

SAAA Treasurers Annual Report

Financial Year 2016 /17

20/9/2017

Reporting

Financial reports have been generated each month of this National Councils tenure to the end of the financial year and since.

Financial Governance

It was evident on taking over the role that there were issues with the level of governance in place to ensure the smooth running of SAAA's financial affairs.

It would appear that previous Councils were using the Associations Rules and regulations as the primary guideline. Whilst honourable in its intent the Rules are seriously limited in the detail guidance it provides to Council and Staff.

This Council set about developing a Business Plan, Policies and Procedures to support proper and consistent business practices. This process is well advanced.

Banking

No banking issues

Accounting General

All accounting is handled by our contracted office management team – The Association Specialists (TAS)

TAS also handles our general shopfront as the contact group at the end of the phone.

Generally they have handled the roles well against a difficult background of change and a membership database that is clunky and difficult to operate.

The contract with TAS is currently being reviewed after a critical review of SAAA needs and sweeping changes with our Website and Membership database.

The cost to support the membership has been running at approximately 50% of fees received – some \$80 - 90. A crazy and non-sustainable number.

It has been a business goal of this council to drop this closer to \$30 per member.

Membership Renewal & membership

A change to an annualised membership aligned to the financial year has been implemented.

This was not without its trials when the MemNet membership database failed to support the change after it was implemented – despite the MemNet service provider forming part of the change implementation team that signed off on the process.

The new software used within the new website suffers no such issues.

The reasons for the change were make more efficient use of the office team’s time and to have a date that members could more readily align with and remember.

We have also rationalised the membership categories and rates to simplify website programming and better utilisation of staff audit and entry time.

Website

The new Website is being progressively rolled out. The back end of the new site is quite exciting in its potential.

It uses the latest available technology and plugins that will, because of the packages used, break the hold of service providers (like MemNet) with one of a kind old technology.

Auditors

Ryan & Rankmore – have provided their Audit Report of the SAAA financial affairs.

A signed copy is available on the SAAA website.

Members were also advised in the Notice of Meeting that the Auditors Report was available on the Members Section of the website from 18th October, 2017.

Several paper copies are available at the front for members who might wish to interrogate a copy now.

Procedures General

Procedures are still being developed as needed.

A list of Policies and Procedures forming the basis of our new active and proposed governance are available on the website.

AirVenture

The AirVenture organisation proceeded through the financial year.

Despite the event falling into the 2017/18 year it was felt that it should be reported here.

The comments following are provided “Without Prejudice”.

This committee was lambasted in social media by various parties in the lead-up to and through our withdrawal from the event as a participating organiser.

AirVenture was not able to provide sufficient evidence of financial and organisational governance that would meet our requirements to sign off on behalf of SAAA.

Our concerns followed the following broad issues;

1. In 2016 our funding was limited to a \$2,000 top-up. (This was paid in early July)
2. In early July 2017 this was confirmed.
3. At the same time we requested detailed budgets.
4. These were reluctantly given after some days of prompting.
5. We were very concerned at the limited detail and lack of risk analysis and tracking.
6. We were continually told there was no risk and no more funds were required
7. Later in July we were requested to pay an additional \$4,500
8. In the first two weeks of August this escalated to requiring an additional \$30,000 + \$29,000 of “crowd funding” funds + backing was to be “joint and several” in the event of AirVenture 2017 being a failure.
9. We could not lock SAAA into an exposure of anything up to \$130,000 or more (the possible cost indicated by the organisers – AirVenture Australia) if other partners defaulted on payments – let alone the issue of lack of transparency and governance that we perceived in the organisational group.

Therefore we withdrew.

Tax

In late August – the Tax office ruled and confirmed our Tax exempt status.

Details of this ruling are on file should anybody require a copy.

Budget

Your SAAA performed far better than the budget it inherited and slightly worse than an amended budget prepared by the Treasurer in February 2017.

) Profit for 2016 / 17 Year	\$46,194.20
) Budget Profit at AGM 2016	-\$45,932.10
) Revised Profit Budget February 2017	\$72,452

Principle reasons for variance between Actual and Revised Budget were \$17,000 non-budgeted expenditure on Training an additional 10 AP's (Training, travel, meals and accommodation costs) and 2016 / 17 membership income reported to the 2017 /18 financial year with the change to financial year membership dates.

An operating surplus of between \$60 - 80,000 is projected for the coming year.



It is not the goal of the Council to generate profits but it is considered good fiscal policy to retain a cash float to cover unforeseen issues.

Overview

It has been a very trying year in the sheer volume of work that has been required to guide the organisation on a better path for the future.

We firmly believe that the introduction of the new Website and its interface with the Xero accounting package and all aspects of the business will streamline many aspects of the business and open up many opportunities to develop aspects of the SAAA dream that have been out of reach for previous Councils.

It has been a pleasure to work with this council and the many members who have quietly given their support in many and varied ways.

Andy George

Honorary National Treasurer

20/9/2017

Attached

1. Auditors Report