

## **SUBMISSION RE INCORPORATED SOCIETIES BILL – EXPOSURE DRAFT**

- 1) **Common Seal** (not required)  
The only Societies who might use this are ones supplying a membership certificate to an overseas member, that is because the certificates look more formal, especially if coloured.  
To keep clarity with the Companies Act 1993 no mention of Common Seals should be made in the new Act either.
- 2) **What Constitutions must contain** (Clause 24 (1))  
This is good with a standard constitution included in the Act as suggested by the Law Society.
- 3) **Accounts / Financial Reporting**
  - (a) All societies to file a simple financial statement as follows:
    - (i) Cash Receipts and Payments statement
    - (ii) Statement of Financial Position. These do not have to comply with the External Reporting Board (XRB) accounting standards but would be of a very simple format. An example set could be included in the new Act.  
I believe this would apply to about 15,000 of the existing societies.
  - (b) Societies with income or total assets greater than 1 Million Dollars should have to file accounts that comply with XRB accounting standards.
- 4) **Auditor**
  - (a) Compulsory for societies required to produce their accounts as per XRB accounting standard.
  - (b) All other societies can opt in to have an auditor similar to the Companies Act of 1993.
- 5) If I am correct that some 15,000 societies have a small number of members and assets less than \$10,000 they do not have the expertise within their membership to do complex reporting. Therefore keep the new Act in simple terms with standard forms included for users to complete.  
Charities and larger organisations would need to comply with reporting , etc. as per the Companies Act 1993.

### **Question:**

A number of Probus Clubs in New Zealand have the following clause in their constitution:  
“Proposed amendments of this Constitution shall require pre-approval by Probus South Pacific prior to submission to members and prior to submission to the Registrar of Incorporated Societies.”

This clause is obviously Ultra Viries the new Act but what of the existing 1908 act?

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