

**WARRINGAH COUNCIL**  
**LONG TERM FINANCIAL PLAN**  
**INDEPENDENT ASSURANCE REPORT**

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We have been engaged by Warringah Council ("Council") to report on the long term financial plan ("LTFP") included in the 2015 Strategic Community Plan ("SCP") of Warringah Council covering the ten year period from 2015/2016 to 2024/2025. As agreed in our engagement letter dated 12 May 2015, this report is prepared solely for Warringah Council for the purpose of satisfying itself with the budgetary process and the resultant LTFP.

**Scope**

You have requested Hill Rogers Spencer Steer to review the LTFP included in the 2015 SCP. The stated basis of preparation used in the preparation of the LTFP by Warringah Council is the accounting policies adopted and disclosed in Council's audited financial reports.

**Responsibility of Council**

The Council is responsible for the preparation of the LTFP included in the 2015 SCP covering the ten year period from 2015/16 to 2024/2025, including the best-estimate assumptions underlying the LTFP. This includes responsibility for such internal controls as Council determines are necessary to enable the preparation of the LTFP that is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express limited assurance conclusions on the LTFP, the best-estimate assumptions underlying the LTFP, and the reasonableness of the LTFP itself, based on our work. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The review of Council's LTFP incorporated the following procedures:

- Enquiry of Council personnel in respect to the budgeting process and reviewed the 2016/25 Budget Handbook;
- Comparison and analytical review procedures including:
  - comparing the 2013/14 budget with results disclosed in the audited financial report and reviewing explanations and evidence supporting material variances identified;
  - reviewing the March 2015 budget review and explanations and evidence supporting material variances identified;
  - comparing the 2015/16 budget with the 2014/15 budget and reviewing explanations and evidence supporting material variances identified;

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- Discussions with Council personnel regarding the significant assumptions adopted in the preparation of the LTFP;
- Reviewing minutes of Council meetings to determine whether all significant decisions affecting the preparation of the LTFP have been included;
- Examining evidence supporting:
  - significant assumptions adopted in the preparation of LTFP; and
  - significant accounting policies used in the LTFP;
- Test checking calculations and application of assumptions incorporated in the LTFP;
- Reviewing other information disclosed in the LTFP.

A review is substantially less in scope than an reasonable assurance engagement conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

### **Independence**

In conducting the assurance engagement, we followed applicable independence requirements of Australian professional ethical pronouncements.

### **Conclusion**

Based on our limited assurance engagement, which is not a reasonable assurance engagement, nothing has come to our attention which causes us to believe that the following statements are not true:

- Council's best-estimate assumptions provide reasonable grounds for the preparation of the LTFP included in the 2015 SCP of Warringah Council covering the ten year period from 2015/16 to 2024/2025; and
- In all material respects, the LTFP:
  - is prepared on the basis of Council's best-estimate assumptions; and
  - is presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and disclosed in Council's audited financial reports; and
- The overall presentation of the LTFP is reasonable.

Prospective financial information relates to events and actions that have not yet occurred and may not occur. While evidence may be available to support the assumptions on which prospective financial information is based, such evidence is generally future oriented and therefore speculative in nature.

Council's best-estimate assumptions on which the LTFP are based relate to future event(s) and/or transaction(s) that Council expects to occur and actions that Council expects to take and are also subject to uncertainties and contingencies, which are often outside the control of the Council. Evidence may be available to support Council's best-estimate assumptions on which the LTFP is based; however such evidence is generally future-oriented and therefore speculative in

nature. We are therefore not in a position to obtain the level of assurance necessary to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly provide a lesser level of assurance on the reasonableness of Council's best-estimate assumptions. The limited assurance conclusion expressed in this assurance report has been formed on the above basis.

Readers of the document should be aware of the inherent uncertainty relating to the LTFF. Accordingly, readers should have regard to the risks and sensitivities as described in LTFF. The sensitivity analysis as described in the LTFF demonstrates the impact on the LTFF of changes in key best-estimate assumptions. We express no opinion as to whether the LTFF will be achieved.

This report has been prepared for distribution to the Council for the purpose of satisfying itself with the budgetary process and the resultant LTFF. We disclaim any assumption of responsibility for any reliance on this report or on the matter to which it relates to any person other than the Council, or for any purpose other than that for which it was prepared.

We have assumed, and relied on representations from Council that all material information concerning the LTFF has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

**Emphasis of Matter**

Without modification to the conclusion expressed above, the Council's best-estimate assumptions as described in the LTFF are fundamental to the users' understanding.

**HILL ROGERS SPENCER STEER**



**BRETT HANGER**

Partner

Dated at Sydney this 25<sup>th</sup> day of May 2015