



# Anderson Munro & Wyllie

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## INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE SHIRE OF TAMMIN

### Opinion

We have audited the financial report of Shire of Tammin for the year ended 30 June 2017. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of the Shire of Tammin is in accordance with the requirements of the *Local Government Act 1995*, including:

- a) giving a true and fair view of the Shire of Tammin's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire of Tammin in accordance with auditor independence requirements of the *Local Government Act 1995* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statutory Compliance

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) We did not during the course of the audit, become aware of any other instances where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996, apart from the following non-compliance:
  - i) Section 7.9(1) - Auditor's report for financial year ended 30 June 2016 was not received by the local government by 31 December 2016 due to the financial report not being available to the auditor;
  - ii) Section 5.46(1) – The register of delegations kept the CEO did not appear to include the delegation made to the Mager of Finance and Administration on 20 September 2016, or, the delegation made to the Works Supervisor on 1 October 2015; and
  - iii) Section 5.88(3) – Annual returns of three employees and one Councillor who had previously resigned and thus no longer required to lodge returns, had not been removed from the financial interests register as required.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.



- e) In relation to the Supplementary Ratio Information presented at page 58 of this report, we have reviewed the calculations as presented and in our opinion these are:
- i. Based on verifiable information; and
  - ii. Reasonable assumptions.

### **Information Other than the Financial Report and Auditor's Report Thereon**

Those charged with governance are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Council, and Those Charged with Governance for the Financial Report**

The Council is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Local Government Act 1995 and Regulations*, and is appropriate to meet the needs of the electors. Council's responsibility also includes such internal control as the directors determine 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, Council is responsible for assessing the Shire of Tammin's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intend to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Shire of Tammin's financial reporting process.

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

Our 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 our 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.
- Conclude on the appropriateness of the Council'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 Shire of Tammin's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Shire of Tammin's 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.

We communicate with Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated the 21<sup>st</sup> day of November 2017 in Perth, Western Australia

**BILLY-JOE THOMAS**  
Director

**ANDERSON MUNRO & WYLLIE**  
Chartered Accountants