

# Performance Report

The Institute of Internal Auditors New Zealand

For the year ended

**31 December 2023**

# The Institute of Internal Auditors New Zealand

## Performance Report

For the year ended  
31 December 2023

<b>Non-Financial Information:</b>	<b>Page</b>
Entity Information	1
Statement of Service Performance	2
<b>Financial Information:</b>	
Statement of Financial Performance	3
Statement of Movements in Total Funds	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Performance Report	7
Auditor's Report	11

# Entity Information

<b>Legal Name of Entity:</b>	The Institute of Internal Auditors New Zealand
<b>Other Name of Entity:</b>	IIA NZ
<b>Type of Entity and Legal Basis:</b>	Incorporated Society as per the Incorporated Societies Act 1908
<b>Registration Number</b>	286440
<b>The Institute Mission:</b>	Advocating and promoting the practice of internal auditing.

The Institute is required to operate within the scope of its objectives. The following objectives outline the activities that the Institute may undertake.

The primary aims and objectives of IIA NZ are to encourage practising internal auditors to adopt the professional standards and the code of ethics.

IIA NZ fosters training, education, qualifications of its members, and provides professional communications keeping members informed of local practice updates.

## **Entity Structure:**

IIA NZ is a membership organisation with over 800 individual members across New Zealand with three staff working 4-day weeks, and one part-time staff. The Board of Directors comprises up to 7 Directors elected by the membership annually. The Board has the ability to co-opt up to 3 additional Directors. The maximum number of Board members shall not exceed 10 in total.

## **Main Sources of the Entity's Cash and Resources:**

Member subscriptions, provision of professional development training courses and hosting an annual conference.

## **Main Methods Used by the Entity to Raise Funds:**

Member subscriptions and revenue from professional development courses and annual conference.

## **Entity's Reliance on Volunteers and Donated Goods or Services:**

The Board and committee members are unpaid positions. Reliance of members to provide their time freely to pursue advocacy role to promote the profession and the office of IIA. A limited number of businesses provide meeting rooms to hold meetings and networking events free of charge, of which we are most grateful.

## **Additional Information:**

The entity undertakes to promote the internal audit profession in the New Zealand territory by agreement with IIA Global. The standards and code of ethics are global standards and promoted in New Zealand as the benchmark measure of internal audit performance, credibility and reliability.

## **Contact details**

Email/Website: [www.iianz.org.nz](http://www.iianz.org.nz)

# Statement of Service Performance

## The Institute of Internal Auditors New Zealand

For the year ended  
31 December 2023

### Description of the Entity's Outcomes:

Outputs are aligned to the entity's goals of advocating the profession, promotion our membership, and ongoing education supporting the training and CPE requirements of IIA certifications.

<b>IIA NZ Outputs:</b>	<b>Actual This Year</b>	<b>Actual Last Year</b>
Networking Forums	25	14
Special Interest Groups	4	6
IIA NZ Annual Conference	1	1
Monthly E-Newsletters	11	8
Situations Vacant Advertising	41	76
AGM	1	1
Overseas Online training courses and events: Global, IIA, AU, IIA Singapore, etc	74	52
Online training courses *	20	-
Facilitated Training Courses	12	5
Submissions to Government/Agencies	1	2

\* these online events were virtual joining options for the in person events reported in Networking Forums, Special Interest Groups, and Facilitated training courses.

### Additional Output Measures:

Comparative figures in 2022 were impacted by the ongoing effects of the Covid-19 pandemic. The Omicron variant affected our conference results (which was run as a one-day virtual hub-style event), as well the range of educational courses and networking was reduced.

2023 training and networking events are climbing back to pre-covid levels. Many of our networking and training events were also delivered with online options. This year was also the first in 3 years that our annual Conference was held as a full 2-day and in-person event in Auckland, albeit with virtual attendance available.

It is very pleasing that our membership continued to grow with 828 members at the close of the year. Another record high.

### Additional Information:

IIA NZ is connected globally through participation through the Asian Confederation of Internal Auditors (ACIIA) and Global Assembly.

# Statement of Financial Performance

## The Institute of Internal Auditors New Zealand

For the year ended  
31 December 2023

	Notes:	2023 Actual \$	2023 Budget * \$	2022 Actual \$
<b>Income</b>				
Advertising & miscellaneous		4,645	8,500	7,648
Interest Received		21,640	18,438	10,174
Magazines, books, CIA kits		-	-	50
Subscriptions		244,463	248,525	171,372
<b>Total Income</b>		<b>270,748</b>	<b>275,463</b>	<b>189,244</b>
<b>Less Operating Expenses</b>				
Accountancy Fee		3,185	2,000	2,000
Affiliation membership		22,087	25,508	10,033
Audit Fees		14,049	10,500	10,750
Bad debts		75	500	-
Board travel and meetings		2,225	3,600	1,917
Depreciation	11	3,472	4,300	4,245
Finance Charges		3,154	3,380	2,815
Global IIA Assembly Attendance		18,686	8,500	-
IIA App		3,240	3,396	2,758
Insurance		3,446	3,200	3,054
Magazines, books, CIA kits		10	-	-
National Office Expenditure	13	316,348	242,988	209,769
Prizes & Awards		5,011	1,000	1,121
Tax penalty		-	-	413
Website maintenance		5,141	2,040	14,034
<b>Total Operating Expenses</b>		<b>(400,129)</b>	<b>(310,912)</b>	<b>(262,910)</b>
<b>Operating Profit / (Deficit)</b>		<b>(129,381)</b>	<b>(35,449)</b>	<b>(73,666)</b>
<b>Education &amp; Training</b>				
Education Income		104,715	-	78,645
Education expenses		(44,161)	-	(24,409)
<b>Net education &amp; training</b>		<b>60,554</b>	<b>30,000</b>	<b>54,237</b>
<b>Conference</b>				
Conference income		137,363	-	55,954
Conference expenses		(113,365)	-	(55,143)
<b>Net conference</b>		<b>23,998</b>	<b>10,000</b>	<b>812</b>
<b>Regional activity</b>				
Regional income		2,342	-	2,018
Regional expenses		(4,342)	-	(2,871)
<b>Net regional activity</b>		<b>(2,000)</b>	<b>-</b>	<b>(853)</b>
<b>Strategic committee spend</b>	14	<b>(1,565)</b>	<b>(22,000)</b>	<b>(11,081)</b>
<b>Net Profit / (Deficit)</b>		<b>(48,395)</b>	<b>(17,449)</b>	<b>(30,551)</b>

\* The budget was not subject to audit

**Statement of Movements in Total Funds**  
**The Institute of Internal Auditors New Zealand**

**For the year ended**  
**31 December 2023**

	Notes:	2023	2022
<b>Funds</b>		\$	\$
Opening Balance		499,807	530,358
<b>Plus Movement for the Year</b>			
Current Year Earnings		(48,395)	(30,551)
<b>Total Movement for the Year</b>		<b>(48,395)</b>	<b>(30,551)</b>
<b>Total Funds</b>		<b>451,412</b>	<b>499,807</b>

# Statement of Financial Position

## The Institute of Internal Auditors New Zealand

As at 31 December 2023

Assets	Notes:	2023 \$	2022 \$
<b>Cash and Bank Balances</b>			
ANZ Call Account	9	9,556	4,133
ANZ Cheque Account	9	152,331	140,231
<b>Total Cash and Bank Balances</b>		<b>161,886</b>	<b>144,365</b>
<b>Current Assets</b>			
Accounts Receivable		21,073	4,622
Accrued Interest		5,197	4,382
Investments	10	300,000	339,454
Prepaid Expenses		4,837	11,690
Trust Account		-	5,162
<b>Total Current Assets</b>		<b>331,108</b>	<b>365,309</b>
<b>Non Current Assets</b>			
Fixed Assets	11	5,879	7,997
<b>Total Non Current Assets</b>		<b>5,879</b>	<b>7,997</b>
<b>Total Assets</b>		<b>498,873</b>	<b>517,671</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable		4,474	355
Accrued Annual Leave		13,684	8,375
Accrued Expenses		19,801	9,750
Debtors in credit		1,556	3,141
GST		1,053	(3,756)
Income received in advance		6,894	-
<b>Total Current Liabilities</b>		<b>47,461</b>	<b>17,864</b>
<b>Total Liabilities</b>		<b>47,461</b>	<b>17,864</b>
<b>Net Assets</b>		<b>451,412</b>	<b>499,807</b>
<b>Accumulated Funds</b>			
Retained Earnings		451,412	499,807
<b>Total Accumulated Funds</b>		<b>451,412</b>	<b>499,807</b>

Signed by:



Chairperson

Date: 15 April 2024

Signed by:



CEO

Date: 15 April 2024

# Statement of Cash Flows

The Institute of Internal Auditors New Zealand

For the year ended 31 December 2023

Account	Notes:	2023	2022
		\$	\$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was provided from:</b>			
Receipts from customers		485,488	315,682
GST received		3,056	1,392
Interest received		20,824	6,564
<b>Total cash provided from:</b>		<b>509,368</b>	<b>323,638</b>
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(533,582)	(364,302)
<b>Total cash applied to:</b>		<b>(533,582)</b>	<b>(364,302)</b>
<b>Total Cash Flows from Operating Activities</b>		<b>(24,214)</b>	<b>(40,663)</b>
<b>Cash Flows from Investing Activities</b>			
Net movement from investments		44,357	57,545
Payment for property, plant and equipment		(2,621)	-
<b>Total Cash Flows from Investing Activities</b>		<b>41,736</b>	<b>57,545</b>
<b>Net Cash Flows</b>		<b>17,522</b>	<b>16,882</b>
<b>Cash Balances</b>			
Cash and cash equivalents at beginning of period	<b>9</b>	144,365	127,483
Cash and cash equivalents at end of period	<b>9</b>	161,886	144,365
<b>Net change in cash for period</b>		<b>17,522</b>	<b>16,882</b>

This statement is to be read in conjunction with the notes on pages 7 to 10.



# **Notes to the Performance Report**

## **The Institute of Internal Auditors New Zealand**

### **For the year ended 31 December 2023**

#### **1. Statement of Accounting Policies:**

The financial statements are for The Institute of Internal Auditors New Zealand as a separate legal entity.

The Institute of Internal Auditors New Zealand is an incorporated society registered under the Incorporated Societies Act 1908. The financial statements have been prepared in accordance with generally accepted accounting practice.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

IIA NZ has elected to apply PBE SFR-A (NFP) public benefit entity simple format reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting. The performance report is prepared under the assumptions that the entity will continue to operate in the foreseeable future. The entity commenced reporting under this framework on the 1st January 2015.

Financial information has been rounded to the nearest dollar.

There have been no changes in Accounting Policies. All policies have been applied on bases consistent with those used in previous years.

#### **2. Accounts Receivable:**

Receivables are stated at their estimated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified.

#### **3. Fixed Assets and Depreciation:**

All fixed assets are recorded at cost less accumulated depreciation.

Depreciation of assets has been calculated to represent the useful life of assets.

The entity has the following asset classes:

Computer Software: 33% Straight Line

Office Equipment: 13-50% Diminishing value

#### **4. Goods and Services Tax:**

These financial statements have been prepared on a GST exclusive basis with the exception of Accounts Receivable and Accounts Payable. IIA NZ is registered for GST.

#### **5. Income Tax:**

IIA NZ taxation policy is for the treatments of all transactions to comply in full to all schedules and provisions legislated in the Income Tax Act 2007.

#### **6. Revenue:**

Revenue is recognised in the statement of financial performance in the period in which it is earned.

Income received in advance at balance date for services not yet provided or where obligations have not been fulfilled is deferred and treated as income in advance.

**Notes to the Performance Report**  
**The Institute of Internal Auditors New Zealand**  
**For the year ended 31 December 2023**

**7. Bank Accounts and Cash:**

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 12 months or less.

**8. Prior Period Adjustment:**

The 2022 cashflow statement has been restated to be GST exclusive.

**9. Cash and Bank Balances**

	<b>2023</b>	<b>2022</b>
	\$	\$
ANZ Cheque Account	152,331	140,231
ANZ Call Account	9,556	4,133
<b>Total</b>	<b>161,886</b>	<b>144,365</b>

**10. Investments:**

	<b>2023</b>	<b>2022</b>
	\$	\$
Term Deposit - 1036	200,000	-
Term Deposit - 1035	100,000	-
Term Deposit - 1020	-	168,060
Term Deposit - 1025	-	171,394
<b>Total Investments</b>	<b>300,000</b>	<b>339,454</b>

**11. Fixed Assets:**

	<b>2023</b>	<b>2022</b>
	\$	\$
<u>Computer Software</u>		
Carrying amount at beginning of year	5,815	6,951
Plus additions	-	-
Less Disposals	-	-
Less Depreciation	(758)	(1,136)
<b>Total</b>	<b>5,057</b>	<b>5,815</b>
<u>Office Equipment</u>		
Carrying amount at beginning of year	587	1,990
Plus additions	2,621	-
Less Disposals	(1,267)	(142)
Less Depreciation	(1,119)	(1,261)
<b>Total</b>	<b>822</b>	<b>587</b>
<u>Course Materials</u>		
Carrying amount at beginning of year	1,596	3,444
Plus additions	-	-
Less Disposals	-	-
Less Depreciation	(1,596)	(1,848)
<b>Total</b>	<b>-</b>	<b>1,596</b>
<b>Total Fixed Assets</b>	<b>5,879</b>	<b>7,997</b>

**Notes to the Performance Report**  
**The Institute of Internal Auditors New Zealand**  
For the year ended 31 December 2023

<b>12. Taxation:</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Surplus/(loss) for the year ending 31-March	(8,401)	(21,730)
Loss brought forward	(310,882)	(289,151)
<b>Net assessable surplus/(loss)</b>	<b>(319,283)</b>	<b>(310,882)</b>
<b>Tax payable</b>	<b>-</b>	<b>-</b>
Deduct: Income tax paid	-	-
<b>Terminal tax due / (refund due)</b>	<b>-</b>	<b>-</b>

The Institute of Internal Auditors income tax year ends 31-March. This note is a reflection of the income tax position confirmed with the Inland Revenue.

The Institute of Internal Auditors is a non-profit body and as such is taxed only on income sourced from outside the circle of membership. Income tax is accounted for using the taxes payable method after taking full advantage of all deductions and concessions. No provision has been made for deferred taxation.

The Institute has \$319,283 of tax losses to carry forward at 31-March-2023 (2022: \$310,881).

<b>13. National Office Expenses:</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Asset write-off	575	142
General, minor assets & equipment	4,152	5,417
IT support and software subscriptions	16,115	2,898
Office rent	20,859	10,422
Phone & internet	1,871	1,849
Printing, stationery, promotion & postage	640	730
Recruitment	810	325
Salary, wages, contractors & ACC	270,312	186,700
Training & development	383	1,286
Travel	630	-
<b>Total National Office Expenditure</b>	<b>316,348</b>	<b>209,769</b>

**14. Strategic committee spend:**

Strategic committee spend is spending approved by the Board in order to progress with strategic and committee objectives.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Advocacy	1,565	6,793
Education	-	1,450
Membership	-	2,838
Office and staff costs for web-project work	-	-
<b>Total Strategic Spend</b>	<b>1,565</b>	<b>11,081</b>

**Notes to the Performance Report**  
**The Institute of Internal Auditors New Zealand**  
**For the year ended 31 December 2023**

**15. Related Parties:**

Related party transactions require disclosure if on different terms and conditions to non-related parties, or if significant to the IIA.

Members of the IIA Board, being full members of the Institute, qualify as related parties.

IIA Board member transactions are all on the same terms and conditions as other members, thus not requiring additional disclosure.

Transactions in aggregate with individual Board members are also not of significance, thus not requiring additional disclosure.

**16. Operating Lease Commitments:**

Operating lease commitments at balance date are \$nil (2022: \$nil). The Institute of Internal Auditors office lease agreement is renewed on an annual basis, so no commitment for this lease exists.

**17. Contingent Liabilities:**

At balance date contingent liabilities have been estimated at \$nil (2022: \$nil).

**18. Capital Commitments:**

Capital commitments at balance date are \$nil (2022: \$nil).

**19. Going Concern:**

The IIA has evaluated its going concern in consideration of its 2023 and 2022 deficit. The IIA has no concerns in regard to its ongoing financial sustainability.

The Board evaluated a safe level of reserves for its going concern to be \$300,000 (amounting to a year of usual operational expense, or three years of 'operating deficit').

**20. Subsequent Events:**

There were no events post balance date, which has had a significant impact on the information included in the Performance Report (2022: nil).

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF INSTITUTE OF INTERNAL AUDITORS NEW ZEALAND**

**Report on the Performance Report**

**Opinion**

We have audited the performance report of The Institute of Internal Auditors New Zealand (the "Society"), which comprises the entity information, the statement of service performance, the statement of financial performance, statement of movements in total funds and statement of cash flows for the year ended 31 December 2023, the statement of financial position as at 31 December 2023, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
  - the entity information for the year ended 31 December 2023;
  - the service performance for the year then ended; and
  - the financial position of the Society as at 31 December 2023, and its financial performance, movement in total funds and cash flows for the year then endedin accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit of the statement of financial performance, statement of financial position, statement of movement in total funds, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE (NZ) 3000 (Revised)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Society in the area of Business Advisory. The firm has no other relationship with, or interests in, the Society.

**Other Matter**

The performance report of the Society for the year ended 31 December 2022 was audited by another auditor who expressed an unmodified opinion on that report on 19 April 2023.

**Responsibilities of the Board for the Performance Report**

The Board is responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

- b) the preparation and fair presentation of the performance report on behalf of the Society which comprises:
- the entity information;
  - the statement of service performance; and
  - the statement of financial performance, statement of financial position, statement of movement in total funds, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the Board determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board is responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Who we Report to**

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

*BDO Wellington Audit Limited*

**BDO WELLINGTON AUDIT LIMITED**

Wellington  
New Zealand  
15 April 2024