

## PSI internal audit for 2022

02.06.2023 meeting minutes

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- The auditors have reviewed the 2022 management accounts, 2023 budget, and external audit documents.
- PSI has a positive balance of £456,158 at the end of 2022. This is approximately 73% of the 2022 turnover and above the target reserves of 60% of turnover. The current reserves are expected to be sufficient to allow for the continued operation of PSI.
  - 2022 income was virtually double that of 2021, while costs were controlled (around a 60% increase). This resulted in more than doubling the gross surplus and so yielding a significant operating surplus in 2022 (versus a small deficit in 2021) at an operating margin of 26%.
  - The above was achieved because of a highly successful conference which beat all expectations (higher income, lower costs), but it was also pleasing to see subscriptions had gone up over 40% since 2021, a sign of a healthy society. It was noted that subscriptions have risen another 10% in 2023, which is very good news.
  - Current membership is approximately 1800 members (some of them free student memberships) across 49 countries.
- As reserves have grown, there is a question on what to do with the money, especially in light of inflation.
  - The Board has plans to invest in the digital strategy and communications / content creation. This includes short videos to advertise approximately 15 events per year including the annual conference, improvements to the website to make it easier to find relevant events, and potentially a discussion forum for members.
  - The auditors note that about 20 years ago the PSI website contained a discussion forum, which was discontinued due to lack of demand.
  - The auditors recommend to focus on increasing F2F events and expand membership, as these are investments into the future of PSI that are likely to lead to sustained growth.
  - The issue of inflation is acknowledged. However, investment options usually put the capital at risk and / or fix the capital for a long time. There is a preference to find opportunities to invest in the society and provide value for the members.
- PSI has been immensely successful in convincing people to return to F2F meetings, grow the conference, and expand the membership. This has not been the case for all other communities.
- The auditors note that conference costs keep increasing, potentially driven by venue and food costs. It may be worth considering cheaper options to ensure that the conference is accessible to all members.
- Overall, the auditors conclude that PSI was run prudently in 2022 and congratulate the Board to another very successful year.