



16 November 2016

Ms Angela Smith
President
Police Federation of Australia – Australian Federal Police Association Branch
23 Murray Crescent
GRIFFITH ACT 2603

via email: afpa@afpa.org.au

Dear Ms Smith

Police Federation of Australia, Australian Federal Police Association Branch Financial Report for the year ended 30 June 2015 – [FR2015/81]

I refer to previous correspondence and discussions with you regarding the financial report for the Police Federation of Australia, Australian Federal Police Association Branch (**AFPA**) for the year ending 30 June 2015. In particular, I refer to the correspondence dated 5 July 2016 where the proposed options relating to this financial report were discussed.

In this correspondence the AFPA were informed of the Fair Work Commission (**FWC**) decision to close this file once the financial report for the year ending 30 June 2016 had been lodged with the FWC in accordance with the statutory timeframes and that the non-compliance issues identified in my letter dated 31 May 2016 are rectified in the comparative financial information within the financial report for the year ending 30 June 2016.

The financial report for the year ending 30 June 2016 for the AFPA was lodged with the FWC on 27 October 2016 in accordance with the statutory timeframes. This report has now been filed. Due to this the FWC has now closed the AFPA financial report for the year ending 30 June 2015.

I take this opportunity to remind you that the standards set out in the *Fair Work (Registered Organisations) Act 2009 (RO Act)* are directed to ensuring that registered organisations are: accountable to their members; efficiently managed and operate effectively; and enable participation by members in the affairs of the organisation. Officers of an organisation are also held to high standards and must comply with the general duties in relation to the financial management of the organisation.

The FWC will continue to monitor the AFPA and will take prompt action in response to any further contraventions. You are on notice that any future non-compliance by the AFPA will be treated very seriously, with the earlier non-compliance taken into account in deciding what action to take.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the RO Act, I may be contact me (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



5 July 2016

Ms Angela Smith
President
Police Federation of Australia – Australian Federal Police Association Branch
23 Murray Crescent
GRIFFITH ACT 2603

via email: afpa@afpa.org.au

Dear Ms Smith

Police Federation of Australia, Australian Federal Police Association Branch Financial Report for the year ended 30 June 2015 – [FR2015/81]

Thank you for meeting with me on 22-23 June 2016 to discuss a number of issues including the statutory obligations of the Police Federation of Australia, Australian Federal Police Association Branch (AFPA) under the Fair Work (Registered Organisations) Act 2009 (RO Act), the planned approach for the preparation of the financial report for the year ending 30 June 2016 and the internal governance and role of the AFPA National Executive and National Council.

As discussed at our meeting, I would like to remind you of the importance of the AFPA strictly complying with each applicable aspect of the legislative reporting requirements under the RO Act, the *Fair Work (Registered Organisations) Regulations 2009* and the Reporting Guidelines.

In relation to the financial report of the AFPA for the year ended 30 June 2015 and the non-compliance issues that were identified in my letter dated 31 May 2016 the FWC has considered the following as potential options in relation to this report:

- 1) Request that the financial report for 2015 be amended, re-audited, provided to members, presented to a meeting of the AFPA National Executive and re-lodged with the FWC.
- 2) The FWC commence an inquiry and/or investigation into the AFPA.
- 3) Close the above report based on the understanding that the AFPA will rectify and address non-compliance issue in future financial reports.

Having regards to the circumstances as mentioned above, the FWC has decided that it will close the file. The file however will not be closed until the following requirements are satisfied:

- 1) the financial report for the year ending 30 June 2016 has been lodged with the FWC in accordance with the statutory timeframes; and
- 2) the non-compliance issues identified in my letter dated 31 May 2016 are rectified in the comparative financial information within the financial report for the year ending 30 June 2016.

In the absence of an extension of time for holding a committee of management meeting (see section 265(5)) the latest possible date of lodgement with the FWC of the financial report for the year ended 30 June 2016 is six months and 14 days after the end of the financial year. This financial report is therefore required to be lodged with the FWC no later than 15 January 2017. Please note that if the above mentioned requirements have not been addressed by the 15 January 2017, the FWC will not close the 2015 financial report as stated above and precede with either commencing an inquiry and/or investigation or requiring the 2015 financial reports to be amended, re-audited, provided to members, presented to a committee of management meeting and re-lodged with the FWC.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the RO Act, I may be contact me (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



31 May 2016

Ms Angela Smith
President
Police Federation of Australia – Australian Federal Police Association Branch
23 Murray Crescent
GRIFFITH ACT 2603

via email: afpa@afpa.org.au

Dear Ms Smith

Police Federation of Australia, Australian Federal Police Association Branch Financial Report for the year ended 30 June 2015 – [FR2015/81]

I acknowledge receipt of the financial report of the Police Federation of Australia, Australian Federal Police Association Branch (AFPA). The documents were lodged with the Fair Work Commission (FWC) on 2 May 2016.

The financial report has not been filed.

I have examined the financial report and identified a number of issues, the details of which are set out below.

1. Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the AFPA to address in the preparation of future financial reports. I note that the same error has appeared in the current report, namely the full report and the Designated Officers Certificate were not lodged with the FWC within 14 days after the Committee of Management meeting.

The FWC aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about the errors identified in financial reports. Please note that in future financial years if the reporting unit cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to required date of lodgement.

2. Name Recognised under the RO Act

I note that the financial report lodged with the FWC has been prepared under the title of Australian Federal Police Association. The correct name of the entity is the Police Federation of Australia – Australian Federal Police Association Branch.

3. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the FWC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirements were not met:

Preparation of the General Purpose Financial Report (GPFR)

Sections 253 and 254 of the RO Act require that a GPFR and an Operating Report be prepared as soon as practicable after the end of the financial year. Section 266 requires that the financial report be presented to a General Meeting of members or a Committee of Management Meeting within six months after the end of the financial year. In the absence of an extension of time as

per section 265(5) the latest possible date of lodgement with the FWC is six months and 14 days after the end of the financial year.

The Committee of Management Statement indicates that a resolution relating to the GPFR and Operating Report was not made until 31 March 2016, 9 months after the AFPA end of financial year, and 2 months and 16 days after the latest possible date for lodgement with the FWC.

Please note that section 253 and section 254 are civil penalty provisions and future failure to meet this timeline may result in an inquiry into the organisation and the General Manager of the FWC may apply under s.310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

Documents must be lodged with the Fair Work Commission within 14 days of section 266 Meeting

Section 268 of the RO Act, states that the full report and the Designated Officer's Certificate are required to be lodged with the FWC within 14 days of the meeting of the Committee of Management. The Designated Officer's Certificate indicates that this meeting occurred on 31 March 2016. If this is correct the full report should have been lodged with the FWC by 14 April 2016.

The full report was lodged on 2 May 2015.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act.

Reports must be provided to members within 5 months of end of financial year where the report is presented before Committee of Management Meeting

The Designated Officer's Certificate states that the financial report was provided to members on 2 May 2016, and presented to a Committee of Management Meeting on 31 March 2016. Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management Meeting, the report must be provided to members within 5 months of the end of the financial year.

If these dates are correct, the reporting unit should have applied for an extension of time for the provision of the financial report to members in accordance with section 265(5) of the RO Act. An extension of time request must be made prior to the required date for the provision of the reports to members, include any reasons for the delay and must be signed by a relevant officer.

Reports must be presented to a Committee of Management Meeting within 6 months after the end of the financial year

The Designated Officer's Certificate states that the financial report was presented to a Committee of Management Meeting on 31 March 2016. Under section 266(3) of the RO Act, which allows for the full report to be presented to a meeting of the Committee of Management when the rules of the organisation provide for this, the timing of this meeting must be in accordance with section 266(1), that is, within 6 months after the end of the financial year.

If these dates are correct, the branch should have applied for an extension of time for the holding of the Committee of Management Meeting in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time is required, a written request, signed by the relevant officer, including the reason for the delay, must be made prior to required date of the Committee of Management Meeting.

Presentation of the full report to a meeting (as required under section 266)

Section 266 of the RO Act requires that the full report is presented to a meeting. Section 265(1) states that a full report consists of the following:

- (i) A copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) A copy of the GPFR to which the report relates; and
- (iii) A copy of the operating report to which the report relates.

Section 253(2) identifies that the GPFR is to consist of various financial statements and relevant notes including the information and statements required by the reporting guidelines. The GPFR therefore also includes the Committee of Management Statement.

The Designated Officer's Certificate states that the full report was presented to a Committee of Management meeting on 31 March 2016 however the Auditor's Statement was not signed until 27 April 2016. If the date on the Auditor's Statement is correct, it would appear that either the Auditor's Statement was not presented to the Committee of Management Meeting or that an unsigned report was provided, that is, the full report has not been presented to a meeting in accordance with section 266 of the RO Act.

4. Notes to the financial statements

Accounting judgments and estimates

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 122 requires that the notes to the financial statements include a discussion on the significant accounting judgments and estimates applied.

No such discussion has been included in the Notes.

New Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28 requires that the entity disclose new Australian Accounting Standards adopted during the period.

This information has not been provided.

Notice setting out sections 272(1), (2) & (3)

Although this notice drawing attention to the fact that prescribed information is available to members on request has been included in the financial report, the reference to 'Fair Work Australia' should be removed under subsection 272(1).

GPFR to be prepared on accrual basis

Section 252 of the RO Act places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may keep the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to *prepare* a GPFR. Section 253 requires that '...a reporting unit must cause a General Purpose Financial Report to be *prepared*, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...'. Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that 'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'.

Note 1 (j) Revenue states that '*membership subscriptions are transferred electronically from salary and wages of its members and are recognised as revenue when received*'. This indicates that membership subscriptions are being reported on a cash basis not an accrual basis.

Note 7 Receivables indicates an amount of \$122,509 for '*accrued membership income*'. If this figure relates to membership subscription then the accounting policy will need to be amended to reflect the actual measurement basis used to recognise membership subscriptions. If this is not the case then membership subscriptions will need to be brought to account on an accruals basis in accordance with the Australian Accounting Standards and the relevant statements and items will need to be amended accordingly. This will also require the re-auditing of these statements by your auditor and the reissuing of the GPFR to members and FWC.

It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with *AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors)*. You may need to discuss this with your auditor.

5. Related Parties

Related party transactions

AASB 124 Related Party Disclosures paragraph 18 states that when an entity has had related party transactions during the reporting period it must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances including commitments.

Note 17 contains information in relation to related party transactions however it does not provide all the disclosure requirements as per *AASB 124* paragraph 18, that is a description of the nature of the related party relationship.

6. Financial Risk Management

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

Although some disclosure requirements have been made in Note 19 not all relevant disclosures have been provided, in particular the disclosure requirements relation to analysis of financial assets which are past due and analysis of financial liabilities (AASB 7 paragraphs 37 and 39).

7. Leases

Leases

In the AFPA financial statements, *Note 3 Profit from Ordinary Activities* states that an amount of \$6,929 was paid in the 2015 financial year for minimal lease payments for rental expense on operating leases. The financial statement however does not include any information in relation to this operating lease and does not provide for the required disclosures under *AASB117 Leases* paragraph 35.

8. Statement of Comprehensive Income

Disclosure of capitation fees to another reporting unit

Reporting Guideline 16(b) requires that where capitation fees to another reporting unit are paid, the amount and the name of each reporting unit are to be disclosed in either the Statement of Comprehensive Income or the notes. Note 20 states that *'the Australian Federal Police Association – Branch is not required to pay and did not pay capitation fees to another reporting unit of the organisation.'* This statement is not in accordance with Rule 7(c) of the Police Federation of Australia rule book which stipulates that each Branch shall remit in monthly instalments the capitation fee fixed by Federal Council in accordance with Rule 15(o).

I note that Note 3 identifies an expense of affiliation fees paid to Police Federation of Australia. I am assuming that this is in fact the capitation fee paid to Police Federation of Australia.

Disclosure of affiliation fees

In order to satisfy item 16(c) of the Reporting Guidelines separate disclosure of affiliation fees paid to political parties and industrial bodies need to be made. This includes disclosing the amount paid to each entity and the name of each entity to which monies were paid. Although affiliation fees are disclosed in Note 3, the name of each entity and amount paid is not.

Disclosure of fees or allowances in respect of attendance at meetings

Reporting Guideline 16(h) requires separate disclosure of fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings. Note 20 in the financial report discloses the expenditure for this item for the 2015 financial year, however a comparative figure is not provided.

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. The Statement of Comprehensive Income reports \$508,102 as other expenses, which is a material amount. This item is required to be further divided to ensure that any material items within other expenses are separately disclosed.

9. Statement of Financial Position

Intangible assets reconciliation

Australian Accounting Standard *AASB 138 Intangible Assets* paragraph 118 requires a reconciliation of the carry amount at the beginning and end of the period for each class of intangible assets.

While Note 11 provides the opening and closing balance of intangible assets information relating to additions/disposals/valuation/other changes has not been provided.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20

have not occurred in the reporting period, a statement of this effect must be included in the GPFR. I note that for litigation and other legal matters no such disclosure has been made.

10. Cash Flow Statement

Notes to the Cash Flow Statement

Reporting Guideline 24 states that *'where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned'*. This is in addition to the requirement to disclose capitation fees to/from another reporting unit (Reporting Guideline 14(b) and 16(b)) and receipt of, or provision of, any other financial support from another reporting unit (Reporting Guideline 10, 11 and 14(e)).

Note 20 on page 25 states that *'no other reporting unit and/or controlled entity of the organisation was the source of a cash inflow or the application of a cash outflow during the financial year'*, however Note 3 indicates that expenditure to the Police Federation of Australia occurred for affiliation/capitation fees.

11. Statement of Loans, Grants and Donations

Difference in figure reporting in Loans, Grants and Donations statement and financial report

A Loans, Grants and Donations statement for AFPA was lodged with the FWC as required under subsection 237(1) of the RO Act on 30 September 2015. A figure for donations that exceeded \$1,000 was also supplied in the financial report however this figure for donations is different to the figure supplied on the Loans, Grants and Donations Statement.

12. Activities under Reporting Guideline not disclosed

Item(s) 13, 15 and 21 of the Reporting Guidelines state that if the activities identified in items 11, 14 and 20 respectively have not occurred in the reporting period, a statement of this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 11 - going concern financial support provided to another reporting unit
- 14(b) - capitation fees received
- 20(a) - payables to employers as consideration for the employers making payroll deductions of membership subscriptions

13. Other

Provision of unaudited financial information

Included in the financial return for the AFPA is additional financial data provided in a Profit and Loss Account on page 29. The financial data included in this statement was not covered under the statutory audit and the Auditor has provided a disclaimer in which they do not express an opinion on this financial data and cannot warranty the accuracy or reliability in respect to the data provided. FWC is unable to accept this information and it cannot be used in the assessment of the financial report.

Please note that in future years all relevant and required financial disclosures must be included in the GPFR which has been subject to the full statutory audit and included in the Auditor's opinion.

14. Next step

The FWC considers compliance with the regulatory framework to be critical to the proper functioning of federally registered organisations. The failure by the AFPA to comply with the requirements of the RO Act and ongoing internal issues is of a concern to the FWC.

The FWC believes that a meeting between the APFA and the FWC to discuss the obligations in relation to the financial reporting under the RO Act and the matters raised in this letter would assist with addressing these non-compliance issues.

During this meeting the FWC would also like to propose some potential discussion points including:

- The AFPA to outline the measures it proposes to implement to achieve a high level of voluntary compliance with all of its statutory obligations under the RO Act.

- The planned approach for the preparation of the financial report for the year ending 30 June 2016.
- Internal governance and the role of the Branch National Executive and the Branch National Council.

To discuss the matters raised in this letter and to arrange a time to meet, please contact me on (03) 8656 4681 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

Australian Federal Police Association

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

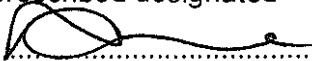
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2015

I, Angela Smith being the President of the Australian Federal Police Association certify:

- that the documents lodged herewith are copies of the full report for the Australian Federal Police Association for the period ended 30 June 2015 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 2 May 2016; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 31 March 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated

officer:.....

Name of prescribed designated

officer:..... **ANGELA SMITH**

Title of prescribed designated officer:

..... **PRESIDENT**

Dated:

..... **2 May 2016**

AUSTRALIAN FEDERAL POLICE ASSOCIATION — BRANCH
ABN 95 799 543 741
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

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AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

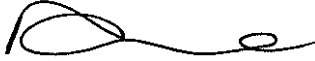
On 31 March 2016 the *members of the* National Executive of the Australian Federal Police Association Branch of the Police Federation of Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2015:

The National Executive declares that in its opinion:

1.
 - (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 committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) 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
 - (iii) 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
 - (iv) where any order for inspection of financial records has been made by 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 report period.
2. It cannot presently form a view as to whether the financial affairs of the Branch have been managed at all times in accordance with the Rules of the Organisation and the Branch because:-
 - (i) The officer with the day to day responsibility for the financial administration of the Branch, the Chief Executive Officer, Mr Dennis Gellatly ("the CEO") has been absent due to illness certified by his treating medical practitioner since 11 December 2015, and such absence will continue until at least 22 April 2016 and probably longer;
 - (ii) A number of financial transactions for which the CEO was responsible during and after the reporting period are the subject of enquiries to the CEO through the Association's lawyers to the CEO's lawyers;
 - (iii) It is not presently known as to whether, or when, the CEO will respond or provide information to the Association in respect of the enquiries referred to in (ii); and
 - (iv) In the absence of a response to or further information from the CEO within such time as may be recommended to the National Executive by its professional legal and auditing advisers, the National Executive will then proceed to form an opinion on this matter on the basis of the information then available to it, as best as it is able to do so.

3. It cannot presently form a view as to whether the financial records of the Branch have been kept and maintained in accordance with the RO Act, on the grounds and for the reasons as set forth in Item 2 above in respect of the financial affairs of the Branch.

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



.....
Angela Smith
National President

Date: 27/4/16

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

OPERATING REPORT

The committee presents its report on the reporting unit for the financial year ended 30 June 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year in accordance to 8254(21(a)):

The principal activities of the Branch during the reporting period were to promote and enhance the interests of our members and their profession; promote the interests and effective delivery of the Federal and ACT law enforcement; protect our members from any malicious, capricious or malevolent behaviour directed against them within the context of their professional role and provide professional services.

The Branch's principal activities results in maintaining and improving our members' professional interests, protection and services.

Significant Changes in Principle Activities

There was no significant change in the nature of the Association's principle activities occurred during the year.

Significant changes in financial affairs in accordance to s.254121(13)1:

There were no significant changes in the nature of the Branch's financial affairs during the reporting period. The Branch implemented a new financial software system and practices along with the outsourcing of its bookkeeping and accounting to a professional provider. This was for improved transparency, accountability and timeliness of reporting and analysis.

Right of members to resign in accordance to s.254 (2)(c):

Members may resign from the Branch in accordance to Rule 11 and Rule 62.

Officers & employees who are superannuation fund trustee (s1 or director of a company that is a superannuation fund trustee in accordance to s.254(2)(d)):

No officers or employees of the Branch held positions of trustee or director of a company that is a superannuation fund trustee.

Number of members in accordance to regulation 15941 and s.25401M1:

The number of persons who, at the end of the reporting period, were recorded on the Register of Members of the Branch was 4174.

Number of employees in accordance to regulation 159(a) and s.2542MM:

The number of persons who were, measured on a full time equivalent basis at the end of the reporting period, employees of the Branch was 9.

Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the Committee of Management of the Branch (Branch National Executive) during the reporting period are:


Jonathan Hunt-Sharman	President	1 July 2014 to 30 June 2015
Dennis Gellatly	Chief Executive Officer	1 July 2014 to 30 June 2015

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**


OPERATING REPORT CONT

Ian Bridle	Vice President — AFP Operations Portfolio	1 July 2014 to 30 June 2015
Angela Smith	Vice President — AFP ACT Operations Portfolio	1 July 2014 to 30 June 2015
Richard Smellink	Vice President — AFP Executive & AFPA Associate Portfolio	19 Feb 2014 to 30 June 2015
Mark Jager	Vice President — AFP National Security Portfolio	1 July 2014 to 30 June 2015
Aiden King	Vice President — AFP Chief Operating Officer	1 July 2014 to 18 Feb 2015
Russell Rowell	Vice President — AFP Chief Operating Officer Portfolio	19 Feb 2015 to 30 June 2015
Glen McDonald	Vice President — AFP Close Operations Portfolio	1 July 2014 to 30 June 2015

The result from ordinary activities after providing for income tax amounted to a profit of \$653,405 (2014: loss of \$283,675).


.....
Angela Smith (National President)

27/4/16
.....
Dated


.....
Ian Bridle (Vice President AFP Operations)

27/4/16
.....
Dated

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AUSTRALIAN FEDERAL POLICE ASSOCIATION - BRANCH

We have audited the accompanying general purpose financial report of Australian Federal Police Association - Branch ("the entity"), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Committee's Responsibility for the General Purpose Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the general purpose financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the general purpose financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the general purpose financial report.

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

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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RSM Australia Pty Ltd ACN 009 321 377 at Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Independence

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

Opinion

In our opinion the general purpose financial report presents fairly, in all material respects, the financial position of the Australian Federal Police Association - Branch as at 30 June 2014 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. We declare that management's use of the going concern basis of accounting in the preparation of the company's financial statements is appropriate.

Emphasis of Matter

We draw attention to Note 15 to the financial statements which describes the uncertainty related to an investigation into the authorisation and payment of potentially anomalous transactions. Our opinion is not modified in respect of this matter.

RSM Australia Pty Ltd
Chartered Accountants



G M STENHOUSE FCA
Director

Canberra, Australian Capital Territory
Dated: 27/4/16

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue	2	4,840,326	3,673,651
Raw materials and consumables used		(19,672)	(13,064)
Consultant and IT fees		(198,143)	(142,000)
Employee benefits expense		(1,379,045)	(1,334,138)
Depreciation and amortisation expenses		(134,823)	(67,215)
Finance costs		(3,828)	(2,141)
Affiliation fees		(69,985)	(117,684)
Legal assistance for members		(300,615)	(331,463)
Legal fees for association		(33,507)	(3,792)
Life assurance for members		(1,295,535)	(1,253,869)
Rent – Branch office		(100,078)	(117,532)
Telephone		(25,121)	(20,679)
Travel, subsistence & accommodations		(118,469)	(77,444)
Other expenses		(508,102)	(476,305)
Total expenses	3	(4,186,923)	(3,957,326)
Profit/(loss) before income tax		653,405	(283,675)
Income tax expense	1a	-	-
Profit/(loss) attributable to the Association		653,405	(283,675)
Other comprehensive income		-	-
Total comprehensive income for the year		653,405	(283,675)

The accompanying notes form part of these financial statements.

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**BALANCE SHEET
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	989,495	2,824,552
Financial assets	6	927,243	969,546
Receivables	7	1,197,139	4,335
Inventories	8	5,892	10,125
Other current assets	9	40,958	134,680
TOTAL CURRENT ASSETS		<u>3,160,727</u>	<u>3,943,238</u>
NON-CURRENT ASSETS			
Plant and equipment	10	1,739,249	144,272
Intangible assets	11	176,717	202,714
Other non-current assets	9	-	4,535
TOTAL NON-CURRENT ASSETS		<u>1,915,966</u>	<u>351,521</u>
TOTAL ASSETS		<u>5,076,693</u>	<u>4,294,759</u>
CURRENT LIABILITIES			
Payables	12	473,268	322,900
Employee provisions	13	205,828	231,000
TOTAL CURRENT LIABILITIES		<u>679,096</u>	<u>553,900</u>
NON-CURRENT LIABILITIES			
Employee provisions	13	12,212	8,879
TOTAL NON-CURRENT LIABILITIES		<u>12,212</u>	<u>8,879</u>
TOTAL LIABILITIES		<u>691,308</u>	<u>562,779</u>
NET ASSETS		<u>4,385,385</u>	<u>3,731,980</u>
EQUITY			
Retained earnings		3,731,980	4,015,655
Current earnings		653,405	(283,675)
TOTAL EQUITY		<u>4,385,385</u>	<u>3,731,980</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	<u>Retained Earnings</u>	<u>Total</u>
	\$	\$
Balance at 1 July 2013	4,015,655	4,015,655
Profit attributable to members	(283,675)	(283,675)
Balance at 30 June 2014	3,731,980	3,731,980
Profit attributable to members	653,405	653,405
Balance at 30 June 2015	<u>4,385,385</u>	<u>4,385,385</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		3,901,787	3,851,729
Receipts from sales of souvenirs		26,358	16,620
Payments to suppliers and employees		(4,175,409)	(4,105,670)
Interest received		49,517	124,164
Other revenue		35,705	41,748
Net cash provided by operating activities	16	(162,042)	(71,409)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(1,719,853)	(353,585)
Transfer of term deposits		46,838	616,277
Purchase of investments		-	-
Proceeds from disposal		-	-
Net cash (used in) investing activities		(1,673,015)	262,692
Net (decrease)/increase in cash held		(1,835,057)	191,283
Cash at beginning of financial year		2,824,552	2,633,269
Cash at end of financial year	5	989,495	2,824,552

The accompanying notes form part of these financial statements.

AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Australian Federal Police Association – Branch as an individual entity. Australian Federal Police Association – Branch is an association incorporated in Australian Capital Territory under the *Fair Work (Registered Organisations) Act 2009*.

Australian Federal Police Association – Branch is a not-for-profit entity.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the requirements imposed by the *Fair Work (Registered Organisations) Act 2009* and other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Income Tax

The Association is exempt from income tax under section 50-15 of the *Income Tax Assessment Act 1997*.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of souvenirs includes direct costs and appropriate amount of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

c. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

d. Plant and Equipment

Plant and equipment is carried at cost less any accumulated depreciation.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

e. Depreciation

The depreciable amount of all fixed assets is depreciated on either straight line or diminishing balance basis over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each plant and equipment are between 3% and 66%
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Leases

All lease payments are for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g. Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Classification and subsequent measurement (Con't)

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Impairment (Con't)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

h. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to an employee's superannuation fund and are charged as expenses when incurred.

i. Cash and Cash Equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

j. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Member subscriptions are transferred electronically from salary and wages of its members and are recognised as revenue when received.

Revenue from the rendering of a service to its members is recognised upon the delivery of the service to its members.

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

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l. Impairment of Assets

At the end of each reporting period, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

m. Comparative Figures

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

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 2: REVENUE

	2015	2014
	\$	\$
Operating activities		
- members subscriptions	3,658,451	3,491,120
- sale of goods	26,358	16,620
Total operating revenue	3,684,809	3,507,740
Non-operating activities		
- interest received	49,060	124,164
- other income	35,705	41,748
- insurance rebate	1,070,752	-
Total other revenue	1,155,517	165,911
Total Revenue	4,840,326	3,673,651
a. Interest revenue from:		
- Financial institutions	49,060	124,164
Total interest revenue	49,060	124,164

AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax expense has been determined after:

	2015	2014
	\$	\$
Expenses:		
Advertising and marketing	21,930	21,103
Affiliation fees paid to Police Federation of Australia	69,985	66,042
Affiliation fees- other	-	51,642
Cost of sales (souvenirs)	19,672	13,064
Depreciation and amortisation	134,823	67,215
<i>Employees benefit to holders of offices</i>		
— Wages and salaries (including non-monetary benefits)	358,997	354,263
— Annual leave expense	27,177	13,242
— Long service leave expense	3,373	(1,744)
— Superannuation	52,278	71,099
— Separation and redundancies	-	-
— Other employee expenses	-	-
<i>Employees benefit to employees (other than holders of offices)</i>		
— Wages and salaries (including non-monetary benefits)	814,154	795,427
— Annual leave expense	(8,021)	32,992
— Long service leave expense	(237)	(591)
— Superannuation	131,324	75,549
— Separation and redundancies	-	-
— Other employee expenses	-	-
Expenses incurred in connection with meetings and conferences	70,074	36,189
IT and internet expenses	51,395	43,426
Travel fees or allowances paid in respect of attendances at conferences or other meetings	78,102	77,444
Legal and other costs related to litigation for members	300,615	259,489
Other legal costs incurred for members	-	71,974
Legal and other costs related to litigation for the association	33,340	152
Other legal costs incurred for the association	167	3,640
Office insurance	31,497	27,584
Member welfare benefits	1,295,535	1,253,869
Motor vehicle expenses	64,780	86,651
Accounting advice	37,819	4,430
Audit services		
— Audit & financial reporting services	24,000	23,810
— Taxation services	-	1,800
Total audit remuneration	24,000	25,810
Rental expense on operating leases		
— minimum lease payments	6,929	6,760
Rent expense	100,078	117,532
Other general administration expenses	467,137	383,273
Total expenses	4,186,923	3,957,326

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

	Salary & Fees \$	Short-term Benefits Post- Employment Benefits \$	Non-Cash Benefits \$	Total \$
2015				
Total compensation	358,997	52,278	-	411,275
2014				
Total compensation	354,263	71,099	-	425,362

	2015 \$	2014 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	250	250
Cash at bank	989,245	2,824,302
	<u>989,495</u>	<u>2,824,552</u>

NOTE 6: FINANCIAL ASSETS		
Term deposits	927,243	969,546
	<u>927,243</u>	<u>969,546</u>

The effective interest rate on term deposits was 2.84% (2014: 3.52%); these deposits have an average maturity of 3 months.

	2015 \$	2014 \$
NOTE 7: RECEIVABLES		
CURRENT		
Insurance rebate receivable	1,070,752	-
Interest receivable	3,878	4,335
Accrued membership income	122,509	-
	<u>1,197,139</u>	<u>4,335</u>

NOTE 8: INVENTORIES		
CURRENT		
Stock of souvenirs, at cost	5,892	10,125
	<u>5,892</u>	<u>10,125</u>

NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	40,958	134,680
NON-CURRENT		
Prepayments	-	4,535
	<u>40,958</u>	<u>139,215</u>

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
Note 10: PROPERTY, PLANT and EQUIPMENT		
Furniture & fittings and office equipment at cost	57,537	47,912
Accumulated depreciation	(32,287)	(28,342)
Total furniture and fittings	25,250	19,570
Leasehold improvements at cost	51,733	34,570
Accumulated Depreciation	(5,333)	(15,312)
Total Leasehold improvements	46,400	19,258
Computer equipment at cost	48,757	36,646
Accumulated depreciation	(19,833)	(9,952)
Total computer equipment	28,924	26,694
Motor vehicles at cost	14,918	-
Accumulated depreciation	(2,003)	-
Total computer equipment	12,915	-
Buildings & land at cost	1,652,428	78,750
Accumulated depreciation	(26,668)	-
Total buildings	1,625,760	78,750
Total Property, Plant and Equipment	1,739,249	144,272

a. Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

Furniture and Fittings

Balance at the beginning of year	19,570	20,156
Additions	9,625	12,982
Net Disposals	-	(8,067)
Depreciation expense	(3,945)	(5,501)
Carrying amount at the end of year	25,250	19,570

Computer Equipment

Balance at the beginning of year	26,694	527
Additions	12,111	30,868
Net Disposals	-	(1,307)
Depreciation expense	(9,881)	(3,394)
Carrying amount at end of year	28,924	26,694

Leasehold Improvements

Balance at the beginning of year	19,258	28,230
Additions	51,733	-
Depreciation expense	(8,542)	(8,972)
Net disposals	(16,049)	-
Carrying amount at the end of year	46,400	19,258

AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 10: PROPERTY, PLANT and EQUIPMENT (CONT)		
<i>BUILDINGS</i>		
Balance at the beginning of year	78,750	-
Additions	1,573,677	78,750
Depreciation expense	(26,667)	-
Carrying amount at the end of year	1,625,760	78,750
<i>MOTOR VEHICLES</i>		
Balance at the beginning of year	-	-
Additions	14,918	-
Depreciation expense	(2,003)	-
Carrying amount at the end of year	12,915	-
 Note 11: INTANGIBLE ASSETS		
Computer software & website development – at cost	309,851	252,062
Accumulated amortisation	(133,134)	(49,348)
	176,717	202,714
 NOTE 12: PAYABLES		
CURRENT		
Sundry payables and accrued expenses	396,902	294,029
MasterCard account	10,615	8,254
GST payable	40,032	19,537
Superannuation payable at year end	25,719	1,080
	473,268	322,900
 NOTE 13: EMPLOYEE PROVISIONS		
Current		
Annual leave provision related to holders of office	124,489	67,963
Annual leave provision related to employees (other than holders of offices)	41,043	97,312
	165,532	165,275
Long service leave provision related to holders of office	25,647	21,793
Long service leave provision related to employees (other than holders of offices)	14,649	43,932
	40,296	65,725
Separation and redundancies provisions related to holders of office	-	-
Separation and redundancies provisions related to employees (other than holders of offices)	-	-
Other employee provisions related to holders of office	-	-
Other employee provisions related to employees (other than holders of offices)	-	-
Total current employee provisions	205,828	231,000
 Non-current		
Long service leave provision related to holders of office	7,147	3,814
Long service leave provision related to employees (other than holders of offices)	5,065	5,065
Total non-current employee provisions	12,212	8,879

AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13: EMPLOYEE PROVISIONS (CON'T)

Provision for Long-term Employee Benefits

A provision has been recognised for non-current employee benefits relating to long service leave for employees.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

NOTE 14: ECONOMIC DEPENDENCE

The continuing operation of Australian Federal Police Association – Branch is fundamentally dependent upon financial support of its members via membership subscriptions.

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities as at the date of this report.

During the year a matter arose concerning the authorisation and payment of potentially anomalous transactions by a member of senior management of the organisation, some of which have subsequently been reimbursed to the organisation. When these transactions came to the attention of the executive committee, the matter was referred to the organisation's auditors RSM, for independent examination of the transactions. As a result of this examination, certain matters have been referred to the AFP for further investigation. Legal advice has been sought to recover any funds still remaining outstanding which are able to be recovered from the party involved.

	2015	2014
	\$	\$
NOTE 16: CASH FLOW INFORMATION		
a. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit/(loss) after income tax	653,405	(283,675)
Non-cash flows in profit		
Depreciation and amortisation	134,823	67,215
Loss on disposal of asset	16,050	6,520
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(1,099,082)	7,173
(Increase)/decrease in inventories	4,233	2,807
(Decrease)/Increase in payables	150,368	96,029
(Decrease)/Increase in provisions	(21,839)	32,522
	(162,042)	(71,409)

b. Non-cash Financing Activities

There were no non-cash financing activities during the year.

c. Credit Stand-by Arrangement and Loan Facilities

The association has no credit stand-by arrangement or loan facilities in place.

NOTE 17: RELATED PARTY TRANSACTIONS

Mr Vincent Pannell was a Delegate of The National Council of AFPA and also acted as president of the Canberra Services Club (CSC), resigning his position on the 16 November 2009.

Mr Dennis Gellatly was a Delegate of The National Council of AFPA and holds presidency of the Canberra Services Club (CSC).

	2015	2014
Sponsorship for CSC Kokoda Trail Appeal	-	(4,800)
Annual CSC membership fees paid by AFPA	-	(15,000)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 18: SEGMENT REPORTING

The association operates in one business and geographical segment in Australia.

NOTE 19: FINANCIAL INSTRUMENTS

a. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

b. Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Within 1 Year		Non-interest Bearing	
	2015	2014	2015	2014	2015	2014	2015	2014
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	1.15	0.18	989,245	2,824,552	-	-	-	-
Term deposits	2.84	3.52	-	-	927,243	969,546	-	-
Loans	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	3,878	4,335
Total Financial Assets:			989,245	2,824,552	927,243	969,546	3,878	4,335
Trade and sundry payables	-	-	10,615	8,254	-	-	462,653	314,646
Total Financial payables			10,615	8,254	-	-	462,653	314,646

NOTE 19: FINANCIAL INSTRUMENTS (CONTINUED)

Trade and sundry payables are expected to be paid as follows

	2015	2014
	\$	\$
Less than 3 months	473,267	322,900
	473,267	322,900

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

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

d. Sensitivity analysis

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Interest rate risk

The Association has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2015	2014
	\$	\$
Change in profit		
- Increase in interest rate by 1%	19,167	37,941
- Decrease in interest rate by 1%	(19,167)	(37,941)
Change in equity		
- Increase in interest rate by 1%	(19,167)	(37,941)
- Decrease in interest rate by 1%	19,167	37,941

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged

No sensitivity analysis has been performed on foreign currency risk as the association is not exposed to foreign currency fluctuations.

NOTE 20: FURTHER DISCLOSURES REQUIRED UNDER S.255 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (THE RO ACT)

Financial support provided to enable the Association to continue as a going concern in accordance to s.254(10):

The Australian Federal Police Association – Branch’s ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit(s).

Acquisition of an asset or liability during the financial year in accordance to s.254(12):

The Australian Federal Police Association - Branch has not acquired an asset or liability during the financial year as a result of:

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

Compulsory levies raised in the financial year in accordance to s.254(14)(c):

The Australian Federal Police Association—Branch has not raised compulsory levies from the members or as appeals for voluntary contributions (including whip arounds).

Donation or grants received in the financial year in accordance to s.254(14)(d):

The Australian Federal Police Association – Branch has not received any donations or grants (other than voluntary contributions referred to in subparagraph c).

Financial support received from another reporting unit in accordance to s.254(14)(e):

The Australian Federal Police Association – Branch has not received any financial support from another reporting unit of the organisation during the financial year.

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 20: FURTHER DISCLOSURES REQUIRED UNDER S.255 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (THE RO ACT)

Expenses incurred as consideration for employers making payroll deductions of membership subscriptions in accordance to s.254(16)(a):

The Australian Federal Police Association – Branch did not incur any expenses as consideration for employers making payroll deductions of membership subscriptions.

Capitation fees paid in accordance to s.254(16)(b):

The Australian Federal Police Association – Branch is not required to pay and did not pay capitation fees to another reporting unit of the organisation.

Compulsory levies imposed in accordance to s.254(16)(d):

No compulsory levies were imposed on the Australian Federal Police Association – Branch during the financial year.

Grants or donations paid in accordance to s.254(16)(e):

<u>Category</u>	<u>Amount (\$)</u>
Total amount paid in grants that were \$1,000 or less	-
Total amount paid in grants that exceeded \$1,000	-
Total amount paid in donations that were less than \$1,000	-
Total amount paid in donations that exceeded \$1,000	8,482

Fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit in accordance to s.254(16)(h)

The Australian Federal Police Association – Branch provided \$13,160 of allowances and subsistence during the financial year to attend meetings.

Penalties imposed under the RO Act in accordance to s.254(16)(k):

No penalties were imposed on the Australian Federal Police Association – Branch under the RO Act with respect to conduct of the Association.

Receivable or payable with another reporting unit in accordance to s.254(18)

There are no items disclosed on face of the statement of financial position as receivable or other right to receive cash or payable or other financial liability derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation.

Name and balance of each fund or account in respect to compulsory levies or voluntary contributions in accordance to s.254(22)(a)

The Australian Federal Police Association – Branch did not operate any funds or accounts in respect of compulsory levies raised by the Association or voluntary contributions collected from members of the reporting unit during the financial year.

Details of any transfer or withdrawals to a fund, account or controlled entity in accordance to s.254(22)(a)

The Australian Federal Police Association – Branch has made no transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the reporting unit during the financial year.

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 20: FURTHER DISCLOSURES REQUIRED UNDER S.255 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (THE RO ACT)

Details of any transfer or withdrawals to a fund, account or controlled entity in accordance to s.254(24)

No other reporting unit and/or controlled entity of the organisation was the source of a cash inflow or the application of a cash outflow during the financial year.

NOTE 21: ASSOCIATION DETAILS

The principal places of business is:
Australian Federal Police Association – Branch
23 Murray Crescent, Griffith ACT 2603

NOTE 22: INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER, FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions outlined below:

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

NOTE 23: SUBSEQUENT EVENTS

Subsequent to year end, a number of legal matters have arisen which relate to the recovery of potentiality unauthorised payments or overpayments to former office holders, employees and contractors of the Australian Federal Police Association. The final outcome of these matters is not able to be determined at this stage.

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
ABN 95 799 543 741**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 23: NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 2015-3	<i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i>	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	No expected impact
AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	1 January 2016	Minimal impact
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i>	The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	1 January 2016	Minimal impact
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.	1 January 2016	Disclosures Only
AASB 15	<i>Revenue from Contracts with Customers</i>	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	1 January 2017	Minimal impact

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 23: NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE
(CONT)**

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Consequential amendments arising from the issuance of AASB 15.	1 January 2017	Minimal impact
AASB 9	<i>Financial Instruments</i>	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1 January 2018	Minimal impact
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9	1 January 2018	Minimal impact



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

RSM Australia Pty Ltd

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GPO Box 200 Canberra ACT 2601

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AUDITOR'S DISCLAIMER

AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH

The additional financial data presented in the following pages is in accordance with the books and records of Australian Federal Police Association – Branch which have been subjected to the auditing procedures applied in our audit of the Association for the year ended 30 June 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than to Australian Federal Police Association – Branch) in respect of such data, including any errors or omissions therein however caused.

RSM Australia Pty Ltd
Chartered Accountants

G M STENHOUSE FCA
Director

Canberra, Australian Capital Territory
Dated: 27/4/16

**AUSTRALIAN FEDERAL POLICE ASSOCIATION – BRANCH
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
REVENUE		
Operating activities		
Members subscriptions	3,658,451	3,491,120
Sale of goods	26,358	16,620
Interest	49,060	124,163
Other income	35,705	41,748
Insurance rebate	1,070,752	-
	4,840,326	3,673,651
EXPENDITURE		
Affiliation fees	69,985	117,684
Advertising/Marketing	21,930	21,103
Annual leave provision	19,156	46,234
Accounting/audit	61,819	30,040
Agreements/Campaigns	-	65,894
Bank charges	3,828	2,141
Bad debts	-	3,040
Contract Work	146,748	98,574
Depreciation and amortisation	134,823	67,215
Donations	8,482	13,800
Loss on disposal of fixed asset	16,050	6,520
Utilities	6,756	5,912
Freight & postage	4,646	6,201
Fringe benefit tax	18,708	20,100
Insurance	31,497	27,584
Internet, IT and web expenses	51,395	43,426
Legal fees for association	33,507	3,792
Legal assistance for members	300,615	331,463
Life assurance for members	1,295,535	1,253,869
Long service leave provision	3,136	(2,335)
Meeting expenses	70,074	36,189
Membership & subscription fees	61,844	6,874
Motor vehicle expenses	64,780	86,651
Other office expenses	22,354	5,200
Printing & stationery	25,344	11,219
Rent – branch office	100,078	117,532
Rental expense on operating leases - equipment	6,929	6,760
Repairs & maintenance	98,314	101,793
Salaries & wages	1,173,151	1,149,690
Staff amenities	3,114	1,439
Shrinkage	-	(1,379)
Staff training	4,170	15,265
Stock purchases	19,672	13,064
Superannuation	164,893	146,649
Telephone	25,121	20,679
Travel, subsistence & accommodations	118,469	77,444
	4,186,923	3,957,326
Profit from ordinary activities before income tax	653,405	(283,675)
Income tax expense	-	-
Profit from ordinary activities after income tax	653,405	(283,675)
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR	3,731,980	4,015,655
Transfer to Reserve	-	-
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	4,385,385	3,731,980

This statement should be read in conjunction with the attached auditor's disclaimer.



FAIR WORK
COMMISSION

28 January 2016

Ms Angela Smith
President
Police Federation of Australia-Australian Federal Police Association Branch
afpa@afpa.org.au

Dear Ms Smith,

Failure to lodge audited financial report(s) - [FR2015/81]

Our records indicate that the Police Federation of Australia-Australian Federal Police Association Branch (the reporting unit) has failed to lodge its audited financial report for the financial year ended 30 June 2015 despite the Fair Work Commission reminding the reporting unit of its obligation to do so by letter(s) dated 19 August and 8 December 2015. This correspondence was followed by further communication regarding the non-compliance on 27 January 2016.

As you have previously been advised, section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires reporting units to lodge an audited financial report with the Fair Work Commission within a maximum of 6 months and 14 days of the end of their financial year. In this case, that was no later than 15 January 2016. It appears that the reporting unit may have potentially contravened the following sections of the RO Act:

- S.253(1) – Reporting Unit to Prepare General Purpose Financial Report
- S.254(1) – Reporting Unit to Prepare Operating Report
- S.265(1) – Copies of Full Report or Concise Report be Provided to Members
- S.266(1) – Full Report to be Presented to Members
- S.268 – Reports to be Lodged with FWC

Paragraph 7.4 of the [FWC Regulatory Compliance Policy](#) states as follows:

- 7.4 *Where the possible contravention involves failure by an organisation, branch or reporting unit to lodge a matter with FWC in accordance with the timeframes specified in the RO Act, RO Regulations or the rules of the organisation, branch or reporting unit:*
- a. *The Regulatory Compliance Branch will contact the organisation, branch or reporting unit, by telephone and/or in writing, within two weeks to advise that lodgement is overdue;*
 - b. *If lodgement has not occurred within one month of the timeframe specified in the RO Act, RO Regulations or rules, the Regulatory Compliance Branch will advise the organisation, branch or reporting unit that it is seeking voluntary compliance within a specified timeframe and that, in the absence of such voluntary compliance without cause, FWC will commence an inquiry or investigation or initiate court proceedings; and*

- c. *If lodgement has not occurred within the timeframe specified in the correspondence referred to in paragraph b and the organisation, branch or reporting unit has not been able to show cause regarding why it should not do so, FWC will commence an inquiry or investigation or initiate court proceedings in accordance with this policy as soon as reasonably practicable.*

Section 331 of the RO Act empowers the General Manager of the Fair Work Commission to investigate compliance by a reporting unit (such as the Police Federation of Australia-Australian Federal Police Association Branch), its officers, employees and auditor(s) with:

- Part 3 of Chapter 8 of the RO Act;
- the reporting guidelines made under that Part;
- the regulations made for the purposes of that Part;
- the rules of the organisation regarding finances and financial administration; and
- civil penalty provisions of the RO Act (see s.305).

In accordance with the processes specified in paragraph 7.4(b) of the *FWC Regulatory Compliance Policy* which are set out above, the reporting unit is required to lodge its outstanding audited financial report with the Fair Work Commission at orgs@fwc.gov.au by no later than **12 February 2016**. A statement outlining the reason for the delay is requested with the lodgement of the financial report.

Should the reporting unit fail to do so without reasonable cause, the General Manager or her Delegate may commence an investigation under s.331 of the RO Act without further notice.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



8 December 2015

Mr Dennis Gellatly
Chief Executive Officer
Police Federation of Australia-Australian Federal Police Association Branch
afpa.office@afpa.org.au

Dear Mr Gellatly,

Lodgement of Financial Report - Reminder to lodge on or before 15 January 2015

The Fair Work Commission's (the FWC) records disclose that the financial year of the Police Federation of Australia-Australian Federal Police Association Branch (the reporting unit) ended on the 30 June 2015.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the completion of the financial reporting process is six months and 14 days after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). For your reporting unit that requires lodgement of its financial report on or before **15 January 2015, and in any event no later than 14 days after the relevant meeting.**

The FWC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$51,000 per contravention on the organisation and up to \$10,200 per contravention on the individual officer.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch



19 August 2015

Mr Dennis Gellatly
Chief Executive Officer
Police Federation of Australia-Australian Federal Police Association Branch
Sent via email: afpa.office@afpa.org.au

Dear Mr Gellatly,

**Re: Lodgement of Financial Report - [FR2015/81]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Police Federation of Australia-Australian Federal Police Association Branch (the reporting unit) ended on 30 June 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 January 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. 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. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8661 7796 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.