



Wednesday, 28 October 2020

Re: Resolution 2: Audit requirement.

The Incorporated Societies Act does not currently require that the financial statements of Incorporated Societies are audited or reviewed. However, the Club's existing rules require an annual audit of the financial statements.

“Auditor

16.6 The Society's books must be audited each year.

16.7 The auditor's report must be submitted to the Annual Meeting with the annual accounts.

16.8 The auditor will be appointed at the Annual Meeting each year.”

The Incorporated Societies Act is currently under review and proposed new legislation proposes a mandatory audit requirement where Incorporated Societies satisfy one of the following criteria; annual expenditure over \$2 million or assets over \$4 million.

Many societies and trusts find the cost of auditing expensive (estimated at \$1,500 - \$3,000 per annum) given the level of their assets so decide to remove the requirement for audit or review.

The Club currently operates with volunteer labour only and endeavours to run an admin light and fully transparent operation. Given the current scale of the Club the cost of an audit is viewed as unnecessary unless specifically required by members or legislation.

Proposal

It is proposed the Club deletes the existing Rules 16.6, 16.7 and 16.8 and replaces with a new Rule 16.6

“No review or audit of the annual financial statements is required unless a review or audit is requested by 10% of the Members at any properly convened Society Meeting or required by statute.”

Regards

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