

# **ACT Auditor-General's Office**

**Executive Remuneration Disclosed in  
ACTEW Corporation Limited's (ACTEW)  
2010-11 Financial Statements and Annual  
Report 2011**

**REPORT NO. 2/2013**

**ACTEW Corporation Limited**

**April 2013**



The Speaker  
ACT Legislative Assembly  
Civic Square, London Circuit  
CANBERRA ACT 2601

Dear Madam Speaker

I am pleased to forward to you a report titled 'Executive Remuneration Disclosed in ACTEW Corporation Limited's (ACTEW) 2010-11 Financial Statements and Annual Report 2011' for tabling in the Legislative Assembly pursuant to Section 17(5) of the *Auditor-General Act 1996*.

Yours sincerely

Dr Maxine Cooper  
Auditor-General  
26 April 2013



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## 1. Report Summary

### Key findings

- ACTEW has made errors in reporting the remuneration of its Managing Director in its 2010-11 financial statements and Annual Report 2011.
- No other errors were identified in relation to the remuneration of other key management personnel shown in the Remuneration Table in ACTEW's Annual Report 2011 (page 18).
- ACTEW changed its method for disclosing amounts in the Remuneration Table in its annual report and key management personnel remuneration in its financial statements. This is the context in which the errors were made in reporting in 2010-11, the Managing Director's remuneration.
- The issuing of a corrigendum for ACTEW's Annual Report 2011 was not undertaken in a timely manner. ACTEW identified the error on 3 October 2012 and the corrigendum was issued on 8 March 2013. More timely provision of advice from the ACT Government may have reduced this time. The communication processes between the ACT Government and ACTEW need to be documented.
- ACTEW's key reporting results as presented in its 2010-11 financial statements are not affected by the errors. Its financial statements would not be qualified as the amount involved is not *material*.
- The Auditor-General reviews ACTEW's annual report for consistency with its financial statements. If the Remuneration Table in ACTEW's Annual Report 2011 had been subjected to such a review, ACTEW would have been requested to correct the errors in the Remuneration Table in the annual report or be subject to a negative finding.
- Information in ACTEW's remuneration tables in its annual reports should be consistent with that in its financial statements.

### Recommendations

1. ACTEW should be required to include information provided in remuneration tables in its annual report in its financial statements so that it is audited by the Auditor-General.
2. Communication processes between the Government and ACTEW should be documented.

1.1 Two recommendations are made to address findings presented in this report.

1.2 In accordance with section 18 of the *Auditor-General Act 1996*, a final draft of this report was provided to ACTEW Corporation Limited's Board Chairman and Mr Mark Sullivan; and the Head of Service and Director-General of the Chief Minister and Treasury Directorate for consideration and response.

## **ACTEW Corporation Limited response**

*ACTEW notes the key findings and agrees with the two recommendations.*

## **Chief Minister and Treasury Directorate response**

*The Chief Minister and Treasury Directorate (CMTD) notes the first recommendation.*

*The second recommendation is sound and proposes a sensible improvement to the relationship between the ACT Public Service and ACTEW. I understand this issue – including the need for a single senior contact point for the company and the ACT Public Service – was discussed by the shareholder ministers and the board at the recent Special General Meeting.*

*As part of settling the proposed protocols in that context, CMTD intends to adopt the following principles:*

- ACTEW must retain responsibility for executing its obligations (i.e in the specific example occasioning your report, preparing a correct annual report and any corrigenda required) including by informing shareholder ministers and the shareholder unit in Commerce and Works Directorate (CWD) of all relevant issues in a timely way.*
- CWD should retain responsibility for providing advice to the shareholder ministers on the substance of matters raised with it by ACTEW as soon as practicable and necessary in the relevant context. CWD should consult other directorates in the preparation of that advice where required.*
- CMTD should retain responsibility for provision of prompt and accurate procedural and technical advice (e.g on the requirements for the provision of a corrigendum to an annual report).*

*I note in this context CMTD has reinforced with relevant staff the need for its advice – especially as it relate to matter of accountability – to be provided promptly to ACTEW, and indeed to other ACT Public Sector entities seeking such counsel.*

## **2. Introduction**

2.1 At the Audit Office's 2011-12 Annual Report hearing on 2 April 2013 the Public Accounts Committee sought information on the:

- Auditor-General's responsibilities in relation to the ACTEW's annual report and financial statements; and
- incorrect reporting by ACTEW of the remuneration of ACTEW's Managing Director, Mr Mark Sullivan in ACTEW's Annual Report 2011.

This report provides this information.

### 3. Background

- 3.1 The Remuneration Table in ACTEW's Annual Report 2011 (page 18) incorrectly reported the total remuneration for ACTEW's Managing Director as \$621 171 when the correct amount was \$855 588.
- 3.2 ACTEW identified the error when preparing material for a Public Accounts Committee hearing on its Annual Report 2011 on 3 October 2012 and subsequently issued a corrigendum to its Annual Report 2011 on 8 March 2013. This corrigendum advised that the total remuneration had been incorrectly reported and provided details of the correct amount, refer to **Attachment A**.

### 4. Responsibilities of ACTEW's Directors for ACTEW's financial statements and annual report

#### *Financial statements*

- 4.1 Under the *Corporations Act 2001*, ACTEW's directors are responsible for the fair presentation of ACTEW's annual financial statements in accordance with this Act. This includes the responsibility for preparing the financial statements in accordance with the relevant reporting requirements (Australian Accounting Standards (Reduced Disclosure Requirements) and other authoritative pronouncements of the Australian Accounting Standards Board including interpretations).

#### *Annual report*

- 4.2 Under the *Territory-owned Corporations Act 1990* ACTEW's directors are responsible for the preparation of ACTEW's annual report, refer to **Attachment B** for details of the annual reporting requirements under this Act.
- 4.3 Section 22 (1) of the *Territory-owned Corporations Act 1990* states that:

The directors of a territory-owned corporation must give the voting shareholders within the prescribed period after the end of each financial year of the corporation an annual report in accordance with this section on the operations of the corporation or, if the corporation has subsidiaries, the group in the financial year.

4.4 Section 22 (2) specifies the information to be included in ACTEW's annual report. Amongst other things, ACTEW's directors are required to ensure that ACTEW's annual report includes:

- ACTEW's financial statements and accompanying audit report on those financial statements (Section 22 (c) and (d)); and
- details of the amount and kind of remuneration of directors and senior managers. Section 22 (g) requires disclosure of the:

details of the amount and kind of remuneration paid to:

- (i) each director of the corporation or group for the financial year; and
- (ii) either:
  - (A) if the corporation or group has more than 5 senior managers - each of the 5 senior managers who receive the highest remuneration of the corporation or group for the financial year; or
  - (B) if the corporation or group has 5 or less senior managers - each of the senior managers of the corporation or group for the financial year.
- (3) For subsection (2) (g), details of the amount and kind of remuneration paid must be given in accordance with applicable accounting standards.

4.5 Furthermore, in addition to the above information, under Section 22 (2), ACTEW's annual report is to include *other information* such as a report on ACTEW's operations, information requested by the voting shareholders and an assessment of ACTEW's performance.

## **5. Responsibilities of the Auditor-General in relation to ACTEW's financial statements and annual report**

### ***Financial statements***

5.1 Under the *Corporations Act 2001*, the Auditor-General is required to express an opinion on whether ACTEW's financial statements are presented in accordance with the relevant reporting requirements, including whether the financial statements:

- give a true and fair view of the ACTEW's financial position as at 30 June and its performance for the year ended on that date; and

- comply with the Australian Accounting Standards (including Australian Accounting Interpretations) – Reduced Disclosure Requirements and *Corporations Regulations 2001*.

5.2 The Auditor-General is responsible for the audit and audit opinion expressed on ACTEW’s financial statements. The audit is subjected to various quality controls, which are outlined in section 8 of this report.

### **Annual report**

5.3 Under Australian Auditing Standards<sup>1</sup> the Auditor-General is responsible for reviewing the *other information*, included in ACTEW’s annual report. This review is limited to checking whether the *other information* is *materially* consistent with the:

- information reported in the audited financial statements; and
- the information gathered during the financial audit.

5.4 The review of *other information* only includes checking that financial information reported in any commentary that refers to amounts reported in ACTEW’s audited financial statements is consistent with the audited financial statements. Therefore, the review does not, for example, include a consideration of non-financial matters, or financial information that is not reported in the financial statements.

5.5 As the Managing Director’s remuneration is not disclosed in ACTEW’s audited financial statements, it is not reviewed in the Audit Office’s review of *other information* included in ACTEW’s annual report. For this to be changed, the remuneration information in ACTEW’s annual report i.e. the Remuneration Table, an extract of which is shown in Table 2 and discussed in section 6 below, would need to be explicitly presented in its financial statements.

### **Recommendation 1**

ACTEW should be required to include information provided in remuneration tables in its annual report in its financial statements so that it is audited by the Auditor-General.

5.6 While Recommendation 1, if adopted, would provide greater assurance that remuneration was being accurately reported, the audit would not provide assurance that the amount paid to ACTEW’s Managing Director is reasonable or represents ‘value for money’.

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<sup>1</sup> Australian Auditing Standard ASA 720: ‘The Auditor’s Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report’.

<sup>2</sup> Under AASB 124 “key management personnel” are ‘those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity’.

**6. Disclosure relating to remuneration in ACTEW’s 2010-11 financial statements and Annual Report 2011**

**Financial statements**

6.1 Note 29 of ACTEW’s 2010-11 financial statements, reproduced in its Annual Report 2011 and in Table 1, discloses that the amount of key management personnel remuneration (total benefits) was \$1 758 072.

**Table 1: Note 29 - Disclosure of key management personnel remuneration**

<b>Note 29 - Key Management Personnel</b>	<b>2010-11</b>	<b>2009-10</b>
	<b>\$</b>	<b>\$</b>
<b>Key Management Personnel Remuneration</b>		
Total benefits	<b>1 758 072</b>	<b>1 686 031</b>

Source: ACTEW’s 2010-11 financial statements as presented in its Annual Report 2011 (page 40)

6.2 ACTEW’s 2010-11 financial statements, while disclosing information that is required to be provided under the relevant reporting requirements, did not provide detailed information. Note 29 does not, for example, identify those who are considered by ACTEW to be key management personnel<sup>2</sup>. While it does meet disclosure requirements of AASB 124: ‘Related Party Disclosures’, it does not provide information on the number of key management personnel or the amounts of remuneration paid to each individual. Such information is only required for ‘disclosing entities’ such as listed companies.

**Annual Report 2011**

6.3 In contrast to the disclosure in the financial statements, ACTEW’s Annual Report 2011 provides more detailed information. The extract from the Remuneration Table in ACTEW’s Annual Report 2011, as shown in Table 2 discloses specific remuneration details such as that for the Managing Director. It also shows details for other directors and managers but that has not been reproduced in Table 2.

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<sup>2</sup> Under AASB 124 “key management personnel” are ‘those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity’.

**Table 2: Managing Directors Remuneration in ACTEW's Annual Report 2011**

Name and Position	Short-term benefits	Post employment benefits superannuation	Other long-term benefits	Termination benefits	Total remuneration
	\$	\$	\$	\$	\$
Mark Sullivan Managing Director	529 617	91 554	-	-	621 171
<b>Total Directors and Senior Managers</b>	<b>1 990 407</b>	<b>246 497</b>	-	<b>81 119</b>	<b>2 318 023</b>

Source: ACTEW Annual Report 2011 (page 18)

- 6.4 The total remuneration disclosed in Note 29 (\$1 758 072) (Table 1) varies from that shown in the Remuneration Table (\$2 318 023) (Table 2) by \$559 951 due to different reporting requirements.
- 6.5 The *Territory-owned Corporations Act 1990* requires ACTEW to disclose detail, in its annual report, the remuneration of each director and the five senior managers who receive the highest remuneration regardless of whether these senior managers are considered to be key management personnel.
- 6.6 Under these reporting requirements, the Remuneration Table in ACTEW's annual report may include senior managers who are not considered by ACTEW to be key management personnel under AASB 124 for the purposes of Note 29 of ACTEW's financial statements.
- 6.7 In preparing Note 29 to ACTEW's financial statements, ACTEW has not included the remuneration of the Director, Water Security Operations (remuneration \$438 521) and Community Engagement Manager (remuneration \$121 431). This indicates that ACTEW has determined that key management personnel for the purpose of meeting the disclosure requirements of AASB 124: 'Related Party Disclosures' do not include these staff members.
- 6.8 Information in the Remuneration Table is presented separately from the financial statements. The purpose of the disclosure in the Remuneration Table is to show the remuneration of each ACTEW director and the five senior managers that receive the highest remuneration. Therefore, the Audit Office considers that the *materiality* of the error in the Managing Director's remuneration should be assessed by reference to the amounts presented in the Remuneration Table.
- 6.9 If the Remuneration Table in ACTEW's Annual Report had been reviewed by the Audit Office, ACTEW would have been requested to amend the Remuneration Table or it would have been subject to a negative finding.

- 6.10 As the errors are *material* it is appropriate to issue a corrigendum promptly after discovery. While ACTEW has issued a corrigendum this was not done promptly. As mentioned previously, the errors were identified on 3 October 2012 and the corrigendum was issued on 8 March 2013.
- 6.11 During this time, ACTEW consulted with officers within the ACT Government regarding whether a corrigendum was needed and its content. Issues appeared to have become complicated as over a year had lapsed since the report had been released and relevant legislation does not address timing issues with respect to releasing a corrigendum.
- 6.12 Advice from the ACT Government was not readily forthcoming. ACTEW first approached ACT Government officers on 9 November 2012. In mid-December 2012 verbal advice was provided. Written advice followed on 24 January 2013. Such matters need to be resolved in a timelier manner and an agreed communication process between the Government and ACTEW may assist.

### Recommendation 2

Communication processes between the Government and ACTEW should be documented.

## 7. The effect of the errors in ACTEW's 2010-11 Financial Statements on the Auditor-General's Audit Opinion

### *Details of the errors in remuneration in ACTEW's 2010-11 financial statements*

- 7.1 The same error has been made in Note 29 of ACTEW's 2010-11 financial statements (Table 1) to that which was made in reporting of the Managing Director's total remuneration in the Remuneration Table in ACTEW's Annual report (Table 2). The information reported in Note 29 and the amounts that should have been reported are presented in Table 3.

**Table 3: Figures that should have been reported in Note 29**

Note 29 key management personnel remuneration	2010-11 \$	2009-10 \$
Total benefits as reported	1 758 072	1 686 031
Understatement due to errors in the calculation of bonuses – Note 1	234 417	79 254
<b>Figures that should have been reported</b>	<b>1 992 489</b>	<b>1 765 285</b>

Source: Audit Office

**Note 1:** The calculation of the understatement due to errors in the calculation of bonuses is shown in the Table 4.

7.2 Table 4 shows the reconciliation prepared by the Audit Office. It is based on information provided by ACTEW and shows the error in the reporting of the total remuneration of the Managing Director.

**Table 4: Audit Office Reconciliation**

Remuneration of the Managing Director	2010-11 \$	2009-10 \$
Base Salary	429 617	408 907
Superannuation	91 554	85 063
Bonus	100 000	144 000
<b>Remuneration of the Managing Director included in the amount disclosed Note 29 of the financial statements</b>	<b>621 171</b>	<b>637 970</b>
<b>Bonuses which <u>should have been included</u> in the amount disclosed in the Remuneration Table of the Annual Report but were not.</b>	234 417	223 254
<b>Bonuses incorrectly <u>included</u> in the amount disclosed Note 29 of the financial statements.</b>	-	(144 000)
<b>Understatement of the remuneration for the Managing Director as reported in the Remuneration Table of the Annual Report.</b> (The information in Note 29 of the financial statements was also understated by this amount)	<b>234 417</b>	<b>79 254</b>
<b>Correct remuneration of the Managing Director</b>	<b>855 588</b>	<b>717 224</b>

Source: Audit Office, based on information provided by ACTEW

**Note 2:** Disclosure of individual bonuses has not been presented in the Table 4 as is not necessary for the purposes of this analysis.

**Note 3:** ACTEW changed its method for disclosing amounts in the Remuneration Table in its annual report and key management personnel remuneration in its financial statements. This is the context in which the errors were made in reporting in 2010-11, the Managing Director's remuneration.

7.3 Under ACTEW's bonus arrangements, bonuses were paid after the end of the financial year in which they were earned. As such, bonuses may be owed (but not paid) by the end of the financial year.

7.4 As shown in Table 4, in 2010-11, ACTEW incorrectly **excluded** bonuses of \$234 417 that were owed at the end of the 2010-11 financial year. The 2009-10 comparative figures were also incorrectly disclosed.

- 7.5 As shown in Table 4, ACTEW **excluded** bonuses of \$223 254 that were owed at the end of the 2009-10 financial year and **included** a bonus of \$144 000 that was relevant to the 2008-09 financial year.

#### **Context in which the errors occurred**

- 7.6 ACTEW has made an error in reporting the bonuses in the remuneration of the Managing Director in the Remuneration Table in its Annual Report 2011 (Table 2). This error in the recording of bonuses also resulted in an understatement of the remuneration of key management personnel in the 2010-11 and 2009-10 figures shown in Note 29 of the 2010-11 financial statements (Table 3). No other errors were identified in relation to the remuneration of other key management personnel shown in the Remuneration Table on page 18 of ACTEW's Annual Report 2011.
- 7.7 In preparing the Annual Report 2011, ACTEW changed its method of disclosing remuneration from a 'cash basis' to an 'accrual basis'. Under a 'cash basis', remuneration is disclosed in the financial year in which the remuneration was paid in cash rather than when it is earned. Under the accrual basis, remuneration is disclosed in the financial year in which it was earned. For example, if a director was entitled to a bonus at the end of the 2010-11 financial year but that bonus was yet to be paid in cash, then the bonus would be included in the remuneration. Similarly, amounts paid in a current financial year that relate to the previous financial year would be excluded from the disclosed amounts.
- 7.8 As a result ACTEW disclosed the 2010-11 information on an accrual basis and restated the 2009-10 cash figure of \$1 581 475 disclosed in Note 30 of ACTEW's financial statements for 2009-10 to the accrual figure \$1 686 031, shown in Table 1.

#### **Materiality of the errors**

- 7.9 The *Corporations Act 2001* requires the Auditor-General to audit ACTEW's financial statements in accordance with Australian Auditing Standards to provide *reasonable assurance* that the financial statements are free of *material* misstatements or omissions. Under Australian Auditing Standards, audit work is required to be focused on those areas where there is a risk of *material* misstatement whether the misstatement has been caused by error or fraud.
- 7.10 Under AASB 1031: *materiality*:
- ... information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to:
- (a) influence the economic decisions of users taken on the basis of the financial statements; or

- (b) affect the discharge of accountability by the management or governing body of the entity.

7.11 The use of such *materiality* thresholds is necessary to ensure that audits focus on those areas where there is the greatest risk of *material* misstatement. If such thresholds were not established, then audits would tend to be:

- ineffective by not giving attention to those areas that are material to the overall financial statements, areas of significant judgment and larger balances etc; and/or
- inefficient by performing audit work on areas that are immaterial to the overall financial statements.

7.12 Auditing all of the information included in financial statements is impractical and would make audits prohibitively expensive and not able to be completed within needed timeframes.

7.13 As a result it is normal practice in planning an audit to set a *materiality* threshold i.e. when something is or is not financially *material*. In 2010-11, ACTEW's operating profit was \$60.8 million and ACTEW's net assets at 30 June 2011 were \$943 million. *Materiality* for ACTEW was set at \$18 million for this audit<sup>3</sup>. This was based on two percent of ACTEW's net assets of \$943 million as at 30 June 2011. A 'clearly trivial'<sup>4</sup> *materiality* threshold of \$368 000 (based on two percent of planning materiality of \$18 million) was set for the ACTEW financial audit. This means that financial errors below this amount are regarded as too small to warrant further action. The operating profit would need to be misstated by more than \$3.0 million or 5 percent<sup>5</sup> of the operating profit of \$60.8 million before the Audit Office would consider a material error had potentially occurred in the reporting of profit. For net assets to be *materially* misstated, the misstatement would need to be in excess of \$47.1 million or 5 percent of net assets.

7.14 The Audit Office acknowledges that setting a 'clearly trivial' threshold of \$368 000 for the audit of ACTEW's financial statements may be difficult to understand for many individuals, particularly when this amount seems significant from an individual's perspective.

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<sup>3</sup> Under Australian Auditing Standard ASA 320: 'Materiality in Planning and Performing an Audit' the percentage to be applied to a chosen benchmark involves the exercise of professional judgement'.

<sup>4</sup> Under Australian Auditing Standard ASA 450: 'Evaluation of Misstatements Identified during the Audit' the auditor may designate an amount below which misstatements would be clearly trivial and would not need to be accumulated because the auditor expects that the accumulation of such amounts clearly would not have a material effect on the financial report.

<sup>5</sup> Under Australian Accounting Standard AASB 1031: 'Materiality' an amount which is equal to or less than 5 percent of the appropriate base amount may be presumed not to be material unless there is evidence, or convincing argument, to the contrary. Errors over ten percent of the appropriate base amount may be presumed to be material.

7.15 The Managing Director's bonuses were included in the key management personnel remuneration disclosed in Note 29 of ACTEW's 2010-11 financial statements, refer to Table 2. The understatement of \$234 417 (2010-11) and \$79 254 (2009-10), respectively, in Note 29 is a disclosure error but it has not affected ACTEW's key reporting results as presented in its financial statements. These errors are well below the 'clearly trivial' threshold of \$368 000. ACTEW's financial statements would not be qualified as a result of these errors.

## **8. Audit Office monitoring of the quality of a financial audit**

8.1 The Audit Office has classified the ACTEW audit as 'high engagement risk' due to:

- ACTEW's size and its significance to the financial results of the Territory; and
- the complexity of ACTEW's operations, including water security projects, impairment of infrastructure assets, IT systems etc.

8.2 Consistent with this assessment, the Audit Office assigns one of its experienced Audit Principals/Senior Audit Managers to manage the audit. This manager:

- reviews key planning and completion documents, areas of risk and ensures that an appropriate level of review and involvement by the partner and senior personnel of the audit firm; and
- attends key meetings with the auditee and is involved in the planning of the audit and resolution of significant audit and accounting issues.

8.3 The Audit Office also ensures that the audit work performed by its contractor, Deloitte Touche Tohmatsu is subject to a quality control review by a partner of the contractor's firm who is independent of the audit team and the audit.

8.4 The Audit Office Audit Principals/Senior Audit Manager verifies that the partner performing the quality control review is independent and has the qualifications and experience to do the review.

8.5 The Audit Office's Principal, Technical and Quality Assurance also obtains a written report from the contractor's partner who performed the quality control review and discusses how the matters raised by the reviewer were addressed. The Office seeks written advice from this partner that all matters identified from the review have been addressed prior to the issue of the draft audit report to the Auditor-General for consideration.

**Attachment A: Corrigendum to ACTEW Corporation Annual Report 2011**

**CORRIGENDUM TO  
ACTEW CORPORATION ANNUAL REPORT 2011**

The ACTEW Corporation Annual Report 2011 at page 18 states that short term benefits for Mark Sullivan, Managing Director totalled \$529,617. This is an error and the amount was under reported by \$234,417. The correct amount was \$764,034. This error resulted from information in the human resource management system being incorrectly transferred to a spreadsheet for inclusion in the Annual Report.

The correct remuneration is as follows:-

<b>Name and Position</b>	<b>\$ Short term benefits</b>	<b>\$ Post employment benefits superannuation</b>	<b>\$ Other long term benefits</b>	<b>\$ Termination benefits</b>	<b>\$ Total</b>
John Mackay Non Executive Chairman	65,262	5,873	-	-	71,135
Michael Easson Non Executive Director	37,468	3,372	-	-	40,840
Mark Sullivan Managing Director	764,034	91,554	-	-	855,588
Edward (Ted) Mathews Non Executive Director	32,582	2,932	-	-	35,514
Allan Hawke Non Executive Director	31,450	2,831	-	-	34,281
Wendy Caird Non Executive Director	31,450	2,831	-	-	34,281
Rachel Peck Non Executive Director (from 2 May 2011)	4,387	395	-	-	4,782
<b>TOTAL DIRECTORS</b>	<b>966,633</b>	<b>109,788</b>	<b>-</b>	<b>-</b>	<b>1,076,421</b>
Ross Knee Executive Manager Water	377,211	50,799	-	-	428,010
Kerry McIlwraith Chief Financial Officer (until 11 May 2011)	138,668	14,402	-	81,119	234,189
Simon Wallace Chief Financial Officer (from 12 May 2011)	28,626	1,960	-	-	30,586
Michele Norris Company Secretary	196,126	27,156	-	-	223,282
Ian Carmody Director, Water Security Operations	405,640	32,881	-	-	438,521
Kirsten Bartlett Community Engagement Manager	111,920	9,511	-	-	121,431
<b>TOTAL SENIOR MANAGERS</b>	<b>1,258,191</b>	<b>136,709</b>	<b>-</b>	<b>81,119</b>	<b>1,476,019</b>



**Attachment B: Annual reporting requirements under the *Territory-Owned Corporations Act 1990***

***Extract from the Territory-owned Corporations Act 1990***

**Section 22 Annual Report**

- (1) The directors of a territory-owned corporation must give the voting shareholders within the prescribed period after the end of each financial year of the corporation an annual report in accordance with this section on the operations of the corporation or, if the corporation has subsidiaries, the group in the financial year.
- (2) The report must comprise -
  - (a) a report on the operations of the corporation or group; and
  - (b) any other information that has been requested by the voting shareholders to make an informed assessment on the operations; and
  - (c) the accounts, reports and financial statements that, under a law of the Commonwealth relating to corporations, are required to be made out in relation to the corporation and, for a group, each subsidiary and the group as a whole; and
  - (d) a copy of the auditor-general's report on the accounts, reports and financial statements mentioned in paragraph (c), stating -
    - (i) whether they give a true and fair view of the profit or loss and state of affairs; and
    - (ii) whether they comply with applicable accounting standards; and
  - (e) an assessment of the performance of the corporation or group in relation to its objectives that includes, but is not limited to, an assessment of the performance in relation to the targets and performance measurements set out in the relevant statement of corporate intent; and
  - (f) particulars of the way in which the corporation or group has complied with any directions under section 17 (whether given during the financial year or earlier) and of the cost of compliance; and
  - (g) details of the amount and kind of remuneration paid to -
    - (i) each director of the corporation or group for the financial year; and
    - (ii) either—
      - (A) if the corporation or group has more than 5 senior managers—each of the 5 senior managers who receive the highest remuneration of the corporation or group for the financial year; or

- (B) if the corporation or group has 5 or less senior managers—each of the senior managers of the corporation or group for the financial year.
- (3) For subsection (2) (g), details of the amount and kind of remuneration paid must be given in accordance with applicable accounting standards.
- (4) If a report, information or material required by this section is also required to be produced under a law of the Commonwealth dealing with the regulation of companies, it may be produced for this section in the way required by that law.
- (5) The Portfolio Minister must present a report under this section for a financial year to the Legislative Assembly within the prescribed period after the end of the financial year, but after the report is given to the voting shareholders under subsection (1).
- (6) In this section:

**group**, in relation to a territory-owned corporation, means the corporation and any subsidiary for this section.

**prescribed period**, for an annual report of a territory-owned corporation under this section for a financial year, means the period ending -

- (a) at the end of the day (or latest day) that the corporation's report for the year under the *Annual Reports (Government Agencies) Act 2004* (the Annual Reports Act report) must be presented to the Legislative Assembly; or
- (b) if the corporation's Annual Reports Act report for the year must be given to the Speaker—at the end of the day (or latest day) that the report must be given to the Speaker.

**senior manager**, of a territory-owned corporation or group, means a person (other than a director of the corporation or group) who—

- (a) makes, or takes part in making, decisions that affect all, or a large part, of the business of the corporation or group; or
- (b) may significantly affect the financial standing of the corporation or group.

**subsidiary**, in relation to a territory-owned corporation, means a body corporate that, under the Corporations Act, is a subsidiary of the corporation.

## AUDIT REPORTS

### Reports Published in 2012-13

Report No. 01 / 2013	Care and Protection System
Report No. 10 / 2012	2011-12 Financial Audits
Report No. 09 / 2012	Grants of Legal Assistance
Report No. 08 / 2012	Australian Capital Territory Public Service Recruitment Practices
Report No. 07 / 2012	Annual Report 2011-12
Report No. 06 / 2012	Emergency Department Performance Information

### Reports Published in 2011-12

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Report No. 03 / 2012	Early Childhood Schooling
Report No. 02 / 2012	Whole-of-Government Information and ICT Security Management and Services
Report No. 01 / 2012	Monitoring and Minimising Harm Caused by Problem Gambling in the ACT
Report No. 06 / 2011	Management of Food Safety in the Australian Capital Territory
Report No. 05 / 2011	2010-11 Financial Audits
Report No. 04 / 2011	Annual Report 2010-11

### Reports Published in 2010-11

Report No. 03 / 2011	The North Weston Pond Project
Report No. 02 / 2011	Residential land Supply and Development
Report No. 01 / 2011	Waiting Lists for Elective Surgery and Medical Treatment
Report No. 10 / 2010	2009-10 Financial Reports
Report No. 09 / 2010	Follow-up audit – Courts Administration
Report No. 08 / 2010	Delivery of Mental Health Services to Older Persons
Report No. 07 / 2010	Management of Feedback and Complaints
Report No. 06 / 2010	Annual Report 2009-10
Report No. 05 / 2010	Delivery of ACTION Bus Services

### Reports Published in 2009-10

Report No. 04 / 2010	Water Demand Management: Administration of Selected Initiatives
Report No. 03 / 2010	Delivery of Budget Initiatives
Report No. 02 / 2010	Student Support Services for Public High Schools
Report No. 01 / 2010	Performance Reporting
Report No. 08 / 2009	2008-09 Financial Audits
Report No. 07 / 2009	Annual Report 2008-09
Report No. 06 / 2009	Government Office Accommodation
Report No. 05 / 2009	Administration of employment issues for staff of Members of the ACT Legislative Assembly

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