



Australian Government

Australian Industrial Registry

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Melbourne, VIC 3000  
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Mr Michael Mijatov  
Divisional Secretary  
International Division

Ms Jo-Ann Davidson  
Divisional Secretary  
Domestic/Regional Division

Flight Attendants' Association of Australia  
20 Ewan Street  
MASCOT NSW 2020

By e-mail: [info@faaa.net](mailto:info@faaa.net)  
[info@faaadomestic.org.au](mailto:info@faaadomestic.org.au)

Dear Mr Mijatov and Ms Davidson

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)  
Financial reports for year ended 31 March 2008 – FR2008/271**

I acknowledge receipt of the financial reports for the Federal Office of the Flight Attendants' Association of Australia for the year ended 31 March 2008 and the amended Designated Officers' Certificate dated 11 September 2008. The documents were lodged in the Industrial Registry on 22 August and 11 September 2008.

I confirm that on 12 September 2008 your office advised the subsequently lodged Designated Officers' Certificate was amended to include paragraph 3 and re-signed on 11 September 2008.

The financial documents have been filed and no further action is required with respect to these filed documents.

However, to enable future financial reports to be filed without delay I request the following improvements be made.

#### **1. Auditor's Report**

##### **(a) Signed committee of management statement must be part of audit**

The auditor's report must state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with the applicable accounting standards and requirements of the *Workplace Relations Act 1996* (the Act). A general purpose financial report consists of:

- profit and loss statement;
- balance sheet;
- statement of cash flows;
- notes to the accounts as required by the Australian Accounting Standards and the Act;  
and
- a committee of management statement.

(see s253 of the RAO Schedule, Reporting Guidelines).

The main problem with the financial reports lodged is that the resolutions contained in the committee of management statement (federal councillors' statement) were passed and signed on 21 August 2008 but the auditor's report was signed on 31 July 2008.

From the information provided it is clear the auditor did not take into account a signed copy of the committee of management statement. This is problematic as the resolutions contained in the committee of management statement had not yet been passed when the audit occurred.

I understand from my previous conversation with Ms Bodnar that the committee of management statement is prepared by the auditor when he audits the reporting unit's accounts. To ensure the legislation is fully complied with I request that after the resolutions are passed by the federal council and the federal councillors' statement is signed, this signed statement should be returned to and considered by the auditor. The auditor should then sign the auditor's report again at a date after the committee of management statement has been signed.

Once the auditor has re-signed the auditor's report the full report can then be presented to the committee of management and a copy of the full report must be provided to the members within 5 months from the end of the financial year. Within 14 days of presenting the full report to the committee of management the full report should be lodged with the Registry along with the designated officers' certificate.

#### **(b) Auditor's opinion**

The wording of the auditor's report should comply with s.257(5) of the RAO Schedule. The term "true and fair view" and the reference to s273 of the RAO Schedule of the *Workplace Relations Act 1996* have been superseded and is no longer relevant. Section 273 governs the procedures regarding Commission orders for inspection of financial records.

The auditor may wish to adopt the following wording to satisfy the requirements of the RAO Schedule:

*"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996."*

#### **(c) Approved auditor**

It is not clear from the report whether or not the auditor is an approved auditor. The definition of an *approved auditor* is contained in regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations).

Regulation 4 states:

*"...an approved auditor means:*

*(a) a person who:*

- (i) is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants; and*
- (ii) holds a current Public Practice Certificate..."*

Although the auditor's report provides that he is a registered company auditor, the preferred practise is that the qualifications are made explicit **and** that he holds a current Public Practice Certificate.

Please forward this correspondence to your auditor.

## **2. Committee of Management Statement**

### **(a) Recovery of wages**

Items 16 – 23, 25(f) and 27(b) of the *Reporting Guidelines* govern the financial reporting of recovery of wages activity.

I note the accounts do not provide any information in relation to any recovery of wages activity. In circumstances where the reporting unit has not undertaken any recovery of wages activity a brief sentence contained in the committee of management statement stating that there was no recovery of wages activity for the financial year would suffice. In the absence of such a statement the Registrar cannot assume no such activity has taken place. The Registrar must be satisfied the reporting unit has turned their mind to this reporting requirement.

## **3. Operating Report**

The legislative requirements regarding the contents of the operating report is contained in s.254 of the RAO Schedule and reg.159 of the RAO Regulations.

The operating report is missing information regarding the following details:

- any significant changes in the reporting unit's *financial affairs* during the year [s.254(2)(b)];
- details of the right of members to resign from the reporting unit [s.254(2)(c)], this is done by reproducing rule 33 of the Flight Attendants' Association of Australia rules; and
- details of any officer or member of the reporting unit who is a trustee or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme where the criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation [s.254(2)(d)].

If no officer or member is a trustee as described in subsection 254(2)(d), then the suggested wording is:

*"No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation".*

Please ensure future operating reports include this additional information.

## **4. Notes to general purpose financial report**

Note 2 on page 4 of the financial statements draws attention to s.274 of the RAO Schedule. This section has also been superseded. The relevant section is now s.272 and the wording of the section has changed.

Section 272 states:

*"(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.*

- (2) *The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.*
- (3) *A reporting unit must comply with an application made under subsection (1).*

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

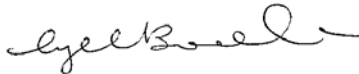
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- (5) *A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections."*

Please ensure future financial reports adopt the current legislation.

If you wish to discuss the matters contained in this letter please do not hesitate to contact me on (03) 8661 7989 (Wednesdays to Fridays) or by email at [cynthia.lobooth@airc.gov.au](mailto:cynthia.lobooth@airc.gov.au).

Yours sincerely,



Cynthia Lo-Booth  
Statutory Services Branch

12 September 2008

Cc: Ms Sharon Bodnar  
By email: [sharon@faaa.net](mailto:sharon@faaa.net)


**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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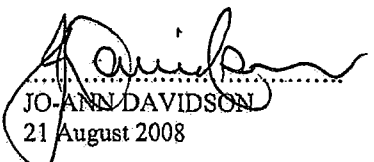
**DESIGNATED OFFICER'S CERTIFICATE**

We, Michael Mijatov, being the secretary of the Flight Attendants' Association of Australia International Division and Jo-Ann Davidson, being the secretary of the Flight Attendants' Association of Australia Domestic Division certify:

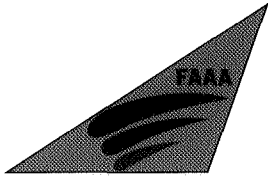
1. that the documents lodged herewith are copies of the full report referred to in s268 of the RAO schedule;
2. that the full report was provided to the Committee of Management by postal vote on 21 August 2008; and
3. that the full report was provided to the Members via website on 11 September 2008.

  
.....  
MICHAEL MIJATOV  
21 August 2008

updated on 11 September 2008

  
.....  
JO-ANN DAVIDSON  
21 August 2008

updated on 11 September 2008



# FLIGHT ATTENDANTS ASSOCIATION OF AUSTRALIA

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20 Ewan St Mascot NSW 2020, Ph: +6 12 8337 1111, Fax: +612 8337 1122, Toll Free Ph: 1800 267 952, Toll Free Fax: 1800 267 941  
Email: [info@faaa.net](mailto:info@faaa.net) Website: [www.faaa.net](http://www.faaa.net)

22 August 2008

The Registrar  
Australian Industrial Relations Commission  
Level 8 Terrace Towers  
80 William Street  
EAST SYDNEY NSW 2011

Dear Registrar

Enclosed are our Audited Financial Reports for the FAAA Federal as per s268 of the RAO schedule.

Any queries please do not hesitate to contact me,

Regards

Sharon Bodnar  
Administrator  
Flight Attendants' Association of Australia - International Division  
20 Ewan Street  
Mascot NSW 2020  
Tel: +612 8337 1104  
Fax: +612 8337 1122  
Internet: <http://www.faaa.net>  
Email: [sharon@faaa.net](mailto:sharon@faaa.net)

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2008**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2008  
TOGETHER WITH THE REPORT OF AUDITORS**

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**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Workcover Grant	0	36,945
Other Income	3,735	0
Interest Income	0	6
<b>TOTAL INCOME</b>	<u>3,735</u>	<u>36,951</u>
<b>LESS: EXPENSES</b>		
Audit	150	525
Capitation Expense	0	2,628
Leave Bank	0	3,648
Legal Fees	3500	0
General Expenses	0	27
Workcover grant expended	0	36,945
<b>TOTAL EXPENSES</b>	<u>3,650</u>	<u>43,774</u>
<b>PROFIT/(DEFICIT) FOR THE YEAR</b>	<u>85</u>	<u>(6,823)</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash at Bank	19,747	24,312
GST Receivable	415	263
<b>TOTAL CURRENT ASSETS</b>	<u>20,162</u>	<u>24,575</u>
<b>TOTAL ASSETS</b>		<u>24,575</u>
<b>CURRENT LIABILITIES</b>		
Accrued expenses	0	500
Loan – FAAA Int	0	3,985
<b>TOTAL CURRENT LIABILITIES</b>	<u>0</u>	<u>4,485</u>
<b>TOTAL LIABILITIES</b>	<u>0</u>	<u>4,485</u>
<b>NET ASSETS</b>	<u>20,162</u>	<u>20,090</u>
<b>MEMBERS' FUNDS</b>		
Accumulated Surplus	20,077	26,913
Surplus for the year	85	6,823
<b>MEMBERS' FUNDS AT END OF YEAR</b>	<u>20,162</u>	<u>20,090</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008	2007
<b>Cash Flow from Operating Activities</b>			
			\$
Workcover grant received		0	36,945
Interest received		0	6
Payments to suppliers		(4,565)	(44,037)
Net cash from/(used in) operating activities	3	(4,565)	(7,086)
<b>Cash at beginning of Year</b>		24,312	31,398
<b>Cash at end of Year</b>		<u>19,747</u>	<u>24,312</u>

The accompanying notes form part of these financial statements.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

The financial report has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Workplace Relations Act 1996. The financial report has also been prepared on the basis of 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 accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the entity in the preparation of the financial report.

**(a) Fixed Assets**

The Federal Office has no fixed assets.

**(b) Employee Entitlements**

The Federal Office has no employees.

**(c) Income Tax Expense**

No provision for income tax is necessary, as Industrial Trade Unions are exempt from income tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of subsections (1), (2) and (3) of Section 274, which read as follows:

- (1) A member of an organisation, or Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application under subsection (1) by a member of the organisation, or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2008  
(continued)**

	2008 \$	2007 \$
<b>NOTE 3: RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING DEFICIT</b>		
<b>Operating Profit/(Deficit)</b>	85	(6,823)
<b>Changes in Assets and Liabilities</b>		
(Decrease) in Sundry Creditors	(4,485)	(8,210)
(Increase) in Sundry Debtors	(165)	7,947
<b>Net Cash used in operating activities</b>	<u>(4,565)</u>	<u>(7,086)</u>

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**OPERATING REPORT**

**Principal activities**

The Federal Office exists as a co-ordinating structure between the Domestic and International Divisions of the Association. Items of mutual interest to the divisions can be processed through the Federal Office.

The Federal Office's principal activities resulted in educating the divisions' members on Workcover matters.

There were no significant changes in the nature of the Federal Office's principal activities during the reporting period.

**Number of members**

The Association's members are members of the divisions and not the Federal Office.


**Number of employees**

There were no employees of the Federal Office at 31 March 2008.

**Members of the Federal Office**

The persons who held office during the year ended 31 March 2008, are:

- Michael Mijatov (Divisional Secretary)
- Jo-Ann Davidson (Divisional Secretary)

  
.....  
MICHAEL MIJATOV  
31 July 2008

  
.....  
JO-ANN DAVIDSON  
31 July 2008

**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**FEDERAL COUNCILORS' STATEMENT**

As a result of a postal ballot which was counted on 21 August 2008, the Federal Council of the Flight Attendants' Association of Australia Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 March 2008:

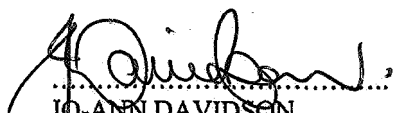
The Federal Council of the Flight Attendants' Association of Australia Federal Office declares in relation to the GPFR, that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Federal Office for the financial year ended 31 March 2008.
- (d) there are reasonable grounds to believe that the Federal Office 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 Federal Office were held in accordance with the rules of the Federal Office; and
  - (ii) the financial affairs of the Federal Office have been managed in accordance with the rules of the Federal Office;
  - (iii) the financial affairs of the Federal Office have been kept and maintained in accordance with the RAO schedule and the RAO Regulations; and
  - (iv) there have been no instances where records of the Federal Office or other documents [not being documents containing information made available to a member of the Federal Office under Sub-Section 274 [2] of the Workplace Relations Act, 1996], or copies of these records or documents, or copies of the rules of the Federal Office, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act, 1996, the Regulations thereto, or the rules of the Federal Office; and
  - (v) no orders have been made by the Commission under section 273 of the RAO Schedule for inspection of the Federal Office's financial records.

For the Executive of the Flight Attendants' Association of Australia Federal Office.



.....  
MICHAEL MIJATOV  
21 August 2008



.....  
JO-ANN DAVIDSON  
21 August 2008

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA FEDERAL  
OFFICE**

**SCOPE**

We have audited the financial report of the Flight Attendants' Association of Australia, Federal Office, for the year ended 31 March 2008 as set out on pages 1 to 7. The Federal Office's Committee of Management and Accounting Officer are responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Federal Office.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with applicable accounting standards, other mandatory professional reporting requirements in Australia and other statutory requirements so as to present a view of the Federal Office which is consistent with our understanding of its financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**REPORT**

We have received all the information and explanations required for the purposes of our audit.

In our opinion:

- [i] There were kept by the Federal Office in respect of the year under review, satisfactory records detailing the sources and nature of income of the Federal Office [including income from members] and the nature and purposes of expenditure, and
- [ii] The attached financial report including the Certificates of the Committee of Management and the Accounting Officer is prepared in accordance with Section 273 of the Workplace Relations Act, 1996. The financial report has been prepared from the accounting records of the Federal Office and is properly drawn up so as to give a true and fair view of:
  - [a] the financial position of the Federal Office as at 31 March 2008; and
  - [b] the financial performance of the Federal Office for the year ended on that date;

and is in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

**CHARTER GROUP**  
Chartered Accountants



**WILLIAM J. WALKER**  
Registered Company Auditor  
Level 8, 225 Clarence Street  
SYDNEY NSW 2000  
31 July 2008



**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL DIVISION**

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of Flight Attendants' Association of Australia Federal Division for the year ended 31 March 2008, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Flight Attendants' Association of Australia Federal Division only.

**Charter Group**



**William John Walker**  
*Partner*

Sydney

Date: 31 July 2008

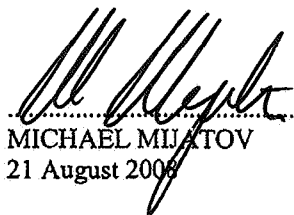
**FLIGHT ATTENDANTS' ASSOCIATION OF AUSTRALIA  
FEDERAL OFFICE**

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**DESIGNATED OFFICER'S CERTIFICATE**

We, Michael Mijatov, being the secretary of the Flight Attendants' Association of Australia International Division and Jo-Ann Davidson, being the secretary of the Flight Attendants' Association of Australia Domestic Division certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the RAO schedule; and
2. that the full report was provided to the Committee of Management by postal vote on 21 August 2008.

  
.....  
MICHAEL MIJATOV  
21 August 2008

  
.....  
JO-ANN DAVIDSON  
21 August 2008