

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Additional Estimates 2012-2013**

**Agency - Fair Work Commission**

**DEEWR Question No.** EW0886\_13

**Senator Abetz asked on 13 February 2013 , Hansard page 20**

**Question**

**Requirements for Auditing Registered Organisations**

Senator ABETZ: Yes, but if an auditor is not told that this money is being collected and squirrelled away into a separate organisation, an incorporated association, the auditor will not be able to comment on that. Ms Carruthers: I think this comes down, again-I am not an auditor but there are certainly obligations, and I will take the details of this on notice, about the sorts of inquiries that auditors are required to undertake in conducting an audit. Senator BACK: Has the auditor been required to audit this associated organisation? Ms Carruthers: Again I will take that on notice.

**Answer**

*The Fair Work Commission has provided the following response:*

Section 257 of the *Fair Work (Registered Organisations) Act 2009* requires the 'form and content' of an auditor's report to be in accordance with Australian Auditing Standards. In addition, an auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report of a reporting unit is presented fairly in accordance with Australian Accounting Standards.

When conducting an audit in accordance with Australian Accounting Standards, the overall objective of the auditor is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error. This is done by the auditor planning the audit based on a risk assessment of the entity which covers the legal and regulatory framework applicable to the entity and materiality for the financial report as a whole. From this, sufficient appropriate audit evidence is obtained so the auditor is able to draw reasonable conclusions on which to base their opinion.

The records of the Fair Work Commission indicate that the AWU Welfare Reform Association Inc is not now, and has never been, a registered organisation under the *Fair Work (Registered Organisations) Act 2009* or any of its predecessor legislation. The Fair Work Commission has not identified any records which indicate what audits, if any, may have been conducted concerning the AWU Welfare Reform Association Inc.