

# Financial Statements 2018-19

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The Hunter Joint Organisation is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

Hunter Joint Organisation  
59 Bonville Avenue  
Thornton NSW 2322

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.strategicservicesaustralia.com.au](http://www.strategicservicesaustralia.com.au)

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Statement by Members of the Board

**Statement by Members of the Board made pursuant to Section 413 (2c) of the Local Government Act 1993 (NSW) (as amended)**

The attached general purpose financial statements have been prepared in accordance with:

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder
- the Australian Accounting Standards – Reduced Disclosure Requirements and other pronouncements of the Australian Accounting Standards Board
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting.

To the best of my knowledge and belief, these statements:

- present fairly Hunter Joint Organisation’s operating result and financial position for the period
- accord with Hunter Joint Organisation’s accounting and other records.

We are not aware of any matter that would render this report false or misleading in any way.

Signed in accordance with a resolution of the Board of the Hunter Joint Organisation made on 12 September 2019.



Cr. Bob Pynsent

Chairperson

Date: 12/9/19

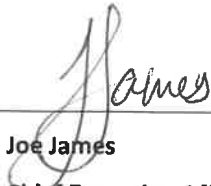


Cr Loretta Baker

Voting Representative

Board Member

Date: 12/9/19



Joe James

Chief Executive Officer

Date: 12/9/19

Income Statement and Other Comprehensive Income

Statement for the period 9 May 2018 to 30 June 2019

	Notes	Actual Period 9 May 2018 to 30 June 2019 \$
<b>Income from continuing operations</b>		
Member council contributions	2a	200,000
Other income	2b	545,000
Interest and investment revenue	2c	4,641
Grants provided for operating purposes	2d	660,794
<b>Total income from continuing operations</b>		<b>1,410,435</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs		307,590
Project expenses		511,880
Depreciation and amortisation		3,348
Administrative expenses	3	138,293
<b>Total expenses from continuing operations</b>		<b>961,111</b>
<b>Net operating result for the period</b>		<b>449,324</b>
<b>Other comprehensive income</b>		-
<b>Total comprehensive income</b>		<b>449,324</b>

The above Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

**Statement of Financial Position as at 30 June 2019**

	Notes	2019 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4	269,434
Receivables	5	196,089
Prepayments		777
<b>Total current assets</b>		<b>466,300</b>
<b>Non-current assets</b>		
Plant and equipment	6	54,232
<b>Total non-current assets</b>		<b>54,232</b>
<b>Total assets</b>		<b>520,532</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	7	58,273
Borrowings	7	3,000
Provisions	8	9,589
<b>Total current liabilities</b>		<b>70,862</b>
<b>Non-current liabilities</b>		
Provisions	8	346
<b>Total non-current liabilities</b>		<b>346</b>
<b>Total liabilities</b>		<b>71,208</b>
<b>Net assets</b>		<b>449,324</b>
<b>EQUITY</b>		
Accumulated surplus		449,324
<b>Total equity</b>		<b>449,324</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

**Statement of Changes in Equity for the period from 9 May 2018 to 30 June 2019**

	<b>2019</b>	
	<b>\$</b>	
	<b>Accumulated surplus</b>	<b>Total equity</b>
Opening balance	-	-
Net operating result for the period	449,324	449,324
Other comprehensive income	-	-
Total comprehensive income	449,324	449,324
	-	-
<b>Closing balance</b>	<b>449,324</b>	<b>449,324</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

**Statement of Cash Flows for the period from 9 May 2018 to 30 June 2019**

	<b>Period from 9 May 2018 to 30 June 2019 \$</b>
<b>Cash flows from operating activities</b>	
<i>Receipts:</i>	
Contributions from member councils	172,060
Other Income	381,016
Investments revenue and interest	44
Grants and contributions	660,794
<i>Payments:</i>	
Employees and suppliers	(889,901)
<b>Net cash provided from operating activities</b>	<b>324,013</b>
<b>Cash flows from investing activities</b>	
<i>Payments:</i>	
Purchase of property, plant and equipment	(57,579)
<b>Net cash provided from (or used in) investing activities</b>	<b>(57,579)</b>
<b>Cash flows from financing activities</b>	
Credit card facility	3,000
<b>Net cash provided from financing activities</b>	<b>3,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>269,434</b>
<b>Cash and cash equivalents at beginning of reporting period</b>	<b>-</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b><u>269,434</u></b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

**Notes to the Financial Statements for the period from 9 May 2018 to 30 June 2019**

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**Note 1: Basis of preparation**

The Hunter Joint Organisation (the "JO") was established on 9<sup>th</sup> May 2018 and the financial statements include the results of the Hunter Joint Organisation from establishment until 30 June 2019 and the financial position at 30 June 2019.

Future reporting periods will be from 1 July to 30 June of the relevant year.

These financial statements were authorised for issue by the Board of the Hunter Joint Organisation on 12/09/2019. The Board has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Local Government Act 1993 (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. Hunter Joint Organisation is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest dollar.

*a. New and amended standards adopted by Hunter Joint Organisation*

The following new standards are effective for the first time in 30 June 2019. There is not expected to be a material impact on reported financial position, performance or cash flows of the entity although some additional disclosures and presentation changes have arisen:

- AASB 9 Financial Instruments and associated amending standards

*b. Historical cost convention*

These financial statements have been prepared under the historical cost convention.

*c. Significant accounting estimates and judgements*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Joint Organisation's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the JO and that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

Hunter Joint Organisation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. Employee benefit provisions – refer Note 9.

*Significant judgements in applying the Joint Organisation's accounting policies*

- i. None applicable

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

**Note 2: Income from continuing operations**

	<b>Period from 9 May 2018 to 30 June 2019</b>	
	<b>\$</b>	
<b>(a) Member Council contributions</b>		
Cessnock City Council		20,000
Dungog Shire Council		20,000
Lake Macquarie City Council		20,000
Maitland City Council		20,000
MidCoast Council		20,000
Muswellbrook Shire Council		20,000
Newcastle City Council		20,000
Port Stephens Council		20,000
Singleton Council		20,000
Upper Hunter Shire Council		20,000
<b>Total member council contributions</b>		<b>200,000</b>
<b>(b) Other income</b>		
Strategic Services Australia Limited		545,000
<b>Total Other income</b>		<b>545,000</b>
<b>(c) Interest and investment revenue</b>		
Interest on financial asset measured at amortised cost		4,641
<b>Total interest and investment revenue (losses)</b>		<b>4,641</b>
<b>(d) Grants</b>		
	<b>Operating</b>	<b>Capital</b>
	<b>Period 9 May 2018</b>	<b>Period 8 May 2018</b>
	<b>To 30 June 2019</b>	<b>To 30 June 2019</b>
	<b>\$</b>	<b>\$</b>
OLG Joint Organisation establishment funding	300,000	-
Contaminated Land Program	176,700	-
DPC funding	108,194	-
Litter prevention and reduction	75,900	-
<b>Total grants</b>	<b>660,794</b>	<b>-</b>
<b>Comprising:</b>		
- Commonwealth funding	-	-
- State funding	624,094	-
- Other funding	36,700	-
	<b>660,794</b>	<b>-</b>

**Accounting policy for income**

The JO recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the JO, and specific criteria have been met for each of the JO's income streams as described below. The JO bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Contributions by Member Councils** are accounted for when the amount to be paid for the period has been determined and communicated to Councils. The contribution may be in the form of a cash payment or non-monetary contribution (which is recorded at its fair value).

The methodology for determining the contribution is:

- Equal contributions by all member Councils in order to perform the principal functions of delivering on strategic regional priorities, regional leadership and intergovernmental cooperation; and
- Contributions by participating member Councils for other functions of enhancing strategic capacity and direct service delivery.

**User charges and fees** are recognised as revenue when the service has been provided.

**Interest Income** is recognised using the effective interest rate at the date that interest is earned.

**Grant revenue** – Control over grants is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or asset at the date of transfer.

A liability is recognised in respect of grant income that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

### Note 3: Expenses

	Period from 9 May 2018 to 30 June 2019 \$
<b>Administrative Expenses</b>	
Finance & Administrative services (Strategic Services Australia Limited)	60,624
Remuneration of auditors	19,000
IT expenses	1,885
Board meeting expenses	24,527
Motor Vehicles expenses	3,489
Office space rent & outgoings	17,400
Insurance	1,451
Travel & accommodation	7,611
Other	2,306
<b>Total administrative expenses</b>	<b>138,293</b>
<b>Auditors' remuneration</b>	
Auditors of Hunter Joint Organisation– NSW Auditor-General	
(i) Audit and other assurance services	
Audit of financial statements	19,000
Other assurance services	-
<b>Total remuneration for audit and other assurance services</b>	<b>19,000</b>
(ii) Other non-assurance services	-
<b>Total fees paid or payable to the Auditor-General</b>	<b>19,000</b>

### Accounting policy for expenses

**Employee benefit expenses** are recorded when the service has been provided by the employee.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Borrowing costs** are expensed as incurred.

**Depreciation** is calculated using the straight-line method to allocate the cost of the asset, net of residual values, over the asset's estimated useful lives.

**Impairment** – Property, plant and equipment assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

**Note 4: Cash and cash equivalents**

	<b>2019</b>
	<b>\$</b>
Cash at bank and on hand	269,434
Deposits at call	-
	<u><b>269,434</b></u>

**Accounting policy for cash and cash equivalents**

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 5: Receivables**

	<b>2019</b>
	<b>Current</b>
	<b>\$</b>
Trade receivables	191,492
Other (Interest)	4,597
<b>Total</b>	<u><b>196,089</b></u>
<b>Net receivables</b>	<u><b>196,089</b></u>

**Accounting policy for receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

The JO applies the simplified approach for receivables in providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

**Note 6: Property, plant and equipment**

By asset class	At 8 May 2018			Movements during the period			At 30 June 2019		
	Gross carrying amount	Acc. Dep and impairment	Net carrying amount	Additions	Disposals	Depn. And impairment	Gross carrying amount	Acc. Dep. and impairment	Net carrying amount
Office equipment	-	-	-	1,876	-	(99)	1,876	(99)	1,777
Vehicles	-	-	-	55,703	-	(3,249)	55,703	(3,249)	52,455
<b>Totals</b>	-	-	-	<b>57,579</b>	-	<b>(3,348)</b>	<b>57,579</b>	<b>(3,348)</b>	<b>54,232</b>

**Accounting policy for property, plant and equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the JO and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement and Other Comprehensive Income during the financial period in which they are incurred.

When property, plant and equipment are acquired by the JO for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The useful life of Office equipment is determined as five years, and Vehicles as three years.

**Note 7: Payables and borrowings**

	<b>2019</b>
	<b>Current</b>
	<b>\$</b>
<b>Payables</b>	
Trade payables	23,531
Accrued expenses	3,780
Other payables	30,962
<b>Total payables</b>	<b>58,273</b>
<b>Borrowings</b>	
Credit Cards	3,000
<b>Total borrowings</b>	<b>3,000</b>

**Accounting policy for payables and borrowings**

The JO measures all financial liabilities initially at fair value less transaction costs; subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the JO comprise trade and other payables and bank overdraft. Trade payables represent liabilities for goods and services provided to the JO prior to the end of financial period that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

<b>Financing arrangements</b>	<b>2019</b>
	<b>\$</b>
<b>Total facilities</b>	
The amount of total financing facilities available to the JO at the reporting date is:	
- Corporate credit cards	3,000
	<b>3,000</b>
<b>Drawn facilities</b>	
The amount of financing facilities drawn down at the reporting date is:	
- Corporate credit cards	3,000
	<b>3,000</b>
<b>Undrawn facilities</b>	
The amount of undrawn financing facilities available to the JO at the reporting date is:	
- Corporate credit cards	Nil
	<b>Nil</b>

**Note 8: Provisions**

	<b>2019</b>	
	<b>Current</b>	<b>Non-current</b>
	<b>\$</b>	<b>\$</b>
<b>Employee benefit provisions</b>		
Annual leave	9,589	-
Long-service leave	-	346
<b>Total provisions</b>	<b>9,589</b>	<b>346</b>
<b>Current provisions not expected to be settled within the next 12 months</b>	Nil	n/a

### Accounting policy for provisions

Provisions are recognised when: the JO has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Employee benefits

##### *Short-term obligations*

Liabilities for wages and salaries (including non-monetary benefits and annual leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

##### *Other long-term employee benefit obligations*

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits, and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### *On-costs*

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the JO does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

### **Note 9: Commitments**

The Hunter Joint Organisation has no commitments at the period ended 30 June 2019.

### **Note 10: Contingencies**

Nil.

### **Note 11: Financial risk management**

#### **Risk Management**

The Hunter Joint Organisation's activities expose it to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk.

Financial risk management is carried out by the finance team under policies approved by the Hunter Joint Organisation Board.

The fair value of receivables and investments approximates the carrying amount

**Note 12: Related party disclosures**

**Key management personnel**

Key management personnel (KMP) of the Hunter Joint Organisation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Hunter Joint Organisation, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement and Other Comprehensive Income is \$155,231.

**Other related parties**

Type of related party:	Nature of the transactions	Amount of the transactions during the period	Outstanding balances, including commitments at period end	Terms and conditions	Provisions for doubtful debts	Expense recognised during the period relating to bad or doubtful debts
<b>2019</b>						
<b>Strategic Services Australia Ltd</b> – local gov't owned operating entity	Loan to SSA – balance @ 30 June	\$159,152	\$0	Net 30 days	\$0	\$0
	Interest received	\$4,596	\$0	Net 30 days	\$0	\$0
	Rent paid	\$6,000	\$0	Net 30 days	\$0	\$0
	Grant funds obtained and transferred to related party to undertake grant functions	\$252,600	\$0	n/a	\$0	\$0
	Admin fees paid	\$187,579	\$0	Net 30 days	\$0	\$0
	Admin fees received	\$21,115	\$0	Net 30 days	\$0	\$0
	IT costs incurred	\$1,584	\$0	Net 30 days	\$0	\$0
	Project contributions	\$545,000	\$0	Net 30 days	\$0	\$0
<b>Hunter Councils Incorporated</b> – local gov't owned association	Rent paid	\$12,000	\$0	Net 30 days	\$0	\$0
Lake Macquarie City Council	Subscriptions	\$20,000	\$4,400	Net 30 days	\$0	\$0
	Project Funding	\$4,000				
Newcastle City Council	Subscriptions	\$20,000	\$4,400	Net 30 days	\$0	\$0
	Project Funding	\$4,000				
Port Stephens Council	Subscriptions	\$20,000	\$4,400	Net 30 days	\$0	\$0
	Project Funding	\$4,000				



# Hunter Joint Organisation

Mid Coast Council	Subscriptions Project Funding	\$20,000 \$4,000	\$4,400	Net 30 days	\$0	\$0
Upper Hunter Shire Council	Subscriptions Project Funding	\$20,000 \$3,000	\$3,300	Net 30 days	\$0	\$0
Singleton Council	Subscriptions Project Funding	\$20,000 \$3,300	\$0	Net 30 days	\$0	\$0
Dungog Shire Council	Subscriptions Project Funding	\$20,000 \$2,400	\$2,640	Net 30 days	\$0	\$0
Muswellbrook Shire Council	Subscriptions Project Funding	\$20,000 \$2,700	\$0	Net 30 days	\$0	\$0
Cessnock City Council	Subscriptions Project Funding	\$20,000 \$4,000	\$4,400	Net 30 days	\$0	\$0
Maitland City Council	Subscriptions Project Funding	\$20,000 \$4,000	\$0	Net 30 days	\$0	\$0

**Note 13: Events occurring after reporting date**

There have been no subsequent events post 30 June 2019.





## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Hunter Joint Organisation

To the Board of the Hunter Joint Organisation

### Opinion

I have audited the accompanying financial statements of Hunter Joint Organisation (the Joint Organisation), which comprise the Income Statement and Other Comprehensive Income for the period 9 May 2018 to 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the period 9 May 2018 to 30 June 2019, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Board and Management.

In my opinion:

- the Joint Organisation's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Joint Organisation's accounting records
  - present fairly, in all material respects, the financial position of the Joint Organisation as at 30 June 2019, and of its financial performance and its cash flows for the period 9 May 2018 to 30 June 2019 in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Joint Organisation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of joint organisations
- precluding the Auditor-General from providing non-audit services.

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

### **Other Information**

The Joint Organisation's Annual Performance Statement for the period 9 May 2018 to 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Board is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Members of the Board and Management.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement in the other information, I must report that fact.

I have nothing to report in this regard.

### **The Board's Responsibilities for the Financial Statements**

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Joint Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Joint Organisation will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Joint Organisation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Furqan Yousuf  
Delegate of the Auditor-General for New South Wales

16 September 2019  
SYDNEY

