



BOARD MEETING DATE:

23/02/2017

No 6 Correspondence Out

Item: ii

Title: ASIC – AFGD Identification Statement Lodgement

No of Pages. 8 incl Header

COPY



20th February 2017

Australian Securities and Investments Commission
GPO Box 9827
SYDNEY NSW 2001

**ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813
complying with ASIC's Regulatory Guide 87 (issued September 2016)**

Please find attached the following documents required to lodged with ASIC by 28th February 2017 to comply with the Class Order and Regulatory guide stated above.

- Anglican Funds Grafton Diocese (AFGD) Identification Statement.

- Statutory Declaration Blaine Fitzgerald

Yours sincerely

A handwritten signature in black ink, appearing to be "Blaine Fitzgerald", enclosed within a large, hand-drawn oval.

Blaine Fitzgerald
Fund Manager - Anglican Funds Grafton Diocese.

Identification Statement – Anglican Funds Grafton Diocese
ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813
complying with ASIC's Regulatory Guide 87 (issued September 2016)

IDENTIFICATION INFORMATION

Anglican Funds Grafton Diocese (**AFGD**) is the business name of The Corporate Trustees of the Diocese of Grafton Investment Fund (ABN 42 489 753 905), which is a trading entity of The Corporate Trustees of the Diocese of Grafton (ABN 88 144 942 068), a body corporate incorporated by section 5 of the *Anglican Church of Australia Trust Property Act 1917 (NSW)*. AFGD was created under the *Diocese of Grafton Investment Fund Ordinance 1981*, now continued under Chapter 18 of the *Diocese Governance Ordinance 2008*. AFGD is located at Level 1, 50 Victoria Street, Grafton NSW 2450.

COMPLIANCE

AFGD raises funds to support the charitable purposes of The Anglican Diocese of Grafton by issuing debentures. It relies on exemptions contained in paragraphs 5(1)(a), 5.1(b), 5(1)(c) and 5(1)(d) of *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*. It also relies on exemptions to Sections 7 and 8 of the *Banking Act 1959* provided by APRA – Banking Exemption No.1 of 2016.

AFGD will continue to rely on the exemptions contained in ASIC Class Order [CO 02/184], up to 31 December 2017, as it repays all short term investments to its retail, non-associated clients as those investments mature.

AFGD ensures compliance with the conditions of the above exemptions in the following ways:

- AFGD has lodged this Identification Statement with ASIC and it is made available to the public via the AFGD website.
- AFGD regularly reviews its Identification Statement and all relevant offer documents to ensure that they are up to date, complete and not misleading.
- As of 31 December 2016, AFGD no longer offers short term investment products to clients who are retail, non-associated clients. AFGD is paying out all existing short term investments to retail non-associated clients as the relevant short term investments mature so that on and after 1 January 2018, no person is to hold a short-term investment product issued by AFGD.
- All debentures issued by AFGD are held on terms that they may only be repaid or redeemed if AFGD has reasonable grounds to believe that repayment or redemption would not frustrate its ability to meet its other obligations to redeem or repay, or repayment or redemption would alleviate the financial hardship of an individual holder of a debenture, or in the unlikely event that AFGD is wound up.
- Where a person is entitled to receive payment in relation to a debenture, AFGD only provides payment via direct bank transfer to that person's bank account or by cheque payable to that person.
- AFGD does not offer any debentures on an "at-call" or "on deposit" basis.
- AFGD ensures that all relevant offer documents detail that:
 - neither AFGD itself, its products, nor its promotional material or offer documents have been examined or approved by ASIC;
 - the investment funds will be used to support the charitable purposes of AFGD;
 - this Identification Statement may be viewed on AFGD's website;
 - AFGD is required by law to notify investors that its products are not subject to the normal *Corporations Act* protections for investors under the *Corporations Act* or regulation by ASIC;
 - the investment is only intended to attract investors whose primary purpose for making the investment is to support the charitable purposes of AFGD;
 - investors may be unable to get some or all of their money back when the investor expects or at all; and
 - the investment is not comparable to investments with banks, finance companies or fund managers.
- AFGD obtains investor acknowledgements from all retail, non-associated clients in respect of the disclosures listed above.
- Any false or misleading material statements relating to this Identification Statement are rectified as soon as practicable via the issue of a supplementary or replacement Identification Statement.
- AFGD lodges with ASIC audited financial statements, which comply with relevant accounting standards, within 6 months after the end of each financial year. Such statements are made available to the public via AFGD's website for a minimum period of 3 years from the date of issue.

METHOD OF FUNDRAISING

AFGD issues debentures and lends the funds raised for profit to assist and grow the mission of the Anglican Church in the Diocese of Grafton. AFGD generates a margin between the rates paid to investors and those charged to borrowers. This surplus funds the operating costs of AFGD. AFGD retains minimum surpluses to strengthen its capital adequacy aspiring to reach a benchmark of 8-10% of Risk Weighted Assets.

FINANCIAL YEAR

AFGD has a financial year of 1 January to 31 December.

AFS LICENCE

AFGD is required to hold an Australian Financial Services Licence and is negotiating with a third party AFS Licence holder for the right to operate under the auspices of its AFS Licence. Further details to be confirmed as soon as the agreement has been executed.

CHARITABLE PURPOSE

The charitable purpose of Anglican Funds Grafton Diocese (AFGD) as set out in paragraph 218.2 of *Diocese Governance Ordinance 2008* is to be a fiscally responsible entity which generates financial resources to support and serve the community of faith that is the Anglican Diocese of Grafton. The issue of debentures by AFGD promotes this charitable purpose by providing operating surpluses to the Anglican Diocese of Grafton for Mission, Ministry & Administration.

KEY TERMS

AFGD offers several classes of debentures on the terms set out below. As a general rule, no fees or costs are payable by the holder of a debenture. However, if the holder of a debenture causes AFGD to incur a third-party cost, such as a dishonour fee, then this cost will be charged back to the holder on a pass-through basis.

AFGD has a Hardship Policy, which allows for early release of funds on certain grounds.

Fixed term Investments

Available to Associated clients, Retail associated clients & Retail non-associated clients.

- Minimum investment \$500
- Interest is paid at maturity.
- View only Online Access
- The terms offered on investments are
 - 31 Days
 - 90 Days
 - 180 Days
 - 365 Days
 - 18 Month
- Except for 18 month investments, interest is calculated daily and paid at maturity to a nominated account or can be capitalised with the initial investment.
- For the 18 month fixed investment, interest is either calculated daily and paid half yearly to a nominated account or capitalised with the initial investment.
- Interest rates offered on fixed investments are reviewed monthly by the Board of AFGD.
- The interest rate applied on the initial investment is advised at the time of application.
- Interest rate changes are provided via correspondence to all existing investors at pre-maturity and via the AFGD website.

<p>31 Days' Notice Online Saver Account</p>	<p>Available to Retail associated clients & Retail non-associated clients.</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • View only Online Access • Funds can be invested by EFT or by cheque • Written notice requiring 31 days notice to withdraw funds which can be; <ul style="list-style-type: none"> ➢ transferred to an account of the person with an Australian ADI. ➢ a cheque payable only to the person. • Interest is calculated daily and paid monthly capitalised to the account. • The Interest rates applicable to this product are reviewed monthly by the AFGD Board. • The Interest rates applicable to this product are linked to the current RBA cash rate, plus or minus an applicable margin. • The interest rate applied including the RBA benchmark and applicable margin is advised at the time of application. • Any change in the interest rate is effective the following day after any RBA rate change is released.
<p>Short Term Investments < 31 days</p>	<p>Available to Associated clients and Retail associated clients Savings Account</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • Online Access • EFT & BPay facilities. • Interest is calculated daily and paid half yearly capitalised to the account. • The interest rate is linked to an AFGD benchmark, plus or minus an applicable margin. • The interest rate applied is tiered, based on the dollar amount of funds under management in the account. <ul style="list-style-type: none"> ➢ 0- \$4,999 ➢ \$5,000 - \$49,999 ➢ \$50,000 & over • The interest rate applicable to this product is reviewed monthly by the AFGD Board. 21 days' notice is given prior to any proposed change taking effect. • The interest rate applied on the initial investment is advised at the time of application. • Existing clients will be advised of any interest rate change via the AFGD website.
<p>Short Term Investments < 31 days</p>	<p>Available to Associated clients (only) Cheque Account</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • Online Access. • EFT & BPay facilities. • Cheque Books and customised A4 cheque stationery available. • Interest is calculated daily and paid monthly capitalised to the account. • The interest rate is linked to an AFGD benchmark, plus or minus an applicable margin. • The interest rate applicable to this product is reviewed monthly by the AFGD Board. 21 days' notice is given prior to any proposed change taking effect. • The interest rate applied on the initial investment is advised at the time of application. • Existing clients will be advised of any interest rate change via the AFGD website.
<p>Short Term Investments < 31 days</p>	<p>Cash Management Account</p> <ul style="list-style-type: none"> • Minimum investment amount Nil • Online Access • EFT & BPay facilities. • Interest is calculated daily and paid monthly capitalised to the account. • The Interest rate applicable to this product is reviewed monthly by the AFGD Board. • The Interest rates applicable to this product is linked to the current RBA cash rate, plus or minus an applicable margin. • The interest rate applied including the RBA benchmark and applicable margin is advised at the time of application. • Any change in the interest rate is effective the following day after any RBA rate change is released.

INVESTORS

AFGD offers debentures to the following classes of investors as defined by *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813*:

1. Associates & Retail, associated clients

Products are promoted to this class of investor in the following ways:

- advertising in the AFGD internal publication, "the North Coast Anglican Newspaper";
- promotional material and brochures;
- direct written correspondence;
- advertising on the AFGD website; and
- word of mouth.

A product is offered to this class of investor after a formal signed application is received by AFGD.

Associates are defined by *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813* as:

- a) A body constituted by or under the authority of a decision of the charity or is controlled by the charity.
- b) A person or body that constituted the charity or under whose authority the charity was constituted or controls the charity.
- c) A charity with a charitable purpose (**related charitable purpose**) which is the same or similar to the charity.
- d) A person acting as a trustee of a trust for the charity or a charity with a related charitable purpose.
- e) A member of clergy, employee or **voluntary staff member who works for a person in paragraphs (a) to (d).
- f) A person undertaking training or education to enable them to be a person mentioned in paragraph (e) who receives money from a person mentioned in paragraph's (a) to (e).

This class of investor includes voluntary staff members who are to be treated as associates. In determining whether a person is to be treated as a voluntary staff member, AFGD applies the following criteria:

- whether a person has volunteered for AFGD or any of its associates on a recurring basis;
- whether a person has in the past been an employee of AFGD or any of its associates and continues to perform work on a voluntary basis;
- whether a person has agreed to perform work for AFGD or any of its associates on a voluntary basis.

2. Retail, non-associated clients

Products are promoted to this class of investor in the following ways:

- advertising in the AFGD internal publication, "the North Coast Anglican Newspaper";
- promotional material and brochures;
- direct written correspondence;
- advertising on the AFGD website; and
- word of mouth.

A product is offered to this class of investor after a formal signed application is received by AFGD.

Note: AFGD no longer offers short-term investments to this class of investor. AFGD will continue to rely on the exemptions contained in ASIC Class Order [CO 02/184] up to 31 December 2017, as it pays out all short term investments to its retail, non-associated clients as those investments mature.

3. Non-associated, non-retail clients

Products for this class of investor are not actively promoted. However, AFGD can be approached by this class of investor as a consequence of its promotion to other classes of investors.

A product is offered to this class of investor after a formal signed application is received by AFGD. Products offered to this class of investor are customised to meet the requirements of each client.

AUDITED FINANCIAL STATEMENTS

AFGD is a basic religious charity and is currently not required to lodge audited financial statements with the Australian Charities and Not-for-profits Commission (ACNC). AFGD is required to lodge audited financial statements with ASIC within 6 months of each financial year end.

GUARANTEES OR OBLIGATIONS

No guarantees or obligations of interests by any person apply.

ASSET TYPES

AFGD currently holds the following asset classes in Australia:

- **Cash deposits at ADIs.**
- **Interest bearing securities**, Australian Banks and large corporations, rated at investment grade or better. No hybrid securities, except for Australian bank securities containing an APRA mandated capital trigger.
- **Loans** advanced to Anglican parishes and Anglican Entities when they borrow from the Fund to undertake charitable activities within their communities

No assets are held outside of Australia.


SPONSOR

There is no sponsor involvement in regard to acceptance of this Identification Statement.

CONSENT

AFGD consents to any person, on request to ASIC, examining this Identification Statement and AFGD's application to ASIC to accept this Identification Statement for lodgement.

DATED:


Signature

BLAINE DOUGLAS FITZGERALD
Print Name

FUND MANAGER
Capacity

Commonwealth of Australia
STATUTORY DECLARATION
Statutory Declarations Act 1959

1 Insert the name, address and occupation of person making the declaration

I, ¹ Blaine Douglas Fitzgerald of Level 1, 50 Victoria Street, Grafton NSW 2450, Fund Manager,

make the following declaration under the *Statutory Declarations Act 1959*:

2 Set out matter declared to in numbered paragraphs

2

1. I am the Fund Manager of Anglican Funds Grafton Diocese.
2. The Corporate Trustees of the Diocese of Grafton Investment Fund (ABN 42 489 753 905) trading as Anglican Funds Grafton Diocese, is a charity as defined by ASIC Regulatory Guide 87.

I understand that a person who intentionally makes a false statement in a statutory declaration is guilty of an offence under section 11 of the *Statutory Declarations Act 1959*, and I believe that the statements in this declaration are true in every particular.

3 Signature of person making the declaration

3



4 Place
5 Day
6 Month and year

Declared at ⁴ GRAFTON on ⁵ 20TH of ⁶ FEBRUARY 2017

Before me, Maree D Austen

7 Signature of person before whom the declaration is made (see over)

7



8 Full name, qualification and address of person before whom the declaration is made (in printed letters)

8

Maree D Austen JP 140200
50 Victoria St
Grafton NSW 2460

Note 1 A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years — see section 11 of the *Statutory Declarations Act 1959*.

Note 2 Chapter 2 of the *Criminal Code* applies to all offences against the *Statutory Declarations Act 1959* — see section 5A of the *Statutory Declarations Act 1959*.



BOARD MEETING DATE:

23/02/2017

No 8 Matters for Discussion

Item: e

**Title: Ordinance Review Committee – Chapter 18 of the
Diocese Governance Ordinance**

No of Pages. 12 incl Header



Blaine Fitzgerald <blaine.fitzgerald@afgd.com.au>

Late item for AFGD Board meeting 23 February 2017

2 messages

Chris Nelson <chris.nelson@graftondiocese.org.au>
To: Blaine Fitzgerald <fundmanager@afgd.com.au>
Cc: DJCA google <djcford@gmail.com>

19 February 2017 at 15:59

Dear Blaine,

You will remember that the AFGD Board had worked on amendments to Chapter 18 of the Diocesan Governance Ordinance. This was to go to the Corporate Trustees for their approval.

Before going to the Trustees, it was sent to the Ordinance Review Committee (ORC). The ORC had a look at the changes and affirmed them but believed that further changes were needed.

The extra changes are to tidy up some parts of the Chapter and to make the membership arrangements more like other similar groups.

I have attached two documents.

One is a clean copy of how it looks after incorporating both AFGD and ORC changes.

The other shows all of the changes. The AFGD changes are in blue and the ORC changes are in red.

Could we have this as a late paper for this coming Thursday's AFGD Board meeting?

If the changes prove satisfactory to the AFGD Board, the document could then be forwarded to The Corporate Trustees for their meeting on 16 March.

The other action that would need to take place would be a recommendation from the AFGD Board how they would propose to transition from their current open ended membership arrangements to the limits of a 3 x 3 year arrangement. This recommendation would not need to be developed in the February meeting but it would be appropriate to have it developed by the end of the March meeting.

The ORC are of the view that the AFGD Board have done a good job and hope they do not view this change as a criticism of their work. The ORC see a need to put the AFGD Board on the same type of arrangements as many other boards and councils in the Diocese. The ORC are also mindful that a transition would need to be carefully planned to avoid undoing all of the good work that has been done.

--

Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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2 attachments

CHAPTER 18 AFGD Governance Ordinance 2008 with ORC mark ups take 2 clean.pdf
133K



CHAPTER 18 AFGD Governance Ordinance 2008 with ORC mark ups take 2.pdf
238K

David Ford <djcaford@gmail.com>

19 February 2017 at 16:09

To: Chris Nelson <chris.nelson@graftondiocese.org.au>

Cc: BLAINE FITZGERALD <fundmanager@afgd.com.au>

Greetings Chris,

As we discussed the other day I will ask Blaine to allow discussion time on the agenda to allow the Board to come up with a suitable transition process.

Blaine could you please have ready for that discussion the current anniversary and start dates for Board members

Regards

Carol & David Ford

Unit 3 7 Moore St

Coffs Harbour Jetty 2450

Email: djcaford@gmail.com

Phone: D 0418 654 909

Phone: C 0407 102 409

[Quoted text hidden]

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<CHAPTER 18 AFGD Governance Ordinance 2008 with ORC mark ups take 2 clean.pdf><CHAPTER 18 AFGD Governance Ordinance 2008 with ORC mark ups take 2.pdf>

CHAPTER 18 - ANGLICAN FUNDS GRAFTON DIOCESE

Mission and Role

- 218.1 A Fund herein called the Anglican Funds Grafton Diocese created under the Diocese of Grafton Investment Fund Ordinance 1981, and continued under the Grafton Diocese Investment Fund Ordinance 1996 is hereby continued.
- 218.2 The Mission of Anglican Funds Grafton Diocese (AFGD) is to be a fiscally responsible commercial entity which generates financial resources to support and serve the community of faith that is the Anglican Diocese of Grafton.
- 218.3 AFGD's role is to seek deposits of funds which it invests, or lends for profit to assist and grow the mission of the Anglican Church in the Diocese. AFGD provides surpluses to the Anglican Diocese of Grafton.
- 218.4 AFGD shall act in the interests of depositors, provide returns where possible to the Anglican Diocese of Grafton and optimise returns on investment funds within prudent limits and diversity.
- 218.5 Any Ordinance repealed by the Governance Ordinance 2008 shall not affect the Board of the Anglican Funds Grafton Diocese ("the Board") or the members of that Board or the property accepted on deposit and invested by the Board or any contracts, acts and things undertaken or agreed to by the Board.

Purposes of the Fund

- 219.1 The purposes of the Fund shall be:-
- 219.1.1 to receive deposits
 - 219.1.2 to pay interest on such deposits at such rates as shall from time to time be determined by the Board.
 - 219.1.3 to optimise returns, within prudent limits to the Fund
 - 219.1.4 to make available to Bishop-in-Council funds from any surplus achieved in any given year, after creation of all necessary provisions and reserves as determined by the Board of Management.
 - 219.1.5 to make available by way of loans as approved by the Board from time to time to Ministry Units, Church entities in the Diocese (being under the control of Synod), clergy and full time Stipendary Lay Ministers sums of money from the Fund at such interest rates as determined by the Board.
 - 219.1.6 to invest such funds as from time to time are not required for the purposes mentioned in Clauses 219.1.2, 219.4 and 219.1.5 in such a manner as is authorised by The Corporate Trustees.

Board of Management

- 220.1 The Fund shall be under the control of The Corporate Trustees of the Diocese of Grafton who shall be empowered to delegate to the AFGD Board of Management responsibility for the administration and management of the Fund and reporting to the Corporate Trustees and development and recommendation of changes to AFGD Policy, for review and approval by The Corporate Trustees.
- 220.2 Members of the AFGD Board of Management shall be "Fit and Proper Persons" as defined by the Australian Securities and Investment Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA), in consequence of that, have experience or skills relevant to the management of a Religious Charitable Development Fund (RCDF) as defined by APRA.

- 220.3 A Fit and Proper Person as defined by ASIC and APRA Prudential Standard CPS 520 to engage in credit activities means that the person:
- 220.3.1 is competent to operate a credit business (as demonstrated by the person's knowledge, skill and experience);
 - 220.3.2 has the attributes of good character, diligence, honesty, integrity and judgement;
 - 220.3.3 is not disqualified by law from performing their role in AFGD's credit business;
 - 220.3.4 either has no conflict of interest in performing their role in AFGD's credit business, or any conflict that exists will not create a material risk that the person will fail to properly perform their role in AFGD's credit business.
- 220.4 The Bishop, Bishop-in-Council and the AFGD Board of Management will ensure that the AFGD Board of Management has the appropriate level of skills and experience required to properly fulfil its responsibilities, with special emphasis on legal, financial, business, business and strategic skills and will review the mix of skills and experience of its members on a regular basis.
- 220.5 Where the appropriate skills are not within the skills of the individual Board members AFGD Board of Management will make arrangements for ready access to such skills.
- 220.6 The AFGD Board of Management shall consist of:
- 220.6.1 Up to a maximum of eight members and a minimum of four members appointed by the Bishop in consultation with Bishop-in-Council..
 - 220.6.2 In addition to 220.6.1, the Bishop and the Registrar shall be ex-officio members of the AFGD Board of Management.
 - 220.6.3 A quorum shall consist of half of the AFGD Board of Management members, rounded up to the nearest whole number, whether the Board member is present in person or via virtual or electronic participation, as agreed by the AFGD Board of Management.
- 220.7 Membership of the AFGD Board of Management shall be subject to the following:
- 220.7.1 A term of membership shall be 3 years;
 - 220.7.2 A member is eligible for reappointment to a maximum of 3 terms or 9 years served in total subject to the transition arrangements in 220.8;
 - 220.7.3 A member vacates the Board of Management when a member:
 - (a) resigns, or
 - (b) dies, or
 - (c) becomes physically or mentally ill to a point that in the opinion of a majority of members interferes with that member's ability to continue to carry out a function, or
 - (d) becomes bankrupt, or
 - (e) is convicted of an indictable offence, or
 - (f) fails the requirements for Fit and Proper Person in the opinion of a majority of members or in the opinion of The Corporate Trustees of the Diocese of Grafton, or
 - (g) is removed from office by the Bishop, or
 - (h) is ineligible to hold office in the Anglican Church arising from a professional standards investigation, or
 - (i) is absent without leave for three consecutive meetings of the Board of Management.

- 220.8 The members of the AFGD Board of Management immediately preceding the 2017 Synod shall continue as members subject to arrangements as determined by Bishop-in-Council and ratified by The Corporate Trustees.
- 220.9 The Chair of the AFGD Board of Management
- 220.9.1 The Chair of the AFGD Board of Management must be a member and shall be appointed as Chair by the Bishop.
- 220.9.2 The Chair will initially be appointed to hold office for the balance of their term as a member of the AFGD Board of Management.
- 220.9.3 The Bishop may reappoint the Chair, subject to their continuing appointment as a member of the AFGD Board of Management.
- 220.9.4 The Chair may be removed from the office of Chair by the Bishop, following consultation with the AFGD Board of Management.

Board Meetings

- 221.1 The AFGD Board of Management shall meet at least 8 times in a calendar year.
- 221.2 Meetings shall be conducted in accordance with the AFGD Board Governance Charter.

Anglican Funds Grafton Diocese – Governance and Performance

- 222.1 The AFGD Board of Management shall adopt and continuously review the following governance documents to assist it in maintaining best practice:
- 222.1.1 Board Governance Charter
- 222.1.2 Strategic Plan
- 222.1.3 Annual operating budgets
- 222.1.4 Financial reports in accordance with Australian Accounting Standards.
- 222.1.5 A framework of appropriate policies and procedures for investment, risk management and operations of the Fund
- where each of these documents has been submitted to the Corporate Trustees for approval.
- 222.2 Relevant Key Performance Indicators (KPI's) shall be established and reviewed.
- 222.3 The Board of Management shall arrange appropriate insurance cover through the Diocesan Master Insurance Policies.
- 222.4 The AFGD Board of Management shall at all times ensure compliance with and maintenance of current Banking Exemption notes which provide exemption from the Banking acts or any legislation by Federal Government body relevant to the activities of the AFGD that may be promulgated from time to time.

Oversight and Audit

- 223.1 Minutes of each meeting of the AFGD Board of Management shall be made available to the Corporate Trustees.
- 223.2 The Board of Management shall cause the Accounts of the Fund to be audited by the Diocesan Auditor for each year ending on 31st December.

Reports

- 224.1 The AFGD Board of Management shall submit to Synod an annual report on the operations of the Fund and audited financial statements.

224.2 The AFGD Board of Management shall, on not less than a bi-monthly basis, submit to the Corporate Trustees a report on the operations of the Fund and a current financial statement.

MARKED UP - 5 PAGES.

BLUE : - AFGD.

RED : - ORC.

CHAPTER 18 - ANGLICAN FUNDS GRAFTON DIOCESE

Mission and Role

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- 218.3 AFGD's role is to seek deposits of funds which it invests, or lends for profit to assist and grow the mission of the Anglican Church in the Diocese. AFGD provides surpluses to the Anglican Diocese of Grafton.
- 218.4 AFGD shall act in the interests of depositors, provide returns where possible to the Anglican Diocese of Grafton and optimise returns on investment funds within prudent limits and diversity.
- 218.5 Any Ordinance repealed by the Governance Ordinance 2008 shall not affect the Board of the Anglican Funds Grafton Diocese ("the Board") or the members of that Board or the property accepted on deposit and invested by the Board or any contracts, acts and things undertaken or agreed to by the Board.

Purposes of the Fund

- 219.1 The purposes of the Fund shall be:-
- 219.1.1 to receive deposits
 - 219.1.2 to pay interest on such deposits at such rates as shall from time to time be determined by the Board.
 - 219.1.3 to optimise returns, within prudent limits to the Fund
 - 219.1.4 to make available to Bishop-in-Council funds from any surplus achieved in any given year, after creation of all necessary provisions and reserves as determined by the Board of Management.
 - 219.1.5 to make available by way of loans as approved by the Board from time to time to Ministry Units, Church entities in the Diocese (being under the control of Synod), clergy and full time Stipendary Lay Ministers sums of money from the Fund at such interest rates as determined by the Board.
 - 219.1.6 to invest such funds as from time to time are not required for the purposes mentioned in Clauses 219.1.1, 219.4 and 219.1.5 in such a manner as is authorised ~~for~~ by The Corporate Trustees.

Board of Management

- 220.1 The Fund shall be under the control of The Corporate Trustees of the Diocese of Grafton who shall be empowered to delegate to the AFGD Board of Management responsibility for the administration and management of the Fund and reporting to the Corporate Trustees and development and recommendation of changes to AFGD Policy, for review and approval by The Corporate Trustees.
- 220.2 Members of the AFGD Board of Management ~~should ideally~~ shall be "Fit and Proper" persons" as defined by the Australian Securities and Investment Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA), in consequence of that, have experience or skills relevant to the management of ~~depositors' money~~. a Religious Charitable Development Fund (RCDF) as defined by APRA.

220.3 A Fit and Proper person as defined by ASIC and APRA requires AFGD; "... consider the nature and extent of a number of matters in conducting fit and proper assessments"

Such matters ordinarily include, when relevant:

220.3.1 Posses the necessary skills, knowledge, expertise and judgment to undertake and fulfil the particular duties and of the role in question; and

220.3.2 has demonstrated the appropriate competence and integrity in fulfilling occupational, managerial or professional responsibilities previously and/or in the conduct of his or her current duties." A Fit and Proper Pperson as defined by ASIC and APRA Prudential Standard CPS 520 to engage in credit activities means that the person:

220.3.1 -is competent to operate a credit business (as demonstrated by the person's knowledge, skill and experience);

220.3.2 has the attributes of good character, diligence, honesty, integrity and judgement;

220.3.3 -is not disqualified by law from performing their role in AFGD's credit business;

220.3.4 either has no conflict of interest in performing their role in AFGD's credit business, or any conflict that exists will not create a material risk that the person will fail to properly perform their role in AFGD's credit business.

220.4 The Bishop, Bishop-in-Council and the AFGD Board of Management will ensure that, collectively the AFGD Board of Management has the appropriate level of skills and experience required to properly fulfil their-its responsibilities, with special emphasis on legal, financial, business, business and strategic skills and will review the mix of skills and experience of its members on a regular basis.

220.5 Where the appropriate skills are not within the skills of the individual Board members, they AFGD Board of Management will make arrangements for ready access to such skills.

~~220.6 Members of the AFGD Board of Management must also have the appropriate personal qualities consistent with modern governance standards.~~

220.76 The AFGD Board of Management shall consist of:

~~220.76.1 The Bishop of Grafton who shall be President of the Board.~~

~~220.76.2 A Chairperson who shall be appointed by the Bishop of Grafton to hold office for a period of one year but who may be re-appointed for such further periods of one year as the Bishop may determine.~~

~~220.76.3 The Registrar of the Anglican Diocese of Grafton who shall be the Secretary of the AFGD Board of Management.~~

220.67.41 Up to a maximum of six-eight members and a minimum of four members appointed by the Bishop in consultation with Bishop-in-Council. subsequent to the First Session of each Synod, for the term of that Synod, and who shall be appropriately experienced or qualified and be fit and proper persons in terms of their fiduciary responsibilities.

220.6.2 In addition to 220.6.1, the Bishop and the Registrar shall be ex-officio members of the AFGD Board of Management.

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220.67.35 A quorum shall consist of half of the AFGD Board of Management members, rounded up to the nearest whole number, whether the Board member is present in person or via virtual or electronic participation, as agreed by the AFGD Board of Management.

~~220.67.6 Should a casual vacancy occur, it shall be filled by the Bishop, in consultation with Bishop-in-Council, and the appointee shall hold office for the remainder of the term of Synod.~~

220.7 Membership of the AFGD Board of Management shall be subject to the following: ◀

220.7.1 A term of membership shall be 3 years; ▶

220.7.2 A member is eligible for reappointment to a maximum of 3 terms or 9 years served in total subject to the transition arrangements in 220.8;

220.7.3 A member vacates the Board of Management when a member:

- (a) resigns, or
- (b) dies, or
- (c) becomes physically or mentally ill to a point that in the opinion of a majority of members interferes with that member's ability to continue to carry out a function, or
- (d) becomes bankrupt, or
- (e) is convicted of an indictable offence, or
- (f) fails the requirements for Fit and Proper Person in the opinion of a majority of members or in the opinion of The Corporate Trustees of the Diocese of Grafton, or
- (g) is removed from office by the Bishop, or
- (h) is ineligible to hold office in the Anglican Church arising from a professional standards investigation, or
- (i) is absent without leave for three consecutive meetings of the Board of Management.

220.8 The members of the AFGD Board of Management immediately preceding the 2017 Synod shall continue as members subject to arrangements as determined by Bishop-in-Council and ratified by The Corporate Trustees.

220.9 The Chair of the AFGD Board of Management

220.9.1 The Chair of the AFGD Board of Management must be a member and shall ◀ be appointed as Chair by the Bishop. ▶

220.9.2 The Chair will initially be appointed to hold office for the balance of their term as a member of the AFGD Board of Management.

220.9.3 The Bishop may reappoint the Chair, subject to their continuing appointment as a member of the AFGD Board of Management.

220.9.4 The Chair may be removed from the office of Chair by the Bishop, following ◀ consultation with the AFGD Board of Management. ▶

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Board Meetings

221.1 The AFGD Board of Management ~~will normally meet on a monthly basis. Special Board meetings may also be held from time to time to address specific issues.~~ ~~must~~ shall meet at least 8 times in a calendar year.

~~Special Board meetings including Strategic Planning meetings and extra-ordinary meetings as necessary may be held from time to time.~~

221.2 Meetings ~~will~~ shall be conducted in accordance with the AFGD ~~Procedural and Operational Guidelines.~~ Board Governance Charter.

Anglican Funds Grafton Diocese — Governance and Performance

222.1 The AFGD Board of Management ~~of the AFGD will shall~~ adopt and continuously review the following governance documents to assist it in maintaining best practice; ~~in its governance:~~

222.1.1 Board Governance Charter

222.1.2 ~~A s~~Strategic pPlan

222.1.3 ~~An investment and administration framework~~Annual operating budgets

222.1.4 ~~A risk management and investment policy and~~Financial reports in accordance with Australian Accounting Standards.

222.1.5 ~~A marketing plan~~A framework of appropriate policies and procedures for investment, risk management and operations of the Fundal ~~framework of appropriate policies and procedures:~~

where each of these documents has been submitted to the Corporate Trustees for approval. ◀

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222.2.4.6 Relevant Key Performance Indicators (KPIs) shall be established and reviewed. ◀

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~~222.2~~ A Deed of Delegation and Indemnity shall be prepared by the Corporate Trustees to authorise and regulate the actions of the AFGD Board of Management and to provide Indemnity to the Members of the Board of Management for their actions.

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~~222.2.33~~ Insurance covering the actions of The Board of Management shall arrange appropriate insurance cover through the Diocesan Master Insurance Policies ~~members shall be taken out to provide protection of Board of Management members.~~

~~222.34~~ Governance of the Fund shall comply with all relevant Australian standards and internal reporting.

~~draw on best practice in Australia. It is based on Australian Standard AS 8000-2003 and also takes into account:~~

222.4.1 ~~ASX Corporate Governance Principles of Good Corporate Governance and Best Practice Recommendations;~~

222.4.2 ~~IFSA Corporate Governance: a Guide for Fund Managers and Corporations;~~

222.4.3 ~~APRA Prudential Practice Guide;~~

222.4.4 ~~ASIC Guidelines for Company Directors;~~

222.4.5 ~~AICD Guidelines for Company Directors~~

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222.45 The AFGD Board of Management ~~of AFGD~~ shall at all times ensure compliance with and maintenance of current Banking Exemption notes which provide exemption from the Banking acts or any legislation by Federal Government body relevant to the activities of the AFGD that may be promulgated from time to time.

Performance Assessment and Review

- 223.1 The Board of Management of AFGD is required to ensure ongoing performance assessment and review.
- 223.2 Financial data prepared for each Board of Management meeting, based to the extent possible on Australia Accounting Standards, shall be presented to the Board of Management.
- 223.3 Relevant Key Performance Indicators (kpi's) shall be established and reviewed.

Oversight and Audit

- 2243.1 The Minutes of each meeting of the AFGD Board of Management shall be made available to Bishop in Council and the Corporate Trustees.
- 2243.2 The Board of Management shall cause the Accounts of the Fund to be audited by the Diocesan Auditor for each year ending on 31st December.

~~224.3 The Board of Management of AFGD will report to each meeting of Synod.~~

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Reports

- 2254.1 The AFGD Board of Management of AFGD shall submit to Synod an annual report on the operations of the Fund and the audited financial statements.
- 2254.2 The AFGD Board of Management of AFGD shall, on not less than a quarterly bi-monthly basis, submit to the Corporate Trustees and to Bishop in Council a report on the operations of the Fund and a current financial statement.

Rules

- ~~225A.1 The Board of Management of AFGD shall prepare such rules for a Board Governance Charter for the good conduct of the Fund as may be found to be necessary and such rules shall be tabled forthwith to Bishop in Council and which shall be submitted to The Corporate Trustees for approval.~~