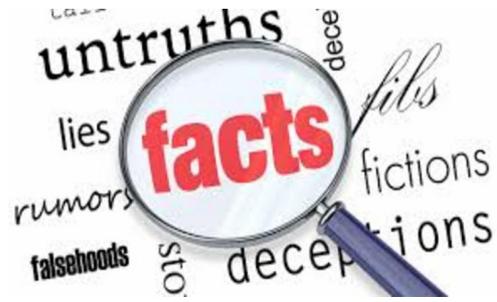


FACT SHEET



Accounts for 2015 shown to be correct. Audit for 2016.

The WIA's 2015 financial report has now twice been found to be correct, but this has come at a cost to the members. With the turnover in Treasurers, the Board has appointed bookkeepers and an Accountant to ensure the 2016 accounts are accurate and complete. The 2016 accounts will have a full Audit, rather than a Review as in past years.

At the last AGM, questions were asked about the accuracy of the WIA's 2015 financial report which showed a total loss for the year of \$12,680 but a much larger decline in the cash position.

The Chair explained to the meeting that the Board had confidence that the overall financial position put to the meeting was correct. The Chair also explained that the turnover of Treasurers had caused difficulties for the WIA, and that it was likely that some data entry errors had allocated some expense items to incorrect accounts, but that any errors were minor in nature and did not affect the Institute's financial bottom line.

The financial report was discussed and accepted by majority vote of the meeting. Some financial questions were taken on notice, and later referred to the WIA's Accountant and to the Auditor.

The Accountant and the Auditor spent considerable time reviewing the questions, and reported that they were confident in the accuracy of the 2015 financial report.

Nevertheless, questions continued to be asked, on social media and elsewhere, focusing on the accuracy of the 2015 financial report.

The accounting issues noted by the Chair arose following the resignation of the then-Treasurer in September 2015, citing ill-health, and with no proper handover or documentation. Two Board members immediately set about working through the Bank Statements in an effort to understand the various transactions, and also needed to establish access to the Payway and Secure Pay payment gateway systems, both being used at the time. Considerable time was also spent learning the MYOB set up and the process for running Memnet membership renewals.

The next Treasurer was appointed in December 2015, but also resigned after only a 6 week period of which about 6 days were spent in the WIA office.

Following concerted efforts to find a Treasurer, at the 25 October 2016 Board meeting, a new Treasurer and Assistant Treasurer were appointed. They decided to investigate the 2015 accounts further.

On 22 November 2016, the Treasurers presented their report, which informed the Board, amongst other things, that the 2015 financial report was incorrect. In content, tone and language, the report went beyond what would normally be found in a Treasurers report, included elements of a business review, and called for the resignation of certain Directors.

The Board was told that the 2015 annual report was “not worth the paper it was printed on”. The Chair expressed the view that the Board had no alternative but to accept the Treasurers’ report, although it contained contentious content not normally included in a Treasurers’ report.

The report was accepted, but Directors’ resignations did not occur as under the Corporations Act and the WIA’s Constitution, a Board cannot force such resignations.

Having accepted the Treasurers’ November report, the Board believed that significant adjustments needed to be made to the 2015 accounts before being carried forward into the next year. Of greater concern was the implication that the financial report presented, and voted on at the last AGM, was possibly incorrect.

The Treasurers’ November report – a Board-confidential document – was subsequently leaked onto social media, and elsewhere. The President then made a statement on social media that, contrary to previous information given to members, the Treasurers had recently determined that the 2015 WIA accounts did apparently have some significant errors.

Previously, the bookkeepers had entered the EOFY journals for 31 December 2015 and provided the reports to the Treasurer to gain approval to roll over the financial year in the accounting software. Concerned about apparent significant cash differences in the 2015 accounts, the Treasurers then instructed the WIA’s bookkeepers recheck the 2015 accounts, to identify errors and make corrections.

Just days after the President’s statement on social media, the bookkeepers completed their review of the 2015 accounts and told the Treasurers they had identified errors of \$520 in the profit and loss account and \$355 in the balance sheet – small amounts well within the expected margin of error for accounts of this nature, and vindicating the Board’s confidence in the 2015 accounts.

The difference between the 2015 cash position and the Balance Sheet position, which was central to the initial and continuing questioning, was largely due to the pay-out of accrued staff entitlements, and a reduction in the provision for international work following a favourable funding arrangement negotiated between the WIA and the IARU. The cash position was further reduced by a redundancy payment to a previous employee.

Although it turned out that the reported 2015 financial position was indeed quite accurate, there were some errors made in the allocation of expenses to the various categories (as mentioned above). We believe this was due in large part to an accounting system that had grown in complexity over the years.

The cost to the WIA (the members) paid to the Auditor, the accountant, and to the bookkeeper, for this investigative work is quite significant. The bookkeepers were taken away from their normal day-to-day account entry duties, so there is now some catch-up work to do in order to finalise the 2016 year accounts.

Even though the 2015 annual accounts were confirmed to be correct, to allay any further member concerns, the WIA Board has decided to upgrade the 2016 yearly Review to a full financial Audit. The Board has also instructed the Book keepers and the Accountants to review, and where possible simplify, the WIAs rather complex accounting systems, in order to minimise the chance of data entry errors in the future.