

**Association for Tertiary Education Management Inc**  
ABN 72 682 233 729

FINANCIAL MANAGEMENT ADVISORY COMMITTEE

A meeting of FMAC will be held on Wednesday 11 March 2009 from 9.00 – 11.00 am in the Blackwattle 1 Room, Level R, Crowne Plaza Hotel, Day Street, Darling Harbour. The meeting follows after the *AFR* Conference on 9-10 March.

There will be a Council Dinner on the evening of 10 March, before the meeting. As Council will be over by 3.00 pm most people will not need to stay another night.

**PLEASE** confirm your accommodation arrangements by ringing Leigh Dunn on 612 9260 3084. Peter Scardoni will refund costs for those who need them.

**Members**

VP Stephen Weller,	Chair
RC Judy Szekeres	Regional Chair
Rex Jones	Association Treasurer
Tom Gregg	President
VP Chris Pepper	
Linda Jackson	Regional Treasurer

**In Attendance**

Maree Conway	ATEM Secretariat
Giles Pickford	ATEM Secretariat

**1. Apologies**

Peter Scardoni	Assistant Treasurer
----------------	---------------------

**2. Minutes**

The Minutes of the meeting held on 11 December 2008 are attached. [Pages 4-5](#) For confirmation.

**3. Business Arising from the Minutes**

**3.1 Council Resolution**

Here is Council's resolution on the recommendations of the December FMAC meeting.

Council resolved as follows:

1. That the deficit budget for 2008 is noted and that a balanced budget be adopted for 2009 with the aim of reaching a surplus budget (3-5%) by 2010.
2. That the Treasurer's Report is received
3. That the SE Queensland/Northern Rivers Region complete the transition to the single accounting system by the end of October and all funds from all regions be returned to ATEM Inc by the end of November.
4. That the Finance Manual be completed as soon as possible.
5. That the Auditor be requested to complete the audit of ATEM's compliance with all relevant legislation by the end of November.
6. That the Operating Expenditure Schedule is noted and all spending approved.
7. That VP Chris Pepper runs a risk management exercise on a suitable day around the December Council meeting.

### 3.2 Treasurer's Report

The Treasurer's Report is attached. **Pages 6-10**

For discussion

### 3.3 Compliance Audit

ATEM's Auditor is working on an audit of all aspects of our operations to make sure that they complied with Commonwealth and ACT Legislation. For noting

### 3.4 Risk Assessment

VP Chris Pepper's report on a risk assessment exercise that was conducted after the December meeting will be e-mailed separately if possible, or tabled.

## 4. Other Business

### 4.1 Operating Expenditure Schedule

This item is deferred until Peter Scardoni returns.

### 4.2 ATEM Investments

The ATEM Foundation's report to Council on its investments, and ATEM's investments, will be tabled.

### 4.3 Other Business

Giles Pickford has quotes on the cost of preventing cybersquatters stealing our name two names, as follows: \$80 each for two years covering: [atem.biz.au](http://atem.biz.au), [atem.net.au](http://atem.net.au), and [temc.edu.au](http://temc.edu.au), [temc.com.au](http://temc.com.au), [temc.biz.au](http://temc.biz.au), [temc.net.au](http://temc.net.au). Total \$480.

## 5. Next Meetings

The Schedule of 2009 meetings is below.

Date	Meeting	Time	Place
Thur 30 April 09	ATEM AGM	9.00 am to Midnight	By e-mail
Fri 24 July 09	FMAC	9.00 am	Melbourne
	Council	11.00 am	Melbourne
<b>13 to 16 September</b>	<b>TEM C</b>	<b>Darwin</b>	<b>Don't miss it!</b>
Sun 13 September 09	FMAC	9.00 am	Darwin
	Council	11.00 am	Darwin
Tue 15 September 08	Awards Breakfast & Members' Forum ATEM Ghosts' Lunch	8.00 am 8.15 am 12.30 pm	Darwin  Dragon Court Restaurant Sky City

GP 7/10/08

**Association for Tertiary Education Management Inc  
ABN 72 682 233 729**

**Financial Management Advisory Committee**

Minutes of a meeting of the Financial Management Advisory Committee held on 11 December 2008 at 9.00 am in the Crowne Plaza Hotel, Darling Harbour, Sydney

**Present:**

VP Stephen Weller	Chair
RC Judy Szekeres	Central Region Chair
Rex Jones	Association Treasurer
Linda Jackson	Bass Region Treasurer
Tom Gregg	President
VP Chris Pepper	

**In attendance**

Peter Scardoni	ATEM Secretariat
Giles Pickford	ATEM Secretariat

**1. Apologies**

There were no apologies

**2. Minutes**

The Minutes of the meeting held on 28 September in Christchurch were confirmed.

**3. Council Decisions**

The Committee noted the Council decisions on the September recommendations.

**4. Business Arising from the Minutes**

**4.1 Budget for 2008-2009**

The Committee noted the deficit budget for 2008 and recommended that a balanced budget be adopted for 2009 with the aim of reaching a surplus budget (3-5%) by 2010.

**4.2 Consolidation of Funds**

The Committee discussed the difficulties that SEQ/NR was experiencing with its accounts and noted that they should be resolved by October. There had also been difficulties with transferring the remaining funds from the old Tasmanian Branch.

**4.3 Investment of Funds**

The Committee noted the report from the Foundation Board to the ATEM Council on the investments of ATEM and of the Foundation.

**4.4 Compliance Audit**

The Committee noted that the Auditor had not yet done an audit of ATEM's compliance with ACT and Federal Legislation.

#### **4.5 Finance Manual**

The Committee noted that the final draft of the Finance was not yet complete. The difficulty was that the Quick Books material needs to be added.

#### **4.6 Quick Books Operators' Manual**

The Committee resolved that ATEM should purchase Quick Books Operators' Manuals for each Region.

#### **4.7 Report on New Banking System and Single Accounting System**

Peter Scardoni reported that the new Banking system and the single accounting system were working well in all Regions except SEQ/NR.

### **5. Other Business**

The Treasurer reported that he would be organising a meeting of as many Regional Treasurers as possible on the day before the Council meeting at the TEMC Conference in Darwin.

### **6. Next Meetings**

Date	Meeting	Time	Place
Thur 30 April 09	ATEM AGM	9.00 am to Midnight	By e-mail
Fri 24 July 09	FMAC	9.00 am	Melbourne
	Council	11.00 am	Melbourne
<b>13 to 16 September</b>	<b>TEMC</b>	<b>Darwin</b>	<b>Don't miss it!</b>
Sun 13 September 09	FMAC	9.00 am	Darwin
	Council	11.00 am	Darwin
Tue 15 September 08	Awards Breakfast & Members' Forum ATEM Ghosts' Lunch	8.00 am 8.15 am 12.30 pm	Darwin  Dragon Court Restaurant Sky City

### **Item 3.2 Treasurer's Report**

#### **Financial Performance for the year ended 31 December 2008**

I have attached a brief unaudited report on the financial performance of ATEM Corporate and the Branches / Regions for the year ended 31 December 2008, with the exception of the South East Queensland / Northern Rivers Region (SEQNR) who are still in the process of bringing their books up to date and determining their financial position.

The overall loss from the ATEM Corporate and the Australian Branches / Regions, with the exception of SEQNR amounted to approximately \$220,000 compared to the original budget deficit of approximately \$194,000 exclusive of the draw down from accumulated funds. In addition the Aotearoa Region lost a further \$NZ 13,770 compared to their budget deficit of \$NZ 10,500.

ATEM Corporate and all regions / branches with the exception of SA Branch recorded losses. The most notable loss was in Corporate with a deficit of \$98,000 closely followed by Victoria which recorded a deficit of \$88,000 for the year on top of their deficit of \$62,000 in 2007. These losses in the regions are derived from normal operating activities over which the regions have control. The losses are unsustainable and if continued at the same rate will see all ATEM funds extinguished within the next two years.

#### **Balance Sheet**

Peter and I in association with the treasurers of the various regions have cleaned up and consolidate following balance sheets:

- Corporate
- SA Branch
- WA Branch
- ACT Branch
- NT Branch
- NSW/ACT Region
- Tasmania Branch

We still have to include Victoria, the BASS Region, the South East Queensland and Northern Rivers Region and the Journal before we have a totally consolidated Balance sheet.

I have included the Consolidate Balance Sheet (**Page 8**) as at 31 December 2008 for those regions / branches we have consolidated together with notes providing an estimate of the equity still to be included from Victoria, the Bass Regional the Journal. At this stage I have no idea of the financial performance or position of the South East Queensland and Northern Rivers Region.

Although at this time I am not prepared to comment in detail of the financial position of the Association it must be noted that the available funds have declined significantly in the past couple of years (in excess of \$370,000) and must be curtailed quickly if the Association is to stay solvent.

#### **Financial Management**

While Peter is overseas Ms Sharon Coker is carrying out the bookkeeping function and paying accounts for ATEM. All corporate payments other than those that are covered by an agreement are forwarded to me for approval. I am keeping a copy of all expenses that I have approved.

Also I am holding the corporate cheque book and will make payments by cheque where necessary.

I must say that I am finding Sharon very good to work with and she appears to be well on top of her role. She has just completed the Business Activities Statement (BAS) for the December quarter.

### **Auditing of 2008 Accounts**

On my recent trip to Canberra I met with the Auditor and agreed the method of closing the old branch accounts and consolidating the Balance Sheets

The auditor raised with me the matter that he had not undertaken an Audit for the Victorian Branch for 2007 and ask what we intended to do about it. I advised him that I would raise the issue at the Council meeting to be held in March in Sydney.

I wish to advise that a number of regional and other ATEM Accounts have been finalised for 2008 and forwarded to the Auditor for review.

### **Review of Finance Manual - Policy on Signing Authorities**

Neil Voyce, Regional Executive Officer Aotearoa Region has submitted a proposal to deal signing authorities associated with Internet Banking

I have attached the proposal for your consideration and discussion at the FMAC Meeting

**Pages 9-10**

### **Fee Structure**

Chris Pepper has agreed to put the paper together on the membership structure and sliding fees scale.

### **Regards**

**Rex Jones**

**Association Treasurer**

**ATEM Balance Sheets as at 31 December 2008**

<b>Consolidate Balance Sheet as at 31 December 2008</b>	<b>\$A</b>	<b>\$A</b>	<b>Aotearoa \$NZ</b>
<b>Current Assets</b>			
Cash / Savings	\$ 126,095		\$ 9,317
Accounts Receivable	\$ 2,556		\$ 1,260
Other	<u>\$ 102,408</u>		<u>\$ 9,677</u>
<b>Total</b>		<b>\$ 231,059</b>	<b>\$ 20,254</b>
<b>Non- Current Assets</b>			
Computing Equipment		<u>\$ 6,132</u>	
<b>Total Assets</b>		<b>\$ 237,191</b>	
<b>Liabilities</b>			
Pooled Investment Fund		\$ 35,302	
GST Clearing Account			
GST Tax Payable	-\$ 23,024		
Branch GST Suspense	\$ 29,988		
GST Clearing Account	<u>-\$ 6,693</u>		
Total GST Clearing Account		\$ 271	
Sundry Creditors		<u>\$ 430</u>	<u>\$ 1,881</u>
<b>Total Liabilities</b>		<b>\$ 36,003</b>	<b>\$ 1,881</b>
<b>Net Assets</b>		<b><u>\$ 201,188</u></b>	<b><u>\$ 18,373</u></b>
<b>Equity</b>			
<b>Members Funds</b>		<b><u>\$ 201,188</u></b>	<b><u>\$ 18,373</u></b>

**Note 1**

Does not Include Victoria or Vic Imprest Account - Estimate Equity (\$120,000)

Does not Include South East Queensland and Northern Rivers

Does not Include the Journal - Equity (\$622) or Foundation Equity (\$106,674)

## **Review of Finance Manual Policy on Signing Authorities**

### **By Neil Voyce**

A request is made for the Financial Management Advisory Committee (FMAC) to review the current policy on "Signing Authorities" as set out in clause 5.13 of the Finance Manual and make recommendations to the ATEM Council for changes.

Although the ATEM web site does not have the latest version of the Finance Manual available for viewing it is understood that the most up to date version contained the following clause:

#### **5.13 Signing Authorities**

*All financial transactions going into or coming out of ATEM Inc bank accounts, or similar, must have the signatures of two approved persons for each transaction.*

*For the transfer of funds between ATEM Inc accounts, one signatory would be acceptable.*

*Regions or Council will need to pass the necessary resolutions to appoint authorised signatories. To minimise delays in processing transactions, Regions and Council should ensure that the authorisation resolution is along the lines of having any two of a number of named persons (probably four or five) sign or authorise every financial payment or transaction that requires such authority.*

With the availability of internet banking it is suggested that this policy be reviewed to make it easier to carry out banking transactions and associated activities. While this review request is being made on an individual basis by the Aotearoa Executive Officer it is not being suggested that special dispensation be given only to the Aotearoa Region.

#### **Current Situation in the Aotearoa Region**

Under the current policy the Aotearoa Region has three people who have signing authority approved by resolution of the Aotearoa Regional Committee and any two of the three must sign on each occasion as per Council policy. All payments are made by cheque or by manually requested bank transfers signed by two of the authorised persons.

To be able to make use of internet banking and retain the two signatories policy, a special arrangement has to be made with the bank which has an establishment fee of \$250 plus \$30 per month to use the system. It is not that user friendly for small businesses such as ATEM.

The process we use in the Aotearoa Region is for me to sign the cheque or other document and either post it or visit the Chair to have the second signature added. The payment is then posted to the supplier or taken to the bank in the case of a bank transfer request (usually for overseas payments). From time to time, instead of posting the cheque to the supplier I take it to the appropriate bank and the deposit the transaction to the recipient's account.

These are rather time consuming processes as well as costing ATEM or me personally when travel is involved.

An additional constraint under the present system is that I am unable to get internet access to the bank account statements to check direct credits etc. This means I have to wait for the weekly bank statement to arrive in the mail which can be up to two weeks after some deposits have been made. From time to time I have had someone contact me to see if a direct credit has gone through and I have to wait for the bank statement before I can confirm.

**Proposal**

It is proposed that to enable advantage to be taken of the benefits of internet banking that the current clause 5.13 of the Finance Manual be amended to read as follows:

**5.13 Signing Authorities**

*All financial transactions going into or coming out of ATEM Inc bank accounts, or similar, must have the signatures of two approved persons for each transaction. The exception to this is where transactions are processed using internet banking facilities offered by the bank in which case one person may undertake the internet transaction, provided the following steps are taken:*

- *Prior to processing the internet transaction the person initiating the transaction emails a scanned copy of the supporting document(s) to one of the other designated signatories or sends it by fax to that person.*
- *The other signatory must approve the transaction by way of email or fax.*
- *The initiating signatory undertakes the transaction on receipt of the confirmation from another signatory.*
- *The confirmation email or fax is filed with the supporting documents for the transaction.*

*Regions or Council will need to pass the necessary resolutions to appoint authorised signatories. To minimise delays in processing transactions, Regions and Council should ensure that the authorisation resolution is along the lines of having a number of named persons (probably two or three) sign or authorise every financial payment or transaction that requires such authority.*

**Comment**

By drafting clause 5.13 as proposed above, anyone not using internet banking facilities will carry on as at present with having two people sign all transactions. It would be up to each Region to decide what option would best suit and they should also have the ability to add further checks or balances to suit their particular circumstances.

While there is a slightly higher risk of fraud associated with the proposed change I would consider this to be very low given that the amounts being held in Regional imprest accounts are relatively small.

Neil Voyce  
Regional Executive Officer  
Aotearoa Region