

Members of New Zealand Association of Resource Management Inc

Minutes of the Annual General Meeting of the New Zealand Association of Resource Management held in the Middlemarch Hall, Central Otago, Wednesday 14 November 2012, commencing at 11.20am.

J Crossman
Secretary

Present: 39 NZARM Members.

Apologies: Paul Smith, Dan Bloomer, Nicki Hughes, John Hawley, Kate Akers, Jim Sinner, Rene Weterings, Dave Roke, Mark Bloomberg, Andrew Fenemor, Brigette Priestley, Malcolm Todd, Judith Earl-Goulet, Annie Perkins, Ian Cairns, Helen Moodie, Bala Tikkisetty

Ross Abercrombie called for any General Business items to be added to the agenda. Simon Stokes asked that Honorary Membership be added as a general Business item.

1 Confirmation of Minutes of 2011 NZARM AGM

Ross Abercrombie **moved** that the New Zealand Association of Resource Management **take as read** and **receives** the minutes of the 2011 Annual General Meeting of the NZ Association of Resource Management Inc held in the Hobson Room of the Quality Hotel Plymouth International, New Plymouth, on Tuesday 15 November 2011. **Seconded** Garth Eyles. Carried.

Ross Abercrombie called for any matters arising from the 2011 NZARM AGM Minutes. There were no matters arising.

2 President's Annual Report

Ross Abercrombie read highlights from his Annual report of the NZARM President. The full report is as follows:

Presidents Annual Report 2011-12

It's hard to believe that another year has passed since we were last together as an organisation in Taranaki. In saying this it shows the amount and scale of work going on around the country and reflects how busy most of our members have been. It seems that in the Government's drive for more collaborative working arrangements many of us are now drawn into meetings, conferences and workshops to work out new policies and methods for managing within resource limits.

On this theme, NZARM did some collaboration of its own in the past year partnering with FertResearch to put on the "Tools to farm within limits" conference at Karapiro in June. This conference was well supported by many sponsor organisations and NZARM, WRC and BoPRC played lead roles in pulling this together. Our Secretariat organisation (Groundwork Associates) were the conference organisers and sponsors, and pulled off a very professional conference. The conference drew a crowd of 170 people which showed the level of interest in the themes covered. There is very good online coverage of this conference, just Google the title for our homepage.

The Tools conference moves NZARM from being an organisation that is founded on sound land management with soil conservation at the heart, to being current in the space of nutrient management. NZARM was also shown to be a sound, neutral body that can host such debates with skill, and happy to partner with like-minded organisations in the Fertiliser and Agricultural world. My own reflection on the conference is that there is a massive amount of work going on in this space.

The conference showcased 3 lead farmers who are ahead of other organisations and are drawing the Dairy and Fertiliser industry along. This was a highlight of the conference along with 170 engaged and switched on rural professional and Regional Council staff in one venue debating such themes. Unfortunately, some of the gloss of this event was taken by an overspend which meant organisers made a loss on the event (I'm sure the detail of this will be covered in the treasurer's report). In stating this, with time to now reflect I believe this overspend, is a small price to pay to now be front and centre on the themes of how to manage our land resources within biological limits. Following this conference I have now been invited to attend some meetings to represent NZARM and Regional Council views on topics covered, so people are listening.

Over the past year NZARM members and partner Regional Councils all around the country have been in differing stages of policy development which is likely to continue for many years. In Canterbury, Zone committees have been forging their way through defining implementation plans and then building these into policy. To make this happen new law changes and commissioners are in place to ensure rate and scale of change occurs more rapidly. In Horizons Manawatu, OnePlan takes LUC, turns it on its head, and uses LUC's sound basis for setting limits on nutrient loss. Other Southern Councils (as we have heard) have also been working hard to ensure target catchments and sensitive environs also have nutrient policies in place. While working through all this policy, it is important that NZARM members keep their eye on the land and don't forget sediment or soil conservation, for we are still in a young, erosive country. Nutrients are a current pressure, but one major storm will remind policy makers that we also need to look up catchments for other contaminants and solutions.

On the Executive front, this year has been business as usual apart from the tools conference which made for four very busy months. Our Secretariat is working well, members are receiving very good material via the Broadsheet (a big thank you to Tony), and we are plugging into training initiatives alongside our RMC programme. One downside that is constant each year is late payment of membership subs. Each year the Exec is needed to chase up late payments, many into their second year. This is both disappointing but more importantly challenging for our Secretariat and Treasurer to balance our accounts. If I can please make a plea, if you are on the list of later payers, please ensure you put systems in place to address this. NZARM is one of the cheapest professional memberships around so there is little excuse, and your non-payment stretches us at times. Overall NZARM and I believe we offer good benefits from membership. If you have feedback or ideas on this I am happy to take these at any stage. The Exec is always looking at new ways to provide service to our membership so please let us know.

One new way NZARM has provided benefit is through our new Resource Management Certificate scheme. This programme now has 34 members and is developing well. I am very happy with how this is building in both members but also the frameworks being developed by the RMC Board. A big thank you to Norm Ngapo, Alan Campbell and Andy Woolhouse for their assistance and time on this. If interested please talk to me or the RMC reps on this field tour.

Overall, it has been a busy and fulfilling year, and I am looking forward to hearing more from our southern whanau at this conference. I am also looking forward to having a good look around Central Otago and sampling the local produce. Thank you for your time, I now will open the floor to questions/comments.

Ross Abercrombie

NZARM President

14 October 2012

Ross Abercrombie **moved** that the New Zealand Association of Resource Management **receives** the Presidents Annual Report 2011-12. **Seconded** Simon Stokes. Carried.

4 Treasurer's Annual Report

NZARM Treasurer Jim Risk presented highlights from his Annual Report of the NZARM Treasurer for the 2011 financial year. The full report is as follows:

Treasurer's Annual Report 2011

My report addresses the NZARM financial year 1 January 2011 to 31 December 2011 as audited, and also addresses for members' information our current position for the 2012 financial year. The Auditor's Report for 2011 is attached to this Agenda for discussion under Agenda Item 4.

For Members information attached to this Agenda are:

1. The Auditor's Report for 2011; this includes the NZARM Annual Financial Statement for 2011
2. Balance Sheet to 30 September 2012
3. Profit and Loss Statement from 1 January 2012 to 30 September 2012

Income Overview of 2011 financial year

1. Total income at 31.12.11 was \$16,419.
2. Income from membership fees totaled \$11,090.
3. Interest from term deposits was \$1,917.
4. Apparel Sales of \$511.

The Conference in Taranaki last year drew a profit of \$2,855. This profit will be shown in the 2012 financial statements. We expect this year's conference will break even and as an Executive there is the expectation that Conferences will at least break even in future years.

Expenditure Overview of 2011 financial year

1. Expenditure totaled \$15,789 (down from \$18,060 in 2010).
2. Notable spending included:
 - Secretariat costs \$6,847 (up from \$5,971).
 - The ongoing cost of running the Executive committee \$1,638.
 - Auditor fees \$1,320.

The Broadsheet cost of \$2,584 (plus P&P of \$2,083) also remains a significant expenditure but offers much benefit – especially in the modern format with excellent editorial. Recently advertising options have been introduced in the Broadsheet to cover some of the costs of this publication.

As detailed in the attached Auditors Management Letter, the audit fees are slightly down on the previous year but remain relatively high compared to total income.

Treasurer's Comments

The 2011 year resulted in an operating surplus of \$373 as compared to the previous years operating deficit of \$5,285. Despite only a small surplus the association remains in a healthy financial state. The 2011 year saw an opening balance of \$58,406, with a closing balance for the 2011 financial year of \$58,779.

Although NZARM is in a healthy state the previous two financial years (2010 & 2011) have seen deficits reported, largely due to increasing costs.

A decision was made by the Executive in October 2010 to break the term deposit, and \$15,000 was transferred to the Kiwibank accounts in order to cover pending expenses and provide the association with a buffer. As of 2012 the term deposit continues to be maintained at \$45,000.

In order to address increased costs and continue to maintain the organisation in a healthy state, a decision was made by the executive to increase membership fees by \$30 per annum to \$100 discounted to \$70 for early payment, which was passed at the 2011 AGM. This increase is forecast to cover additional costs of the organisation.

It should be noted that subs have been coming in very slowly over the past two years and in some instances payments are two years in arrears. NZARM relies on subs to run the organisation, it is therefore important that subs are payed in a timely manner as possible as it is preferable not to break investments to fund expenditure.

Since 2008 the secretariat duties have been carried out by Groundwork Associates (in Hamilton), they continue to provide this service. This involves membership updates, financial assistance to the treasurer and general administrative and secretarial duties to assist the secretary. With administration and financial systems now set up, secretariat costs have decreased significantly since the set up costs of the 2009 financial year, from \$12,456 down to \$5,971 in 2010 and \$6,847 in 2011. The NZARM Executive believes this is money well spent with up-to-date membership and financial information on hand. With the continued use the internet-based accounting programme XERO, this allows the Executive to access real-time financial and membership information, and extract

financial summaries. The use of XERO continues to allow the executive to keep secretariat costs down.

During the year NZARM part sponsored the farming within limits conference. This was a very worthwhile conference providing NZARM with good exposure. The initial contribution was \$2300 (April 2012). Unfortunately due to a number of unforeseen cost overruns an additional \$5175 was contributed (Total \$7475). This additional one off cost will impact the 2012 financial performance. The total cost is reported in the profit loss report 1 January – 30 September 2012.

Current membership remains steady at around 230-240 members. We currently have around 40 members in fee arrears (September 30th) with these members having been notified. Systems for membership management are now excellent and we can easily track membership status. It is anticipated that subscription income of around \$15,000 will be reached for the 2012 financial year.

Jim Risk
NZARM Treasurer
14 October 2012

Mike Tuohy queried the reason was for the overspend of the Tools to Farm Conference.

Ross explained that the Conference organising committee failed to keep tabs on the work Groundwork Associates were doing. While the organisation of the conference was extremely professional, Groundwork spent a lot more time organising it than was anticipated. The committee found out about the overspend the day before the conference. The total overspend was approximately \$24,000, and Groundwork Associates have had to shoulder much of this loss.

Jim Risk **moved** that the New Zealand Association of Resource Management **receives** the Treasurers Annual Report 2011 for the 1 January 2011 to 31 December 2011 financial year. **Seconded** Simon Stokes. Carried.

4 Auditors Report/Election of Auditor

NZARM Treasurer Jim Risk spoke to the Auditors Report for 2011.

Jim Risk **moved** that the New Zealand Association of Resource Management:

1. **Receives** the Auditor's Report for 2011 and

2. **Elects** current Auditor, Mark Campbell, to audit NZARM's 2012 accounts.

Seconded Ross Abercrombie. Carried.

5 National Regional Coordinator's Annual Report

The following Annual Report of the National Regional Coordinator, John Whale, is provided for members' information. John Whale spoke to this report.

National Regional Coordinators Report 2011 - 2012

There has only been one change this year within the regional coordinator team. With Therese Balvert becoming a Mum, Elaine Iddon has taken over for the Waikato. At the national level John Whale continues as the National Regional Coordinator.

A BIG thanks goes to the Dunedin region for hosting this year's 59th annual conference with many interesting and exciting topics under the theme of "**Land Use, Water; A World of Difference**".

The current Regional Coordinators team is now:

Nelson, Tasman, Marlborough, West Coast	Barbara Stuart
Wellington	Dave Cameron
Northland	Bob Cathcart
Waikato	Elaine Iddon
Canterbury	Judith Earl-Goulet
Gisborne	Derek Birks
Auckland	Rob Hughes
Hawkes Bay	Peter Manson
Otago	Murray Harris
Southland	Nathan Cruickshank
Taranaki	Don Shearman
Manawatu	Malcolm Todd
Bay of Plenty	Ben Banks

Regional Coordinators have played an important role over the year updating membership information for their regions and promoting NZARM membership to potential new members. 14 new members have joined NZARM since the last AGM.

Judith Earl-Goulet, the Canterbury Coordinator, wants to step down from the position. If anyone from Canterbury would like to take on the role, please contact Helen Moodie.

Coordinators continue to notify NZARM members in their regions of events that may be of interest and have updated members on NZARM matters and sought feedback. Regional Coordinators have also sought, collated and written articles for the Broadsheet. Thank you to Tony Faulkner for the excellent work he does putting the Broadsheet together.

Regional meetings

Unfortunately there have been no regional meetings reported this year although we did have the '**NZARM/Fert Research Tools to Farm Within Limits**' conference held at the Don Rowlands Centre the 11th and 12th of June, 2012. NZARM was a major sponsor of that conference which showcased practical approaches for farming within limits in order to meet environmental and production goals.

All members are encouraged to consider organising regional meetings which NZARM can help fund. With NZARM certification now up and running the need for more regional events to allow members to further develop skills and maintain certification is now more pertinent than ever.

Thanks to all the regional coordinators for their efforts this year.

John Whale
NZARM National Regional Coordinator
13 October 2012

John Whale **moved** that the New Zealand Association of Resource Management **receives** the National Regional Coordinators Report 2011 - 2012. **Seconded** Mark Lumsden. Carried.

Ross Abercrombie reported that after a number of years of service to the Executive, John Whale is stepping down. Ross presented John with a glass koru in appreciation for the contribution he has made to the NZARM Executive, in particular in the role of Secretary.

6 Election of Officers to NZARM Executive Committee

According to Clause 13.1 of the NZARM Constitution, Officers of the Executive Committee are elected once every two years by postal ballot closing at the AGM. Election of Officers is due at the 2012 Annual General Meeting.

Julia Crossman, NZARM Secretary, reported that nomination forms were posted or emailed to all members on 4 October 2012. Nominations closed on 17 October 2012. Single nominations were received for the positions of President, Secretary, Treasurer and for the Ordinary Committee Member.

Accordingly, no election is deemed necessary and the following are confirmed to the positions for which they were nominated:

Ross Abercrombie	President
Julia Crossman	Secretary
Jim Risk	Treasurer
Norm Ngapo	Ordinary Committee member

Ross Abercrombie **moved** that the New Zealand Association of Resource Management **confirms** the election of President Ross Abercrombie, Secretary Julia Crossman, Treasurer Jim Risk, and Committee Member Norm Ngapo. **Seconded** Simon Stokes. Carried.

Ross Abercrombie noted that under Clause 2.8 of the NZARM Constitution the current NZARM Executive Committee stays in office until the end of the 2012 AGM, then the new committee takes over.

Garth Eyles encouraged some younger members to put their names forward for the Executive Committee, as it is important to have some young people learning the ropes of the organisation. Garth suggested that anyone who was interested in joining the Executive contact Ross over the next year, as the Exec has the power to co-opt members.

7 Annual Subscription

Ross Abercrombie **moved** that the Annual Membership Fees payable under Clause 15.2 of the NZARM Constitution remain unchanged:

1. The Annual Membership Fee payable by an ordinary member and a corporate member is \$100, payable on 1 April each year, and that the fee is discounted to \$70 if paid by 1 July each year,
2. The Annual Membership Fee payable by a retired member is \$20 payable on 1 April each year,
3. No Annual Membership Fee is payable by an honorary member.

Seconded Norm Ngapo. Carried

Note that Clause 15.3 of the NZARM Constitution states: *'The Annual Membership Fee is payable from 1 April of each year and must be paid by 30 September of that year.'*

8 Notice of Motion

A Notice of Motion was received in accordance with Clause 16.2 of the NZARM Constitution. A copy of the Notice of Motion is attached as a separate document to these minutes. The Notice of Motion seeks to make changes to Clauses 12 (Executive Committee) and 14 (Meetings) of the NZARM Constitution for the reasons given in the document. Ross Abercrombie spoke to the motion.

Mark Lumsden asked if the audit was done every 3 years, whether it would be done only for the current year, or for the 3 years. Ross confirmed that any year there was not an audit there would be a financial review; therefore the audit is just for the current year.

Garth Eyles **moved** that the New Zealand Association of Resource Management adopts the Notice of Motion attached to this agenda and confirms the changes to Clauses 12 (Executive Committee) and 14 (Meetings) of the New Zealand Association of Resource Management Constitution as recommended in that Notice of Motion. **Seconded** Chris Phillips, Carried.

9 Resource Management Certificate Update

Norm Ngapo, Chairman of the NZARM Resource Management Certification Board gave an update on the development of the Resource Management Certification programme.

The Board, made up of Norm, Garth Eyles and Andy Woolhouse, have processed another 5 applications this year. In total, there are 16 RMC (general) and 19 RMC (professional) members.

Norm reminded all certificate holders that they will soon have to submit their training hours for the 2012 – a reminder will be sent out in December.

The Board are now looking at how to streamline and promote the certification, and embed it in the organisation.

Norm presented certificates to Stan Braaksma and Hamish Rennie.

10 General Business

Honorary membership:

Simon Stokes **moved** that Murray Harris receive an Honorary membership for NZARM. **Seconded** by Norm Ngapo. Carried.

The Honorary membership was to be presented to Murray Harris at the Conference Dinner that evening.

Attachments to minutes:

- 1 The Auditor's Report for 2011; this includes the NZARM Annual Financial Statement for 2011
- 2 Notice of Motion

Appendix 1 - NZARM Annual Financial Statement for 2011

New Zealand Association of Resource Management Incorporated

For the Year Ended 31 December 2011

Index

	<u>Page</u>
Audit Report	1
Statement of Financial Performance	2
Statement of Financial Position	2
Statement of Movements in Equity	2
Statement of Accounting Policies	3

Independent Audit Report For the year ending 31 December 2011

To the Board of New Zealand Association of Resource Management Incorporated for the year ending 31 December 2011

I have audited the financial statements. The financial statements provide information about the past financial performance of New Zealand Association of Resource Management Incorporated and its financial position as at 31 December 2011

This information is stated in accordance with the accounting policies set out in the notes to the financial statements.

Responsibilities of the Board

The Board is responsible for the preparation of these financial statements that give a true and fair view of the matters to which they relate and in accordance with generally accepted accounting practice in New Zealand and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors responsibilities

It is my responsibility to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other than my capacity as auditor I have no relationship with, and am independent of New Zealand Association of Resource Management Incorporated


Opinion

In my opinion, the financial statements

* comply with generally accepted accounting practice in New Zealand;

* give a true and fair view of the financial position of New Zealand Association of Resource Management Incorporated as at 31 December 2011 and its financial performance for the year ended on that date.

4 October 2012


Mark Campbell CA, B Com
Campbell and Campbell Accounting Consultants
Hamilton

New Zealand Association of Resource Management Incorporated

**Statement of Financial Performance
For the Year Ended 31 December 2011**

	2011	2010
Income		
Subscriptions	11,090	10,530
Interest	1,917	2,214
Conference Proceeds (net)	2,901	-
Broadsheet Advertising	-	50
Apparel Sales	511	344
Total Income	16,419	13,139
Expenditure		
Secretarial Executive Expenses	6,847	5,971
Auditor Fees	1,320	1,482
Professional Fees (Tax Advice)	-	394
Executive Meetings	1,638	3,907
Broadsheet	2,584	2,246
Miscellaneous	206	40
Postage & Stationery	2,083	2,276
Regional Meetings	460	628
Trademark applications	345	-
Conferences	-	456
Branded Apparel	306	661
Total Expenditure	15,789	18,060
Operating Surplus/(Deficit) Before Taxation	630	(4,921)
Taxation Expense (Note 8)	257	364
Operating Surplus/(Deficit)	373	(5,285)

**Statement of Movements in Equity
For the Year Ended 31 December 2011**

Opening balance	58,406	63,691
Operating Surplus/(Deficit)	373	(5,285)
Closing balance	58,779	58,406

**Statement of Financial Position
As at 31 December 2011**

Current Assets		
Kiwibank - Cheque A/c	4,006	2,676
Kiwibank - Online Savings	8,906	10,189
TSB Bank - Term Deposits	45,000	45,000
Debtors	3,336	470
Branded Apparel	1,852	1,360
Total Current Assets	63,100	59,695
Less Current Liabilities		
Sundry Creditors	3,700	925
Taxation Provision (Note 8)	621	364
Total Current Liabilities	4,321	1,289
Net Assets	58,779	58,406
Represented by:		
Equity		
Retained Earnings	58,779	58,406
Total Equity	58,779	58,406

These statements should be read in conjunction with the statement of accounting policies.

New Zealand Association of Resource Management Incorporated

**Statement of Accounting Policies
For the Year Ended 31 December 2011**

Reporting Entity

The New Zealand Association of Resource Management Incorporated is an incorporated society under the Incorporated Societies Act 1908. The New Zealand Association of Resource Management Incorporated qualifies for differential reporting as it is not publicly accountable and is not large as defined by the Framework for Differential Reporting. The New Zealand Association of Resource Management Incorporated has taken advantage of all available differential reporting exemptions. These statements are those of the New Zealand Association of Resource Management Incorporated and do not include any of the income, expenses, assets or liabilities of the conference committee.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis is followed. Reliance is placed on the fact that the society is a going concern. Accrual accounting is used to match income and expenses.

Specific Accounting Policies

4. Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

5. Related Parties

Included in the accounts (Executive Meetings) are reimbursement payments to Committee Members of \$1,638 (Last year \$3,907).

6. Capital Commitments

At year end there were no capital commitments

7. Contingent Liabilities

At year end there were no contingent liabilities

8. Taxation Expense and Taxation Provision

	2011	2010
	\$	\$
Taxation has been calculated as follows;		
Interest Received	1,917.00	2,214.33
Less: Exemption (Not for Profit)	<u>(1,000.00)</u>	<u>(1,000.00)</u>
	917.00	1,214.33
Taxation Rate (cents)	<u>28.00</u>	<u>30.00</u>
Taxation Expense	<u>256.76</u>	<u>364.30</u>
<u>Taxation Provision</u>		
Opening Balance	364.30	-
Plus this years provision	256.76	364.30
Less payments made	-	-
Closing Balance	<u>621.06</u>	<u>364.30</u>

Appendix 2 - Notice of Motion

Notice of Motion

To: The Secretary NEW ZEALAND ASSOCIATION OF RESOURCE MANAGEMENT

From: The Executive Committee NEW ZEALAND ASSOCIATION OF RESOURCE MANAGEMENT

Title: Amendments to CONSTITUTION OF THE NEW ZEALAND ASSOCIATION OF RESOURCE MANAGEMENT (INCORPORATED)

We the undersigned do hereby request that pursuant to Clause 16.2 of the Constitution of the NEW ZEALAND ASSOCIATION OF RESOURCE MANAGEMENT, the Secretary place this **Notice of Motion** on the Agenda of the Annual General Meeting of the association to be held on Wednesday 14th November in Middlemarch.

We move:

That Clauses 12 (Executive Committee) and 14 (Meetings) of the **Constitution of the New Zealand Association of Resource Management (Incorporated)** are amended as follows:

A Clause 12.7 (d) 'OBJECTIVES' is amended to read (allowing for accounts to be subject to either audit or review) that the Treasurer must do the following:

(d) *provide to each Annual General Meeting of the Association a statement of income and expenditure and assets and liabilities of the Association for the preceding year that has been subject to either audit or review*

B So that Clause 14.3 reads:

At each Annual General Meeting the Committee must submit an annual report and a statement of accounts which has been audited or reviewed.

and

Clause 14.4 reads:

An auditor/reviewer must be elected by members at each Annual General Meeting for the following year.

Background to the motion:

Both a 'review' and an 'audit' of accounts are covered by the NZ Institute of Chartered Accountants. An audit must be done according to the "International Audit Standards of NZ" issued by the NZ Institute of Chartered Accountants, (NZICA). The NZICA has also issued standards for reviews in their RS-1 document.

The main differences are that an audit gains a better level of assurance, that the financial reporting is materially correct, through externally confirming balance sheet figures, and testing the accounting systems used to compile the income & expenses transactions, in the profit and loss report.

It also carries a significantly higher compliance cost for the accountant, which is passed on to the Association in charges.

The lower level of assurance in a review, is because the balance sheet is internally verified to the organisations own supporting schedules, and the profit and loss is only examined on an analytic basis, by comparing the current year to a previous year.

In common, a review and an audit must both ascertain –

- The financial report has been prepared according to the stated accounting policies.
- Those charged with governance have undertaken prudent financial management.
- A system of accounting, with appropriate accounting controls, has been operating for the year.

We have been advised that a full 'audit' of the accounts of the NZARM Incorporated Society is not required to ensure credible and transparent financial management of the societies finances.

The Charities Commission does not require that accounts be audited.

The proposed amendment allows for either review/audit of the accounts, at the discretion of the society members each year.

Signed:



Ross Abercrombie, NZARM President

Dated: 15 Oct 2012

and



Julia Crossman, NZARM Executive Committee Member

Dated: 15 October 2012

These signatories being two financial members who have rights of membership in accordance with Clause 16.2 of the NZARM Constitution