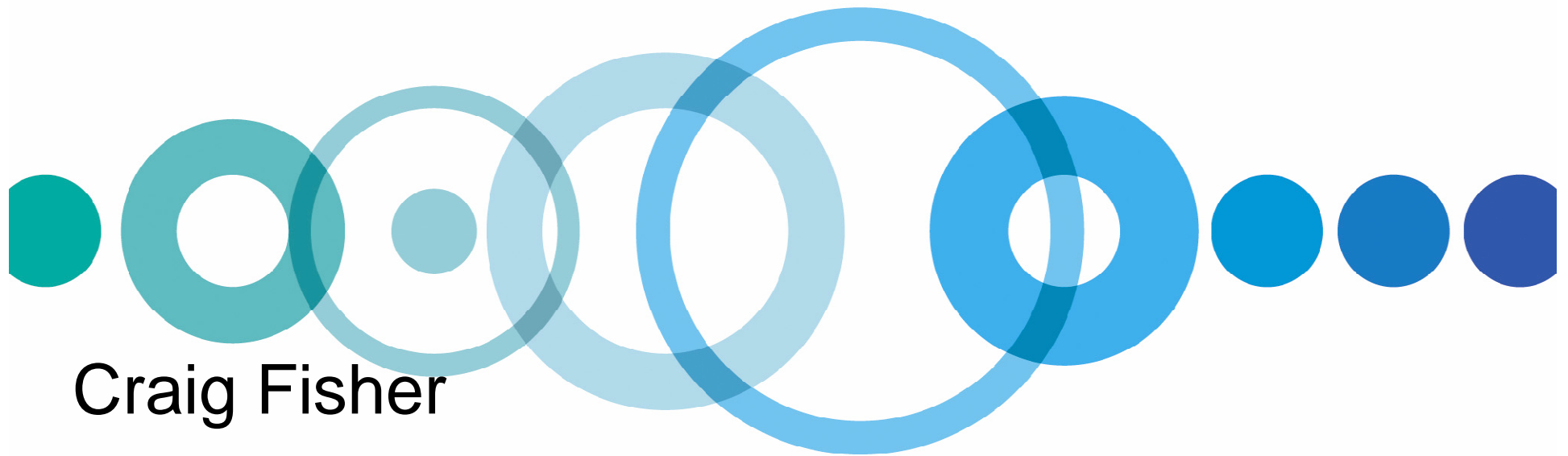


Accountability & Transparency



Craig Fisher
Chairman, Audit Director

Accountability & Transparency

An effective charity understands that the public has a valid interest in it, and manages its accountabilities to its stakeholders and to the public in a way that is timely, transparent, and understandable.

Annual Financial Statements

- An important hygiene element of good governance and management
- Must be accurate and reliable to be useful
- Independent assurance helps
- But they only tell part of the story
- Full range out there at present

Key Messages Needed

- Who we are & why we exist
- What we do
- This year's successes
- What we planned and what we achieved
- The year ahead and how you can help

Building trust and confidence with stakeholders

1. Values and service - ethics, honesty and providing excellent customer service and value for money.
2. Communicate - be open and honest about where you are and what you are trying to do, connect with your communities and listen for opportunities
3. Take responsibility – take steps towards being sustainable and collaborate to gain trust from supporters and employees
4. Cognition and connectivity – enable the process of “joining the dots” for your stakeholders, use their language to fill in the gaps, educate and inspire

“Sunlight is the best disinfectant”

- Great to have a register to see financial statements
 - Sharing information
 - Sharing good ideas
- But also:
 - potentially increases media exposure risk
 - increases competitive pressures

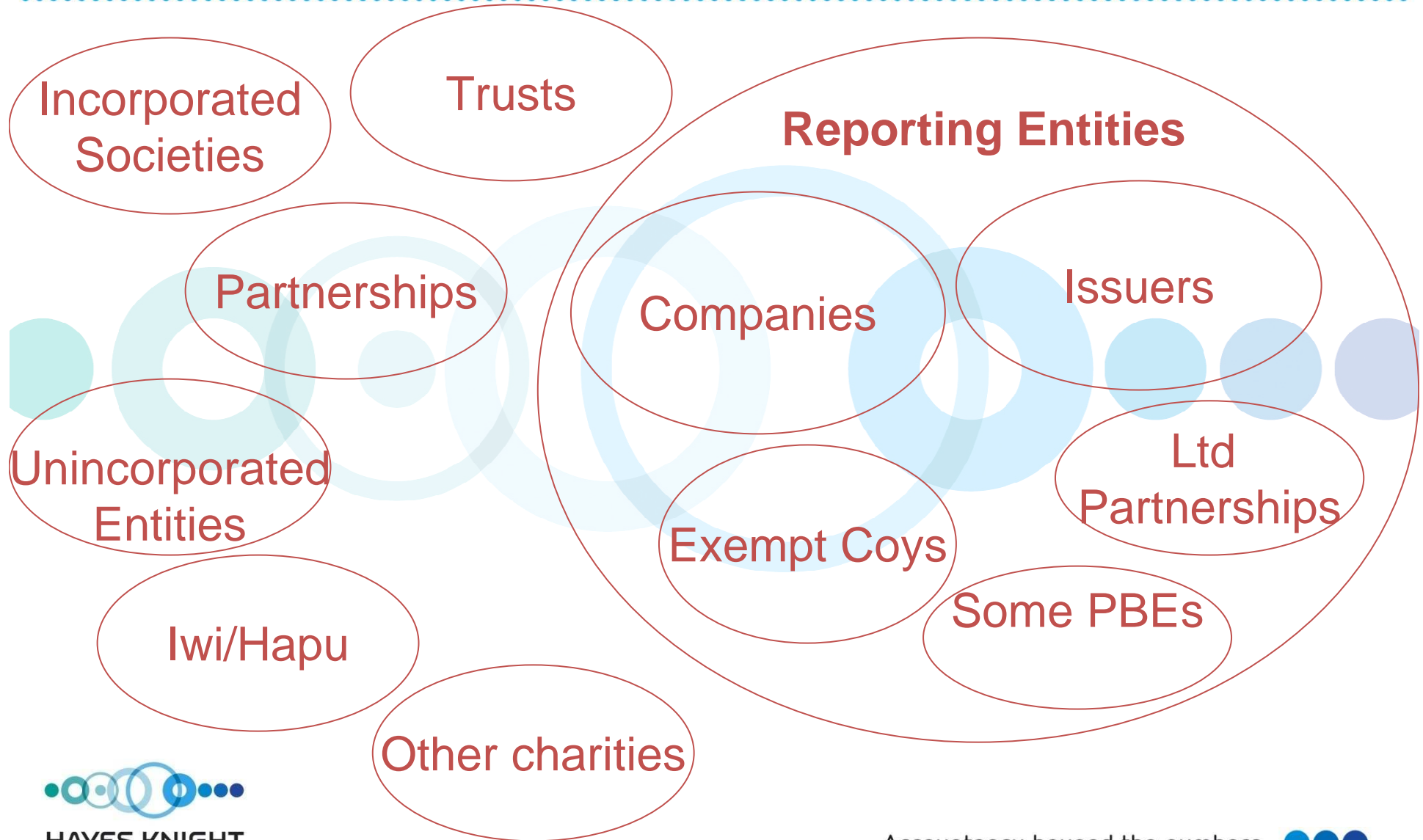
Common sector challenges...

- But we can't look rich else we wont get funding
- There is more competition for funding
- We can't find an honorary treasurer or auditor

What's changing?

- The move to adopt global accounting standards
 - International Financial Reporting Standards (IFRS)
 - International Standards of Auditing (ISAs)
- Impact = increased complexity
- One size doesn't fit all any more
- MED & ASRB discussion documents

Financial Reporting Environment in NZ



Financial Reporting Statutory Framework

- Who should report their financial statements? – MED review
- What should they include? - ASRB review
- Proposed move to “horses for courses” model
- Different standards for different types
- Theory vs practice?

Initial Submissions Views

- Commercial is clear cut NFP is hard
- NFP may need more investigation
- Q's:
 - Different standards?
 - Sector neutrality or transaction neutrality?
 - Tiers:
 - Indicators
 - \$ levels

The opportunity

- Need to develop improved performance communication:
 - Financial
 - Non-financial
- Appropriate standards fit for purpose and size
- Input required from all stakeholders

Parting thought...

“It is not the strongest of species that survive, nor the most intelligent, but the ones most responsive to change”

Charles Darwin

Thank you

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