



The Australian & Aotearoa New Zealand
Psychodrama Association

AANZPA Treasurer's Report

Report to the Annual General Meeting 2022

Simon Gurnsey - AANZPA Treasurer

17 December 2021

Contents

Contents	1
Introduction	1
Financial Accounts	2
Income	2
Expenses	2
Surplus	3
Financial Reserves	3
Complaints procedures	3
Conference	3
Regional finances	3
Annual audited accounts	3
Regulatory compliance	4
Requirement to audit	4
Budget 2022	5
Executive Project Grants	6
Executive Meeting Expenses	6
2022 Conference	6
Trends	7
Accumulated Funds (Reserves) 2004 to 2021	7
Income by Category 2004 to 2021	7
Expenses by Category 2004 to 2021	8
Thanks	9
Motions	9

Introduction

The first part of this report contains a summary the financial activities of AANZPA Inc. for the 2021 financial year including income, expenditure, the 2021 annual surplus and current financial reserves. This summary is based on the 2021 audited accounts which are available separately. The report continues with information about regional finances, audit and regulatory compliance.

This is followed by a discussion about our requirement to audit. The proposed 2022 Annual Budget is then presented for discussion and approval. There is a brief summary of financial trends. Following this, motions relating to financial management and banking are put to the membership.

Financial Accounts

The financial year being reported is 1st July 2020 – 30th June 2021. All figures quoted in this report are in New Zealand dollars. The comments below should be read in conjunction with the AANZPA 2021 Financial Accounts.

Income

Compared to the 2020 financial year:

- Overall income was down by just over \$12,000 (24%).
- Income from membership fees was down by a small amount (\$1838 or 4%) to \$44,108.
- Interest income was down by just over \$1200 (70%) to \$1730, owing to very low-interest rates.
- There was a significant, but not unexpected, drop in conference income. Conference Income (the surplus after all expenses are paid) was down over \$8000 (228%) to \$3652 for the 2021 online event. The previous year's surplus was nearly \$12,000 from the 2020 Christchurch Conference held prior to the Covid-19 pandemic.

Expenses

Compared to the previous year:

- Web and Admin expenses increased by over \$6000 to \$10,930. This increase was partly due to time spent transitioning membership administration to our new administrator, Lynne Havenaar. Current expenses in this category are tracking closer to a 10-year average.
- Executive expenses (\$7826) were down by more than half on the previous year because the Exec wasn't able to meet in person and meeting expenses are a significant proportion of Executive expenses.
- BoE expenses were also significantly down (over \$10,000) following from the higher than usual 2020 year's expenses partly due to the revision of the Training and Standards Manual.
- There were no Ethics Committee expenses because they were unable to meet due to the pandemic.
- Capitation in 2021 was well up on the previous year because some regions were paid a catch-up amount after payments were missed in the 2020 year.

Surplus

- There was a small surplus (\$4132). This is well up on the previous year's surplus (\$1164). In actual dollar terms, the differences between the two surpluses aren't significant.

Financial Reserves

AANZPA has sufficient reserves to continue its operations for the foreseeable future.

Having a financial reserve of \$147,642 places AANZPA in a good position to meet any unanticipated expenditure or drops in income. Our financial reserve has been almost entirely built up from surpluses from conferences over the years. That is, from the voluntary efforts of conference committees and the commitment of the members and members and others who have attended conferences over the years.

Reserves are maintained to provide for years when there is no surplus to allow us to cover expenses. In addition, reserves are available to provide for the potential cost of **complaints procedures** and possible losses from **conferences**.

Complaints procedures

The cost of managing a complaint against a member through a professional conduct committee process is highly variable and receiving more than one complaint in one financial year is a possibility. The Ethics committee has estimated a single complaint could cost up to \$10,000.

Conference

Cancellation policies are now more flexible, however, holding a conference is a much higher risk undertaking now than it was prior to the outbreak of the Covid-19 pandemic. While historically the annual conference has provided a yearly surplus, significant costs can be incurred with little or no balancing income. In 2022 the Executive has said they will underwrite any losses made by the 2022 Auckland Conference up to \$5000.

Regional finances

There were financial reports and supporting documentation from all active regions; Northern, Central, Canterbury, Otago, QLD and SA. There was also a report from WA. In 2021 all the regional accounts were reviewed by myself as AANZPA Treasurer. Reporting was of a very high standard and I'd like to commend all of the regional treasurers for their work.

Annual audited accounts

In 2021 AANZPA Treasurer reported to the AGM the accounts for the previous two years (2019 and 2020) were with the auditor and the accounts presented to the AGMs were drafts. I can now

report that audited accounts for 2019 and 2020 are available and presented for your acceptance.

1. Our Constitution requires AANZPA's annual audited accounts to be presented to the AANZPA AGM, however, no audited financial statements have been presented to an AGM since 2018.
2. The 2018 accounts were audited but were not presented at the 2019 AGM or subsequent AGMs.
3. 2018, 2019, 2020 audited accounts are now presented to the membership for acceptance. The 2021 accounts are presented for acceptance subject to audit approval.
4. In the Auditor's opinion, the 2019 and 2020 Financial Statements provide a 'true and fair view' of AANZPA's Financial Activities and Financial Position, a clean bill of health.
5. Systems have been put into place to simplify the audit process and ensure efficient and timely audits are carried out in future. (Also see section: Requirement to audit)
6. My appreciation goes to the AANZPA Assistant Treasurer, the Board of Examiners Treasurers and Regional Treasurers for their diligence and cooperation with me throughout 2019, 2020 and 2021 audit processes. Thanks also go to the auditors and their staff; Harald Breiding-Buss, Nick Hsu and Jessica Jamieson.

Regulatory compliance

AANZPA is incorporated under the Incorporated Societies Act 1908 in New Zealand and is registered as an Incorporated Society by the New Zealand Companies Office (NZCO). In Australia, AANZPA is registered as a charity by the Australian Charities and Not-for-Profits Commission (ACNC). Both the NZCO and the ACNC require us to provide annual returns. The completion of these returns is delegated by the Executive to the Treasurer.

In 2021 the Treasurer reported to the AGM that returns to charities regulators in Australia and New Zealand require audited accounts and were consequently overdue.

1. No returns were made to the NZCO between 12 March 2017 to 14 April 2021.
2. No returns were made to the ACNC between 27 April 2018 to 28 February 2021.
3. As a result of our failure to supply returns AANZPA was dissolved as a registered society by the NZCO on 1st February 2019.
4. Following our application, AANZPA 's dissolution by the NZCO was revoked on the 14th of April 2021 on the grounds the Companies Office was 'satisfied AANZPA was carrying on its operations at the date of its dissolution.'
5. All returns to the NZCO and the ACNC are now up-to-date.
 - a. The 2021 ACNC return was made on 22 November 2021.
 - b. The 2021 NZCO return is due in January 2022 and will be made following the 2022 AGM.

Requirement to audit

The current audit system isn't working well for us in practice and we want to be able to have the flexibility to use an alternate system. We don't have that flexibility now because we are bound by the AANZPA Constitution. Following the 2022 Audit, the Executive proposes AANZPA removes the requirement to audit from our Constitution.

1. Smaller organisations like ours aren't required to be audited or to have an accountant's financial review by either the New Zealand Companies Office (NZCO) or by the Australian Charities and Not-for-Profits Commission (ACNC).
2. Audits and reviews are expensive and time consuming for AANZPA and it is becoming more and more difficult to find qualified auditors. Our current auditors manage to keep the cost to us down by producing audits where the bulk of the work is done by Chartered Accountant students. Their work is then checked by a qualified auditor.
3. The time spent on Audit by the Board, the Conference Treasurer, the Treasurer and the Assistant Treasurer is excessive and would be better spent in other ways.
4. Delays in the audit process are the main reason our accounts are regularly received too late to be presented at our AGM. Getting actual financial accounts from our accountants is relatively quick, however, an incomplete audit has contributed to the inability of the Treasurer in some years to present accounts to the AGM.
5. Very few changes are made to our accounts following an audit, showing we provide a 'true and correct record' of our finances.

In place of the current requirement to audit, the Executive proposes developing other systems and is considering such things as a periodic audit (every three years) and an annual review of financial and administrative processes conducted by the Treasurer in consultation with AANZPA's Accountant. The results of this review will be reported to the Executive. We will continue to have our annual accounts prepared by an accountancy firm. The 2022 audit will be completed by Community Capacity Accounting.

The Executive is giving a notice of a motion of a change to our constitution removing the requirement to audit. This motion will be put to the membership at the 2023 AGM.

The wording of the motion to be put to the 2023 AGM: That the Association removes from its Constitution any requirement for an audit. This affects 7.18 Accounts, 7.20 Auditor, 7.21 Audit.

Budget 2022

The draft budget for the year ending 30 June 2022 was approved by the Executive on 13 November 2021. We now present the 2022 Budget to the membership for your approval as required by our Constitution.

The budget forecasts a loss of \$15,790 in the current year. There will be no conference to make up for the shortfall of income and the shortfall will therefore come from reserves. There are three areas to highlight in this budget; Executive Project Grants, Executive Meeting Expenses and the 2022 AANZPA Conference.

Executive Project Grants

The Executive has offered a grant of \$4000 to facilitate bi-cultural work in Aotearoa including potentially holding a hui at a marae. We have amalgamated this budget with the existing Small Grants Fund under one heading, Exec Project Grants.

Executive Meeting Expenses

We don't expect the Executive will be meeting face to face before the end of the financial year so we have reduced budgeted meeting expenses to account for this.

2022 Conference

The July 2022 Conference has been left out of the 2022 budget because the conference date is after the end of the 2022 financial year. The conference income and expense will be split over two financial years but the conference itself will be accounted for in the financial year in which it occurs, 2023.

Overall Budget	
AANZPA	
July 2021 to June 2022	
Account	Total
Income	
BoE Income	\$4,400.00
Conference Income	\$0.00
Interest	\$2,160.00
Membership Fees	\$45,680.00
Total Income	\$52,240.00
Less Operating Expenses	
Accounting and audit	\$1,500.00
BoE Expenses	\$12,810.00
Conference Expense	\$0.00
Ethics Committee Expenses	\$3,500.00
Exec Meeting Expenses	\$4,600.00
Bank Fees	\$500.00
Insurance	\$3,500.00
Project Grants	\$8,000.00
Subscriptions, Workshops, Incorporation Fees	\$1,500.00
Journal 2021	\$5,500.00
Koha/Honoraria	\$4,500.00
Membership Secretary incl. Currency and Admin	\$8,400.00
PACFA Expenses	\$1,200.00
PACFA Membership	\$6,000.00

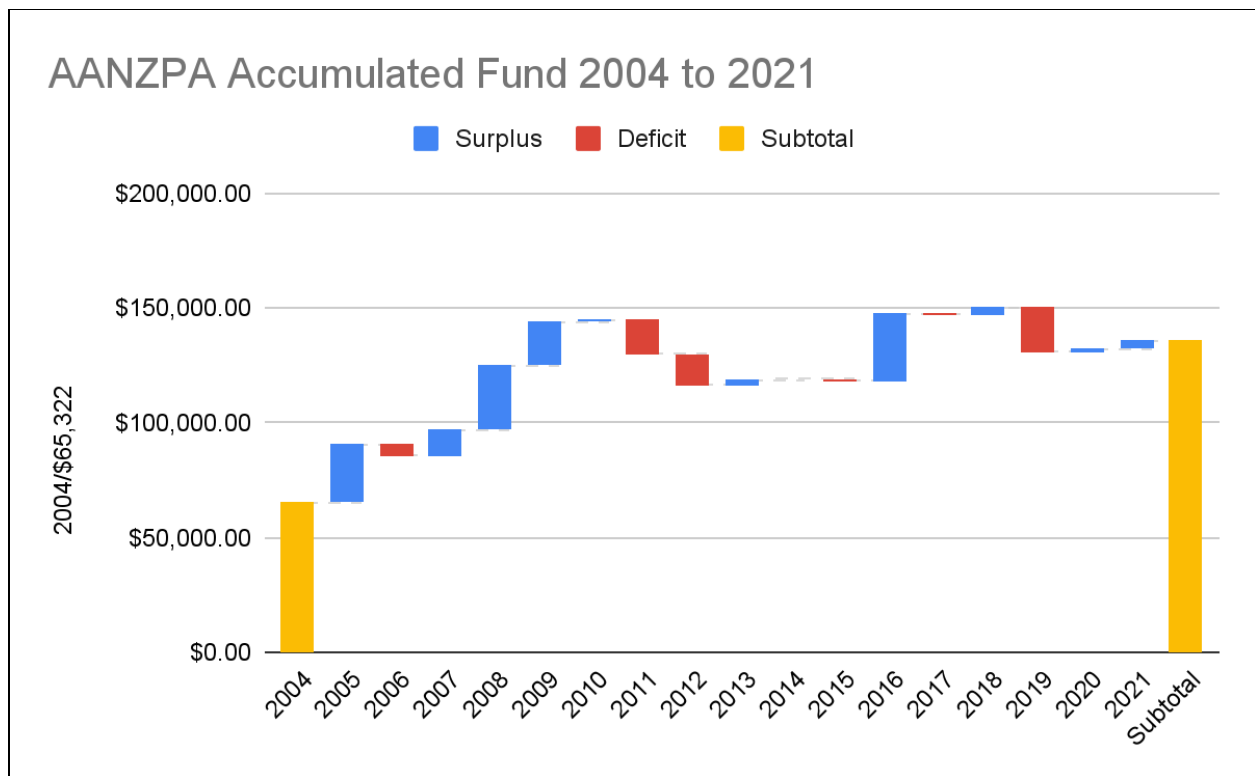
Regional rebate (Capitation)	\$2,440.00
Website	\$4,080.00
Total Operating Expenses	\$68,030.00
Net Deficit	-\$15,790.00

Trends

The Executive have asked for historical information so there is a better understanding of movements in our **Reserves** and trends in **Income** and **Expenditure**. This information will assist us to make plans for the future. I have included this financial trend information for your interest and comment.

Accumulated Funds (Reserves) 2004 to 2021

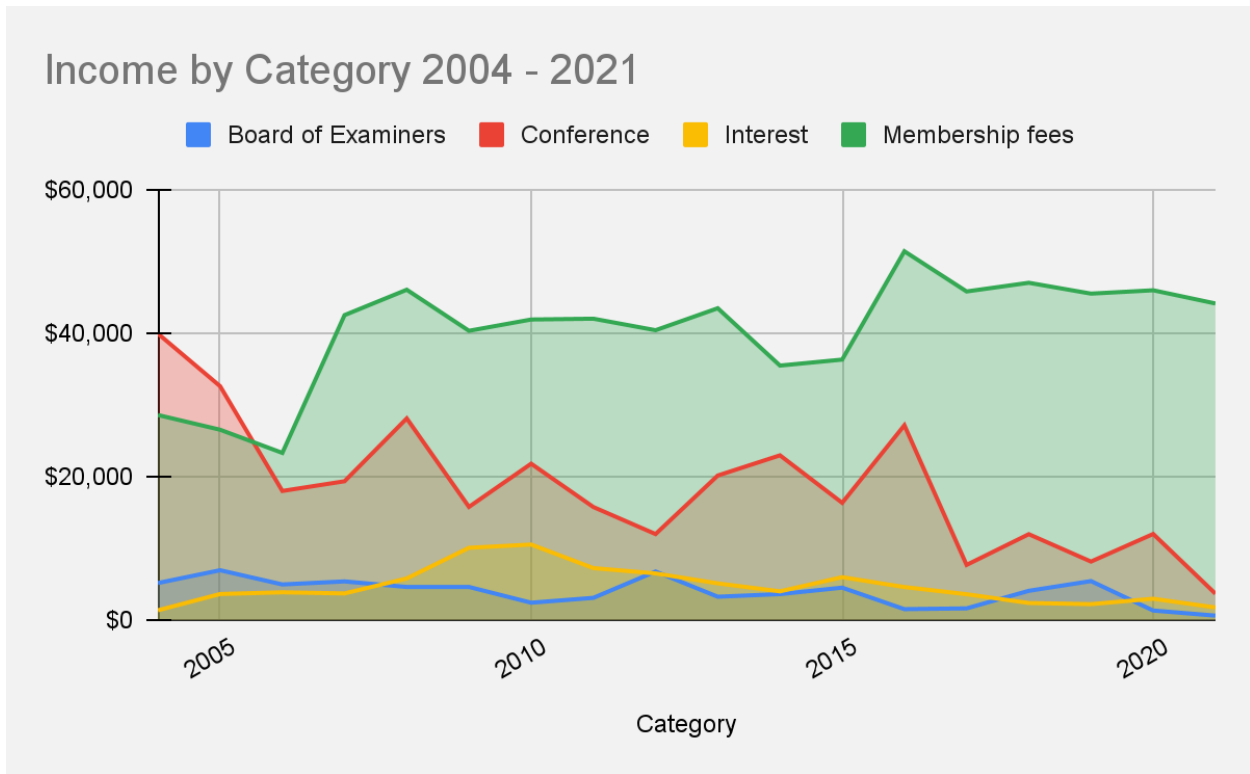
Below is a chart showing the AANZPA Accumulated fund to date. The 'waterfall' chart shows the relative contribution each year's surplus and deficit made to the fund.



Income by Category 2004 to 2021

The Income by Category chart shows changing trends for sources of income. A steadily higher proportion of income is coming from membership fees, there is a general drop off of income

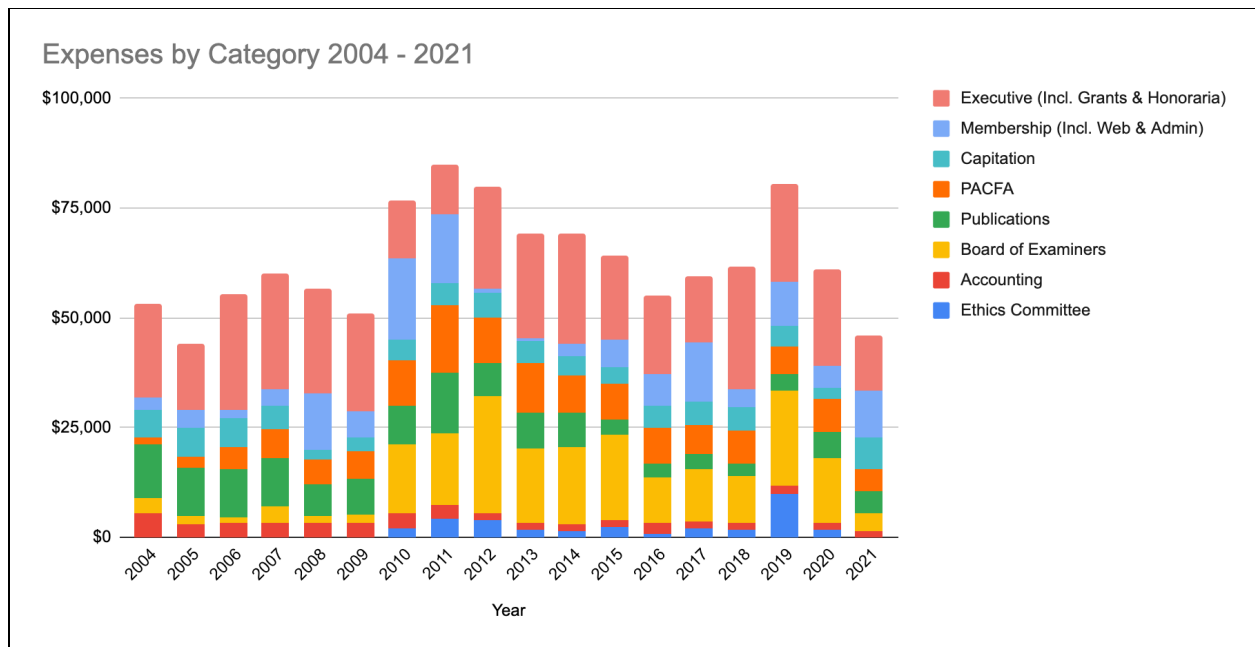
from Conferences and less income is sourced from Interest.



Expenses by Category 2004 to 2021

The Expenses by Category chart puts into perspective the significant drop in overall expenditure in 2021 that enabled us to make a surplus in a year when income was significantly lower. If we go back further in time we see a trend of reduced publication costs as some publications went online. These funds were used for developing Membership Administration and redesigning the

website.



Thanks

As Treasurer I keep oversight of AANZPA finances through the contributions of many people. In particular, I'd like to express my deep appreciation to Joan Hamilton-Roberts who is the Australian Assistant Treasurer. An Assistant Treasurer manages the Australian bank accounts when the AANZPA Treasurer is a New Zealander as has been the case for quite a while now. Joan is generous, responsive and reliable, this makes her a pleasure to work with. Thanks, Joan.

I'd also like to thank:

- Board of Examiners treasurers, Bev Hosking in Aotearoa and Rollo Browne in Australia
- Richard Mills, the Melbourne Online Event 2021 treasurer
- Lynne Havenaar, our membership administrator
- Regional treasurers and others who have kept regional finances in order, Kevin Franklin, Lynley McNab, Marcel van der Weerden, Dianne Pepicelli, Jenny MacIntosh, Cushla Clark, Anja Van Holten and Judith McDonald.

Motions

- **Audited Annual Accounts**
 - That the AANZPA audited annual accounts for years 2018, 2019, 2020 are accepted.
 - That the financial accounts for the year June 30 2021, are accepted subject to audit approval.
- **Budget 2022**
 - That the Budget for the year ending June 30 2022, is approved.
- **Audit and accounting 2022**

- That Community Capacity Accounting is appointed as our accountant and auditor for the financial year ending June 30, 2022.
- **ANZ Australia: Confirmation of signatories**
 - That Joan Muriel Hamilton-Roberts 01.11.1952 is confirmed as the signatory for the following bank accounts:
 - 01 2950 2549368 02
 - 01 3516 5288266 79
 - 01 2204 1806923 81
 - 01 3006 2601488 29
 - 01 3440 9768320 28
 - Signing rule to be 'anyone can sign'
 - That Christopher Victor Patty 07.11.1958 is confirmed as the signatory for the following bank accounts:
 - 01 2204 1806923 81
 - 01 3006 2601488 29
 - Signing rule to be 'anyone can sign'
- **Westpac NZ: Confirmation of signatories**
 - That David John Grant 24.10.1954 Simon Neville Gurnsey 16.06.1956 Martin Thomas Putt 13.12.67 are confirmed as signatories for the following bank accounts:
 - 03 08550594203 00
 - 03 0855 0594203 01
 - Signing rule to be 'anyone can sign'
 - That Simon Neville Gurnsey 16.06.1956 Martin Thomas Putt 13.12.67 are confirmed as signatories for the following bank accounts:
 - 03 0399 0180591 00
 - 03 0399 0180591 20
 - 03 0399 0180591 81
 - Signing rule to be 'anyone can sign'
- **Westpac NZ: Effective control**
 - That effective control of the organisation is vested in Treasurer, Simon Neville Gurnsey and President, Martin Thomas Putt