

From: [Andy Doves](#)
 To: [Doves, Andy](#)
 Bcc:



Subject: RE: FY21/22 Audit Report & Revised Financials
 Date: Monday, 28 November 2022 16:30:00
 Attachments: [Body Corporate decision making and meetings transcript](#) [Your rights, crime and the law](#) [Queensland Government.pdf](#)

Dear Owners

A. Background

Well, what a relief to finally receive audited accounts for the financial year ended 31 March 2022 - albeit the second set of accounts (version two, "v2") issued to Owners by the committee. You will recall that the committee issued (version one, "v1"), of our accounts 6 months ago in May, urging us vote For them at the AGM on 16/6/2022 - even though they knew by that time that those accounts were not audited, were not a true and accurate representation of the Quays financial position; and did not comply with the BCCM Act 1997 and/or BCCM (Accommodation Module) Regulation 2020. The annual accounts were fictitious in many respects. Thereafter, only a campaign by a small number of Owners, presenting opinions from 3 Chartered Accountants and 3 public accounting firms, forced the committee to have the accounts audited.

B. Version 2, Audited Accounts

1. 26 changes made to figures when comparing v2 to v1.
2. Comparative figures for the prior year now included, as is required by the regulations.
3. Notes All - are not as exhaustive as in previous years (only 2 compared to 17 for the 20/21 FY). Why?
4. Note 2 - appears to have two "2022" columns on its first page; (i/o 2022 & 2021)? Why?

C. Treasurer's Statements

1. ***"While myself and the committee had checked and***
2. ***statements"***
 - a. What does this even mean? Did they look at a bank statement or did verify the bank reconciliation?
 - b. Whatever they "checked" and "verified" was obviously incorrect as the auditor changed the Cash at Bank figure from \$698,649.98 in v1 to \$706,782.43 in v2.
3. ***"...we were unfortunately unable to check the accrual of income and expenses."***
 - a) What prevented them? They should be checking every figure and not just a couple of random items.
 - b) What about the Caretaking figure, did they check that? **No**; even though it is our biggest single expense, representing 33% of total Admin Fund spend!
 - c) How could the Treasurer or anyone on the committee fail to see that this figure was vastly understated (by \$52k) when compared to the contract, the budget and the previous year's actual?

The above Treasurer's statements are disingenuous and insulting to Owners. They are also reminiscent of the fictional financial playbook and rhetoric used to prepare and justify the v1 accounts.

D. Regulatory Concerns

Owners already have possession of v1 of the 21/22 financials, as approved and submitted by the

committee to the AGM in June 2022 and as voted **FOR** by the majority of Owners. It would appear that the Chairman has now unilaterally issued **v2** of the 21/22 financials without evidence of a committee meeting motion or a VOCM^(Note 1). A committee VOCM should have:

1. Withdrawn the committee's approval of the **v1** 21/22 financials;
2. Submitted a motion for the next General Meeting to revoke the motion approving the incorrect and inaccurate **v1** financials;
3. Stated the committee's approval of the **v2** financials for distribution to Owners, subject to
4. below;
4. Submitted a motion for the next general meeting to approve the **v2** financials;
5. Submitted a motion for the next general meeting to approve the appointment of Dickfos Dunn Adam as auditors of the accounts for the financial year ended 31 March 2022.
6. Included an apology to Owners for their inadequate and inaccurate presentation and approval of our financials.
7. Included an apology for their failure to keep Owners informed, especially as to decisions made by the committee which only Owners should have decided.

E. Would the treasurer care to tell Owners which set of accounts is correct and which set is legal?

Andy Doves, Owner Lot 3006

(Note 1) It appears that our committee, and the chairman in particular, is still pretending to be unaware that the only way committees can make decisions is by a vote on a motion – either at a committee meeting or via a VOCM. A “record of motion” must be made, kept, and distributed. Not for the first time, I attach for the committee's reference a Qld Government article on BC decision making – specifically please see page 2, Types of committee meetings.

From: Darren Mclean <darren.mclean@pico.com>

Sent: Tuesday, 22 November 2022 20:16

Subject: FY21/22 Audit Report ISSUE – REDUCED WATER SUPPLY PRESSURE AND FLOW THROUGHOUT THE EMERALD LAKES ESTATE

Dear Quays Lot Owners,

Please find attached the audited financial statements for last financial year ending 31 March 2022. The auditor identified a number of errors and discrepancies in our Body Corporate Manager's financial statements issued out to you with this year's AGM notice. These errors related to accrual of expenses and GST, which resulted in an understatement of the body corporate equity of \$42,204.86. While myself and the committee had checked and verified the bank statements prior to the AGM notice, we were unfortunately unable to check the accrual of income and expenses.

As per committee correspondence sent to Lot Owners on 14th November 2022, our new Body Corporate Manager Stansure will take over the administration of our accounts and body corporate matters from Value Strata Management, starting from 1st December 2022. Upon handover of the body corporate records, Stansure will check and verify that accounting entries are correct for the period 1st April 2022 to 30th November 2022.

The committee encourages Lot Owners to attend the next committee meeting which is scheduled for **Monday 12th December 2022 at 6pm** in the community room to meet our new

Body Corporate Manager and raise any queries or concerns you may have regarding the audit report.

Regards,

Darren McLean
Chairperson and Treasurer
The Quays CTS33891