



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Presiding Member Stormwater Management Authority

Opinion

I have audited the financial report of Stormwater Management Authority for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards– Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Presiding Member and General Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Stormwater Management Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants (including Independence Standards) have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the General Manager and the members of the Board for the financial report

The General Manager is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, and for such internal control as management 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.

In preparing the financial report, the General Manager is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The General Manager is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 23(2) of Schedule 1A of the *Local Government Act 1999*, I have audited the financial report of the Stormwater Management Authority for the financial year ended year ended 30 June 2022.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 Stormwater Management Authority's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager
- conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Presiding Member and General Manager about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

26 September 2022

Stormwater Management Authority

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- Financial statements of the Stormwater Management Authority:
 - are in accordance with the accounts and records of the Stormwater Management Authority;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Stormwater Management Authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Stormwater Management Authority for the financial year over its financial reporting and its preparation of financial statements have been effective.



Mr David Trebilcock
General Manager

26 September 2022



Ms Shanti Ditter
Presiding Member

26 September 2022

Stormwater Management Authority

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Income			
Intra-government transfers	3	10,442	8,451
Interest revenues		41	40
LGFA bonus distributions		39	50
Total income		10,522	8,541
Expenses			
Supplies and services	5	581	395
Grants and subsidies	6	6,353	8,208
Total expenses		6,934	8,603
Net result		3,588	(62)
Total comprehensive result		3,588	(62)

The accompanying notes form part of these financial statements. The net result and comprehensive result are attributable to the SA Government as owner.

Stormwater Management Authority

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	7	12,438	8,752
Receivables	8	9	1
Total current assets		12,447	8,753
Total assets		12,447	8,753
Current liabilities			
Payables	9	259	153
Total current liabilities		259	153
Total liabilities		259	153
Net assets		12,188	8,600
Equity			
Retained earnings		12,188	8,600
Total equity		12,188	8,600

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Stormwater Management Authority

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Note No.	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		8,662	8,662
Net result for 2020-21		(62)	(62)
Total comprehensive result for 2020-21		(62)	(62)
Balance at 30 June 2021		8,600	8,600
Net result for 2021-22		3,588	(62)
Total comprehensive result for 2021-22		3,588	(62)
Balance at 30 June 2022		12,188	8,600

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Stormwater Management Authority

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Cash flows from operating activities			
<i>Cash Inflows</i>			
Intra-government transfers	3	10,442	8,451
Interest received		33	41
LGFA bonus distributions		39	50
Cash generated from operations		10,514	8,542
<i>Cash Outflows</i>			
Payments for supplies and services		(475)	(413)
Payments of grants and subsidies		(6,353)	(8,250)
Cash used in operations		(6,828)	(8,663)
Net cash provided by/(used in) operating activities		3,686	(121)
Net increase/(decrease) in cash and cash equivalents		3,686	(121)
Cash and cash equivalents at the beginning of the period		8,752	8,873
Cash and cash equivalents at the end of the period	7	12,438	8,752

The accompanying notes form part of these financial statements.

Stormwater Management Authority

NOTES TO THE FINANCIAL STATEMENTS

About the Stormwater Management Authority	Note 1
Objectives and activities	Note 2
Intra-government transfers	Note 3
Remuneration of board members	Note 4
Supplies and services	Note 5
Grants and subsidies	Note 6
Cash and cash equivalents	Note 7
Receivables	Note 8
Payables	Note 9
Unrecognised contractual commitments	Note 10
Contingent assets and liabilities	Note 11
Events after the reporting period	Note 12

Stormwater Management Authority

Note 1 About the Stormwater Management Authority

The Stormwater Management Authority (the Authority) was established as a body corporate under the *Local Government Act 1999* on 1 July 2007.

The financial statements and accompanying notes include all the controlled activities of the Authority.

The Authority does not control any other entity and has no interests in unconsolidated structured entities.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Authority is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows include GST in the Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12-month operating cycle have been classified as current.

Stormwater Management Authority

Note 2 Objectives and activities

2.1 Objectives

The Stormwater Management Authority is responsible for the implementation of the Agreement on Stormwater Management between the State of South Australia and the Local Government Association of South Australia.

2.2 Activities

The Authority provides funding toward the preparation of stormwater management plans; carrying out of works or the acquisition of land in accordance with an approved stormwater management plan or otherwise for the purpose of stormwater management; community education and awareness programs; projects or measures relating to water quality or pollution abatement; investigation, research, pilot programs or other projects relating to stormwater management and payment of the operation costs of the Authority.

Note 3 Intra-government transfers

	2022 \$'000	2021 \$'000
Intra-government transfers	10,442	8,451
Total intra-government transfers	10,442	8,451

Intra-government transfers are recognised as income on receipt.

Funding of \$5.792 million (\$5.651 million) was received from DEW for the preparation and approval of stormwater management plans and related works.

Funding of \$4.650 million (\$2.800 million) was received from DEW for Gawler River flood mitigation projects identified in the State Budget 2020-21.

Note 4 Remuneration of board members

The Authority, a statutory authority, was established as a body corporate under the *Local Government Act 1999* on 1 July 2007. The Authority is governed by a 7-member board, including a Presiding Member, appointed by the Minister for Climate, Environment and Water.

Related parties of the Authority include all key management personnel and their close family members; all public authorities that are controlled and consolidated into the whole of government financial statements; all Cabinet Ministers and their close family members, and the Local Government Association of South Australia.

Transactions with key management personnel and other related parties

One member of the Stormwater Management Authority Board is an elected member of the City of Adelaide, a constituent council of the Brown Hill and Keswick Creeks Stormwater Board (BHKCSB); one member is employed by the Light Regional Council, a constituent

Stormwater Management Authority

council of the Gawler River Floodplain Management Authority (GRFMA); one member provided consultancy services to the City of Whyalla; one member is employed by DEW; and one member is a visiting Fellow at the University of Adelaide.

During 2020-22, the Authority paid out grant monies to BHKCSB worth \$5 million (\$6.821 million); to GRFMA worth nil (\$20,000); to the City of Whyalla worth \$170,000 (nil); to DEW worth \$385,000 (\$55,000); and to the University of Adelaide worth \$55,000 (nil). Refer to note 6.

Members during the 2022 financial year were:

- Mr Trevor Daniell
- Cr Dr Helen Donovan
- Ms Shanti Ditter
- Mr Stephen Hains AM
- Ms Catherine (Cate) Hart*
- Mr Walter (Wally) Iasiello*
- Mr Simon Sherriff.*

The number of members whose remuneration received or receivable falls within the following bands:	2022	2021
\$0 – \$19 999	6	9
\$19 999 – \$39 999	1	–
Total number of members	7	9

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax and retention allowance. The total remuneration received or receivable by members was \$63,000 (\$46,000).

* In accordance with Schedule 1A to the *Local Government Act 1999*, any employee of a public authority (meaning a Minister, an agency or instrumentality of the Crown or a council or council subsidiary) did not receive any remuneration for board/committee duties during the financial year.

Key management personnel

The Authority had ten key management personnel during 2021-22 including:

- the Minister for Environment, Climate and Water
- board members of the Stormwater Management Authority
- the General Manager and Acting General Manager of the Stormwater Management Authority.

These key management personnel have had responsibility for the strategic direction and management of the Authority during the year.

Total compensation for the Authority's key management personnel was \$189,000 (\$181,000).

Stormwater Management Authority

The compensation disclosed in this note excludes salaries and other benefits the Minister for Climate, Environment and Water receives. The Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Note 5 Supplies and services

	2022 \$'000	2021 \$'000
Reimbursement of employee benefits and associated costs to DEW ¹	270	219
Corporate overhead charges to DEW ¹	66	43
Other supplies and services	171	77
Board fees and associated costs ¹	63	46
Other expenses ²	11	10
Total supplies and services	581	395

1. DEW, through a service level agreement, provides agreed services to the Authority. The agreed services include:
 - Secondment of employees of DEW to act as Technical Adviser and Project Officer for the Authority
 - Secondment of an employee of DEW to be the General Manager of the Authority who reports to the board of the Authority
 - Payment of board fees and on-costs through the DEW payroll system
 - Payments to non-local government payees through DEW's accounts system on receipt of vendor tax invoices approved by the Authority.
2. Includes audit fees paid/payable to the Auditor-General's Department of \$10,500 (\$10,200) relating to work performed under the *Local Government Act 1999*. No other services were provided by the Auditor-General's Department.

Stormwater Management Authority

Note 6 Grants and subsidies

	2022 \$'000	2021 \$'000
Brown Hill and Keswick Creeks Stormwater Board	5,000	6,821
Department for Environment and Water	385	55
Copper Coast Council	326	–
Town of Gawler	220	–
City of Whyalla	170	–
Bureau of Meteorology	88	–
Northern Areas Council	66	–
University of Adelaide	55	–
City of Victor Harbour	23	32
City of Charles Sturt	20	801
Clare and Gilbert Valleys Council	–	181
City of Holdfast Bay	–	100
Regional Council of Goyder	–	75
City of Port Adelaide Enfield	–	46
City of West Torrens	–	40
Adelaide Plains Council	–	27
Gawler River Floodplain Management Authority	–	20
Green Adelaide	–	8
District Council of Yankalilla	–	2
Total grants and subsidies	6,353	8,208

Grants provided by the Authority to other entities for a particular purpose are recognised as expenses in the period in which they are paid or when approved for payment.

Note 7 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Deposits at call with the Local Government Finance Authority	12,438	8,752
Total cash and cash equivalents	12,438	8,752

The Authority's bank account is an interest bearing account held with the Local Government Finance Authority. Cash is measured at nominal amounts.

Stormwater Management Authority

Note 8 Receivables

	2022 \$'000	2021 \$'000
Accrued interest	9	1
Total receivables	9	1

Receivables are for interest on deposits at call with the Local Government Finance Authority. They earn a floating interest rate, based on daily bank deposit rates. The weighted average interest rate was 0.69% (0.80%).

Note 9 Payables

	2022 \$'000	2021 \$'000
<i>Current</i>		
Accrued expenses	–	55
Administration costs payable to DEW	248	88
<i>Statutory Payables</i>		
Accrued audit fee	11	10
Total payables	259	153

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

Stormwater Management Authority

Note 10 Unrecognised contractual commitments

Commitments include grant expenditure arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax Office (ATO). If GST is not payable to, or recoverable from, the ATO then the commitments and contingencies are disclosed on a gross basis.

Expenditure commitments	2022	2021
	\$'000	\$'000
Within one year	6,880	8,998
Later than one year but not longer than five years	880	3,842
Total other commitments	7,760	12,840

The Authority's expenditure commitments comprise approved grants towards stormwater management projects based on the approval by the board of detailed plans and applications (which include costings) submitted by councils in accordance with the Agreement on Stormwater Management between the State of South Australia and the Local Government Association of South Australia.

Note 11 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of note and, if quantifiable, are measured at nominal value.

The Authority is not aware of any contingent assets or liabilities.

Note 12 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2022 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2022.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2022 and which may have a material impact on the results of subsequent years.

No events have occurred after balance date that would affect the financial statements of the Authority as at 30 June 2022.