



SPENCER STEER
CHARTERED ACCOUNTANTS

WARRUMBUNGLE SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *special purpose financial report* of Warrumbungle Shire Council for the year ended 30 June 2007, comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet of Business Activities, and accompanying Notes to the Financial Statements. The financial statements include the accounts of the declared business activities of the Council. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council. The best practice management disclosures in Notes 2 and 3 have not been examined by us and therefore we express no opinion on them.

The special purpose financial report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting so as to present a view which is consistent with our understanding of the business activities of the Council and their financial position and the result of their operations.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the special purpose financial report of the Council is presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.



ADDITIONAL STATUTORY DISCLOSURES

Council had not complied with the provisions of Section 416 of the Local Government Act, 1993 in that it failed to comply with the provisions of,

- (a) Section 416(1) requires the *special purpose financial report* be prepared and audited within 4 months after the end of the year, and
- (b) Section 416(2) whereby extensions were granted to 30 November 2007.

SPENCER STEER
Chartered Accountants



N. MAH CHUT
Partner

Dated at Sydney this 14th day of January 2008