



# FINANCE REPORT

## Commentary for the year ending 31 March 2019

### Background

In 2016/17, our auditors indicated that NCWNZ would need to move to consolidated reporting, and include evidence of our branch level financial activity under the new reporting standards to uphold our legal obligations as a charitable organisation.

Our National accounts teams - both previous and current, this year and last year, - spent a lot of time with Branch Treasurers to support this reporting process and aid with the requirements of this type of financial and service provision reporting. The first consolidated annual finance reports were produced for the 2017/18 financial year. This continues to be new ground for us, although it is a similar situation for other organisations like ourselves.

The attached Annual Performance Report 2018/19 is the product of NCWNZ's combined efforts.

### Our Thanks

We are incredibly grateful and encouraged by our branches and their support to complete this type of financial and activity-based reporting. Many positive relationships have been created with our Branch Treasurers over the past months, which we hope will continue in the future. There has been a great deal of learning for us as an organisation, and we hope to continue to upskill as we increase our understanding of the compliance environment that we operate in.

### Audit

Disappointingly and despite a solid effort, we have received a qualified opinion from the auditors. Whilst the bulk of our information and recording of data was of an acceptable standard, we were left wanting as an entire entity and we were not able to verify all cash and fundraising donations. Revenue of this type into the National Office has acceptable control procedures according to the auditors. The control measures in place at Branch level on this type of revenue are limited, and the unfortunately the rigours on the recording procedures vary from branch to branch. This hampered the auditors' ability to determine how effectively this type of revenue was controlled. The specific revenue that could not be fully verified at the branch level was:

General Donations:	\$28,328
Fundraising Revenue:	\$14,493
Sales:	\$88,568

The Board is prioritising the development of finance policy and procedures to support the collection of the required financial and activity information to a standard that will allow us to receive an unqualified opinion in the next financial year. The movement to a 'whole of organisation' reporting process, as is required by the Department of Internal Affairs (DIA) Charities, is taking time for NCWNZ to undertake at all levels of the organisation.

## Centennial Fund

A report on the Centennial Fund was tabled with members at the Members Day of the NCWNZ Conference. This detailed the origins, intentions and timeline for actual use of the funds.

In the year 2018/19, the organisation drew down a further \$61,806 from the fund to assist with expenses. The fund balance as at 31 March 2019 is \$269,746. Details of the Fund movement including the last year's withdrawal are detailed in the Statement of Financial Position on page 10.

The Board remains committed to repaying all funds borrowed. At this point, this can only be addressed when we reach a point of stability.

## Adapting to Change

The 2018/19 reporting period saw a substantial amount of unplanned change within the National Office space. As our environment and circumstances changed, we adapted our spending to ensure we did not retain any unnecessary expenses. The NGO sector is a well populated space and we will need to maintain our points of difference and continue to adapt to our resource availability. The Board will continue to focus on stabilising our income streams and the supporting infrastructure required to be a vibrant, relatable and substantial women's organisation for Aotearoa.