



9 May 2014

Mr Graeme Kent
Director
MGI Assurance (South Qld) Pty Ltd
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Communications, Electrical,
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Dear Graeme

**CEPU – ELECTRICAL & PLUMBING DIVISION, TASMANIA BRANCH
COMMITTEE’S REPRESENTATION – 31 DECEMBER 2013**

This representation letter is provided in connection with your audit of the financial statements of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Electrical and Plumbing Division - Tasmania Branch ('the Union') for the year ended 31 December 2013. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Union as of 31 December 2013 and of its financial performance for the year then ended in accordance with Accounting Standards, *Fair Work (Registered Organisations) Act 2009* and other mandatory financial reporting requirements in Australia.

We understand the purpose of your audit is to express an opinion on our financial statements in accordance with Australian Accounting Standards, including Australian Accounting Interpretations. We understand the audit involved an examination of the accounting system, internal control and related data, to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Financial Statements and Financial Records

1. We acknowledge, as members of management of the Union, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position and financial performance of the Union in accordance with Accounting Standards, *Fair Work (Registered Organisations) Act 2009* and other mandatory financial reporting requirements in Australia and are free of material misstatements, including omissions. We have approved the financial statements.
2. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
3. Each element of the financial statements is properly classified, described and disclosed in accordance with Accounting Standards, *Fair Work (Registered Organisations) Act 2009* and other mandatory financial reporting requirements in Australia.

A. Financial Statements and Financial Records (Continued)

4. As members of the committee of management, we believe the Union has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with Accounting Standards, *Fair Work (Registered Organisations) Act 2009* and other mandatory financial reporting requirements in Australia.
5. We have reviewed the modified audit report presented in the 2013 financial statements. As members of the committee of management, we have updated the internal controls at the Union to ensure that such a modification does not occur in future accounting periods.

B. Fraud and Error

1. We acknowledge we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Union's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Union.
4. There are no material unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or possible noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
2. There has been no noncompliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of noncompliance.

D. Completeness of Information

1. We have made available to you all financial records and related data and all minutes of the meetings of members and committee of management (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the 31 December 2013 financial year and to the date of this letter.
2. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
3. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you all information required to meet the disclosure requirements of AASB 124 Related Party Disclosures.
4. We have brought all uncorrected misstatements to your attention.

E. Recognition, Measurement and Disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the financial statements are reasonable and appropriate in the circumstances. These assumptions reflect our intent and ability to carry out our audit on behalf of the Union.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
3. We have disclosed to you, and the Union has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

F. Ownership and Carrying Value of Assets

1. All assets to which the Union has satisfactory title appear in the statement of financial position.
2. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.
3. We have considered the requirements of AASB 136 – Impairment of Assets when assessing the carrying values of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.
4. Adequate provision has been made for adjustments and losses in collection of receivables.
5. Allowances for depreciation have been adjusted for items of property, plant and equipment that have been abandoned or are otherwise unusable.

G. Liabilities and Contingencies

1. All material liabilities and contingencies, including those associated with guarantees and those arising under derivative financial instruments, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

H. Purchase and Sales Commitments and Sales Terms

1. At the year end, the Union had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Union (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; losses from fulfilment of, or inability to fulfil, sales commitments, etc.).

H. Purchase and Sales Commitments and Sales Terms (Continued)

2. All material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles have been disclosed in the financial statements.

I. Commitments

1. Commitments under contracts for capital expenditure at balance date to the extent to which provision has not been made in the financial statements amount to \$ nil.
2. Commitments for future purchases are for quantities not in excess of anticipated requirements and are at prices which will not result in a loss. No losses will be sustained in the fulfilment of, or from inability to fulfil, any sales commitments.

J. Independence

1. We are not aware of any act or omission on the part of the Union that does or may impact on your ability to comply with your independence obligations as auditor of the Union. We have brought to your attention any items which we consider may affect your ability to remain independent of the Union and we will continue to work with you to maintain the independence of the audit relationship.
2. We have received your independence declaration for your audit for the year ended 31 December 2013.

K. Going Concern

1. We are not aware of any circumstances which would suggest that the Union cannot continue as a going concern. We have assessed future cash flow projections, current funding facilities and support from the union's related parties.
2. We have provided you with future cash flow projections/ budgets indicating that the Union will be able to pay its debts as and when they fall due and payable for at least 12 months from the date of this letter.
3. We acknowledge that our assessment of the going concern assumption is relevant for 12 months from the date of the audit report.

L. Future Cash Resources

1. Based on cash flow forecasts, adequate cash resources will be available to cover the Union's requirements for working capital and capital expenditure for at least the next twelve months.

M. Insurance

1. All insurable assets and risks are to the best of our knowledge and belief fully covered by insurance.

N. Electronic Presentation of Financial Information

1. The electronic presentation of the financial statements is our responsibility.
2. The electronic version of the financial statements and review report presented on the web site are the same as the final signed version of the financial statements and review report.
3. We have clearly differentiated between audited, reviewed and unaudited information in the construction of the Union's web site and understand the risk of potential misrepresentation in the absence of appropriate controls.
4. We have assessed the security controls over reviewed financial information and the review report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
5. Where the audit report on the financial statements is provided on the web site, the full financial statements are also presented on the web site.

O. Subsequent Events

1. Other than the matters described in the financial statements, there have been no events subsequent to balance date which require adjustment or disclosure in the financial statements or notes thereto.

P. Accounting Estimates

1. In relation to our estimate of impairment, the measurement process and underlying assumptions used for this estimate are appropriate, and our application of these processes is consistent, and no subsequent events have occurred which require and adjustment to the estimate made.

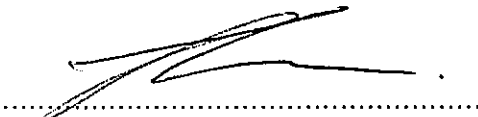
Q. Accounts Receivable

1. Trade Accounts receivable totalling \$86,393 were owing to the Union at balance date and represent bona fide claims against debtors at that date and are not subject to discount except for normal cash discounts. We are of the opinion that these debts will be realised in full.
2. The committee of management have taken reasonable steps to ascertain what action has been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and to cause all known bad debts to be written off and adequate provisions to be made for doubtful debts.

R. Taxation

1. We confirm that the Union is exempt from income tax by virtue of s.50-15 of the Income Tax Assessment Act 1997. As a result, no provision for income tax has been recorded in the financial statements at 31 December 2013.

Yours faithfully



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Trevor Gauld
(Branch Secretary)

9 May 2014