

**svc-adlib5**

---

**From:** ROC - Registered Org Commission  
**Sent:** Friday, 5 January 2018 2:39 PM  
**To:** 'Andrew Lillicrap'  
**Cc:** 'Jsantangelo@nexiasydney.com.au'  
**Subject:** FR2017/142 HSU New South Wales Branch - Amended [SEC=UNCLASSIFIED]  
**Attachments:** HSU\_NSW Branch\_FR2017\_142\_Filing letter\_05012018.pdf

**UNCLASSIFIED**

Dear Mr Lillicrap

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Santangelo of Nexia Australia.

Yours faithfully

**DAVID VALE**  
Principal Adviser  
Financial Reporting  
**Registered Organisations Commission**

Tel: (02) 8293 4654  
[david.vale@roc.gov.au](mailto:david.vale@roc.gov.au)

GPO Box 2983, MELBOURNE VIC 3001 | Street address: Level 13, 175 Liverpool Street Sydney NSW 2000

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**Australian Government**  
**Registered Organisations Commission**

Please consider the environment before printing this message

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**From:** Andrew Lillicrap [<mailto:andrew.lillicrap@hsu.asn.au>]  
**Sent:** Tuesday, 19 December 2017 4:12 PM  
**To:** ROC - Registered Org Commission <[regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)>  
**Subject:** FR2017/142 HSU New South Wales Branch - Amended

I refer to my earlier email containing the HSU New South Wales Branch financial report and the Designated officer's Certificate. Please note that I now attach an amended Designated Officer's Certificate noting both dates that the financial report was presented to the NSW Branch Council – being initially on the 29<sup>th</sup> August 2017 and then on the 8<sup>th</sup> December 2017, when the report was finally adopted under S268 of the Fair Work Act. The report was provided to members on the 11<sup>th</sup> September 2017.

I have also once again included the HSU New South Wales Branch Financial Report for the year ending 30th June 2017, in accordance with S268 of the Fair Work Act.

**Andrew Lillicrap**  
**Assistant Secretary/Treasurer**  
**Health Services Union NSW**  
**Level 2, 109 Pitt St, Sydney 2000**  
**Ph: 1300 478 679**  
**Fax: 1300 329 478**  
**Mob: 0488 441 223**

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**From:** Andrew Lillicrap  
**Sent:** Wednesday, 13 December 2017 5:13 PM  
**To:** 'ros@fwc.gov.au' <[ros@fwc.gov.au](mailto:ros@fwc.gov.au)>  
**Subject:** HSU New South Wales Branch - financial report for 2016-17

In accordance with S268 of the Fair Work Act, please find attached a copy of the HSU New South Wales Branch Financial Report for the year ending 30th June 2017 and the Designated Officer's Certificate.

The Financial Reports were published for members on the reporting unit's website ([www.hsu.asn.au](http://www.hsu.asn.au)) on the 11<sup>th</sup> September 2017 and presented again to the NSW Branch Council of the reporting unit on 8<sup>th</sup> December 2017.

If you or your Officers have any queries about the attached, please do not hesitate to contact me on 02 9229 4923 or by reply email at [andrew.lillicrap@hsu.asn.au](mailto:andrew.lillicrap@hsu.asn.au)

Regards,

**Andrew Lillicrap**  
**Assistant Secretary/Treasurer**  
**Health Services Union NSW**  
**Level 2, 109 Pitt St, Sydney 2000**  
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5 January 2018

Mr Andrew Lillicrap  
Branch Assistant Secretary/Treasurer  
Health Services Union-New South Wales Branch  
By email: [andrew.lillicrap@hsu.asn.au](mailto:andrew.lillicrap@hsu.asn.au)

CC: [Jsantangelo@nexiasydney.com.au](mailto:Jsantangelo@nexiasydney.com.au)

Dear Mr Lillicrap,

**Health Services Union-New South Wales Branch  
Financial Report for the year ended 30 June 2017 - [FR2017/142]**

I acknowledge receipt of the financial report of the Health Services Union-New South Wales Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 14 December 2017. I also acknowledge an amended designated officer's certificate which was lodged with the ROC on 19 December 2017.

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 have been complied with. A primary review does not examine all disclosure requirements.

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

You are not required to take any further action in respect of the report lodged, however 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.

Content of Designated Officer's Certificate

Section 268 of the RO Act requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members, and then presented to a meeting, in accordance with section 266.

I note that in the initial Designated Officer's Certificate, the information that the full report was presented to a meeting of the committee of management on 29 August 2017 was incorrect. I acknowledge an amended Designated Officer's Certificate dated 19 December 2017 stated that the full report was presented to a meeting of the committee of management on 8 December 2017.

Date of resolution

Item 36 of the Reporting Guidelines requires that the Committee of Management statement be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not included in the Committee of Management statement.


## Reporting Requirements

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

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

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

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Vale', is enclosed in a thin blue rectangular border.

David Vale  
Registered Organisations Commission

## **svc-adlib5**

---

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**Sent:** Tuesday, 19 December 2017 4:12 PM  
**To:** ROC - Registered Org Commission  
**Subject:** FR2017/142 HSU New South Wales Branch - Amended  
**Attachments:** Health Services Union NSW Branch Accounts (Signed).pdf;  
doc03715520171219145452.pdf

I refer to my earlier email containing the HSU New South Wales Branch financial report and the Designated officer's Certificate. Please note that I now attach an amended Designated Officer's Certificate noting both dates that the financial report was presented to the NSW Branch Council – being initially on the 29<sup>th</sup> August 2017 and then on the 8<sup>th</sup> December 2017, when the report was finally adopted under S268 of the Fair Work Act. The report was provided to members on the 11<sup>th</sup> September 2017.

I have also once again included the HSU New South Wales Branch Financial Report for the year ending 30th June 2017, in accordance with S268 of the Fair Work Act.

**Andrew Lillicrap**  
**Assistant Secretary/Treasurer**  
**Health Services Union NSW**  
**Level 2, [109 Pitt St, Sydney 2000](#)**  
**Ph: [1300 478 679](tel:1300478679)**  
**Fax: [1300 329 478](tel:1300329478)**  
**Mob: [0488 441 223](tel:0488441223)**

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Regards,

**Andrew Lillicrap**  
**Assistant Secretary/Treasurer**  
**Health Services Union NSW**  
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# **Health Services Union NSW Branch**

ABN: 93 728 534 595

## **Financial Statements**

For the Year Ended 30 June 2017

# Health Services Union NSW Branch

ABN: 93 728 534 595

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For the Year Ended 30 June 2017

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# Health Services Union NSW Branch

ABN: 93 728 534 595

## Operating Report

For the Year Ended 30 June 2017

The committee presents its report on Health Services Union NSW Branch for the financial year ended 30 June 2017.

### 1. General information

#### **Review of principal activities, the result of those activities and any significant changes in the nature of those activities during the year**

The principal activity of Health Services Union NSW Branch during the financial year was that of a registered trade union. No significant change occurred in the nature of those activities during the period.

#### **Significant changes in financial affairs**

No significant change to the financial affairs occurred during the year.

#### **(a) Right of members to resign**

Subject to the rules of the organisation and Section 174 of the *Fair Work (Registered Organisations) Act 2009*, members have the rights to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

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

There were no officers or employees that were a superannuation fund trustee or a director of a company that is a superannuation fund trustee.

#### **(c) Number of members**

The number of persons that were at the end of the year recorded in the register of members of Section 230 of *Fair Work (Registered Organisations) Act 2009* and who were taken to be members of the registered organisation under Section 244 of the *Fair Work (Registered Organisations) Act 2009* was 34,831 (2016: 32,707).

#### **(d) Number of employees**

The number of persons who were at the end of the financial period employees of the organisation including both full and part-time employees measured on a full-time equivalent basis was 86 (2016: 82). Employees hold joint positions with the Health Services Union NSW (HSU NSW) a Union registered under the *Industrial Relations Act 1996* (NSW), and by agreement between the Branch and the HSU NSW salary and conditions of employment are provided by the HSU NSW.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Operating Report

For the Year Ended 30 June 2017

### 1. General information

#### (e) Names of Committee of Management members and period positions held during the financial year

The following persons were Officers of HSU New South Wales Branch during all or part of the year ending June 2017:

Name	Position	
Mark Sterrey	President	
Leanne Burns	Senior Vice President	
Lindy Twyford	Junior Vice President	
Gerard Hayes	Secretary	
Andrew Lillcrap	Assistant Secretary/Treasurer	
Warren Boon	Ordinary Member of Union Committee	Resigned 23/06/17
Bruce Cornwell	Ordinary Member of Union Committee	
Sharalyn Haynes	Ordinary Member of Union Committee; Member of Union Council	
Genevieve Partridge	Ordinary Member of Union Committee; Member of Union Council	
Lynne Russell	Ordinary Member of Union Committee	
Sharon Joseph	Member of Union Council	Resigned 13/04/17
Patricia Reid	Member of Union Council	
Alan Wilcock	Member of Union Council	
Steven Fraser	Ordinary Member of Union Committee; Member of Union Council	Appointed to Union Committee – 27/06/17
Stephen Austen	Member of Union Council	Resigned 13/12/16
Sharon Carney	Member of Union Council	Appointed 29/03/16
Joan Catlin	Member of Union Council	
Claire Charles	Member of Union Council	
John Chester	Member of Union Council	
Suzanne Davis	Member of Union Council	
John Jetty Dore	Member of Union Council	Appointed 03/08/16
Sarah Dufty	Member of Union Council	Resigned 08/05/17
Raymond Dunn	Member of Union Council	
Ronald Henderson	Member of Union Council	Resigned 13/04/17
John Holgate	Member of Union Council	
Annette Jones	Member of Union Council	Appointed 04/11/16
Peter Mitchell	Member of Union Council	
Deborah Neumann	Member of Union Council	Resigned 02/08/16
William Oddie	Member of Union Council	Appointed 09/12/16
Shirley O'Riley	Member of Union Council	
Josephine Peacock	Member of Union Council	
Ronald Pike	Member of Union Council	
Gillian Reilly	Member of Union Council	
Leanne Starr (nee Snow)	Member of Union Council	
Darriea Turley	Member of Union Council	

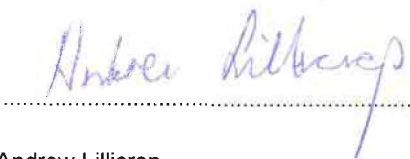
# Health Services Union NSW Branch

ABN: 93 728 534 595

## Operating Report

For the Year Ended 30 June 2017

Designated officer:



Andrew Lillicrap

Branch Assistant Secretary - Treasurer

Dated this 30<sup>th</sup> day of August 2017

## Committee of Management Statement

On the xxx 2017 the Branch Council of Health Services Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

The Branch Council declares that in its opinion:

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

This declaration is made in accordance with a resolution of the Branch Council.

Signature of designated officer: .....

*Andrew Lillierat*

Name and title of designated officer: .....

ANDREW LILLIERAT - ASSISTANT SECRETARY, TREASURER

Dated: .....

3<sup>rd</sup> August 2017.

The accompanying notes form part of these financial statements.

## Independent Auditor's Report to the Members of Health Services Union NSW Branch

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Health Services Union NSW Branch (the Union), which comprises the statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, the Operating Report and the Committee of Management Statement.

In our opinion,

- (i) the accompanying financial report of Health Services Union NSW Branch is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
  - (a) giving a true and fair view of the Union's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
  - (b) complying with Australian Accounting Standards; and
- (ii) the use of the going concern assumption in relation to the preparation of the Financial Report 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 Council are responsible for the other information. The other information comprises the information in Health Services Union NSW Branch annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

#### Sydney Office

Level 16, 1 Market Street  
Sydney NSW 2000  
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Australia Square NSW 1215

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## **Council's, Secretary's and Assistant Secretary/Treasurer's responsibility for the financial report**

The Council, Secretary and Assistant Secretary/Treasurer of the Union are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Fair Work (Registered Organisations) Act 2009* and is appropriate to meet the needs of the members. The Council, Secretary and Assistant Secretary/Treasurer are also responsible for such internal control as the Council, Secretary and Assistant Secretary determine is 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 Council, Secretary and Assistant 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 Council, Secretary and Assistant Secretary either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

## **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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Nexia Sydney Partnership**



**Joseph Santangelo**

*Partner*

Registered Company Auditor 405702

Member of the Institute of Chartered Accountants in Australia 46731

Holds of a current Certificate of Public Practice

Dated: 30 August 2017  
Sydney

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Membership subscription		288,189	242,536
Capitation fees	3(a)	-	-
Levies	3(b)	-	-
Interest	3(c)	91	48
Donations/grants	3(d)	-	-
Other income		21,888	-
<b>Total revenue</b>		<b>310,168</b>	<b>242,584</b>
Employee expenses	4	-	-
Capitation fees	4	(11,912)	(10,115)
Affiliation fees	4	(6,513)	(2,787)
Administration expenses	4	(8,141)	(4,396)
Finance costs		(10,188)	(10,193)
Audit fees	10	(17,900)	(17,400)
Service Fees	13(b)	(160,000)	(160,000)
Rent and outgoings		(23,703)	(22,319)
<b>Surplus for the year</b>		<b>71,811</b>	<b>15,374</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>71,811</b>	<b>15,374</b>

The accompanying notes form part of these financial statements.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	130,747	49,480
Receivables from other reporting units	6	2,206	-
Other Receivables	7	3,784	3,209
TOTAL CURRENT ASSETS		<u>136,737</u>	<u>52,689</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>136,737</u>	<u>52,689</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Other payables	8	32,136	19,899
TOTAL CURRENT LIABILITIES		<u>32,136</u>	<u>19,899</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>32,136</u>	<u>19,899</u>
NET ASSETS		<u>104,601</u>	<u>32,790</u>
<b>EQUITY</b>			
Retained earnings	11	104,601	32,790
TOTAL EQUITY		<u>104,601</u>	<u>32,790</u>

The accompanying notes form part of these financial statements.



# Health Services Union NSW Branch

ABN: 93 728 534 595

## Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Retained Earnings	Total Retained Earnings
	\$	\$
<b>Balance at 1 July 2016</b>	<b>32,790</b>	<b>32,790</b>
Surplus for the year	71,811	71,811
<b>Balance at 30 June 2017</b>	<b>104,601</b>	<b>104,601</b>

2016

	Retained Earnings	Total Retained Earnings
	\$	\$
<b>Balance at 1 July 2015</b>	17,416	17,416
Surplus for the year	15,374	15,374
<b>Balance at 30 June 2016</b>	<b>32,790</b>	<b>32,790</b>

The accompanying notes form part of these financial statements.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Statement of Cash Flows

For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>338,026</b>	266,790
Payments to suppliers and employees	<b>(47,418)</b>	(41,388)
Interest received	<b>91</b>	48
Interest paid	<b>(9,158)</b>	(7,693)
Receipt from other reporting units	12(c) -	100,000
Payments to other reporting units	12(d) <b>(200,274)</b>	(306,222)
Net cash provided by operating activities	12 <b>81,267</b>	<b>11,535</b>
Net increase in cash and cash equivalents held	<b>81,267</b>	11,535
Cash and cash equivalents at beginning of year	<b>49,480</b>	37,945
Cash and cash equivalents at end of financial year	5 <b>130,747</b>	<b>49,480</b>

The accompanying notes form part of these financial statements.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Recovery of Wages Activity

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash asset's in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-

The accompanying notes form part of these financial statements.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Health Services Union NSW Branch as an individual entity. Health Services Union NSW Branch is a not-for-profit Entity, incorporated and domiciled in Australia.

The functional and presentation currency of Health Services Union NSW Branch is Australian dollars.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Health Services Union NSW Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

#### (b) Financial period and financial comparatives

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

#### (c) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (d) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as revenues and/or expenses in the year to which it relates.

#### Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### Revenue and other income

when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

#### (e) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

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

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

A financial asset is classified as held for trading if:

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

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (e) Financial instruments

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

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

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

#### Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

#### Available-for-sale financial assets

Listed shares and listed redeemable notes held by the Union that are traded in an active market are classified as available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

#### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Effective interest method

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

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

##### Impairment of financial assets

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

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

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

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

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

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

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

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

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (e) Financial instruments

value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Derecognition of financial assets

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

##### Financial liabilities

Financial liabilities are recognised when the Entity becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the statement of profit or loss and other comprehensive income line items "finance costs" or "finance income".

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

The Entity's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

##### Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

##### Derecognition of financial liabilities

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

#### (f) Income tax

Health Services Union NSW Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however, still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

#### (g) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.



# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (g) Goods and Services Tax (GST)

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

#### (h) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Entity has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Entity where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	30 June 2018	This Standard amends AASB 107 Statement of Cash Flows to include additional disclosures and reconciliation relating to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	The impact of this standard is expected to be minimal.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) New accounting standards and interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 - Revenue from Contracts with Customers	30 June 2020	<p>AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:</p> <ul style="list-style-type: none"><li>a) identify the contract with a customer;</li><li>b) identify the separate performance obligations in the contract;</li><li>c) determine the transaction price;</li><li>d) allocate the transaction price to the separate performance obligations in the contract; and</li><li>e) recognise revenue when (or as) the entity satisfies a performance obligation.</li></ul> <p>Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.</p>	The impact of this standard has not yet been determined.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) New accounting standards and interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 - Financial Instruments	30 June 2019	<p>AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.</p> <p>AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:</p> <p>a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>d) Where the fair value</p>	<p>The impact of AASB 9 has not yet been determined as the entire standard has not been released. The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.</p>

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) New accounting standards and interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 - Leases	1 January 2019	<p>AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted provided the entity also applies AASB 15 Revenue from Contracts with Customers at or before the</p>	<p>As the Union currently has a number of ongoing lease arrangements as the lessor, this new standard will not have a significant impact on the treatment of existing leases.</p>

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) New accounting standards and interpretations

Standard Name	Effective date for entity	Requirements	Impact
AASB 2016-3 - Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	This Standard amends AASB 15 Revenue from Contracts with Customers to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15.	The impact of this standard has not yet been determined.
AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014–2016 Cycle and Other Amendments	30 June 2020	Clarifies that: a) a change in classification to or from investment property can only be made where there is evidence of a change in use of the property. A change in management's intention is, in isolation, not evidence of a change in use; and b) the election by a venture capital organisation, mutual fund, unit trust or similar entity to measure investments in an associate or joint venture at fair value through profit or loss is made separately for each associate or joint venture.	No impact as these are not the first time adoption accounts for the entity.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2 Events Occurring After the Reporting Date

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

### 3 Income

#### (a) Capitation fees

	2017	2016
	\$	\$
Capitation fees	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>

#### (b) Levies

Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>

#### (c) Interest

Deposit	91	48
<b>Total interest</b>	<u>91</u>	<u>48</u>

#### (d) Grants or donations

Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 4 Expenses

#### (a) Employee expenses

##### Holders of office

	2017	2016
	\$	\$
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>-</b>	<b>-</b>

#### (b) Capitation fees

Health Services Union National Office	11,912	10,115
<b>Total capitation fees</b>	<b>11,912</b>	<b>10,115</b>

#### (c) Affiliation fees

Affiliation fees - Unions ACT	3,461	2,168
Affiliation fees - ACTU	3,052	619
<b>Total affiliation fees</b>	<b>6,513</b>	<b>2,787</b>

#### (d) Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meetings and conferences	-	-
Conference and meeting expenses	-	-
Printing and Stationery	-	-
Consultants, bookkeeping and labour hire	-	-
Other	8,141	4,396
<b>Total administration expenses</b>	<b>8,141</b>	<b>4,396</b>

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 4 Expenses

#### (e) Grants or donations

	2017	2016
	\$	\$
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

#### (f) Legal costs

Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	<b>-</b>	<b>-</b>

#### (g) Other expenses

Penalties - via RO Act or RO Regulations	-	-
<b>Total other expenses</b>	<b>-</b>	<b>-</b>

#### (h) Finance costs

Bank charges	10,188	10,193
<b>Total</b>	<b>10,188</b>	<b>10,193</b>

### 5 Cash and cash equivalents

#### CURRENT

Cash at bank	130,747	49,480
<b>Total cash and cash equivalents</b>	<b>130,747</b>	<b>49,480</b>

### 6 Trade and other receivables

#### CURRENT

##### Receivables from other reporting units

Receivable from other reporting units - Health Services Union NSW	2,206	-
<b>Total receivables from other reporting units</b>	<b>2,206</b>	<b>-</b>

##### Less provision for doubtful debts

Provision for doubtful debts	-	-
<b>Total trade and other receivables</b>	<b>2,206</b>	<b>-</b>



# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 7 Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	3,784	3,209

### 8 Other payables

CURRENT

#### Payable to other reporting units

Payable to other reporting units - Health Services Union NSW

-	-
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#### Sub total payables to other reporting units

-	-
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#### Other payables

Trade payables	11,208	5,743
Accrued expenses	17,900	13,706
GST payable	3,028	450
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
<b>Total other payables</b>	<b>32,136</b>	<b>19,899</b>

All items are expected to be settled within the next 12 months.

### 9 Provisions

#### (a) Employee Provisions

##### Office Holders

Annual leave	-	-
Long Service leave	-	-
Separation and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions - office holders</b>	<b>-</b>	<b>-</b>

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 9 Provisions

#### (a) Employee Provisions

##### Employees other than office holders

	2017	2016
	\$	\$
Annual leave	-	-
Long Service leave	-	-
Separation and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions - employees other than office holders</b>	<b>-</b>	<b>-</b>

### 10 Remuneration of Auditors

#### Value of the service provided

Financial statement audit services	13,600	13,200
- other services	4,300	4,200
<b>Total remuneration of auditors</b>	<b>17,900</b>	<b>17,400</b>

### 11 Retained earnings

Balance at the start of the year	32,790	17,416
Surplus for the period	71,811	15,374
<b>Retained earnings at end of the financial year</b>	<b>104,601</b>	<b>32,790</b>

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 12 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Surplus for the period	71,811	15,374
Changes in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(2,781)	(3,209)
Increase/(Decrease) in other payables	12,237	(630)
Cashflow from operations	<u>81,267</u>	<u>11,535</u>

#### (b) 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 and cash equivalents	<u>130,747</u>	<u>49,480</u>
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#### (c) Cash inflows

Health Services Union NSW (inc GST)	<u>-</u>	<u>100,000</u>
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#### (d) Cash outflows

Unions Act (inc GST)	3,218	2,385
ACTU (inc GST)	477	681
HSU National (inc GST)	16,597	14,656
Health Services Union NSW (inc GST)	<u>179,982</u>	<u>288,500</u>
<b>Total</b>	<u>200,274</u>	<u>306,222</u>

### 13 Related Parties

#### (a) Key management personnel

The elected officers of the Health Services Union NSW Branch are detailed on page 2 of this report. These are the key management personnel who are, directly or indirectly, responsible for planning, directing and controlling the activities of the entity.

No member of management receives any remuneration for their services in this regard.

#### (b) Transactions with related parties

- HSU NSW charged HSU NSW Branch a service fee of \$160,000 (2016: \$160,000) during the year. HSU NSW also reimbursed HSU NSW Branch for \$Nil (2016: \$67) during the period for membership contributions received into the HSU NSW bank account.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 13 Related Parties

#### (b) Transactions with related parties

- HSU National charged HSU NSW Branch capitation fees of \$11,912 (2016: \$10,115) during the period. Capitation fees and levies charged by HSU National to the HSU NSW Branch were \$988,451 (2016: \$1,023,831), of which \$11,912 (2016: \$10,115) related to the HSU NSW Branch during the year ended 30 June 2017. HSU NSW Branch billed the Health Services Union NSW for the reimbursement of those capitation fees and levies of \$973,022 (2016: \$1,009,889) for the year ended 30 June 2017. HSU NSW Branch also prepaid \$3,784 (2016: \$3,209) in capitation fees to HSU National.

- HSU NSW Branch reimbursed HSU National \$15,088 (2016: \$12,265) during the period for various expenses including the CPD portal, group subscriptions and travel expenses.

- HSU NSW Branch reimbursed HSU Vic 1 Branch an amount of \$Nil (2016: \$2,561) during the period for membership contributions received into the NSW Branch bank account.

- HSU NSW Branch reimbursed HSU Vic 3 Branch an amount of \$Nil (2016: \$Nil) during the period for membership contributions received into the NSW Branch bank account.

- HSU NSW Branch reimbursed HSU QLD Branch an amount of \$2,925 (2016: \$31,235) during the period for membership contributions received into the NSW Branch bank account.

- HSU NSW Branch reimbursed HSU NSW an amount of \$3,620 (2016: \$Nil) during the period for membership contributions received into the NSW Branch bank account

#### *Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2017, the Health Services Union NSW Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 14 Financial Risk Management

The main risks Health Services Union NSW Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and equity risk.

The Entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2017	2016
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	130,747	49,480
Other Receivables	2,206	-
<b>Total financial assets</b>	<u>132,953</u>	<u>49,480</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
- Trade and other payables	32,136	19,899
<b>Total financial liabilities</b>	<u>32,136</u>	<u>19,899</u>

#### Financial risk management policies

The Council has overall responsibility for the establishment of Health Services Union NSW Branch's financial risk management framework.

The day-to-day risk management is carried out by Health Services Union NSW Branch's finance function under policies and objectives which have been adopted by the Health Services Union. The Branch Council has the authority for designing and implementing processes which follow the policies and procedures. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate movements.

Health Services Union NSW Branch does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

#### (a) Credit risk

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

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 14 Financial Risk Management

The table/s below reflect maturity analysis for financial assets.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets - cash flows realisable</b>												
Cash and cash equivalents	<b>0.05</b>	0.05	<b>130,747</b>	49,480	-	-	-	-	-	-	<b>130,747</b>	49,480
Trade, term and loans receivables	-	-	-	-	<b>2,206</b>	-	-	-	-	-	<b>2,206</b>	-
Total anticipated inflows			<b>130,747</b>	49,480	<b>2,206</b>	-	-	-	-	-	<b>132,953</b>	49,480

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 14 Financial Risk Management

The table below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

*Financial liability maturity analysis - Non-derivative*

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables (excluding estimated annual leave)	32,136	19,898	-	-	-	-	32,136	19,898
Total contractual outflows	<b>32,136</b>	<b>19,898</b>	-	-	-	-	<b>32,136</b>	<b>19,898</b>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

#### (b) Interest rate risk

The Entity is not exposed to any significant interest rate risk.

# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 14 Financial Risk Management

#### Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Entity manages its liquidity needs to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

### 15 Fair Value Measurement

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. There are no items reported using a fair value methodology.

### 16 Administration of financial affairs by a third party

Health Services Union NSW provides a service to Health Services Union NSW Branch whereby employees of HSU NSW are utilised by HSU NSW Branch to assist with the completion of work including the provision of financial, industrial and membership support services. In consideration for the services provided, HSU NSW charges HSU NSW Branch a service fee for the expected time cost of the employees used to complete the work. This is represented by the \$160,000 (2016: \$160,000) charged as disclosed in Note 13 above. The terms and conditions are equivalent to those that prevail in arm's length transactions. Any revenues or expenses incurred by Health Services Union NSW have been disclosed in Note 12.



# Health Services Union NSW Branch

ABN: 93 728 534 595

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 17 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 the General Manager of Fair Work Australia:

(i) A member of a reporting unit, or the General Manager of Fair Work Australia, 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.

(ii) 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.

(iii) A reporting unit must comply with an application made under subsection (i).

### 18 Union Details

The registered office of the company is:

Health Services Union NSW Branch

Level 2, 109 Pitt Street

SYDNEY

NSW 2000

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2017

I, Andrew Lillicrap being the Assistant Secretary-Treasurer of the Health Services Union NSW branch certify:

- that the documents lodged herewith are copies of the full report for the period ended 30 June 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 11 September 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit initially on 29<sup>th</sup> August 2017 and again on the 8<sup>th</sup> December 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Andrew Lillicrap

Name of prescribed designated officer:

ANDREW LILL CRAP

Title of prescribed designated officer:

ASSISTANT SECRETARY/TREASURER

Dated:

19/12/17



8 August 2017

Mr Gerard Hayes  
Branch Secretary  
New South Wales Branch  
Health Services Union  
By Email: [gerard.hayes@hsu.asn.au](mailto:gerard.hayes@hsu.asn.au)

Dear Mr Hayes,

**Re: Lodgement of Financial Report - [FR2017/142]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Health Services Union-New South Wales Branch (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

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

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

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

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

### **Financial report**

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

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

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

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

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

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

### **Auditor's report**

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

## **REMINDER**

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

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

### **Contact**

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

Yours faithfully,

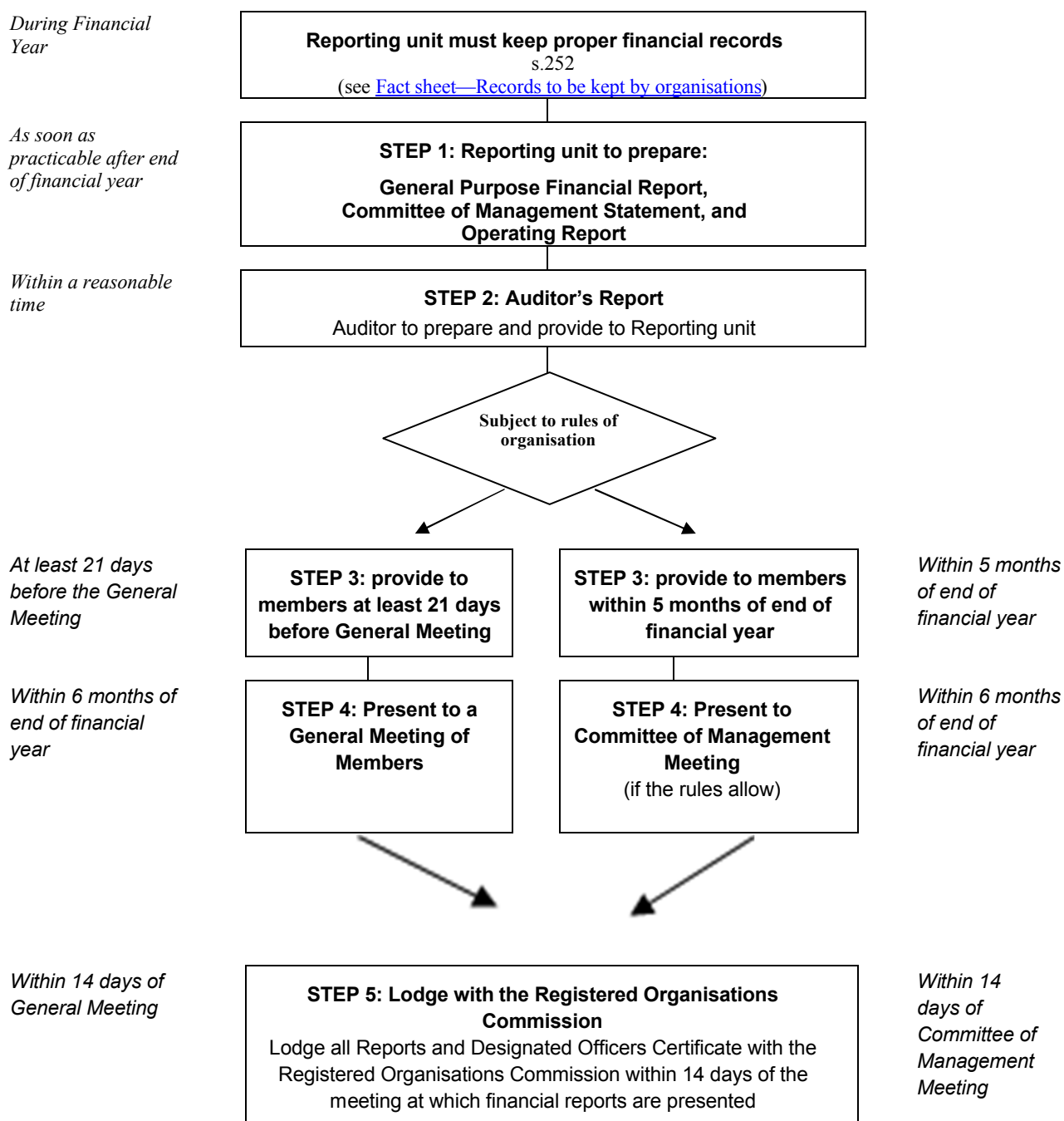
**Carolyn Moloney**  
**Registered Organisations Commission**



# Fact sheet

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

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





## Fact sheet

### Loans, Grants & Donations

#### **The Loans, Grants & Donations Requirements**

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

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

#### **The Loans, Grants & Donations Statement**

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

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



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

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

#### **Common misconceptions**

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

Misconception	Requirement
<b>X</b> Only reporting units must lodge the Statement.	<b>✓</b> 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.
<b>X</b> Employees can sign the Statement.	<b>✓</b> The statement must be signed by an elected officer of the relevant branch.

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

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

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

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

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

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

### Implications for filing the Financial Report

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

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

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

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

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

### Further information

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



## **Guidance Note**

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

Prepared and issued by the Registered Organisations Commission

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



## 1. Introduction

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

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

## 2. Background to the revised Auditing Standard

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

The purpose of the change is to:

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

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

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

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

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

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

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

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

<To be printed on Auditor letterhead>

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

### Report on the Audit of the Financial Report

#### Opinion

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

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

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

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

#### Basis for Opinion

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

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

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

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

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

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

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

<sup>3</sup> Ibid paragraph 9

<sup>4</sup> Ibid paragraph 9

<sup>5</sup> Ibid paragraph 9

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

<sup>7</sup> Ibid paragraph 7

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

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

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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

[Example:

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

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

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

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

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

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

### **Responsibilities**

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

<Audit Firm Name>

<Name>

Partner

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<sup>8</sup> Ibid paragraph 11

<sup>9</sup> Ibid paragraph 11

<City>  
<Date>

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

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<sup>10</sup> Ibid paragraph 12

## 5. Illustrative Auditor's Report Notes

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

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

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

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

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