



FAIR WORK
AUSTRALIA

4 July 2011

Mr Geoff O'Kearney
Chief Executive Officer
Australian Salaried Medical Officers Federation, Victoria Branch

email: geoffo@amavic.com.au

Dear Mr O'Kearney

Re: Financial Report for the Australian Salaried Medical Officers Federation, Victoria Branch for year ended 31 December 2010 – FR2010/2875

I acknowledge receipt of the financial report for the Australian Salaried Medical Officers Federation, Victoria Branch for the year ended 31 December 2010. The report was lodged with Fair Work Australia on 15 June 2011.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

General purpose financial report to be prepared on accrual basis

[Section 252](#) of the *Fair Work (Registered Organisations) Act 2009* (the Act) places obligations upon organisations to *keep* financial records. Under section 252(4) an organisation may *keep* the financial records for its membership subscriptions on a cash basis. However this is distinct from the obligation under [section 253](#) to *prepare* a general purpose financial report (GPFR). Section 253 requires that '...a reporting unit must cause a general purpose financial report to be *prepared*, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...'. Paragraph 27 of Australian Accounting Standard 101 states that 'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'.

Note 1 to the financial statements states that the financial report has been prepared on a cash basis. In future the GPFR should be prepared on an accrual basis as required by section 253 of the Act and the relevant Australian Accounting Standard (AASB 101(27)). It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors). You may need to discuss this with your auditor.

Statement of changes in equity

[Section 253\(2\)\(a\)](#) of the Act requires that a general purpose financial report consist of a balance sheet, income statement, statement of cash flows and any other statements required by the Australian Accounting Standards. AASB 101(10) requires that a financial report include a statement of changes in equity. There is no statement of changes in equity included in the report provided to Fair Work Australia. Please ensure that future financial reports contain a statement of changes in equity.

Capitation Dues and Associated Bodies

Rule 14(1) of the Australian Salaried Medical Officers Federation (the Federation) rules requires each branch to remit to the Federal Assistant Secretary/Treasurer such amounts as are fixed by Federal Council. I cannot locate in the financial statements disclosure of such expenses, as required by items 11(b) and (e) of the [Reporting Guidelines](#). This may be because there is an agreement between the Federation and an Associated Body for the payment of an 'approved amount' as provided for in rule 13(8) of the Federation's rules. If this is the case, then the notes to the financial statements should disclose that such an agreement exists. In future years please ensure that either capitation fees paid to the Federation are disclosed or ensure that the notes explain that an agreement exists with Associated Body for the payment of an approved amount in accordance with rule 13(8) of the rules of the Federation.

Operating Report

Membership of Committee of Management

The operating report contained a list of office holders as at the beginning of the financial year. Please note the operating report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position – refer to regulation 159(c) of the Fair Work (Registered Organisations) Regulations 2009.

Fair Work (Registered Organisations) Act 2009

Reference to the 'Registration and Accountability Organisation's Schedule', the 'RAO Schedule' and the 'RAO Regulations' in the Committee of Management statement should properly refer to the 'Fair Work (Registered Organisations) Act 2009' and the 'Fair Work (Registered Organisations) Regulations 2009' respectively. Also reference to and the 'Workplace Relations Act 1996', in note 1 of the notes to the financial statements should properly refer to the 'Fair Work (Registered Organisations) Act 2009'.

Audit Report

The Audit Report contained reference to the 'Schedule 1', the 'Workplace Relations Act 1996' and the 'Workplace Relations (Registration and Accountability of Organisations) Regulations 2003' which relate to outdated legislation. It should properly refer to the 'Fair Work (Registered Organisations) Act 2009' and the 'Fair Work (Registered Organisations) Regulations 2009' respectively.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely



Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

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ASMOF
Australian Salaried Medical Officers' Federation
[Victorian Branch]

10 June 2011

Mr Iain Stewart
Team Leader
Fair Work Australia
GPO Box 1994
Melbourne Vic 3001



Dear Iain,

Re: Financial Documents for Year Ended 31 December 2010

Please find enclosed two copies of the Financial Documents for the financial year ending 31 December 2010 for ASMOF Victorian Branch.

The documents were presented at a meeting of Branch Council of 9 March 2011.

The documents were subsequently distributed to all financial members.

The reports were presented to a second meeting of Branch Council held on 2 June 2011.

If you have any queries about the enclosed documents, please contact me on 9280 8744

Yours sincerely



Geoff O'Kearney
Chief Executive Officer

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Dr P. J. O'Connell

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[Victorian Branch]

Certificate of Secretary or other Authorised Officer

I, Dr Pearly Khaw, being the Branch Secretary of ASMOF Victorian Branch (the reporting unit) certify:

- that the documents lodged herewith are copies of the full report referred to in Section 268 of the Registration and Accountability of Organisation's (RAO) Schedule;
- that the full report was provided to members on 1 April 2011; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 2 June 2011, in accordance with section 266 of the RAO Schedule.

Signature:



Date:

10/6/2011

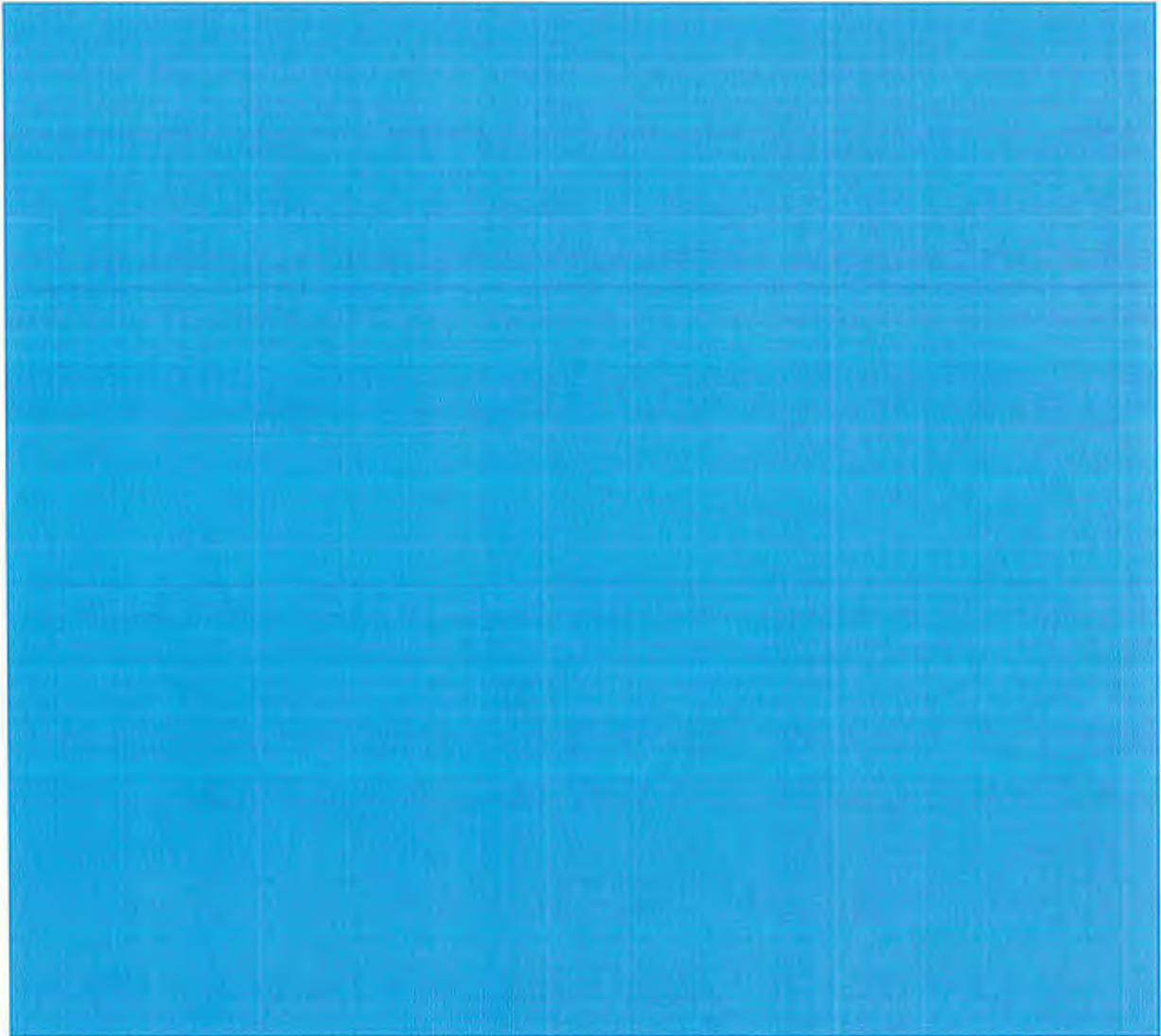
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Chief Executive Officer
Mr Geoff O'Kearney

ASMOF
Australian Salaried Medical Officers' Federation
[Victorian Branch]

Australian Salaried Medical Officers' Federation Victorian Branch



**General Purpose Financial Report
for the Financial Year Ended
31 December 2010**

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Dr. Bedelex McArae
Chief Executive Officer
Mr. Geoff O'Keefe



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Operating Report For the year ended 31 December 2010

Principal Activities

The principal activities of the Branch during the financial year were:

- To improve and protect the salaries and conditions of employment of our members;
- To represent our members in approaches to and discussions with their employer;
- To negotiate collective agreements which improve the conditions of employment of our members;
- To enforce existing industrial agreements on behalf of our members; and
- To promote peace and settlement of industrial disputes.

Results of Principal Activities

The Branch's principal activities resulted in the maintenance and improvements of the salaries and conditions of employment of our members, especially for those members covered by collective agreements negotiated by the Branch.

Significant Changes in the Nature of Principal Activities

There were no significant changes in the nature of the Branch's principal activities during the financial year.

Significant Changes in the Branch's Financial Affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

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

No officer of the Branch was a Trustee or Director of a Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme.

Number of Members

The number of persons who, at the end of the financial year, were recorded on the Register of Members was 1,456 (2009: 1,479).

Number of Employees

The number of persons who were, at the end of the financial year, employees of the Branch was zero measured on a full time equivalent basis.

Manner of Resignation – s254(2)(c)

Members may resign from the Branch in accordance with (Rule 11 Resignation) which reads as follows:

- 1 A member of the Federation may resign from membership by written notice addressed and delivered to the Branch Secretary.
- 2 Notice of resignation from membership of the Federation takes effect:

Operating Report

For the year ended 31 December 2010

2.1 Where the member ceases to be eligible to become a member of the Federation:

2.1.1 on the day on which the notice is received by the Federation: or

2.1.2 on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member.

whichever is later, or

2.1 in any other case:

2.2.1.1 at the end of two weeks after the notice is received by the Federation, or

2.2.1.2 on the day specified in the notice;

whichever is later.

- 3 Any dues payable but not paid by a former member of the Federation, in relation to a period before the member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt to the Federation.
- 4 A notice delivered to the person mentioned in sub-rule (1) shall be taken to have been received by the Federation when it was delivered.
- 5 A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- 6 A resignation from membership of the Federation is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the Federation that the resignation has been accepted.
- 7 In special circumstances the Federal Council may by resolution accept the resignation of a member and release the member from any or all outstanding obligations to the Federation, notwithstanding that the provisions of these Rules have not been complied with.

Members of the Committee of Management

The persons who held office as members of the Committee of Management of the Branch at the beginning of the financial year were:

Branch President:	Dr Roderick John McRae
Vice President:	Dr John Moloney
Branch Secretary:	Dr Pearly Khaw
Assistant Secretary/Treasurer:	Dr Allan Whitehead
Branch Councilors:	Dr Graham Barrington (Resigned 1 July 2010)
	Dr Christopher Fong
	Dr Arian Lasocki
	Dr John Mathai
	Dr Stephen Parnis
	Dr Xavier Yu

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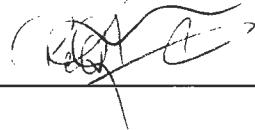


Operating Report For the year ended 31 December 2010

Name: Dr Pearly Khaw

Title: Branch Secretary

Signature:



Date:

17 / 3 / 2011

Committee of Management Statement

On 9/3/11, the Committee of Management of ASMOF Victorian Branch (the reporting unit) passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 31 December 2010.

The Committee of Management declares that 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 the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of this 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;
- 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 ASMOF, including the rules concerning Branches of that union;
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of ASMOF, including the rules concerning Branches of that union;
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the Registration and Accountability Organisation's Schedule (RAO) Schedule and the RAO Regulations;
 - iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of ASMOF;
 - v) the information sought in any request of a member of the reporting unit or the General Manager duly made under section 272 of the RAO Schedule has been furnished to the member the General Manager;
 - vi) No orders for the inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.


**For the Committee
of Management:**

Dr Pearly Khaw

Title of Position Held:

Secretary

Signature:



Date:

17 / 3 / 2011

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Mr. Geoff O'Keefe



Income Statement

For the year ended 31 December 2010

	2010 \$	2009 \$
Profit (loss) from Ordinary Activities	2,761.55	(7,265.91)
Retained Profits at the beginning of the financial year	33,102.14	40,368.05
Retained Profits as at the end of the financial year	<u><u>35,863.69</u></u>	<u><u>33,102.14</u></u>

The accompanying notes form part of these accounts.

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Detailed Income Statement For the year ended 31 December 2010

	Note	2010 \$	2009 \$
INCOME			
Member Subscriptions (Capitation Fees)		7,280.00	7,135.00
Interest Income	5	547.39	1,088.74
Other income		874.26	-
Branch Income		8,701.65	8,223.74
EXPENDITURE			
Audit Fees		1,070.00	1,000.00
Assistance to ASMOF Tasmania		-	4,545.45
Bank Charges		120.00	150.00
Gifts/Honorarium	6	2,081.82	4,009.09
Meeting Expenses		1,999.81	1,178.64
Travel		428.47	4,606.47
Signage		240.00	-
Branch Expenditure		5,940.10	15,489.65
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		2,761.55	(7,265.91)

There was no recovery of wages activity during the financial year.

The accompanying notes form part of these accounts.

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Cash Flow Statement

For the year ended 31 December 2010

	2010 \$	2009 \$
Cash flows from Operating Activities		
Member Capitation Fees Received	7,280.00	7,848.50
Interest Received	705.23	1,088.74
General Administration Expenses & Direct Expenses	(6,084.14)	(16,607.90)
Net cash provided by operating activities – Note B	1,901.09	(7,670.66)
Cash flows from Investing Activities		
Transfer to term deposit	(705.23)	(1,088.74)
Net cash used in investing activities	(705.23)	(1,088.74)
Net increase / (decrease) in cash held	1,195.86	(8,759.40)
Cash at the beginning of the financial year	11,731.22	20,490.62
Cash at the end of the financial year – Note A	12,927.08	11,731.22

The accompanying notes form part of these accounts.

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Chief Executive Officer
Dr Kim F. O'Brien



Cash Flow Statement

For the year ended 31 December 2010

	2010	2009
	\$	\$

Note A – Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money markets. Cash at the end of the financial year is shown in the statement of cash flows and is reconciled to the related items in the balance sheet as follows:

Cash at Bank	12,927.08	11,731.22
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Note B – Reconciliation of net cash provided by operating activities to profit from ordinary activities

Profit from Ordinary Activities	2,761.55	7,265.91
Changes in Assets & Liabilities:		
(Decrease) / Increase in payables	(412.57)	290.00
Increase in receivables	(447.89)	(694.75)
	<u>1,901.09</u>	<u>(7,670.66)</u>

The Branch has no credit stand-by or financing facilities in place.
There were no non-cash financing or investing activities during the year.

The accompanying notes form part of these accounts.

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Notes to the Financial Statements For the year ended 31 December 2010

1. Statement of Significant Accounting Policies

The financial report covers the ASMOF Victorian Branch as a trade union, recognised by Fairwork Australia and domiciled in Australia.

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Councils accountability requirements under the Unions' Rules and the requirements under the Workplace Relations Act 1996.

The financial report has been prepared on a cash basis and is based on historic costs and does not take into account changing money values, or except where stated, current valuations of non-current assets, financial assets and liabilities.

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.

a. Revenue

Member subscription revenue is recognised when the respective fees have been received from the associated bodies.

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

b. Income Tax

No income tax has been provided, as the Branch is exempt from income tax pursuant to section 50-15 of the Income Tax Assessment Act 1997, as amended.

c. Information to be provided to members or General Manager

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of section 272, which reads as follows:

1. A member of a reporting unit, or the General Manager, 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.

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[Victorian Branch]

3. A reporting unit must comply with an application made under sub-section (1).

Notes to the Financial Statements For the year ended 31 December 2010

1. Statement of Significant Accounting Policies (continued)

d. Economic Dependency

The Branch is not economically dependent of any other reporting units of the organisation.

e. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net the amount of GST, except where the amount of GST incurred by the Branch as a purchaser is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

g. Segment Reporting

The Branch operates in one business and geographical segment, being the provision of trade union services to its members in Victoria.

	2010 \$	2009 \$
2. Cash and Cash Equivalents		
Commonwealth Bank – Cheque Account	12,927.08	11,731.22
Commonwealth Bank – Term Deposit	21,793.97	21,088.74
	34,721.05	32,819.96
3. Other receivables		
GST refundable	605.73	-
	605.73	-

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Mr Greg O'Brien

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Australian Salaried Medical Officers' Federation
[Victorian Branch]

Notes to the Financial Statements For the year ended 31 December 2010

	2010 \$	2009 \$
4. Payables		
GST Payable	-	412.57
	<u>-</u>	<u>412.57</u>

5. Financial Instruments

a. Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities, is as follows:

Financial Assets	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2010	2009	2010	2009
Cash at Bank	2.01%	2.18%	3.20%	3.40%

b. Credit Risk

The Branch does not have any material credit risk exposure to any single debtor or group of debtors under any financial instruments entered into by the Branch.

c. Price Risk

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

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2010 \$	2009 \$
6. Presidential Honorarium		
Current year	2,081.82	1,990.91
Prior year	-	2,018.18
	<u>2,081.82</u>	<u>4,009.09</u>

7. Branch Details

The registered office and the principal place of business of the Branch is:

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION VICTORIAN BRANCH

Report on the Financial Report

We have audited the accompanying financial report of the Australian Salaried Medical Officers' Federation – Victorian Branch which comprises the balance sheet as at 31st December 2010, income statement, detailed statement of income and expenditure statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the committee of management.

Trustee's Responsibility for the Financial Report

The trustees of the Branch are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud and error; selecting appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. These procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control.

**INDEPENDENT AUDITOR'S REPORT (continued)
TO THE MEMBERS OF
AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
VICTORIAN BRANCH**

Auditor's Responsibility (Continued)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Australian Salaried Medical Officers' Federation – Victorian Branch is presented fairly in accordance with:

- (a) the requirements imposed by Part 3 of Chapter 8 of Schedule 1 Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the Branch's financial position as at 31st December 2010 and of its performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iii) other mandatory professional reporting requirements.

Clements Dunne & Bell

Andrew Wehrens

CLEMENTS DUNNE & BELL PARTNERSHIP
Chartered Accountants
Level 14, 350 Queen Street
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17th February 2011

March

ANDREW WEHRENS
Registered Company Auditor - 176520
Fellow of The Institute of Chartered
Accountants in Australia – 79117,
Holder of a current Certificate of
Public Practice