



Ruthven Gemmell

Treasurer's Report

Financial Control and Audit

In my 2003 report as Convenor of the then Finance Committee, you will recall that I intimated proposed changes directly affecting the financial control and audit reporting procedures. I am pleased to report that Council approved the revised structure, and implementation of the new regime came into force during February 2004.

An explanation of the new structure is explained below with direct reference to the workings of each related party.

Council

Council has overall responsibility to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Society and of the surplus or deficit for that period.

Council has delegated to the President's Committee its responsibility for the day-to-day operations, including the keeping of proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Society, to safeguard its assets and to take reasonable steps for the prevention and detection of fraud and other irregularities.

President's Committee

The President's Committee comprises the President, Vice President, Past President, Treasurer, Chief Executive, Chief Accountant and two Council members. The Committee convenes on a monthly cycle.

Together with formulating and recommending financial and business strategy, the President's Committee, has direct responsibility for the overall finance function including:

- review and approval of the annual budget;
- recommendations on the setting of annual membership subscriptions;
- review and control of monthly management accounts together with detailed quarterly reviews;
- where appropriate, approval of additional funding requests that arise during the financial year;
- approval of the annual financial statements and annual report with recommendations to Council;

Audit Committee

The Audit Committee has been created under specific terms of reference and the responsibilities and workings of this Committee during the year are included in the Audit Committee report on page 44.

The revised control model has not yet been in operation for a complete financial year period, however, I believe that the Society has created a modern and flexible structure suitably equipped to improve performance while maintaining robust and effective control procedures.