

## **Personal Statement – Joanne Lockwood, Chair of the PSA Board of Directors**

My name is Joanne Lockwood, and I have had the honour of serving as Chair of the PSA Board since October 2022. I stand before you today, deeply aware of the responsibility I hold, not only as Chair but also as a custodian of the trust you place in this association.

It is with a heavy heart that I address you, knowing that our financial situation is far worse than any of us would have expected or accepted. Our trading performance, balance sheet, and cash reserves are in a precarious state. The figures speak for themselves: a trading loss of over £98,000 this year, following a £48,000 loss the previous year.

This is an intolerable and deeply concerning situation.

### **A Breakdown of the Situation**

The first signs of concern came to my attention in January 2024, when Mike Ogilvy, our external accountant, flagged that our cash position was 'tight.'

At that time, our then Finance Director, William Buist, believed the situation was manageable and in line with expectations, attributing it to a change in how we were selling tickets for SBS 2024, moving from upfront payments to monthly instalments. We applied to release funds from our Nationwide 90-day notice account to ease the pressure.

However, as the months progressed, it became clear that the reality was far more severe. In mid-May 2024, Mike raised the alarm again, informing me that we were 'haemorrhaging' money. I pressed our then Finance Director, for an explanation and was reassured that the situation was under control—citing cash flow challenges, venue deposits, and administrative delays with the Nationwide account as reasons for the concern.

In hindsight, these explanations were dangerously understated. Several weeks later, it became apparent that our financial health was far more precarious than we had been led to believe. Critical payments had been missed, funds were inaccessible due to banking issues, and the cash flow projection presented to the board was grossly understated.

It wasn't until the appointment of our new Finance Director, Phil Ingle, that the full extent of the problem was revealed. Through Phil's diligence, we uncovered significant gaps in financial oversight that had gone unnoticed for too long.

## **Accountability and Reflection**

I want to make it clear that as Chair, I take full responsibility for this situation. I acknowledge that I and the board should have asked tougher questions and sought deeper clarity sooner. We trusted the information presented to us, and while we believed we were making sound decisions based on that data, we now know that those decisions were made without full visibility of our true financial situation.

In particular, I regret that the assurances we were given masked the true extent of the risk. Had we been fully aware of our financial position, I am confident that different choices would have been made—choices that could have prevented us from reaching this critical point.

## **What Are We Doing to Fix This?**

Moving forward, we have already taken significant steps to rectify our governance and ensure this situation is never repeated.

- **Stricter Financial Governance:** Weekly cashflow monitoring is now in place, and we are in the process of introducing zero-based budgeting (ZBB) to ensure that every penny is accounted for.
- **Increased Transparency:** We are committed to full transparency. To that end, we will publish a 'Board Action Log,' 'Board Decisions Log,' 'Risk Register' and a 'Declaration of Interests Register.' This is to ensure that all decisions are open to member scrutiny.
- **External Financial Oversight:** We are in the process of establishing a process for an 'external audit' of the accounts by a Professional Member or Fellow of the Association with at least a two-year standing.
- **Enhanced Decision-Making:** New processes have been implemented to ensure that all proposals and business cases brought to the board are rigorously assessed, with clear benefits identified and tracked over time.

## **Rebuilding Trust and Moving Forward**

I know that you may feel disappointed, perhaps even let down. I understand that regaining your trust will take time, but I assure you that we are already making progress. The entire board is united in its commitment to restoring financial health and ensuring the long-term sustainability of the PSA, whilst delivering the promises of the Strategic Plan.

We are reviewing the viability of our national and regional events, which have contributed to the financial strain. The goal is to balance value for money with delivering exceptional member experiences. We are also looking at long-term strategic plans that focus on stabilising our finances while enhancing the support we offer members.

## **My Commitment to You**

As Chair, my role is defined as overseeing the board, ensuring that financial oversight is in place, and that decisions are informed by accurate data. I recognise that I could have done more to prevent this situation, and for that, I am deeply sorry.

However, I also believe in the strength of this community and our ability to move forward together. I am committed to ensuring that we learn from this, that we grow stronger from these challenges, and that the PSA not merely survives but thrives in the years to come.

I humbly ask for your continued trust as we take these necessary corrective actions. Together, with your support, we will turn this around.

Yours sincerely,

Joanne Lockwood  
Chair of the PSA Board