

Association for Tertiary Education Management Inc
ABN 72 682 233 729

FINANCIAL MANAGEMENT ADVISORY COMMITTEE

Minutes of a meeting of FMAC held on Wednesday 12 March 2008 at 9.30 am in the Druitt Room at the Crowne Plaza Hotel, 150 Day St, Darling Harbour, Sydney

Members Present

Lucy Schulz	Chair
Neil Voyce	Treasurer
Co RC Angela Boyes	Regional Co-Chair
Tom Gregg	President

In Attendance

Maree Conway,	ATEM Secretariat
Peter Scardoni	ATEM Secretariat
Giles Pickford	ATEM Secretariat

Regional Finance Officers

John Chapman AM, ASM	NSW/ACT
Linda Jackson,	Bass
Ming Chien,	SE Qld/Nthn Rivers

1. Apologies and Welcome

There were no apologies. The Chair welcomed the Regional Finance Officers (RFOs) to the meeting, saying that they had an important contribution to make during the transition period for the 2010 reforms and beyond.

2. Minutes

The Minutes of the meeting held on 12 December 2007 were confirmed.

3. Business Arising from the Minutes

3.1 Financial Arrangements Arising from 2010 Reforms

3.1.1 Budgets

The updated budget for the triennium 2008-11 was discussed in detail and corrections were made.

It was agreed that:

(a) The Regions need to get their audited accounts for the year ending December 2007 in to Peter Scardoni promptly. It was agreed that Peter Scardoni should send RFOs an email confirming what was needed for different regions given that some audits would be organized by Peter and others through normal auditors used in Regions. The Notice of the AGM will go out on 4 April and the meeting will be held by e-mail on 30 April. The transitional budget and the triennial budget for the whole of ATEM need to go out with the Notice of Meeting. The Chair, assisted by Peter Scardoni, is to send a note to Treasurers and Regional Chairs to confirm the next steps for financial processes and budget development prior to June meeting. This note should focus on the meeting in response to RFOs concerns and clearly outline what was needed to transition all Regions to new financial structure for the Association.

(b) The Regions also need to submit their budget for 2008-2011 to the ATEM Secretariat as soon as possible, and certainly in time for inclusion in the Agenda for the June meeting of Council (the Agenda will be posted on 5 June for the meeting on 12 June

(c) It was agreed to recommend to Council that all old Branch Bank Accounts should be closed and the money moved into the new financial structure before 12 June. Regions that have submitted a budget would then be able to have that budget funded immediately by ATEM Inc.

(d) The ATEM Secretariat will have a new banking system in place before June. Branches will be issued with at least one and not more than two credit cards, each with a credit limit of \$5,000. Two cards may be needed in Regions where the elected officers are widely dispersed. The cards will have merchant facilities attached.

(e) Each Region needs to appoint an officer who will manage Regional accounts and have the authority to sign. The second signatory in all Regions will be Peter Scardoni.

(f) Regions will have the authority to spend up to \$5,000 at a time provided the item is budgeted.

3.1.2 Funds held by Regions

The Committee noted the following table of funds currently held by Regions

<u>Branch/Region</u>	<u>Working Funds\$</u>	<u>Term Deposits\$</u>	<u>Combined Branch/Region\$</u>
ACT	35,361		
NSW	9099		NSW/ACT 44,460
Vic	75,599	68,697	
Tas	5,575	11,679	Bass 161,550
NT	2,588	42,521	
Qld	N/A	N/A	
SA	7,314		
WA	11739	27,473	Grand Total
Total AUD	147,275	150,370	297,645
NZ	34,342		34,342

3.1.3 Payments Schedule

The Committee approved the payments schedules.

3.1.2 Financial Management Documentation

Neil Voyce and Peter Scardoni reported that the updating of the Finance Manual will take some time to complete. They are working towards having it ready for the June meeting of Council.

Peter Scardoni and Neil Voyce will be able to report on Financial Delegations when the new banking arrangements are implemented. This will be in the next few weeks.

3.1.3 Roll-out of On-Line PD Facility

Peter Scardoni and Maree Conway's reported on the visit to Melbourne by the Queensland Branch President, Treasurer and EO. The visit had been extremely worthwhile and many issues were clarified.

3.1.4 Methods of Paying the Membership Fee

Peter Scardoni reported. There are now three Universities doing payroll deduction (Tasmania, Wollongong and Newcastle). Also some ATEM members had requested automatic deduction of the Annual Subscription from their credit card. This new method of payment is recommended to Council for approval.

3.1.5 Visit to Aotearoa Region

Peter Scardoni's reported that he will visit to the Aotearoa Region in May to assist with the completion of the changeover to the single accounting system.

3.1.6 Banking arrangements

Peter Scardoni will report on discussions with the Commonwealth Bank concerning the new banking system and linked accounts for Regions. Progress is being made and should be ready well before June.

3.1.7 Appreciation

The Chair thanked the RFOs for their contribution to the transition arrangements, saying that their expertise and cooperation was most appreciated.

3.2 ATEM Investments

The Committee noted the report from Richard Easter, Chair of the ATEM Foundation and the updated investments spreadsheet will be in tabled papers. The Committee recommends that it approve the Investment Policy below.

1. ATEM Foundation has been appointed the investment arm for the ATEM Foundation and ATEM Inc.
2. ATEM Foundation and ATEM Inc funds will be accounted for separately in the accounts of the appropriate entity.
3. For investment purposes only, the ATEM Inc funds and ATEM Foundation funds will be pooled, to gain best advantage.
4. Investment reports from the Secretariat will be on two separate spreadsheets - one for each entity.
5. For the ATEM Foundation, the policy is to invest in diversified equities, with a reasonable yield and good growth prospects, on a ten-year investment horizon.
6. For ATEM Inc, the policy is to invest all funds surplus to budget needs in hybrid securities, interest rate securities, bonds and term deposits on a one-year investment horizon.

3.3 Tax

The Committee noted that Steve Allen of Moore Stephens had not yet provided advice on the Tax Deductible Gift Recipient Status for the ATEM Foundation, nor provided written evidence that ATEM Inc. had been given status as a tax exempt body. It was agreed to seek the assistance of Richard Easter in getting this advice.

3.4 Audit

The Committee noted that it had agreed that the Association Auditor should carry out a complete compliance audit to ensure that ATEM complied with all legislation and international accounting standards. It was further agreed that Maximised Results (which sold us the single accounting system) should do an audit of the accounts structure and GST codes, and develop a budget system in the accounts to satisfy our new structure. Peter Scardoni reported that both audits are underway.

3.5 Risk Assessment

At the December meeting of Council it was agreed on the recommendation of VP Chris Pepper that he conduct a risk assessment exercise for ATEM and for the TEM Conference. VP Chris Pepper tabled a process for assessing ATEM's acceptable limit of risk (\$250,000) and its risk appetite. The Committee recommended to Council that the process be implemented and that the team that will work with Chris should be RC Ali Hughes (Aotearoa), RC Jennifer Till (NSW/ACT), VP Lucy Schulz (Central) and Peter Scardoni (ATEM Secretariat). The team is to report to Regions and collate responses in time for the June meeting of Council.

Unimutual Cover

In relation to risk management VP Chris Pepper tabled papers which showed that ATEM was covered by Unimutual as follows:

General and Product Liability - \$1,000,000

Professional Liability - \$1,000,000

4. Other Business

4.1 Awards and Grants

VP Chris Pepper tabled his recommendations concerning Awards and Grants. The recommendations to Council involve increasing the quantum and the number of grants. He sought FMAC's input on the budgetary implications of the matter. FMAC recommended to Council that the changes should assist

in the membership recruitment drive and that in the end the amounts would be recovered. It recommended approval.

5. Next Meeting

The Committee noted that Maree Conway would need a day during the next group of meetings to complete the process of finalising the Strategic Directions Statement. The Committee recommended the following meetings schedule for the June meetings in Melbourne.

FMAC	11 June 2008 at 10.00 am to noon.
Strategic Directions Forum	11 June 2008 from 12.30 pm to 4.30 pm
	12 June 2008 from 9.30 am to noon
Council	12 June 2008 from 12.30 pm to 4.00 pm

The schedule of all meetings in 2008 can be found at this address:

http://www.atem.edu.au/activities_major_events.cfm

GP 14/3/08