.00</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,000.00</u>
60001		28/06/2015	Westpac	1A		Interest	464.92		35,464.92
<u>Jul 2015</u>									
						<u>Opening Balance</u>			<u>35,464.92</u>
						<u>Closing Balance</u>	<u>\$464.92</u>	<u>\$0.00</u>	<u>35,464.92</u>
<u>Aug 2015</u>									
						<u>Opening Balance</u>			<u>35,464.92</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,464.92</u>
<u>Sep 2015</u>									
						<u>Opening Balance</u>			<u>35,464.92</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>35,464.92</u>
<u>Oct 2015</u>									
						<u>Opening Balance</u>			<u>35,464.92</u>
						<u>Closing Balance</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>Current</u>

*** End of Report ***

FORMER
CHAIRMAN
S. J. Harris
SIO HARRIS
3/12/15

FORMER
Secretary
Walter Brosman
WALTER BROSMAN
3/12/15

30/11/2015 at 12:33 PM

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QAO
certified statements

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INDEPENDENT AUDITOR'S REPORT

To the Minister for the former Weengallon Water Authority

Report on the Final Financial Report

I have audited the accompanying final financial report of former Weengallon Water Authority which comprises the statement of assets and liabilities as at 11 September 2015 and a statement of income and expenditure for the period 1 July 2014 to 11 September 2015 signed by the former Chairman 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.

Due to the matters discussed in the Basis for Disclaimer of Opinion paragraphs, I have not been able to obtain sufficient and appropriate audit evidence in order to form an opinion on the final 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 Weengallon Water Authority has not complied with the requirements of s.48 of the *Financial and Performance Management Standard 2009* to prepare the final financial report having regard to the minimum reporting requirements published by Queensland Treasury, and to certify the statements in the prescribe form. The former Weengallon Water Authority has not prepared general purpose financial statements in accordance with prescribed accounting standards. The omitted disclosure include a statement of changes in equity, a statement of cash flows, a summary of significant accounting policies and other explanatory information. The extent of omitted disclosure makes it impractical to include them in this independent auditor's report.

Sufficient appropriate evidence has not been presented by the former Weengallon Water Authority to provide a basis for an audit opinion and to support:

- The existence of non-current assets of \$3 806 and whether all non-current assets of this nature controlled by the former Board have been recognised and correctly brought to account in the financial statements, in accordance with the requirements of AASB 116 *Property, Plant and Equipment*.
- That non-current assets of \$3 806 as recorded have been appropriately measured in accordance with the requirements of AASB 116 *Property, Plant and Equipment*. Further, that the absence of a depreciation expense, accumulated depreciation balance, asset revaluation surplus and revaluation increments/decrements in the final financial statements for the period ended 11 September 2015, are appropriate and in accordance with the requirements of AASB 116 *Property, Plant and Equipment*.

As a consequence of these matters, I am unable to determine whether any adjustments might have been required in respect to recorded or unrecorded non-current asset balances, and associated elements in the statement of income and expenditure and the statement of assets and liabilities signed by the former Chairman and former Secretary.

Attention is drawn to the users of the financial report that the Weengallon Water Authority was dissolved under the *Water and Other Legislation Amendment Regulation (No. 2) 2015* on 11 September 2015. The Authority, and its assets and liabilities, converted to an institutional structure on this date consisting of all the parties to the Weengallon Bore Water Group Agreement, registered dealing number 716094379.

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.



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



Queensland Audit Office
Brisbane