

25 September 2024

The Branch Secretary  
United Firefighters Union of Australia Tasmania Branch  
265 Macquarie Street  
HOBART TAS 7000

Dear Leigh,

### **MANAGEMENT LETTER YEAR 2024**

We advise that we have recently completed the audit of United Firefighters Union of Australia Tasmania Branch for the year ended 30 June 2024.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. While our procedures are designed to identify any material weaknesses and detect misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

Apart from the audit adjustments and unadjusted audit differences that we have already communicated and have been acknowledged in the representation letter, we noted the following matters which we believe need to be brought to your attention.

#### **Leave Provision On-Costs**

We noted during the audit that on-costs such as superannuation and worker's compensation insurance were not taken into account when calculating the annual leave provision. The amount resulted to an immaterial total hence, not adjusted in the financial report.

We recommend that in future, all provisions for employee leave include an amount for on-costs to ensure the provisions are correctly stated and cover all the costs associated with each employee's leave when taken.

#### **Accrued Wages**

We noted during our audit that wages for the period 27 June to 10 July 2024 were paid on 9 July 2024, but wages pertaining to June were not accrued in the books. The amount was considered to be immaterial and therefore no adjustment was made to the financial statements.

We recommend that unpaid wages are accrued to ensure that the cost is recognised in the period that the services were rendered.

## **Basis of Accounting**

During our audit, we noted that transactions related to membership subscriptions income are captured at the time of payment and so cash basis of accounting is being used. Under the reporting framework, the financial statements of United Firefighters Union of Australia Tasmania Branch are general purpose financial statements and have been prepared using the accrual basis of accounting. We noted that the difference between the two was immaterial in current year so adjustments were not made in the financial report.

We recommend that the accrual basis of accounting be adopted for membership subscriptions to be in line with the financial statements.

We would like to take this opportunity to thank you and Sean for the assistance provided during the course of the audit. If you would like to discuss any matter in relation to the audit, please do not hesitate to contact us.

Yours Faithfully  
**AMW AUDIT**  
Chartered Accountants



**MARTIN SHONE**  
Principal