



Australian Government
Australian Industrial Registry

24 February 2009

To Mr Robert Peck
President
Association of Consulting Architects -Victoria
11 High Street
North Melbourne VIC 3051
email: vic@aca.org.au

cc: T J Ryan
Principal, T J Ryan & Co
Chartered Accountants
PO Box 435 Collins Street West
Melbourne Victoria 8007

Dear Mr Peck

Financial Report for the Association of Consulting Architects Victoria for year ended 30 June 2008: FR 2008/349

I acknowledge receipt of the financial report of the Association of Consulting Architects Victoria (ACA Victoria) for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 18 December 2008.

I also acknowledge receipt of a letter dated 30 January 2009 from Mr T J Ryan, Principal of T J Ryan & Co, Chartered Accountants, in which he confirms that in his view there is no defect, irregularity, deficiency, failure or shortcoming in the records of the Association. I also note that he has confirmed that the Association has now implemented new controls in relation to membership listings such that he envisages that an unqualified opinion will be issued in the future.

The financial report for the Association of Consulting Architects Victoria for year ended 30 June 2008 (FR2008/349) has now been filed.

I have also attached an addendum for your consideration in which I make comments about some minor matters to assist you when you next prepare a financial report. If you wish to discuss any matters further, I can be contacted on 03 86617929 or via email eve.anderson@airc.gov.au. A copy of this letter will also be forwarded to your auditor.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eve Anderson', with a long horizontal flourish extending to the right.

Eve Anderson
Statutory Services Team
Principal Registry
Tel: 03 86617929; Email: eve.anderson@airc.gov.au

Addendum to the Financial Reports for the Association of Consulting Architects Victoria for year ended 30 June 2008: FR 2008/349

The following comments are made to assist you when you next prepare a financial report.

1. Auditor's opinion

[Subsection 257\(5\)](#) of Schedule 1 to the Workplace Relations Act 1996 (the RAO Schedule) states that:

5) An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;*
- (b) any other requirements imposed by this Part.*

If not of that opinion, the auditor's report must say why.

The auditor's opinion for the financial report for the year ended 30 June 2008 satisfies subsection 257(5) in that an opinion has been given regarding the Australian Accounting Standards, mandatory professional reporting requirements and any statutory requirements in Australia. The auditor's words "statutory requirements" includes the obligations of subsection 257(5)(b) "any other requirements imposed by this Part." However it is the preference of this office that the auditor's opinion states explicitly that the financial report presents fairly (or not, as the case may be) in accordance with the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996. Please ensure that your auditor makes this explicit in future audit reports (I have provided Mr Ryan with a copy of this addendum).

2. Auditor's Qualifications

[Regulation 4 of the Workplace Relations \(Registration and Accountability of Organisations\) Regulations 2003](#) (RAO Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accounts **and** holds a current Public Practice Certificate. In all likelihood the auditor is such a person however it is our preference that this is made explicit on the auditor's report. Please ensure in future audit reports that your auditor explicitly states whether (s)he is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accounts **and** whether he holds a current Public Practice Certificate. Please also note that this comment should have been included, in the addendum providing advice to the Association of Consulting Architects Australia, emailed 19 February 2008.

3. Operating Report – Review of Principal Activities

As noted in our letter dated 19 March 2008 regarding the financial report for the year ended 30 June 2007, [subsection 254\(2\)\(a\) of the RAO schedule](#) requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the operating report for the year ended 30 June 2008 provides a review of the principal activities and explains that there were no significant changes to those activities. I also note that the operating report makes a statement regarding the trading results. As noted in our previous correspondence, it is the view of this office that subsection 254(2)(a) requires a review of the results of the principal activities, not a trading (financial) result. In future years please provide a brief description of the results of the principal activities.

4. Operating Report – Significant Changes in Financial Affairs

[Subsection 254\(2\)\(b\) of the RAO schedule](#) requires an operating report to give details of any significant changes in the financial affairs during the year. I note that the operating report states that "[t]here are no significant changes in the state of affairs of the company not otherwise disclosed in the report or in the financial statements". In order to satisfy subsection 254(2)(b) the details any significant

changes in the financial affairs of the Association need to be in the operating report. In future years please ensure that the operating report details any significant changes in the financial affairs, or if there are no significant changes, the report should state this.

5. Committee of Management Statement – Consistency of reporting units consistent

I note that in response to our letter dated 19 March 2008 the Committee of Management Statement has been amended as requested and now states at (e)(i) that “the financial records have been kept, as far as practicable, in a consistent manner...”. However, I also note that the original statement remains at (e)(v). Statement (e)(i) satisfies [item 25\(e\)\(iv\) of the Reporting Guidelines](#) and there is no need to include statement (e)(v) in future Committee of Management statements.

6. Disclosures in the GPFR – Subscriptions & Levies Raised

[Item 10\(a\) of the Reporting Guidelines](#) requires that either the profit and loss statement or the notes to the financial report disclose revenue from entrance fees or periodic subscriptions (membership subscriptions) in respect of membership of the organisation. [Item 10\(d\) of the Reporting Guidelines](#) requires that either the profit and loss statement or the notes to the financial report disclose revenue from compulsory levies raised from the members or as appeals for voluntary contribution for the furtherance of particular purposes. Both the amount and a brief description of the purpose of the levy or appeal are to be disclosed. I note that the income statement combines revenue from subscriptions and levies. In future years, if the Association raises compulsory levies or voluntary appeals for contributions, these amounts and a brief description of the purposes of such levies or appeals need to be disclosed separately from subscriptions.

[Item 11\(b\) of the Reporting Guidelines](#) requires that either the profit and loss statement or the notes to the financial report disclose the amount of any payments and the name of the other reporting unit which are a contribution towards the administrative expenses of the other reporting unit and are a proportion of the total amount derived as entrance fees or membership subscriptions. I note that income statement has an expense item entitled ‘subscriptions’. If this item refers to payments which are contributions towards the expenses of another reporting unit and is derived from entrance fees or membership subscriptions please ensure that the name of the other reporting unit is disclosed with the amount of the payment to the other reporting unit.

Also [item 15 of the Reporting Guidelines](#) requires that where another reporting unit of the Association is the source of cash in flow or the application of a cash out flow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned. If the expense item entitled ‘subscriptions’ in the income statement refers to payments made to another reporting unit in the Association, then this (and any other relevant cash flows to or from other reporting units) should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit.

7. Designated Officer’s Certificate

[Subsection 266\(1\) of the RAO schedule](#) requires the reporting unit to cause the full report to be presented to a general meeting of members of the reporting unit, subject to subsection (2). The Designated Officer’s Certificate states that the full report was presented to the Annual General Meeting of the Association of Consulting Architects – Australia, which I understand to be a typing error as it should have stated Victoria. In future please ensure that the correct reporting unit is referred to in the Designated Officer’s Certificate. Also, the Designated Officer should be described according to the office that he holds in the relevant reporting unit, in this case President of the Association of Consulting Architects – Victoria (not Australia).

The Registry aims to assist reporting units in complying with their obligations under the RAO Schedule and Reporting Guidelines by providing advice. Please note the comments raised in this addendum for attention in future financial reports.



Association of Consulting Architects
Australia

The Registrar
Statutory Services Branch
Australian Industrial Registry
11 Exhibition Street
Melbourne Vic 3000



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Flinders Lane Post Office Melbourne
Victoria 8009 Australia
T 61 3 9650 8577
F 61 3 9650 8577
E nat@aca.org.au

16 December 2008

Dear Sir / Madam

**Financial Return – year ending 30 June 2008
Association of Consulting Architects – Victoria**

I, Robert Peck, being the National President of the Association of Consulting Architects – Australia, certify:

- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule;
- That the full report was provided to members on 10 November 2008 via email notification that the documents are on the ACA website; and
- That the full report was presented to the Annual General Meeting of the Association of Consulting Architects – Australia on 8 December 2008 in accordance with s266 of the RAO Schedule.

Yours sincerely

Robert Peck
National President

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**THE ASSOCIATION OF CONSULTING ARCHITECTS
VICTORIA**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2008**

ANNUAL REPORT

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**THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
OPERATING REPORT
30 JUNE 2008**

The members of the Committee of Management hereby present the financial report for the year ending 30th June 2008.

Members of the Committee of Management

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

Robert Peck	President
Struan Gilfillan	Vice President
Kel Greenway	Secretary
Anna Piatkowska	Treasurer
Paul Hede	Publicity Officer
David Prest	Committee Member
John Castles	Committee Member
Jim Earle	Committee Member
Simon Hanger	Committee Member
Cameron Neil	Committee Member
Robert Peake	Committee Member
David Wagner	Committee Member

Principal Activities

The principal activities of the Association during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Association and particularly the object of protecting and improving the interests of members. There was no significant change in the nature of the Association's principal activities.

Trading Results

The net amount of profit/(loss) resulting from the principal activities for the year ending 30th June 2008 was a profit of \$42,002 (2007 \$27,411)

Manner of Resignation

Members may resign from the Association in accordance with the Constitution of the Association Rule 15

Number of Members

The number of persons, who at the end of the year ending 30th June 2008, were recorded on the Register of Members of the Association was 135.

Number of Employees

Nil (1 contracting administration)

Trustee or Director of Trustee Company of Superannuation Entity or Exempt Public Sector Superannuation Scheme

Nil

Significant Changes in the State of Affairs

There are no significant changes in the state of affairs of the Association not otherwise disclosed in this report or in the financial statements.

Significant Events After Year End

Committee are not aware of any matter or circumstance, which has arisen since the end of the financial year which has significantly effected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in subsequent financial years.

Auditors Independence Declaration

A copy of the auditor's independence declaration is set out below.

Dated: 25 August 2008

Robert Peck
President



**THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
COMMITTEE OF MANAGEMENT STATEMENT
30 JUNE 2008**

On, 25 August 2008 the Committee of Management of The Association of Consulting Architects Victoria passed the following resolution in relation to the general-purpose financial reports (GPFR) of The Association of Consulting Architects Victoria for the year ending 30th June 2008.

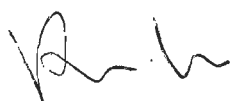
The Committee of Management declares that in relation to the GPFR in its opinion:

- a) The financial statements and notes comply with Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of The Association of Consulting Architects Victoria for the financial year ended 30th June 2008;
- d) There are reasonable grounds to believe that The Association of Consulting Architects Victoria will be able to pay its debts when they become due and payable;
- e) During the financial year to which the GPFR relate and since the end of that year;
 - i) The financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - ii) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - iii) The financial affairs of The Association of Consulting Architects Victoria have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - iv) The financial records of The Association of Consulting Architects Victoria have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - v) Where the organisation consist of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - vi) The information sought in any request of a member of The Association of Consulting Architects Victoria or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vii) There has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

For Committee of Management:

Title of Office held: President

Signature:



Dated:

25 August

2008

Auditor's Independence Declaration

To : The Committee of the Association of Consulting Architects Victoria

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30th June 2008 there have been:

- a) no contraventions of the auditor independence requirements as set out in the independence requirements of Australian professional ethical pronouncements in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit



T J Ryan & Co



T J Ryan
Principal

Melbourne

Dated: 5 August 2008

2008

**AUDITORS' REPORT TO THE MEMBERS OF
THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
30 JUNE 2008**

We have audited the accompanying financial report for the Association of Consulting Architects Victoria comprised of the Balance Sheet, Income Statement, and cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part the financial report for the year ended 30 June 2008.

The Association's Officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations). The responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagement and plan to perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Qualification

The accompanying accounts being the balance sheet and income and expenditure statement and notes to and forming part of the accounts of the Association of Consulting Architects Victoria are in accordance with the books and records of the Association which have been subjected to normal auditing procedures and which have been properly maintained by the Association.

As an audit procedure it was not practicable to extend our examination of income received by the Association beyond the accounting for amounts received as shown by the books and records of the Association.

Independence

We are independent of the Association, and have met the independence requirements of Australian professional ethical pronouncements.

Audit opinion

Subject to the foregoing matter referred to in the Qualification paragraph above, in our opinion the financial report presents fairly in all material respects and in accordance with applicable Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia, the financial position of the Association of Consulting Architects Victoria as at 30 June 2008 and the results of its operations and its cash flows for the year then ended and the requirements of the RAO schedule.



T J RYAN

Registered Company Auditor

Dated: 20 October 2008

THE ASSOCIATED FUNDING SOCIETY AT CARLETON COLLEGE
 STATE OF ILLINOIS
 FOR THE YEAR 2008

	Note	2008 \$	2007 \$
ASSETS			
Cash & Cash Equivalents	4	494,315	453,743
Trade & Other Receivables		<u>1,593</u>	<u>163</u>
TOTAL MEMBERS FUNDS		<u><u>495,908</u></u>	<u><u>453,906</u></u>
LIABILITIES			
Trade & Other Payables		<u>-</u>	<u>-</u>
NET ASSETS		<u><u>-</u></u>	<u><u>-</u></u>
MEMBERS FUNDS			
Balance Brought Forward		453,906	426,495
Profit/ (Loss) for the period		<u>42,002</u>	<u>27,411</u>
TOTAL MEMBERS FUNDS		<u><u>495,908</u></u>	<u><u>453,906</u></u>

The accompanying notes form part of these financial statements.

**THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
INCOME		
Interest	33,789	22,502
Subscriptions and levies from members	49,148	30,000
	<hr/>	<hr/>
TOTAL INCOME	82,937	52,502
EXPENDITURE		
Auditors remuneration	1,000	1,000
Administration/Secretarial	4,000	3,220
Bank Charges	210	210
General Expenses	91	-
Legal Fees	-	-
Meetings	3,159	1,904
Office Supplies	292	107
Subscriptions	31,933	18,650
Travel	249	-
	<hr/>	<hr/>
TOTAL EXPENDITURE	40,934	25,091
	<hr/>	<hr/>
PROFIT ATTRIBUTABLE TO MEMBERS	42,003	27,411

The accompanying notes form part of these financial statements.

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR FINANCIAL YEAR ENDED 30 JUNE 2008**

	Note	2008	2007
		\$	\$
Net Income Recognised Directly in Equity		42,003	27,411
Profit for the Period		<hr/> 42,003	<hr/> 27,411
Total Recognised Income and Expenses for the Period		<hr/> 42,003	<hr/> 27,411

The statement of recognised income and expense is to be read in conjunction with the notes to the financial statements.

**THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008	2007
Cash flows from operating activities			
Cash receipts in the course of operations		47,718	30,027
Interest Received		33,789	22,502
Cash payments in the course of operations		<u>(40,934)</u>	<u>(26,950)</u>
Net cash provided by operating activities		<u>40,573</u>	<u>25,579</u>
Net Increase/(Decrease) in Cash Held		40,573	25,579
Cash at beginning of the financial year		<u>453,743</u>	<u>428,164</u>
Cash at the end of the financial year		<u><u>494,315</u></u>	<u><u>453,743</u></u>

(i) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and Investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of The year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position.

Cash Assets	<u>494,315</u>	<u>453,743</u>
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(ii) Reconciliation of Net Cash Provided by operating activities to operating profit after income tax

Profit from ordinary activities after income tax	42,003	27,411
Depreciation	-	-
Decrease (Increase) in current receivables	(1,430)	27
Decrease (Increase) in current inventories	-	-
Increase (Decrease) in other creditors	<u>-</u>	<u>(1,859)</u>
Net Cash provided by Operating Activities	<u><u>40,573</u></u>	<u><u>25,579</u></u>

THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

The significant policies which have been adopted in the preparation of the Financial Reports are;

(a) **Statement of Compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs"), (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB"). The financial report also complies with International Financial Reporting Standards ("IFRS") which form the basis of Australian Accounting Standards ("AASBs"), adopted by the AASB.

(b) **Basis of Preparation**

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AIFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making judgements. Actual results may differ from these estimates.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported.

The accounting policies have been consistently applied and, except where there is a change in accounting policy are consistent with those of the previous year. The estimates and underlying assumptions are reviewed on an ongoing basis.

(c) **Revenue**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenues.

Revenue comprises subscriptions, government grants, sponsorships and sundry income. These revenue items are recognised when the goods are provided, or when the fee in respect of services provided is receivable.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

(d) **Trade and Other Receivables**

Trade and other receivables are stated at their cost less impairment losses (see below).

(e) **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are reportable on demand and form an integral part of the Association's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) **Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received.

**THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2008**

(g) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. INFORMATION TO BE SUPPLIED TO MEMBERS OR REGISTRAR

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note: This subsection is a civil penalty subsection (see section 305)

3. INCOME TAX

The Association is a non-profit organisation and as such is exempt from income tax.

THE ASSOCIATION OF CONSULTING ARCHITECTS VICTORIA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 30 JUNE 2008

4. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and currency risks arise in the normal course of the Association's business.

Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Effective interest rates and repricing analysis

In respect of income-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the years in which they reprice.

Effective interest rates and repricing analysis (continued)

	Weighted Average Effective Interest Rate		Floating Interest Rate Total	
	2008	2007	2008	2007
	\$	\$	\$	\$
Financial Assets				
Cash & cash equivalents	6.65	5.57	494,315	453,743
Total Financial Assets			<u>494,315</u>	<u>453,743</u>

Fair values

The fair values are the same as the carrying amounts shown in the balance sheet.



Australian Government
Australian Industrial Registry

15 January 2009

To Mr Robert Peck
Victorian Branch President
Association of Consulting Architects - Victoria
11 High Street
North Melbourne VIC 3051
email: vic@aca.org.au

cc: T J Ryan
Principal, T J Ryan & Co
Chartered Accountants
PO Box 435 Collins Street West
Melbourne Victoria 8007

Dear Mr Peck

Financial Reports for the Association of Consulting Architects Victoria for year ended 30 June 2008: FR 2008/349

I acknowledge receipt of the financial report of the Association of Consulting Architects Victoria (ACA Vic) for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 18 December 2008.

The financial report has not been filed as the auditor's opinion is qualified. I note that the qualification is the same as in the previous year's report, namely that it is not practicable to extend the examination of the income received beyond accounting for amounts received as shown by the books.

In relation to the report for the previous year I note that on 8 February 2008 your auditor advised that in his/her view there was no defect, irregularity, deficiency, failure or shortcoming in the records of the ACA Vic. Your auditor also undertook to review the requirement for this qualification in relation to 2008 after consultation with Australian Professional Accounting bodies. It is our view there should not be a need for a qualification that it is not practicable to extend the examination on the income received beyond accounting for amounts received as shown by the books (as explained below). However we would be pleased to receive and consider the advice that your auditor has gained from his consultations with Australian Professional Accounting bodies.

In explanation of our view, [subsections 252 \(1\) \(b\) and \(c\)](#) of Schedule 1 to the Workplace Relations Act 1996 (the RAO Schedule) requires an organisation to keep its financial records in such a manner that will enable a general purpose financial report to be prepared as well as enabling the accounts to be conveniently and properly audited. The qualification in the audit would appear to be counter to these requirements. In particular, the auditor needs to be able to access records of the ACA Vic that enable him/her to assess whether the income received from subscriptions is not materially misstated. The membership register would likely provide a base from which the auditor can make this assessment.

In future years, in our view, appropriate records need to be made available to the auditor so that the auditor's report is no longer qualified in this manner.

With regards to the 2008 report, under [subsection 332\(1\)](#) of the RAO Schedule a Registrar is obliged to investigate any deficiency, failure or shortcoming disclosed in an auditor's report. However the Registrar is not required to investigate the deficiency, failure or shortcoming if after consultation with the reporting unit concerned and the auditor, the Registrar is satisfied that the deficiency, failure or shortcoming is trivial or will be remedied in the following year ([s.332\(2\)](#)).

Accordingly I seek the following from the ACA Vic and your auditor:

- The advice received from Australian Professional Accounting bodies regarding the qualification that it is not practicable to extend the examination of the income received beyond accounting for amounts received as shown by the books; and
- With regard to the qualification regarding the financial report for the year ended 30 June 2008, further information as to the nature and detail of the qualification. This information needs to include the auditor's opinion as to whether the qualification is a deficiency, failure or shortcoming in the context of [sections 252](#) and [257](#), and, if the auditor considers it to be such, the auditor's opinion as the materiality of the deficiency, failure or shortcoming.

If you wish to discuss the matter further, I can be contacted on 03 86617929 or via email eve.anderson@airc.gov.au. A copy of this letter will also be forwarded to your auditor.

Yours sincerely



Eve Anderson
Statutory Services Team
Principal Registry
Tel: 03 86617929
Email: eve.anderson@airc.gov.au

T J RYAN & CO
Chartered Accountants

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Telephone (03) 9602 1740
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30 January 2009

Ms Eve Anderson
Australian Industrial Registry
Statutory Services Team
GPO Box 1994
Melbourne Vic 3001



Dear Ms Anderson,

Association of Consulting Architects – Victoria and Australia

We refer to your letter dated 15 January 2009 in relation to the respective Auditor's reports for the Association of Consulting Architects – Victoria and Australia and the matters arising in your correspondence.

We confirm our previous advice that it is a normal auditing procedure in relation to unincorporated associations and that it is customary for the auditor to clarify the scope of the audit, particularly if committee members maintain the records of the association on a voluntary basis, by including the following clause:

“As an audit procedure it was not practicable to extend our examination of income received by the Association beyond the accounting for amounts received as shown by the books and records of the Association.”

We confirm that in our view there is no:

- (i) defect or irregularity; or
- (ii) deficiency, failure or shortcoming

in the records of either association and that the Auditor's opinion is unqualified in every other respect and that the records have been properly maintained by each Association.

As not all architectural firms are members of the various state Associations of Consulting Architects, it was not always practicable from an audit perspective to confirm that all members are included in the membership register.

Reference to the Professional Accounting Bodies has confirmed that onus is placed upon the auditor in exercising professional judgement and when conducting an audit of a financial report, the auditor must consider a number of factors which may influence the auditor's decision on the planning, performance and reporting aspects of the audit.

Such factors may include audit objectives, the nature of the subject matter(s) subject to audit, expectations, practicality, sufficiency and appropriateness of audit evidence, reliability of information and alternative audit tools and techniques. When exercising professional judgement, the auditor maintains independence and objectivity, and adopts an attitude of professional scepticism in order to achieve the audit objectives.

This policy applies to both Associations and the audit process involves performing audit procedures to assess the risk of material misstatement and to seek to limit detection risk by performing further audit procedures based on that assessment. The audit process involves the exercise of professional judgement in designing the audit approach

In light of the Registrar's suggestions both Associations have now implemented new controls in relation to the membership listings of both Associations and accordingly we have come to the conclusion that in relation to the 2009 financial year, the audit risk has been reduced and we envisage that an unqualified audit opinion will be issued for both Associations in the future.

We confirm that our reservations in relation to the membership listings were not considered by us to be of a material nature and that in every other respect the financial records of both Associations are properly maintained to reflect the operations of each entity.

Please contact us if you have any queries in respect to the above.

Yours faithfully,
T J Ryan & Co

A handwritten signature in black ink, appearing to read 'T J Ryan', with a long horizontal stroke extending to the right.

T J Ryan
Principal

cc Mr R Peck - Association of Consulting Architects Australia and Victoria