



26 September 2025

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

Dear Leigh,

MANAGEMENT LETTER YEAR 2025

We advise that we have recently completed the audit of United Firefighters Union of Australia Tasmania Branch for the year ended 30 June 2025.

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 26 June to 9 July 2025 were paid on 8 July 2025, 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.

Provision for Employee Benefits

During our audit, we noted the following with regards to the provision for employee benefits:

- No annual leave taken during the year and the annual leave balance accumulated to approximately 54% of total liabilities as at 30 June 2025.
- The liability for the long service leave provision is significant, representing approximately 17% of total liabilities as at 30 June 2025.

Annual leave or long service leave, if not taken regularly, increases the leave provision balances. This could potentially create financial pressures for the Union should large amounts of leave be taken at the same time or in close proximity. There is also a business risk to the Union by having key personnel take leave for extended periods of time.

We recommend that all employees be encouraged to utilise their annual leave or long service leave frequently in order to keep the liability to a minimum and as a matter of good governance, this will also help prevent the absence of key personnel for long periods.

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