

# Submission on *Consultation on regulations for the Incorporated Societies Act 2022*

## Your name and organisation

Name	Chris Carson QSM
Organisation (if applicable)	Chartered Accountant, Carson Associates NZ
Contact details	[REDACTED]

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## Responses to questions

Part 2 of the discussion document: section 254

	Matter	Question
1	<i>Prescribing information that must be included or provided</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(a)?
	In reference to 79(2)(d) Other Information that the register must contain (ie., name of each member, last known contact details, and date became a member) for a cosmopolitan club or a working mens' club this will be of no hardship since these clubs hold a register of members with this information and other information about the member as permitted to be held by that club's constitution and in accordance with the Privacy Act 2020.	
2	<i>Prescribing the manner in which things must be done</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(b)?
	We agree with the filing of the return no later than 6 months after balance date (end of financial year).	
3	<i>Authorising the Registrar to determine the manner in which things must be done</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(c)?
	We agree.	
4	<i>Declaring persons to be, or not to be, officers</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(d)?
	We agree.	
5	<i>Prescribing circumstances related to independent committee members</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(e)?

	<p>We are of the opinion that it is important for a society to have the power to appoint independent members to its board or committee. This is of particular importance where a society has a Risk and Audit Committee and an independent member(s) can provide independent view point and assurance.</p> <p>Independent members on a board or committee is important for the larger cosmopolitan clubs and working mens' clubs (and Clubs NZ Incorporated), and not just national or regional organisations involved in physical recreation and sports.</p> <p>We do not agree that there should be a specified threshold – a society should have the ability to decide if it requires an independent member(s) on its governance body.</p>
6	<p><i>Prescribing jurisdictions whose officer disqualifications we will recognise</i></p> <p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(f)?</p> <p>We have no comments.</p>
7	<p><i>Prescribing the types of changes in officer information that must be notified</i></p> <p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(g)?</p> <p>We have no comments.</p>
8	<p><i>Regulating constitutional provisions on conflicts of interest</i></p> <p>Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(h)?</p> <p>We agree.</p>
9	<p><i>Prescribing societies that can restrict general meeting attendance to delegates</i></p> <p>Do you have any suggestions regarding regulations that should be made under section 254(1)(i)?</p> <p>We do not believe there should be a limit on the number of members who are permitted to attend an annual meeting or a special general meeting. Some societies have a minimum number of members to constitute a quorum for an annual meeting or special general meeting.</p>
10	<p><i>Defining the term 'total current assets'</i></p> <p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(j)?</p>

		<p>We do not agree with the suggested definition for current assets (ie. not expected to be sold within 12 months) as not all current assets are “sold”. For example, prepaid subscriptions can be a current asset but these are not “sold” as suggested in your example of a current asset; prepaid subscriptions are realised as revenue in the following year.</p> <p>We do not agree with the example given about land that is proposed to be sold within 12 months of balance date. Land is land; it is a fixed asset regardless of any intention to dispose of it within 12 months of balance date.</p> <p>We recommend that the definition of current assets be that used by the XRB in its financial reporting standards as follows:</p> <p><b>“An entity shall classify an asset as a current asset when: (a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; (b) It holds the asset primarily for the purpose of trading it; (c) It expects to realise the asset within twelve months after the reporting period; or (d) The asset is cash or a cash equivalent (as defined in PBE IPSAS 2) unless the asset is restricted from being exchanged or used to settle a liability.”</b></p>
11	<p><i>Prescribing additional requirements for the financial statements of small societies</i></p>	<p>Do you agree with MBIE’s proposal that no regulations should be made at this stage under section 254(1)(k)?</p> <p>We believe that small societies should apply the financial reporting standards used by organisations registered as a charity – Tier 4 GAAP which have recently been simplified.</p>
12	<p><i>Determining the class of society that must have its financial statements audited</i></p>	<p>Do you have any comments on MBIE’s proposals regarding regulations under section 254(1)(l)? For example, do you agree that focusing on the proportion of societies that should be captured is appropriate?</p> <p>We believe that the societies who have total operating expenses over \$1.1 million should be required to have an audit by a registered audit, and that societies with total operating expenses of over \$550k but less than \$1.1 million should have the option of an audit or a review - this aligns with the Charities Act 2005 statutory audit requirements.</p>
13	<p><i>Setting infringement fees</i></p>	<p>Do you have any comments on MBIE’s proposals regarding regulations under section 254(1)(m)?</p> <p>We have no comments.</p>
14	<p><i>Prescribing the information to be included in infringement and reminder notices</i></p>	<p>Do you have any comments on MBIE’s proposals regarding regulations under section 254(1)(n)?</p> <p>We have no comments.</p>

15	<i>Removal and restoration of societies from the register</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(o)?
	We have no comments.	
16	<i>Prescribing certain matters relating to surplus assets</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(p)?
	We have no comments.	
17	<i>Prescribing procedural requirements for surplus asset 'resolutions'</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(q)?
	We agree.	
18	<i>Prescribing how documents must be served on a society</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(r)?
	We have no comments.	
19	<i>Prescribing how documents must be served on a person</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(s)?
	We have no comments.	
20	<i>Prescribing matters relating to the incorporated societies register</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(t)?
	We have no comments.	
21	<i>Specifying matters concerning conversion into an incorporated society</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(u), (v) or (w)?
	We have no comments.	

Part 3 of the discussion document: section 254

	<b>Matter</b>	<b>Question</b>
22	<i>Setting fees for the performance of functions or the exercise of powers</i>	Do you have any suggestions on regulations that should be made under section 255(1)(a)?
	We have no suggestions.	
23	<i>Setting late fees</i>	Do you have any comments on MBIE's proposals regarding regulations under section 255(1)(b)?
	We have no comments.	
24	<i>Setting other fees</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 255(1)(c)?
	We agree.	

#### Part 4 of the discussion document: section 254

	<b>Matter</b>	<b>Question</b>
25	<i>Providing that certain rules apply</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 256(1)(a)?
	We agree.	
26	<i>Providing that certain legislative rules do not apply</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 256(1)(b)?
	We agree.	
27	<i>Prescribing matters for the purposes of Part 1 of Schedule 1</i>	Do you have any comments on MBIE's proposals regarding regulations under section 256(1)(c)?
	We have no comments.	

#### Other comments

We have no other comments.
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