



5 February 2020

Elizabeth Dabars
SA Branch Secretary
Australian Nursing and Midwifery Federation - South Australian Branch

Sent via email: elizabeth.dabars@anmfsa.org.au
CC: bmorkunas@nexiaem.com.au

Dear Elizabeth Dabars,

**Australian Nursing and Midwifery Federation - South Australian Branch
Financial Report for the year ended 30 June 2019 – (FR2019/198)**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Australian Nursing and Midwifery Federation - South Australian Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 12 December 2019.

The financial report has now been filed.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Nil activities disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Make a payment to a former related party of the reporting unit (RG 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kylie Ngo', with a horizontal line underneath.

Kylie Ngo
Registered Organisations Commission



Australian Nursing and
Midwifery Federation
(SA Branch)

With you at work and in practice

12 December 2019

Registrar
Registered Organisations Commission

By email: regorgs@roc.gov.au

Dear Sir / Madam

**Re: Lodgement of Financial Documents for year ended 30 June 2019
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

Please find attached a copy of the audited accounts for the Australian Nursing and Midwifery Federation South Australian Branch and the Designated Officer's Certificate.

If you require any further information please contact Andy Dallisson in the first instance via email:
andy.dallisson@anmfsa.org.au

Yours sincerely



Adj Assoc Professor Elizabeth Dabars AM
BRANCH SECRETARY

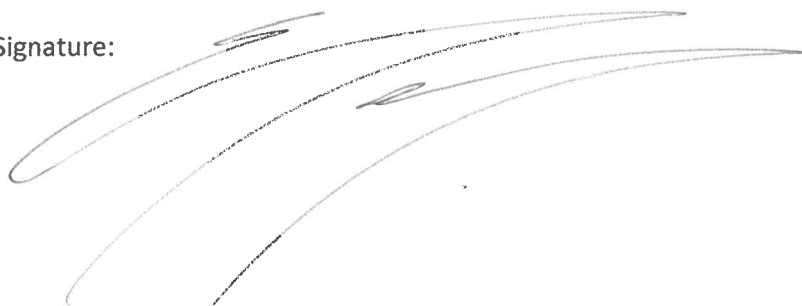
Enc.

DESIGNATED OFFICER'S CERTIFICATE

I, Elizabeth Dabars, being the Branch Secretary of the Australian Nursing and Midwifery Federation (South Australian Branch) certify:

- that the documents lodged under cover of our correspondence dated 12 December 2019 are copies of the full report for the year ended 30 June 2019, referred to in s.268 of the Fair Work (Registered Organisations) Act 2009'; and
- that the financial statements were considered by the Committee of Management on 23 October 2019; and
- that the full report was provided to members via the ANMF website on 31 October 2019 in accordance with s.265 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 11 December 2019, in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009'.

Signature:

A handwritten signature in black ink, consisting of several sweeping, curved strokes that form a stylized, cursive name.

Dated: 11 December 2019

Australian Nursing and Midwifery Federation South Australian Branch

Financial Report for the Year Ended 30 June 2019

Australian Nursing and Midwifery Federation South Australian Branch

TABLE OF CONTENTS

CONTENTS

	<u>Page</u>
Financial Statements	
<i>Report Required Under Subsection 255(2A)</i>	3
<i>Operating Report</i>	4
<i>Branch Council's Statement</i>	6
<i>Statement of Profit or Loss and Other Comprehensive Income</i>	7
<i>Statement of Financial Position</i>	8
<i>Statement of Changes in Equity</i>	9
<i>Statement of Cash Flows</i>	10
<i>Notes to the Financial Statements</i>	11
<i>Independent Audit Report</i>	24

Australian Nursing and Midwifery Federation South Australian Branch

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

CATEGORIES OF EXPENDITURES

	2019	2018
	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,534,102	1,247,526
Advertising	-	-
Operating costs	-	-
Donations to political parties	-	-
Legal costs	-	-

Signed in accordance with a resolution of the Branch Council:

Signed: 
Gay Martin - Branch President

Signed: 
Adj Assoc Professor Elizabeth Dabars AM - Branch Secretary

Dated this 24 day of October, 2019

Australian Nursing and Midwifery Federation South Australian Branch

OPERATING REPORT

The Branch Council, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Australian Nursing and Midwifery Federation South Australian Branch for the financial year ended 30 June 2019.

General

- 1) The principal activities of the Branch during the financial year were the industrial and professional representation of nurses, midwives and personal care assistants. No significant change in the nature of these activities occurred during the year.
- 2) The surplus of the Branch for the financial year amounted to \$9. There were no significant changes to the Branch's financial affairs during the year.
- 3) Members retain the right to resign from the Australian Nursing and Midwifery Federation in accordance with Section 10 of the Federal Rules and the Fair Work (Registered Organisations) Act 2009.
- 4) No office bearer or member of the branch is a trustee of a superannuation entity or public sector superannuation scheme.
- 5) The number of members of the Branch at the end of the financial year amounted to 20,996.
- 6) At 30 June 2019, there were 15 employees. Work is also performed by the employees of ANMF SA Branch or elected Officers of ANMF SA Branch.

OPERATING REPORT (CONT)

Branch Councillors

The names of each person holding the position of Councillor during the financial year are listed below. The persons listed held the position for the whole year unless otherwise stated.

- Ms Tammy Bornhoeft
- Ms Kristen Bull
- Ms Shareece Carr
- Mr David Copley 30 November 2018 – 30 June 2019
- Ms Janice Clifford
- Ms Lynn Croft
- Ms Elizabeth Dabars
- Ms Jocelyn Douglass
- Ms Joann Duffy
- Ms Sharon Horn
- Ms Wendy Husker
- Ms Marcelle Johnson
- Ms Nicole Kelly
- Ms Nanette Lawson 30 November 2018 – 30 June 2019
- Ms Deborah Lewington
- Ms Gay Martin
- Mr Stuart Smith
- Mr Chanmakara Sun
- Ms Jan Thompson
- Ms Sharon Whitehead
- Ms Jayne Williams
- Ms Brigitte Winton

Signed in accordance with the resolution of the Council:

- 7) There are no officers or employees of the Branch who hold the position of director of a company or a member of a board as a result of being an officer or employee of the Branch or were nominated for the position by the Branch.

Signed in accordance with a resolution of the Branch Council:

Signed: *Gay Martin*
Gay Martin - Branch President

Signed: *[Signature]*
Adj Assoc Professor Elizabeth Dabars AM - Branch Secretary

Dated this *24* day of *October*, 2019

BRANCH COUNCIL'S STATEMENT

On the 23rd day of October 2019 the Branch Council of the Australian Nursing and Midwifery Federation South Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2019.

The Branch Council declares in relation to the GPFR 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 Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Branch Council were held in accordance with the rules of the organisation including the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act 2009; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act has been furnished to the member or Commissioner; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Fair Work Commissioner under section 273 of the RO Act.

Signed in accordance with a resolution of the Branch Council:


Signed:.....
Adj Assoc Professor Elizabeth Dabars AM - Branch Secretary

Dated this 24 day of October, 2019

Australian Nursing and Midwifery Federation South Australian Branch

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue			
Capitation fees		425,733	410,370
Membership subscriptions		1,534,102	1,247,525
Interest		9	8
Total Revenue		<u>1,959,844</u>	<u>1,657,903</u>
Expenditure			
Capitation fees		425,733	410,370
Salaries and Wages		1,534,102	1,247,526
Total Expenditure		<u>1,959,835</u>	<u>1,657,896</u>
Net Surplus/(Loss) for the Year		<u>9</u>	<u>7</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>9</u>	<u>7</u>

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation South Australian Branch

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	29,381	20,594
Trade and Other Receivables	4	225,046	194,832
TOTAL CURRENT ASSETS		<u>254,427</u>	<u>215,426</u>
NON-CURRENT ASSETS			
		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>254,427</u>	<u>215,426</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	5	51,055	78,567
Short-term Provisions	6	184,506	98,768
TOTAL CURRENT LIABILITIES		<u>235,561</u>	<u>177,335</u>
NON-CURRENT LIABILITIES			
Long Term Provisions	6	18,771	38,005
TOTAL NON-CURRENT LIABILITIES		<u>18,771</u>	<u>38,005</u>
TOTAL LIABILITIES		<u>254,332</u>	<u>215,340</u>
NET ASSETS		<u>95</u>	<u>86</u>
EQUITY			
Retained earnings		<u>95</u>	<u>86</u>
TOTAL EQUITY		<u>95</u>	<u>86</u>

The accompanying notes form part of these financial statements.

Australian Nursing and Midwifery Federation South Australian Branch

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings
	\$
Balance at 1 July 2017	79
Net surplus for the year	7
Balance at 30 June 2018	<u>86</u>
Balance at 1 July 2018	86
Net surplus for the year	9
Balance at 30 June 2019	<u><u>95</u></u>

The accompanying notes form part of these financial statements

Australian Nursing and Midwifery Federation South Australian Branch

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations		1,972,194	1,674,282
Payments in the course of operations		(1,963,416)	(1,652,986)
Interest received		9	8
Net Cash Generated from Operating Activities	10	8,787	21,304
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Generated from Financing Activities		-	-
Net Increase/(decrease) in Cash Held		8,787	21,304
Cash at beginning of financial year		20,594	(710)
Cash at End of Financial Year	3	29,381	20,594

The accompanying notes form part of these financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Income Tax**

No provision for income tax is necessary as the entity is exempt from income tax under section 23(f) of the Income Tax Assessment Act.

b. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

c. **Revenue and Other Income**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Capitation income is recognised when Australian Nursing & Midwifery Federation (SA Branch) is invoiced. Membership income is transferred from Australia Nursing and Midwifery Federation (SA Branch) to offset payroll costs.

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

d. **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).

Receivables 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 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 receipts from customers or payments to suppliers.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e. **Employee Benefits**

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements of obligations for long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

f. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets are subsequently measured at amortised cost.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the general approach to impairment, as applicable under AASB 9.

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instrument at an amount equal to the lifetime expected credit losses; and
- there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses in the financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

g. Comparative Figures

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

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

h New and Amended Accounting Policies Adopted by the Entity

Initial application of AASB 9: *Financial Instruments*

The entity has adopted AASB 9 with a date of initial application of 1 July 2018. As a result the entity has changed its financial instruments accounting policies as detailed in Note 1.

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

	Financial instrument category		Carrying amount		
	AASB 139 original	AASB 9 new	AASB 139 original	AASB 9 recognition of additional loss allowance	AASB 9 new
Financial assets					
Current					
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost	20,594	-	20,594
Loan – Related parties	Loans and receivables (amortised cost)	Financial assets at amortised cost	184,364	-	184,364
Financial liabilities					
Current					
Trade payables	Amortised cost	Financial liabilities at amortised cost	7,450	-	7,450

Upon adoption of AASB 9 at 1 July 2018, no adjustments were made by the entity to its financial assets or financial liabilities as a result of the classification changes noted in the table above, or as a result of the change in accounting policy for the method of assessing any loss allowance for expected credit losses on financial assets that are measured at amortised cost. As the impact of the adoption of AASB 9 was not material, no further adjustments or disclosures have been made in these financial statements.

i. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Branch has decided not to early adopt any of the new and amended pronouncements. The assessment of the new and amended pronouncements applicable in future reporting periods is that these Standards are not expected to significantly impact the Branch's financial statements.

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2: AUDITOR'S FEES

Audit fees are paid by Australian Nursing & Midwifery Federation (SA Branch) on behalf of the Australian Nursing and Midwifery Federation South Australian Branch.

NOTE 3: CASH AND CASH EQUIVALENTS	Note	2019 \$	2018 \$
Cash at bank		29,381	20,594
		29,381	20,594

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash at Bank	29,381	20,594
	29,381	20,594

NOTE 4: TRADE AND OTHER RECEIVABLES

Other Receivables	10,973	10,468
Loan – Related Parties	214,073	184,364
	225,046	194,832

NOTE5: TRADE AND OTHER PAYABLES

Trade Payables	6,322	7,450
Other Payables	44,733	71,117
	51,055	78,567

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: PROVISIONS	2019	2018
	\$	\$
CURRENT		
Annual Leave	134,355	78,074
Long service leave	50,151	20,694
Total	<u>184,506</u>	<u>98,768</u>
NON-CURRENT		
Long service leave	18,771	38,005
Total	<u>18,771</u>	<u>38,005</u>
Opening balance at 1 July 2018	136,773	114,666
Additional provisions	146,085	93,592
Amounts used	(79,581)	(71,485)
Balance at 30 June 2019	<u>203,277</u>	<u>136,773</u>

NOTE 7: EVENTS AFTER THE REPORTING PERIOD

The Branch Council is not aware of any significant events since the end of the reporting period.

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel of Australian Nursing and Midwifery Federation South Australian Branch during the year are as follows:

	2019	2018
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	<u>-</u>	<u>-</u>

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9: RELATED PARTY INFORMATION

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

- a) Branch Councillors are disclosed in the Operating Report. For details of disclosures relating to these key management personnel, refer to Note 8 Key Management Personnel Compensation.
- b) Under the Rules of the Australian Nursing and Midwifery Federation (SA Branch), a sum equivalent to the capitation fee owed per member to the Federal Organisation by the Australian Nursing and Midwifery Federation South Australian Branch is included as part of their members' annual subscription. This sum is paid monthly in accordance with the Federal Organisation's Capitation Fee Formula.
- c) Capitation fees received or receivable from Australian Nursing & Midwifery Federation (SA Branch) for the year ended 30 June 2019 were \$425,733 (2018: \$410,370).
- d) Capitation expenses paid or payable to Australian Nursing & Midwifery Federation Federal Council for the year ended 30 June 2019 were \$425,733 (2018: \$410,370).
- e) At 30 June 2019, a loan was owing from the Australian Nursing and Midwifery Federation (SA Branch) for \$214,073 (2018: \$184,365). No interest is receivable on the loan and no repayments required.

NOTE 10: CASH FLOW INFORMATION

	2019	2018
	\$	\$
Reconciliation of cash flow from operating activities with net surplus for the year		
Net surplus for the year	9	7
Changes in assets and liabilities		
(Increase) / decrease in Trade and Other Receivables	(30,214)	(24,651)
Increase / (decrease) in Trade and Other Payables	(27,513)	23,841
Increase / (decrease) in Provisions	66,505	22,107
Cash flow from operations	8,787	21,304

NOTE 11: SECTION 272 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).

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: OTHER REPORTING INFORMATION

INCOME ITEMS

CAPITATION FEES AND OTHER REVENUE FROM ANOTHER REPORTING UNIT	2019	2018
	\$	\$
Capitation fees		
Subtotal capitation fees		
<hr/>		
Other revenue from another reporting unit		
Subtotal other revenue from another reporting unit		
Total capitation fees and other revenue from another reporting unit		

LEVIES	2019	2018
	\$	\$
Levies		
Total levies		
<hr/>		

GRANTS OR DONATIONS	2019	2018
	\$	\$
Grants		
Donations		
Total grants or donations		

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: OTHER REPORTING INFORMATION (CONT)

REVENUE FROM RECOVERY OF WAGES ACTIVITY	2019	2018
	\$	\$
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

EXPENSE ITEMS

EMPLOYEE EXPENSES	2019	2018
	\$	\$
Holders of office:	-	-
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

Wages and salaries	1,165,790	950,586
Superannuation	150,162	110,905
Leave and other entitlements	138,172	109,881
Separation and redundancies	-	-
Other employee expenses	79,978	76,154
Subtotal employee expenses employees other than office holders	1,534,102	1,247,526
Total employee expenses	1,534,102	1,247,526

CAPITATION FEES AND OTHER EXPENSES TO ANOTHER REPORTING UNIT	2019	2018
	\$	\$
Capitation fees – Australian Nursing & Midwifery Federation Federal Council	425,733	410,370
Subtotal capitation fees	425,733	410,370
Other expenses to another reporting unit	-	-
Subtotal other expenses to another reporting unit	-	-
Total capitation fees and other expenses to another reporting unit	425,733	410,370

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: OTHER REPORTING INFORMATION (CONT)

AFFILIATION FEES	2019	2018
	\$	\$
Affiliation fees	-	-
Total affiliation fees	-	-
<hr/>		
ADMINISTRATION EXPENSES	2019	2018
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Subtotal administration expenses	-	-
<hr/>		
GRANTS OR DONATIONS	2019	2018
	\$	\$
Grants:		
- Total expensed that were \$1,000 or less	-	-
- Total expensed that exceeded \$1,000	-	-
Donations:		
- Total expensed that were \$1,000 or less	-	-
- Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-
<hr/>		
LEGAL COSTS	2019	2018
	\$	\$
Litigation	-	-
Other legal costs	-	-
Total legal costs	-	-
<hr/>		
OTHER EXPENSES	2019	2018
	\$	\$
Penalties - via RO Act or the Fair Work Act 2009	-	-
Total other expenses	-	-
<hr/>		

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: OTHER REPORTING INFORMATION (CONT)

OTHER ITEMS

TRADE AND OTHER RECEIVABLES	2019	2018
	\$	\$
Receivables from other reporting units	-	-
Total receivables from other reporting units	-	-
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Receivables from other reporting units (net)	-	-

TRADE PAYABLES	2019	2018
	\$	\$
Payables to other reporting units	-	-
Subtotal payables to other reporting units	-	-

OTHER PAYABLES	2019	2018
	\$	\$
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs:		
- Litigation	-	-
- Other legal costs	-	-
Total other payables	-	-

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: OTHER REPORTING INFORMATION (CONT)

EMPLOYEE PROVISIONS	2019	2018
	\$	\$
Holders of office:		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions - holders of office	-	-
Employees other than office holders:		
Annual leave	134,355	78,074
Long service leave	68,922	58,699
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions - employees other than office holders	203,277	136,773
Total employee provisions	203,277	136,773
Current	184,506	98,768
Non-current	18,771	38,005
Total employee provisions	203,277	136,773

FUNDS	2019	2018
	\$	\$
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules:		
Balance as at start of year	-	-
- Transferred to reserve	-	-
- Transferred out of reserve	-	-
Balance as at end of year	-	-

Australian Nursing and Midwifery Federation South Australian Branch

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: OTHER REPORTING INFORMATION (CONT)

CASH FLOW INFORMATION	2019	2018
	\$	\$
Cash inflows from other reporting units	-	-
Total cash inflows from other reporting units	-	-
Cash outflows to other reporting units:		
- Australian Nursing & Midwifery Federation Federal Council	468,306	451,407
Total cash outflows to other reporting units	468,306	451,407

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

The Branch has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

The Branch has not acquired an asset or a liability during the financial year as a result of:

- a) An amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- b) A restructure of the branches of the organisation; or
- c) A determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) A revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

The Branch has not acquired assets and liabilities during the financial year as part of a business combination.

NOTE 13: ORGANISATION DETAILS

The registered office of Australian Nursing and Midwifery Federation South Australian Branch is:

191 Torrens Road
Ridleyton SA 5008

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN NURSING & MIDWIFERY FEDERATION (SOUTH AUSTRALIAN BRANCH)**

Opinion

We have audited the financial report of Australian Nursing & Midwifery Federation (South Australian Branch), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Notes to the Financial Statements, including a summary of significant accounting policies, the Branch Council's Statement, and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Australian Nursing & Midwifery Federation (South Australian Branch) as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

We have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements 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 entity 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.

Other Information

The Committee of Management is responsible for the other information. The other information comprises the Operating Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN NURSING & MIDWIFERY FEDERATION (SOUTH AUSTRALIAN BRANCH) (CONT)**

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management and the Branch Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management and the Branch Secretary are responsible for assessing the entity'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 and the Branch Secretary either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Committee of Management and the Branch Secretary are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- 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 entity'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 entity 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN NURSING & MIDWIFERY FEDERATION (SOUTH AUSTRALIAN BRANCH) (CONT)**

We communicate with those charged with governance 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.

The auditor is an approved auditor in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

Brett Morkunas

Brett Morkunas
Partner

24 October 2019

Adelaide
South Australia

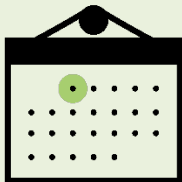
Registration number (as registered by the Registered Organisations Commissioner under the *Fair Work (Registered Organisations) Act 2009*): AA2017/81



Australian Government
Registered Organisations Commission

10 December 2019

Elizabeth Dabars
SA Branch Secretary
Australian Nursing and Midwifery Federation - South Australian Branch
Sent via email: elizabeth.dabars@anmfsa.org.au



URGENT REMINDER:

The Australian Nursing and Midwifery Federation - South Australian Branch's financial report is due (FR2019/198)

Dear Elizabeth Dabars,

We are writing to remind you of the Australian Nursing and Midwifery Federation - South Australian Branch's obligation to lodge a financial report under section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We hope you are on track to complete your financial report on time. If not, please contact us as soon as possible to discuss ways we can assist you to meet the deadline.

Did you know? The ROC is currently seeking to improve non-compliance with these three areas:

- Providing the full report to members
- Providing the report to members within the deadlines
- Lodging the full report with the ROC within 14 days of the s.266 meeting.



Compliance Calculator

If you are not sure whether your planned dates are consistent with the RO Act, have a look at our [compliance calculator](#). The compliance calculator will help you work out your unique dates for when your report needs to be provided, presented and lodged.

Your steps checklist

Your financial year ended on 30 June 2019. You should be well into the following process.

Pre-lodgement checklist	✓
Draft the financial report and have the committee of management pass the Committee of Management resolution Did you know? This is the first meeting in the financial reporting process	<input type="checkbox"/>
Have the auditor complete and sign the auditor's report Tips: You must use a registered auditor. The SIGNED report is part of the full report. Make sure it is included in what is provided to members	<input type="checkbox"/>
Provide the full report to members This must be done: <ul style="list-style-type: none">• If you are going to a committee of management meeting (requires a 5% rule), within 5 months of 30 June 2019• If you are going to a general meeting of members, 21 days before the meeting	<input type="checkbox"/>
Present the full report to the second meeting. Hints: This meeting must be within 6 months of 30 June 2019. This is either a committee of management meeting (requires a 5% rule) or a general meeting of members	<input type="checkbox"/>
Lodge with the ROC within 14 days of the meeting – regorgs@roc.gov.au TIP: lodge it straight away – there's no need to wait the full 14 days	<input type="checkbox"/>

If you require further advice or assistance please email regorgs@roc.gov.au or call us on 1300 341 665.

Yours sincerely,

Registered Organisations Commission



Penalties apply

We emphasise that sections 253, 254, 265(1)(a), 266 and 268 of the RO Act are civil penalty provisions.

Failure of an organisation to prepare a full report, provide it to members, present it to a meeting and lodge with the ROC within legislative time frames may expose your organisation to Federal Court proceedings with the possibility of a pecuniary penalty being imposed upon an officer and/or the organisation.



2 July 2019

Elizabeth Dabars
SA Branch Secretary
Australian Nursing and Midwifery Federation-South Australian Branch
Sent via email: enquiry@anmfsa.org.au

Dear Elizabeth Dabars,

**Re: Lodgement of Financial Report - FR2019/198
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Nursing and Midwifery Federation-South Australian Branch (the reporting unit) ended on 30 June 2019. 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 the 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 2019.

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 2019 (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 [here](#) a link to 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.

Yours faithfully,

Kylie Ngo
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

General Information:

- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).

STEP 1:
Reporting unit must prepare the General Purpose Financial Report, Committee of Management Statement, s.255(2A) Report and Operating Report as soon as practicable after the end of the financial year:



STEP 2:
Committee of Management statement – resolution to be passed by the Committee of Management in relation to the General Purpose Financial Report (**1st meeting**)



STEP 3:
Registered Auditor to prepare and sign the Auditor's Report and provide to the Reporting unit **within a reasonable timeframe**

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT GENERAL MEETING OF MEMBERS
(this is the default process in the RO Act)

STEP 4:
Provide **full report** to members **at least 21 days before the General Meeting**



STEP 5:
Present **full report** to a General Meeting of Members within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC within 14 days of the 2nd meeting

IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT COMMITTEE OF MANAGEMENT MEETING
(Special rules must be in the rulebook to use this process)

STEP 4:
Provide **full report** to members **within 5 months of the reporting unit's end of financial year**





















STEP 5:
Present **full report** to Committee of Management Meeting within 6 months of the reporting unit's end of financial year (**2nd meeting**)



STEP 6:
Prepare and sign the designated officer's certificate then lodge **full report** and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

Misconceptions

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

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

© Commonwealth of Australia 2018

This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.



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.

Grants & Donations within the Financial Report

Item 14(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:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer's declaration statement, 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