



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
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 the Stormwater Management Authority for the financial year ended 30 June 2023.

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 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member and Acting 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 Acting General Manager and the members of the Board for the financial report**

The Acting 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 Acting 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 Acting 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 members of the Board are 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 30 June 2023.

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 Acting General Manager
- conclude on the appropriateness of the Acting 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 Acting General Manager and members of the Board 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)**

28 September 2023

## Certification of the Financial Statements

We certify that the:

- financial statements of the Stormwater Management Authority:
  - a) are in accordance with the accounts and records of the Stormwater Management Authority;
  - b) comply with relevant Treasurer's Instructions;
  - c) comply with relevant accounting standards; and
  - d) 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.



Ms Belinda Skilton  
**Acting General Manager**

27<sup>th</sup> September 2023



Ms Shanti Ditter  
**Presiding Member**

26<sup>th</sup> September 2023

**Stormwater Management Authority**  
**Statement of Comprehensive Income**

*for the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
SA Government grants, subsidies and transfers	2.1	5,937	10,442
Other income	2.2	581	80
<b>Total income</b>		<b>6,518</b>	<b>10,522</b>
<b>Expenses</b>			
Supplies and services	4.1	512	570
Grants and subsidies	4.2	2,233	6,353
Other expenses	4.3	11	11
<b>Total expenses</b>		<b>2,756</b>	<b>6,934</b>
<b>Net result</b>		<b>3,762</b>	<b>3,588</b>
<b>Total comprehensive result</b>		<b>3,762</b>	<b>3,588</b>

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 2023

	Note	2023 \$'000	2022 \$'000
<b><u>Current assets</u></b>			
Cash and cash equivalents	5.1	16,166	12,438
Receivables	5.2	51	9
<b>Total current assets</b>		<b>16,217</b>	<b>12,477</b>
<b>Total assets</b>	☺	<b>16,217</b>	<b>12,477</b>
<b><u>Current liabilities</u></b>			
Payables	6.1	267	259
<b>Total current liabilities</b>		<b>267</b>	<b>259</b>
<b>Total liabilities</b>		<b>267</b>	<b>259</b>
<b>Net assets</b>		<b>15,950</b>	<b>12,188</b>
<b><u>Equity</u></b>			
Retained earnings		15,950	12,188
<b>Total equity</b>		<b>15,950</b>	<b>12,188</b>

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 2023*

	Note	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		<b>8,600</b>	<b>8,600</b>
Net result		3,588	3,588
<b>Total comprehensive result</b>		<b>3,588</b>	<b>3,588</b>
<b>Balance at 30 June 2022</b>		<b>12,188</b>	<b>12,188</b>
Net result		3,762	3,762
<b>Total comprehensive result</b>		<b>3,762</b>	<b>3,762</b>
<b>Balance at 30 June 2023</b>		<b>15,950</b>	<b>15,950</b>

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 2023

	Note	2023 \$'000	2022 \$'000
<b><u>Cash flows from operating activities</u></b>			
<i>Cash inflows</i>			
SA Government grants, subsidies and transfers		5,937	10,442
Interest received		513	33
Bonus distributions received		25	39
<b>Cash generated from operations</b>		<b>6,475</b>	<b>10,514</b>
<i>Cash outflows</i>			
Payments for supplies and services		(586)	(475)
Payments of grants and subsidies		(2,161)	(6,353)
<b>Cash used in operations</b>		<b>(2,747)</b>	<b>(6,828)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>3,728</b>	<b>3,686</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,728</b>	<b>3,686</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>12,438</b>	<b>8,752</b>
<b>Cash and cash equivalents at the end of the period</b>	5.1	<b>16,166</b>	<b>12,438</b>

The accompanying notes form part of these financial statements.

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## **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.

### **1.2. Objectives and activities**

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.

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.

## 2. Income

### 2.1. SA Government grants, subsidies and transfers

	2023 \$'000	2022 \$'000
SA Government grants, subsidies and transfers	5,937	10,442
<b>Total intra-government transfers</b>	<b>5,937</b>	<b>10,442</b>

SA Government grants, subsidies and transfers are recognised as income on receipt.

Funding of \$5.937 million (\$5.792 million) was received from DEW for the preparation and approval of stormwater management plans and related works.

### 2.2. Other income

	2023 \$'000	2022 \$'000
Interest revenues from the Local Government Finance Authority	556	41
Bonus distributions from the Local Government Finance Authority	25	39
<b>Total other income</b>	<b>581</b>	<b>80</b>

## 3. Board, committees and employees

### 3.1. Key management personnel

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 9-member board, including a Presiding Member, appointed by the Minister for Climate, Environment and Water.

The Authority had twelve key management personnel during 2022-23 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.

Total compensation for the Authority's key management personnel was \$206,000 (\$189,000).

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*.

### Transactions with key management personnel and other related parties

One member of the Stormwater Management Authority Board is an elected member of The Barossa Council, a constituent council of the Gawler River Floodplain Management Authority

(GRFMA); one member is employed by the Light Regional Council, a constituent council of the GRFMA; one member is employed by DEW; and one member is a visiting Fellow at the University of Adelaide.

During 2022-23, the Authority paid out grant monies to GRFMA worth \$40,000 (nil); to DEW worth \$1,755,000 (\$385,000); and to the University of Adelaide worth \$27,500 (\$55,000). Refer to note 4.2.

**3.2. Board members**

Members during the 2023 financial year were:

- Ms Heather Barclay\*
- Mr Paul Bennet\*
- Ms Alison Collins\*
- Mr Trevor Daniell
- Ms Shanti Ditter
- Ms Catherine (Cate) Hart\*
- Mr Walter (Wally) Iasiello\*
- Mayor Michael (Bim) Lange OAM
- Mr Simon Sherriff.\*

\* 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.

**Board and committee remuneration**

**The number of members whose remuneration received or receivable falls within the following bands:**

	<b>2023</b>	<b>2022</b>
\$0 – \$19 999	8	6
\$19 999 – \$39 999	1	1
<b>Total number of members</b>	<b>9</b>	<b>7</b>

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 \$45,000 (\$63,000).

#### 4. Expenses

##### 4.1. Supplies and services

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Reimbursement of employee benefits and associated costs to DEW	280	270
Corporate overhead charges to DEW	71	66
Board fees and associated costs	47	63
Other supplies and services	114	171
<b>Total supplies and services</b>	<b>512</b>	<b>570</b>

DEW, through a service level agreement, provides agreed services to the Authority. The agreed services include:

- Secondment of an employee of DEW to be the General Manager of the Authority who reports to the board of the Authority
- Secondment of employees of DEW to act as Technical Adviser and Project Officer for 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.

#### 4.2. Grants and subsidies

	2023 \$'000	2022 \$'000
Department for Environment and Water	1,755	385
Copper Coast Council	187	326
City of Port Adelaide Enfield	105	–
City of Prospect	50	–
Gawler River Floodplain Management Authority	40	–
Port Augusta City Council	30	–
University of Adelaide	27	55
City of Charles Sturt	20	20
Adelaide Hills Council	9	–
Barunga West Council	9	–
District Council of Streaky Bay	1	–
Brown Hill and Keswick Creeks Stormwater Board	–	5,000
Town of Gawler	–	220
City of Whyalla	–	170
Bureau of Meteorology	–	88
Northern Areas Council	–	66
City of Victor Harbor	–	23
<b>Total grants and subsidies</b>	<b>2,233</b>	<b>6,353</b>

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.

#### 4.3. Other expenses

	2023 \$'000	2022 \$'000
Other expenses	11	11
<b>Total other expenses</b>	<b>11</b>	<b>11</b>

Other expenses include audit fees paid/payable to the Auditor-General's Department of \$10,700 (\$10,500) relating to work performed under the *Local Government Act 1999*. No other services were provided by the Auditor-General's Department.

## 5. Financial assets

	2023 Carrying amount \$'000	2022 Carrying amount \$'000
<b>Cash and equivalents</b>		
Cash and cash equivalents	16,166	12,438
<b>Financial assets at amortised cost</b>		
Receivables	51	9
<b>Total financial assets</b>	<b>16,217</b>	<b>12,477</b>

### 5.1. Cash and cash equivalents

	2023 \$'000	2022 \$'000
Deposits at call with the Local Government Finance Authority	16,166	12,438
<b>Total cash and cash equivalents</b>	<b>16,166</b>	<b>12,438</b>

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

### 5.2. Receivables

	2023 \$'000	2022 \$'000
Accrued interest	51	9
<b>Total receivables</b>	<b>51</b>	<b>9</b>

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 3.31% (0.69%).

## 6. Liabilities

### 6.1. Payables

	2023 \$'000	2022 \$'000
<b>Current</b>		
Accrued expenses	127	–
Administration costs payable to DEW	129	248
<b>Statutory payables</b>		
Accrued audit fee	11	11
<b>Total current payables</b>	<b>267</b>	<b>259</b>
<b>Total payables</b>	<b>267</b>	<b>259</b>

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.

## 7. Outlook

### 7.1. Unrecognised commitments

#### Other 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.

	2023 \$'000	2022 \$'000
Not later than one year	6,202	6,880
Later than one year but not later than five years	950	880
<b>Total other contractual commitments</b>	<b>7,152</b>	<b>7,760</b>

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.

## **7.2. Contingent assets and liabilities**

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

## **7.3. Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2023 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2023.

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 2023 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 2023.