

**From:** ROC - Registered Org Commission  
**Sent:** Wednesday, 6 December 2017 10:41 AM  
**To:** 'Jeff Lapidos'; 'gmiller@nmmaccountants.com.au'  
**Cc:** 'David Smith'; 'Dani Brooks'; 'John Nucifora'; Amelia.Tucker@asutax.asn.au; 'Greenwood, Ancel'; 'Wood, Gisele'  
**Subject:** FR2017/104 ASU Tax Branch - Lodging of full report for 2016-17 [SEC=UNCLASSIFIED]  
**Attachments:** Asu\_Tax Officers Branch\_FR2017\_104\_Filing letter\_06122017.pdf

**UNCLASSIFIED**

Dear Mr Lapidos

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Miller of NMM Audit & Assurance Pty Ltd.

Yours faithfully

**DAVID VALE**

Principal Adviser

Financial Reporting

**Registered Organisations Commission**

Tel: (02) 8293 4654

[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

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**Australian Government**

**Registered Organisations Commission**

Please consider the environment before printing this message

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**From:** Jeff Lapidos [<mailto:jeff.lapidos@asutax.asn.au>]  
**Sent:** Wednesday, 29 November 2017 12:52 PM  
**To:** ROC - Registered Org Commission <[regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)>  
**Cc:** 'David Smith' <[dsmith@asu.asn.au](mailto:dsmith@asu.asn.au)>; 'Dani Brooks' <[DBrooks@asu.asn.au](mailto:DBrooks@asu.asn.au)>; 'John Nucifora' <[jnucifora@asu.asn.au](mailto:jnucifora@asu.asn.au)>; Amelia.Tucker@asutax.asn.au; 'Greenwood, Ancel' <[Ancel.Greenwood@ato.gov.au](mailto:Ancel.Greenwood@ato.gov.au)>; 'Wood, Gisele' <[Gisele.Wood@ato.gov.au](mailto:Gisele.Wood@ato.gov.au)>  
**Subject:** FR2017/104 ASU Tax Branch - Lodging of full report for 2016-17

Dear Registered Organisations Commission

I have attached a copy of our full report for 2016-17 and the certificate by the prescribed designated officer as part of our financial reporting obligations.

Yours sincerely

Jeff Lapidos  
Australian Services Union  
Tax Branch Secretary  
Ph. 0419 335 675  
[Jeff.Lapidos@asutax.asn.au](mailto:Jeff.Lapidos@asutax.asn.au)  
[www.asutax.asn.au](http://www.asutax.asn.au)



6 December 2017

Mr Jeff Lavidos  
Branch Secretary  
Taxation Officers Branch  
Australian Municipal, Administrative, Clerical and Services Union  
Ground Floor, 116-124 Queensberry Street  
CARLTON SOUTH VIC 3053  
[jeff.lavidos@asutax.asn.au](mailto:jeff.lavidos@asutax.asn.au)

CC: [gmliller@nmmaccountants.com.au](mailto:gmliller@nmmaccountants.com.au)

Dear Mr Lavidos,

**Australian Municipal, Administrative, Clerical and Services Union-Taxation Officers Branch  
Financial Report for the year ended 30 June 2017 - [FR2017/104]**

I acknowledge receipt of the financial report of the Australian Municipal, Administrative, Clerical and Services Union-Taxation Officers Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 29 November 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

**Reporting Requirements**

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at [david.vale@roc.gov.au](mailto:david.vale@roc.gov.au).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Vale', is written over a horizontal line.

David Vale  
Registered Organisations Commission

## **svc-adlib5**

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**From:** Jeff Lapidos <jeff.lapidos@asutax.asn.au>  
**Sent:** Wednesday, 29 November 2017 12:52 PM  
**To:** ROC - Registered Org Commission  
**Cc:** 'David Smith'; 'Dani Brooks'; 'John Nucifora'; Amelia.Tucker@asutax.asn.au; 'Greenwood, Ancel'; 'Wood, Gisele'  
**Subject:** FR2017/104 ASU Tax Branch - Lodging of full report for 2016-17  
**Attachments:** Prescribed officer certificate.pdf; Audited ASU Tax Financial Statements 2016-17.pdf

Dear Registered Organisations Commission

I have attached a copy of our full report for 2016-17 and the certificate by the prescribed designated officer as part of our financial reporting obligations.

Yours sincerely

Jeff Lapidos  
Australian Services Union  
Tax Branch Secretary  
Ph. 0419 335 675  
[Jeff.Lapidos@asutax.asn.au](mailto:Jeff.Lapidos@asutax.asn.au)  
[www.asutax.asn.au](http://www.asutax.asn.au)

**Australian Municipal, Administrative, Clerical and Services Union**

**Taxation Officers' Branch**

s.268 *Fair Work (Registered Organisations) Act 2009*

**Certificate By Prescribed Designated Officer<sup>1</sup>**

Certificate for the year ended 30 June 2017

I, Jeffrey Lpidos, being the Branch Secretary of the Australian Municipal, Administrative, Clerical and Services Union Taxation Officers' Branch certify that the documents lodged herewith are copies of the full report for the Australian Municipal, Administrative, Clerical and Services Union Taxation Officers' Branch

- for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 17 November 2017; and
- that the full report was presented to a meeting of the committee of management<sup>2</sup> of the reporting unit on 29 November 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:.. Jeffrey Lpidos.....

Title of prescribed designated officer: Branch Secretary.....

Dated: 29 November 2017

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<sup>1</sup> Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

<sup>2</sup> Adjust certificate as appropriate to reflect the facts.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES  
UNION TAXATION OFFICERS BRANCH**

Financial Statements  
For the year ended 30 June 2017

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

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Taxation Officers Branch  
Operating Report for the year ended 30 June 2017**

The Committee of Management presents its operating report on the Australian Services Union Taxation Officers' Branch for the year ended 30 June 2017.

**Review of principal activities and any significant changes**

The principal activity of the Australian Services Union Taxation Officers' Branch during the 2016-17 financial year was that of a registered trade union that covers all employees of the Australian Taxation Office. No significant change occurred in the nature of those activities during the year.

**The results of our activities over the year**

The ASU continued to monitor the ATO's compliance with the ATO Enterprise Agreement 2011. We utilise its dispute avoidance and settlement procedures to secure the ATO's compliance when necessary. The ASU regularly represents members in discussions with ATO delegates and with preparation of submissions in relation to their performance agreements, performance appraisals, performance counselling, fitness for duty, reasonable adjustment and workplace rehabilitation.

We assist members with workers compensation claims, invalidity retirement and partial invalidity pensions. Representing our members with workers compensation claims steadily became a major issue for us because of a changed approach to claims management by Comcare and the ATO. We have had a record number of requests for reconsideration and referrals to the Administrative Appeals Tribunal for our members.

We assist with members' preparation of public interest disclosures; assist with preparation of responses to notices of suspected breaches of the APS Code of Conduct and in preparing submissions on sanction.

We invest a lot of time and effort into these discussions and submissions and we have a strong record in getting a good result for our members. Our experience and skill is an important asset.

**Bargaining for the 2017 ATO Enterprise Agreement**

The ASU bargained for most of the financial year for a new ATO Enterprise Agreement. We had to again campaign for a NO vote in December 2016. Our position was supported by ATO staff generally with a NO vote of 71%.

We briefed Counsel to assist us to apply to the Fair Work Commission for bargaining orders against the ATO. We filed our application on the basis that Commissioner Jordan misled staff when he issued the results of the NO vote on 14 December 2016, saying that the ATO proposal went "as far as we could under the workplace bargaining policy". We filed our application on 17 January 2017 alleging unfair and capricious conduct and appeared before the Fair Work Commission for conciliation of the dispute on 1 February 2017. The ATO conceded nothing and so we commenced preparations for a hearing of our application.

The ATO then approached the ASU later in February 2017 to propose we commence exploratory discussions with a view to ascertaining whether the ASU would support a new ATO Enterprise Agreement. Our initial discussions progressed satisfactorily. The ATO then asked us to withdraw our application for bargaining orders. We could not agree to that, and instead offered to ask the Fair Work Commission to adjourn our application, on the basis that we would revive our application if



discussions failed. The ATO agreed to this approach. The ASU asked for the adjournment and the ATO advised the Commission it supported our request.

When it was clear that the discussions continued to be satisfactory, our Executive advised the ATO that we had in principle agreement to a new Enterprise Agreement that maintained all our workplace rights and conditions and front loaded the pay rise as much as possible. This was done to give the ATO confidence that our discussions provided a realistic way ahead.

Our exploratory talks with the ATO continued in April when the ATO included the CPSU in these exploratory discussions. Eventually, we were able to negotiate a draft Enterprise Agreement and a Protocol, which our Executive recommended to our members that we support. Our members voted on the question of whether our Union should support the draft ATO Enterprise Agreement 2017. Approximately 56% of members voted over the two day voting period. 75.3% voted YES. 24.7% voted NO. The ATO then put the draft Agreement to a vote of all staff. Our Union campaigned for a YES vote. The other Union, the CPSU, did not campaign in favour or against the proposed Agreement. The ATO declared the outcome of the vote on 28 June 2017, 82.9% of staff voted in favour on the Agreement. The ASU subsequently applied to the Fair Work Commission to be bound by the 2017 Agreement and it came into effect on 3 August 2017. We then withdrew our application to the Fair Work Commission for bargaining orders against the ATO.

#### **Staffing**

Amelia Tucker is our full time Industrial Officer and Organiser, based at our Carlton office in Melbourne. Amelia has been working with the Branch Secretary and our members on the application of the range of legislation that applies to employment in the ATO. The most important of these are: *Public Service Act 1999*, *Safety Rehabilitation and Compensation Act 1988*, *Public Interest Disclosure Act 2013*, *Disability Discrimination Act 1992*, *Fair Work Act 2009*, *Work Health and Safety Act 2011* and *the Administrative Appeals Tribunal Act 1975*. Amelia works with our members resolving complex issues that can take days, weeks and even months to resolve. Of course, Amelia also assists with matters that can be resolved quickly.

#### **Operating Result**

The operating result of the organisation for the year ended 30<sup>th</sup> June 2017 was a surplus of \$661. This included interest earned by the Litigation Fund account.

We are able to pay our debts as they fall due. No provision for tax was necessary as the organisation is considered exempt.

#### **ASU Tax Litigation Fund**

We have a litigation fund to assist us in any litigation we may have to undertake to further the interests of our members. We have not called on the Fund. The only addition to the Fund during the year has been interest received and a voluntary contribution from a member received in June 2016, but not transferred to the Fund until July 2016. We still need to consider how to bolster the Fund. A donation to the Fund was received prior to 30 June 2016 but not transferred to the Fund until after balance date. See note 12.

Accrued balance at 30 June 2016	\$31,754
Voluntary contribution	381
Interest earned by the Fund during 2015-16 was:	<u>616</u>
Accrued balance at 30 June 2017	\$32,751

**Any significant changes in financial affairs during the year**

There were no significant changes in our Branch's financial affairs during the year, other than the operating surplus that is reported in the financial statements.

**Number of members**

There were 1255 persons that were, at the end of the 2016-17 financial year recorded in the register of members for section 230 of the Act and who are taken to be members of the reporting unit under section 244 of the Act.

**Number of employees**

There were two full time employees at the end of the 2015-16 financial year.

**Names of Committee of Management members and the period the position was held**

Ancel Greenwood, Branch President	1 July 2016 to 30 June 2017
Veronika Bonora, Branch Vice President	1 July 2016 to 30 June 2017
Jeffrey Lapidos, Branch Secretary:	1 July 2016 to 30 June 2017
Neil Colebrook, Branch Assistant Secretary	1 July 2016 to 30 June 2017
Gisele Wood, Branch Treasurer	1 July 2016 to 30 June 2017
George Northend, Branch Executive Member	1 July 2016 to 30 June 2017
Geoffrey Southern, Branch Executive Member	1 July 2016 to 30 June 2017

**Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee**

No officer or employee of the Australian Services Union Taxation Officers Branch is,

i. a trustee of a superannuation scheme or an exempt public sector superannuation scheme;  
or

ii. a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

**Officers & employees who are directors of a company or a member of a board**

No officer or employee of the Australian Services Union Taxation Officers Branch is a director of a company or a member of a board.

**Material personal interest disclosures**

No member of the Committee of Management has any material personal interests of theirs or a relative of theirs that relates to the affairs of our Branch of the Union.

**Payments to related parties**

There were no payments made to related parties to the Branch, including its officers, their spouses and their relatives, except as detailed in the remuneration statement below.

**Remuneration statement**

The ASU now declares the remuneration it provides for its officials. All members of the ASU Tax Executive are honorary, except for the Branch Secretary.

The ASU provides the Branch President with a mobile phone and mobile mini-computer so he can keep in touch with the Branch Secretary and our membership.

The Branch Secretary's annual remuneration package consisted of a salary of \$89,400, superannuation of \$20,115 and a home office allowance of \$1,000. The Branch Secretary is able to salary sacrifice for superannuation purposes without charge. The Branch Secretary is also provided

with a fully maintained 2012 Ford Falcon LPG powered sedan valued at \$2,970 per annum, a smart phone, a lap top computer, a multi-function printer and office consumables for his home office. The ASU reimbursed the Branch Secretary for his reasonable travel costs, including accommodation and travel allowance for meals and incidentals at the rate payable under the ATO Enterprise Agreement 2011 for general employees. The Branch Secretary has been authorised to retain for private use any frequent flyer points he receives as a result of his business travel.

The Branch also reimburses Officers or our employee for any expenses reasonably incurred by for the purposes of the Union. This is necessary because the Branch does not use credit or debit cards for any expenditure. All claims for re-imburement are fully detailed and supported by relevant documentation.

**Right of members to resign**

All members have the right to resign from the Union in accordance with Rule 32 of the Australian Services Union National Rules (and Section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing 14 days notice in writing addressed and delivered to the Branch Secretary, Australian Services Union Taxation Officers' Branch, 116 Queensberry Street, Carlton South, Victoria, 3053.

Fax: 03) 9347 8781. Email: [Jeff.Lapidos@asutax.asn.au](mailto:Jeff.Lapidos@asutax.asn.au)

Prepared, signed for and on behalf of the Committee of Management

A handwritten signature in black ink, appearing to read 'J. Lapidos', is written over a large, hand-drawn oval scribble.

Jeff Lapidos  
Branch Secretary  
14 November 2017

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Statement of Comprehensive Income**

**For the year ended 30 June 2017**

	2017	2016
	\$	\$
<b>Revenue</b>		
Membership Fees	299,334	311,736
Interest Received	9,487	9,093
Other Income	409	1,030
Reimbursements from ASU	504	1,686
Special Fees Collected	2 2,311	13,860
Legal Fees Reimbursed	2 7,096	-
Total revenue	319,141	337,405
<b>Expenses</b>		
Advertising and Promotion	-	1,779
Capitation Fees	4 23,328	21,924
Audit Fees	4 4,600	4,600
Bank Fees and Charges	4 1,103	1,035
Accounting Fees	4,180	3,950
Depreciation	5,158	2,652
Fringe Benefits Tax	742	946
Home Office Expenses	-	909
Insurance	5,015	5,349
Internet	-	998
Legal Fees	5,741	25,518
Motor Vehicle Expenses	4 7,692	8,747
Payroll Tax	3,958	4,399
Parking and Tolls	1,668	2,012
Postage, Printing & Stationery	1,488	1,423
Provision for LSL and AL	12,124	11,072
Rent on Land & Buildings	6,653	8,136
Repairs & Maintenance	367	466
Replacements (tools, etc)	335	2,336
Salaries	165,037	169,121
Salaries - Allowances	4 7,515	6,335
Staff Training	-	1,091
Subscriptions	4,836	401
Sundry Expenses	1,360	352

The accompanying notes form part of these financial statements.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Statement of Comprehensive Income  
For the year ended 30 June 2017**

	2017 \$	2016 \$
Superannuation	27,264	28,097
Telephone	3,974	5,803
Travel, Accom & Conference	19,231	16,704
Website expenses	3,243	-
Workcover	1,866	1,592
ACTU Levy	-	1,764
Total expenses	<u>318,480</u>	<u>339,511</u>
Surplus (deficit) for year	<u>661</u>	<u>(2,107)</u>

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The accompanying notes form part of these financial statements.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

Statement of Financial Position as at 30 June 2017

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	155,074	141,213
Term Deposits	5	304,463	296,970
Trade & Other Receivables	6	-	608
<b>Total Current Assets</b>		<b>459,537</b>	<b>438,791</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	22,582	24,607
<b>Total Non-Current Assets</b>		<b>22,582</b>	<b>24,607</b>
<b>Total Assets</b>		<b>482,119</b>	<b>463,398</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	8	28,169	29,781
Current tax liabilities	9	11,228	9,258
Employee Entitlements	10	97,503	85,379
Subscriptions in Advance		27,432	22,556
Accrued Expenses		700	-
<b>Total Current Liabilities</b>		<b>165,032</b>	<b>146,973</b>
<b>Total Liabilities</b>		<b>165,032</b>	<b>146,973</b>
<b>Net Assets</b>		<b>317,086</b>	<b>316,425</b>
<b>Equity</b>			
Litigation Fund		30,979	31,753
Retained earnings (accumulated deficit)		286,107	284,671
<b>Total Members' Funds</b>		<b>317,086</b>	<b>316,425</b>

The accompanying notes form part of these financial statements.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Statement of Changes in Equity for the year ended 30/06/2017**

	Notes	Retained Earnings	Litigation Fund	Total
<b>Balance as at 1 July 2015</b>		287,552	30,979	318,532
Surplus/(deficit)		(2,881)	774	(2,107)
<b>Closing balance as at 30 June 2016</b>		284,671	31,753	316,424
Surplus/(deficit)		(336)	997	661
<b>Closing balance as at 30 June 2017</b>		284,335	32,751	317,086

The accompanying notes form part of these financial statements.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Statement of Cash Flows  
For the year ended 30 June 2017**

	2017	2016
	\$	\$
<b>Cash Flow from Operating Activities</b>		
Receipts from members	314,175	337,457
Transfers from ASU National Executive	555	1,854
Payments to Suppliers and employees	(257,942)	(273,871)
Transfers to ASU National Executive	(38,841)	(38,066)
Interest received	9,487	9,093
Net cash provided by (used in) operating activities (note 20)	<u>27,434</u>	<u>36,467</u>
<b>Cash Flow from Investing Activities</b>		
Purchase of fixed assets	<u>(6,080)</u>	<u>(4,484)</u>
Net cash provided by (used in) investing activities	<u>(6,080)</u>	<u>(4,484)</u>
Net increase (decrease) in cash held	21,354	31,983
Cash at the beginning of the year	<u>438,183</u>	<u>406,200</u>
Cash at the end of the year (note 5)	<u>459,537</u>	<u>438,183</u>

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The accompanying notes form part of these financial statements.



# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

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### Note 1: Summary of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch is a not-for-profit entity.

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

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The financial statements were authorised for issue on the same date the statement by the Committee of Management was signed.

#### Income tax

No provision has been made in the financial report for income tax on the basis that the Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997. However, it still has obligations for Goods & Services Tax (GST).

#### Property, Plant and Equipment

##### Cost Model

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### a) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

##### b) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing basis over their useful lives to Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Notes to the Financial Statements**

**For the year ended 30 June 2017**

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Class of Asset	Depreciation Rate %
Plant and equipment	20 - 66.67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed and adjusted if appropriate.

**De-recognition**

An item of property, plant and equipment is derecognised upon its disposal or when no future economic benefits are expected from its use. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the statement of comprehensive income.

**Investment property**

The union does not hold any investment property.

**Impairment of non-financial assets**

At the end of each reporting period the union determines whether there is evidence of an impairment indicator for non-financial assets. Where this indicator exists, the recoverable amount of the asset is estimated and an impairment adjustment is made in all cases where the recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

Where the future economic benefit of an asset is not primarily dependent on the ability of the asset to generate future cash flows and the asset would be replaced if the union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**Government grants**

Government grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

# **AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH**

## **Notes to the Financial Statements**

**For the year ended 30 June 2017**

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### **Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

1. A member of a reporting unit, or the Commissioner, 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).

### **Employee entitlements**

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

The union does not expect the full amount of the liability classified as current to be settled within the next twelve months. However, there is no unconditional right to defer settlement in the event of employees wishing to use their entitlements and, accordingly, the amount must be shown as a current liability.

### **Cash and Cash Equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents comprises cash on hand, demand deposits and short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

### **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

### **Inventories**

Inventories are measured at the lower of cost and net realised value.

# **AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH**

## **Notes to the Financial Statements**

**For the year ended 30 June 2017**

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### **Investments**

Investments held to maturity are recorded at their face value. They are confined to a term deposit with ME Bank.

### **Gains and losses**

Gains and losses from disposal of assets are recognised when control of the asset has been passed to the buyer.

### **Leases**

#### **Finance leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalized at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the leased term.

### **Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Member subscriptions are accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Any subscriptions received for a future period is recognised in the Statement of Financial Position as Subscriptions in Advance.

Interest revenue and other income are recognised when it is received.

All revenue is stated net of the amount of goods and services tax (GST).

### **Financial instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the branch becomes party to the contractual provisions of the instrument.

# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

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On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expected to be incurred).

### - Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- Loans and receivables;
- Financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in the profit or loss or in other comprehensive income.

### - Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

### - Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- Acquired principally for the purpose of selling in the near future.
- Designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- Which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

### - Available-for-sale financial assets

Listed shares and listed redeemable notes that are traded in an active market are classified as available-for-sale and are stated at fair value. The branch currently has no unlisted shares. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined

# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

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to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### - Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the unions management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. Held-to-maturity financial assets are included in non-current assets, except for those with maturities of less than twelve months from the reporting date, which are classified as current assets.

### - Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### - Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be

# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

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reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### - Derecognition of financial assets

The union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

### Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Financial liabilities are recognised and derecognised upon 'trade date.'

### - Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if;

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value

# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

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through profit or loss upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### - Other financial liabilities

Other financial liabilities include borrowings and trade and other payables (including finance lease liabilities), are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

### - De-recognition of financial liabilities

The union derecognises financial liabilities when, and only when, the branch's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of the cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in the receipts from customers or payments to suppliers.

### Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for the goods and services received by the union during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.



# **AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH**

## **Notes to the Financial Statements**

**For the year ended 30 June 2017**

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### **Recovery of Wages**

In reference to items 26 - 30 and 35(f) & (g) and 37(b) of the Reporting Guidelines for the purposes of section 253 of Fair Work (Registered Organisations) Act 2009, Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch has not undertaken any recovery of wages activity in the financial year.

### **Critical Accounting Estimates and Judgements**

The committee of management evaluates estimates and judgements incorporated into financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

### **New Australian Accounting Standards and Future Australian Accounting Standards Requirements**

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting periods and that are expected to have a future financial impact on the union include:

- AASB 9: Financial Instruments and associated Amending Standards. Expected to be initially applied in the financial year 30 June 2019.
- AASB 15: Revenue from Contracts with Customers. Expected to be initially applied in the financial year 30 June 2019.
- AASB 16: Leases. Expected to be initially applied in the financial year 30 June 2020.

### **Acquisition of assets and liability under specific sections**

The Union did not acquire any asset or liability during the financial year as a result of;

- An amalgamation under part 2 of Chapter 3, of the RO Act;
- A restructure of the Branches of the organization;
- A determination by the Commissioner under s245(1) of the RO Act;
- A revocation by the Commissioner under s249(1) of the RO Act;

### **Acquisition of assets and liability as part of a business combination:**

No assets or liabilities were acquired during the year as part of a business combination.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Notes to the Financial Statements**

**For the year ended 30 June 2017**

	2017	2016
<b>Note 2: Revenue and Other Income</b>		
<b>Revenue:</b>		
Capitation fee from another entity	-	-
Compulsory levies from members	-	-
Other financial support from another entity	-	-
Special fees from new members including legal fees reimbursed	9,407	13,860
Donations or grants received	-	381
<p>The special fees collected from new members includes legal fees reimbursed. There were no donations or grants received this year.</p>		
<b>Note 3: Employee Expenses</b>		
Profit (loss) from ordinary activities before income tax has been determined after:		
<b>Holders of office:</b>		
Wages and salaries	104,196	107,561
Superannuation	20,051	20,822
Leave and other entitlements	7,871	5,655
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	132,118	134,038
<b>Employees other than office holders:</b>		
Wages and salaries	76,048	76,642
Superannuation	7,213	7,275
Leave and other entitlements	4,253	5,416
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	87,514	89,333
Payroll Tax	3,958	4,399
Workcover	1,866	1,592
	<b>225,456</b>	<b>229,362</b>

Wages and salaries stated in the above include salary, salary sacrifice and allowances paid.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
TAXATION OFFICERS BRANCH**

**Notes to the Financial Statements**

**For the year ended 30 June 2017**

2017

2016

**Note 4: Expenses**

Affiliation fees	-	-
Capitation fees paid to ASU National Executive	23,328	21,924
Compulsory levies paid	-	-
Conferences and meeting expenses	-	-
Consideration to employers for payroll	-	-
Donations or grants paid	-	-
Fees/allowances paid for meeting and conferences	-	-
Fees/subscriptions paid to a political party, federation, congress, council or group of organisations, or an international body having an interest in industrial matters	-	-
Penalty paid under the Fair Work (Registered Organisations) Act 2009	-	-
Remuneration for auditing and review of the financial report	4,600	4,600

Merchant fees have been consolidated with bank fees and charges.

Motor vehicle expenses have been consolidated to one account this financial year.

Salaries - allowances include home office allowances and travel allowances (for breakfast, lunch and dinner) paid to the office holder, whereas Travel, Accom & Conference includes accommodation and airfares reimbursed to officeholders and employees.

**Note 5: Cash and Cash Equivalents**

Bank accounts:

- Cash at Bank	47,006	70,506
- Me Bank Account 849	32,751	31,754
- Me Bank Account 332	75,318	38,954
- Term Deposits	304,463	296,970
	<u>459,537</u>	<u>438,183</u>

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
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**Notes to the Financial Statements**

**For the year ended 30 June 2017**

	2017	2016
<b>Note 6: Sundry Debtor</b>		
Sundry Debtor	-	608
Less: Provision for Doubtful Debt	-	-
	-	608

**Note 7: Property, Plant and Equipment**

Plant and equipment:

- At cost	31,657	31,657
- Less: Accumulated depreciation	(25,119)	(22,768)
	6,538	8,889

Software (at cost)

- At cost	6,080	-
- Less: Accumulated depreciation	(2,807)	-
	3,273	-

Motor vehicles:

- At cost	33,664	33,664
- Less: Accumulated depreciation	(20,892)	(17,945)
	12,772	15,719
	<b>22,582</b>	<b>24,607</b>

**Note 8: Payables**

Trade Creditors	21,487	22,843
Superannuation Payable	6,682	6,937
Consideration to employers for payroll	-	-
Legal Costs	-	-
	28,169	29,781
	<b>28,169</b>	<b>29,781</b>

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**Notes to the Financial Statements**

**For the year ended 30 June 2017**

**2017**

**2016**

**Note 9: Current Tax Liabilities**

GST Payable Control Account	9,983	9,353
Input Tax Credit Control Account	(2,598)	(4,618)
Amounts Withheld from Salary and Wages	3,843	4,523
	<u>11,228</u>	<u>9,258</u>

**Note 10: Provision for Leave Entitlements**

Provision for Annual Leave - Office Holders	49,239	43,586
Provision for Annual Leave - Employees	9,860	7,586
Provision for Long Service Leave - Office Holders	33,066	30,847
Provision for Long Service Leave - Employees	5,338	3,359
Provision for Redundancy - Office Holders	-	-
Provision for Redundancy - Employees	-	-
	<u>97,503</u>	<u>85,379</u>

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
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**Notes to the Financial Statements**

**For the year ended 30 June 2017**

**2017**

**2016**

**Note 11: Related Party Transactions**

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

Capitation fees are paid quarterly to ASU National Executive. Capitation fees incurred in the year are disclosed in the Income and Expenditure Statement as Capitation Fees.

Expense reimbursements paid to ASU National Executive	16,750	14,628
Receivable from ASU National Executive	-	-
Receivable to ASU other branches	-	-
Payable to ASU National Executive	10,801	7,663
Payable to ASU other branches	-	-

**Key management personnel remuneration for the reporting period**

Short-term benefits:

- Wages and salaries	104,196	107,374
- Annual leave accrued	5,653	3,942

Post-employment benefits:

- Superannuation payable	5,398	5,398
- Long service leave	33,066	30,847

<b>148,313</b>	<b>147,561</b>
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**Note 12: Litigation Fund**

Litigation Fund is the only fund operated by the union. It is not invested in any assets. It is kept in a separate bank account. The only movement in the fund is the interest on that bank account. A litigation donation that was received in the general cheque account on 20 June 2016 was transferred to the litigation account on 18 July 2016. There has been no other transfers into or withdrawals from the fund during the year.

# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

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### **Note 13: Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Statement of Financial Position and instead, where applicable, are reported in the relevant notes. They may arise from uncertainty as to the existence of an asset or a liability or represent an existing asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probably but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote. The committee of the management is not aware of any contingent liabilities and contingent assets at the balance date the effect of which may be material in relation to this financial report.

### **Note 14: Events Subsequent to Reporting Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the branch, the results of those operations, or the state of affairs of the branch in future financial years.

### **Note 15: Segment Reporting**

The union is an independent segment of the Australian Services Union National Executive. The union does not have separate reporting segments.

### **Note 16: Economic Dependence**

The union's ability to continue as a going concern is not reliant on any financial support from another entity. The union did not receive any financial support from any entity in the year ended. Also the union has agreed to provide any financial support to ensure another entity has the ability to continue as a going concern. The union did not provide any financial support to another entity in the year ended.

### **Note 17: Capital and Leasing Commitments**

#### **(a) Hire purchase & finance lease commitments**

No hire purchase or finance lease contracts were entered into during the year, nor were there any on hand as at the end of the financial year (nor the end of the previous financial year).

#### **(b) Non-cancellable operating lease commitments**

The union is not a party to any non-cancellable operating leases for which a commitment to make minimum lease payments exist.

#### **(c) Capital expenditure and/or other commitments**

No capital expenditure or other contracts were entered into during the year, nor subsisted at the end of the financial year for which a commitment to make a payment exists.

### **Note 18: Going Concern**

The union is not reliant on the agreed financial support of another reporting unit to continue as a going concern.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
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**Notes to the Financial Statements**

**For the year ended 30 June 2017**

**Note 19: Financial Risk Management**

Financial instruments held by the union consist mainly of cash, deposits with banks (either at-call or on short-term deposit) and accounts receivable and accounts payable.

The total of each category of financial instrument together with their maturity profile may be summarized as follows:

	Floating Interest Rate \$	1 year or less to Maturity \$	1 to 5 years to Maturity \$	Non Interest Bearing \$	Total
<b>30 June 2017</b>					
Cash on hand					
Cash at Bank	155,074				155,074
Term Deposit		304,463			304,463
Other Receivables					
<b>Total financial assets</b>	<b>155,074</b>	<b>304,463</b>			<b>459,537</b>
Less financial liabilities					
Trade and other payables				(28,169)	(28,169)
<b>Net financial assets</b>	<b>155,074</b>	<b>304,463</b>		<b>(28,169)</b>	<b>431,368</b>

**(a) Net fair value of financial instruments**

The fair values disclosed in the above table have been determined based on the following methodology:

Cash and cash equivalents, trade and other receivables, trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual and long service leave which is not considered a financial instrument.

**(b) Financial risk management policies**

The union has established a risk management framework. This includes the development of policies covering specific areas.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the unions activities. The overall risk management policies seek to assist the union in meeting its financial targets, while minimizing potential adverse effects on financial performance.

Mitigation strategies for specific risks faced are described below:



# AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS BRANCH

## Notes to the Financial Statements

For the year ended 30 June 2017

### Credit risk

Exposure to credit risk relating to financial assets arises from potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union and arises principally from the Union's receivables.

#### Credit risk exposure:

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

	2017	2016
	\$	\$
<b>Bank deposits</b>		
Commonwealth Bank	47,006	70,506
Member's Equity Bank	412,531	367,677
<b>Other receivables</b>		
Sundry debtors	-	608
<b>Maximum credit exposure</b>	<u>459,537</u>	<u>438,791</u>

### (c) Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored throughout the year;
- Monitoring undrawn credit facilities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Maintaining adequate reserves.

### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

### (e) Price risk

The Union is not exposed to any material commodity price risk.

**AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION  
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**Notes to the Financial Statements**

**For the year ended 30 June 2017**

**(f) Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the group to interest rate risk are limited to held-to-maturity financial assets and cash at bank.

The activities of the Union are not sensitive to changes in interest rates as neither interest income nor interest on borrowings are significant to the organization.

**(g) Asset pledged or held as collateral**

No assets have been pledged as security or held as collateral for any loan, borrowing or credit facility.

**Note 20: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

<b>Cash and cash equivalents as per:</b>	<b>2017</b>	<b>2016</b>
Cash flow statement	459,537	438,183
Balance sheet	<u>459,537</u>	<u>438,183</u>
<b>Difference</b>	<u>-</u>	<u>-</u>

**Reconciliation of profit/(deficit) to net cash from operating activities:**

	<b>2017</b>	<b>2016</b>
<b>Profit/(deficit) for the year</b>	661	(2,107)
<b>Adjustments for non-cash items</b>		
Depreciation	8,105	6,279
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	608	11,000
Increase/(decrease) in supplier payments	(1,612)	18,373
Increase/(decrease) in other payables	1,970	(2,643)
Increase/(decrease) in employee provisions	12,124	11,072
Increase/(decrease) in other provisions	<u>5,578</u>	<u>(5,507)</u>
<b>Net cash from (used by) operating activities</b>	<u>27,434</u>	<u>36,467</u>

**Australian Services Union Taxation Officers Branch  
Committee of Management Statement  
for the year ended 30 June 2017**

**On 14 November 2017 the Executive of the Australian Services Union Taxation Officers Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017.**

The Australian Services Union Taxation Officers' Branch Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.



Signature of designated officer: Jeffrey Lavidos, Branch Secretary, 14 November 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS  
BRANCH**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Municipal Administrative Clerical & Services Union Taxation Officers Branch as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) The Australian Accounting Standards; and
- (ii) Any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*. (The RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

**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 Reporting Unit in accordance with the ethical requirements of 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.

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I 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 this fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS  
BRANCH**

**Responsibilities of the Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management 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, the Committee of Management is responsible for assessing the Reporting Unit'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 the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

**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 the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management'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 company'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 Reporting Unit 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for the audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN MUNICIPAL ADMINISTRATIVE CLERICAL & SERVICES UNION TAXATION OFFICERS  
BRANCH**

We communicate with the Committee of Management 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.

We declare that we are approved auditors, a member of CPA Australia and hold a current Public Practice Certificate.

**Report on Other Legal and Regulatory Requirements**

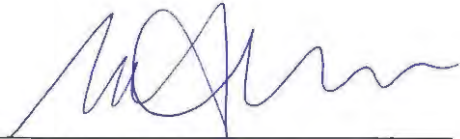
From the work performed, no deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act was noted.

**Report on the Recovery of Wages Activity Financial Report**

The union has not undertaken any recovery of wages activity in the financial year.

*NMM Audit & Assurance p/lc*

NMM Audit & Assurance Pty Ltd  
110 Drummond Street, Oakleigh, Vic, 3166



Glenn A Miller (FCPA)  
Director

Dated this *16<sup>th</sup>* day of *November*, *2017*



8 August 2017

Mr Jeff Lapidos  
Branch Secretary  
Australian Municipal, Administrative, Clerical and Services Union Taxation Officers Branch  
By Email: jeff.lapidos@asutax.asn.au

Dear Mr Lapidos,

**Re: Lodgement of Financial Report - [FR2017/104]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Municipal, Administrative, Clerical and Services Union Taxation Officers Branch (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

#### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

#### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Auditor's report**

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,  
**Michael Moutevelis**  
**Registered Organisations Commission**

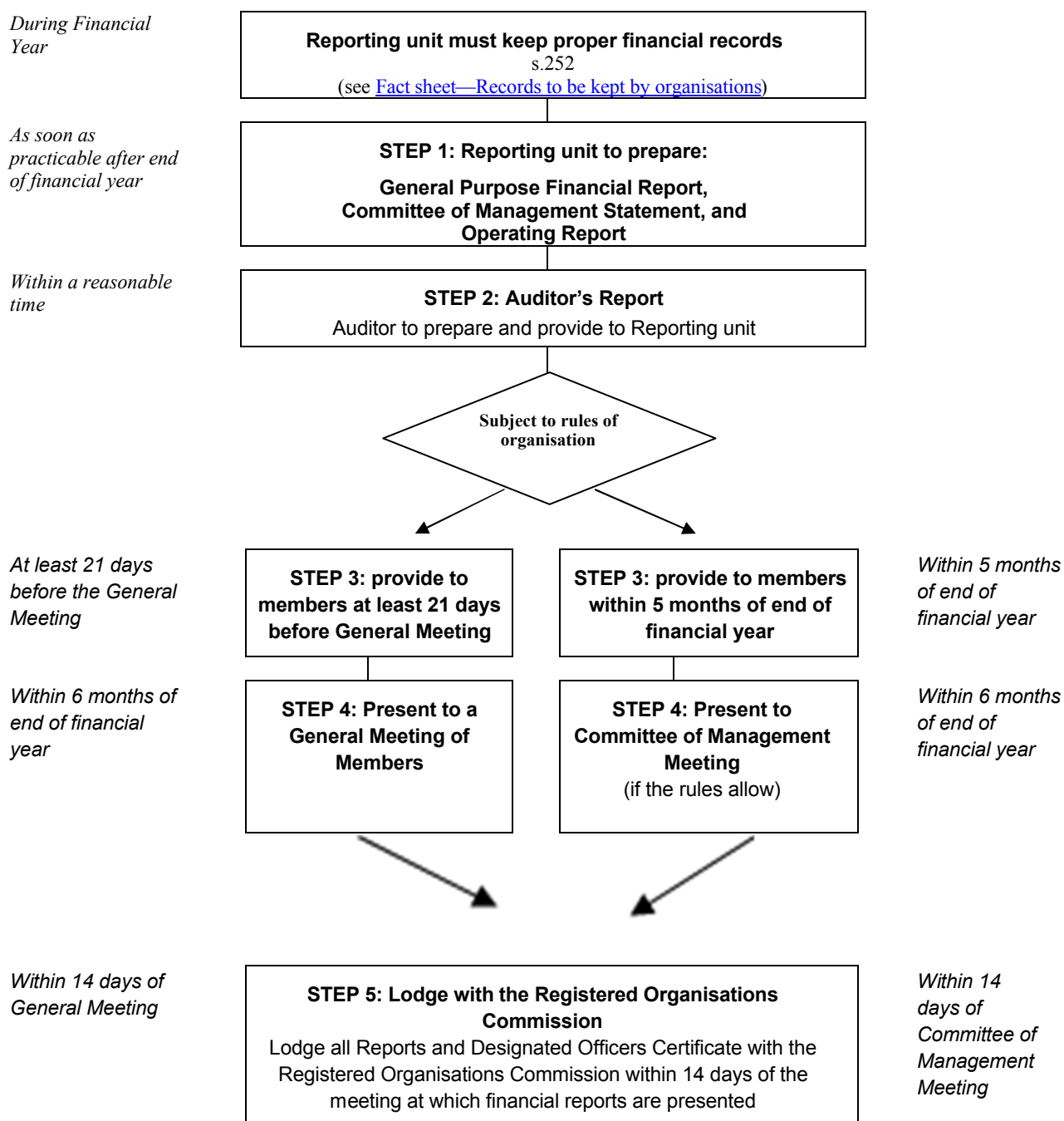




# Fact sheet

## Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





## Fact sheet

### Loans, Grants & Donations

#### The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:





- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*



\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

#### Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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### Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

#### Note 4E: Grants ~~OR~~ donations\*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)



## **Guidance Note**

### **Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009***

Prepared and issued by the Registered Organisations Commission

<b>Version</b>	<b>Date published</b>
1	4 August 2017

## 1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

## 2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report<sup>1</sup>.

## 3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

<sup>1</sup> Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

#### 4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

## Independent Audit Report to the Members of <name of Reporting Unit>

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position<sup>2</sup> as at <balance date>, the statement of comprehensive income<sup>3</sup>, statement of changes in equity<sup>4</sup> and statement of cash flows<sup>5</sup> for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management<sup>6</sup> Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon<sup>7</sup>

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

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<sup>2</sup> Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

<sup>3</sup> Ibid paragraph 9

<sup>4</sup> Ibid paragraph 9

<sup>5</sup> Ibid paragraph 9

<sup>6</sup> Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

<sup>7</sup> Ibid paragraph 7

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

### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management 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, the Committee of Management is responsible for assessing the Reporting Unit'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 the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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

My objective is 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 my 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

## **[Report on Other Legal and Regulatory Requirements]<sup>8</sup>**

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

## **[Report on the Recovery of Wages Activity financial report]<sup>9</sup>**

### **Opinion on the recovery of wages activity financial report**

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

### **Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

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<sup>8</sup> Ibid paragraph 11

<sup>9</sup> Ibid paragraph 11

<City>  
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)<sup>10</sup>: <insert number>

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<sup>10</sup> Ibid paragraph 12

## 5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.