



To be the trusted financial services provider of the Diocese of Grafton,
enabling ministry growth.

Minutes
Thursday 20th April 2017 9.00 am
Level 1 50 Victoria St Grafton

1. **Opening Prayer** Chris Nelson

2. **Attendees:**

Bishop Sarah	Ex Officio	(late arrival pre- arranged)
Chris Nelson	Ex Officio	
David Ford	Chairperson	
Terry Hunt	Board member	
Gary Boyd	Board member	
John Adlington	Board member	

Apologies:

Ted Clarke	
Phil Crandon	

3. **Call for additional Agenda items and close of Agenda –**
Agenda item 6 out ii) Emmanuel Anglican College – expression of interest.

4. **Confirmation of**
 - a) **Minutes - 23rd March 17**

Motion:	“That the minutes of 23/3/17 be accepted as true and correct”
Moved:	Terry Hunt
Seconded:	John Adlington
Carried	

 - b) **Flying Minute – Copiers and printers approval to purchase**

Motion:	“That the flying minute for AFGD’s contribution towards replacement of Diocese copiers & printers be confirmed.”
Moved:	Terry Hunt
Seconded:	Gary Boyd
Carried	

5. **Conflict of Interest Declarations - Standing Register of interests at present**
 - Bishop Sarah Macneil - various Diocesan Board representations
 - Chris Nelson - various Diocesan Board representations
 - Anglicare North Coast - Blaine Fitzgerald
 - David Ford - Bishop Druitt College (BDC)
 - Ted Clarke – Clarence Valley Anglican School (CVAS)

6. Correspondence In & Out

- In:** i. expression of Interest AFGD Board Lisa Mulvaney. Refer item 8a.
Out: i. Lindsfarne Funding approval AFGD.
ii. Emmanuel Anglican College – expression of interest. (refer late papers)

Motion: “that correspondence in and out be noted.”
Moved John Adlington
Seconded Gary Boyd
Carried

7. Matters for Decision:

a) Finalisation of office refit Cost \$4,891.00 incl GST

Consistent with; key result area 3. Customer and stakeholder

The agenda item was discussed and the following resolution was made:

Motion: “That AFGD approves the cost for finalisation of the office re-fit for \$4,891.00 from Office Choice – Coffs Harbour and Grafton.”
Moved: Terry Hunt
Seconded: Chris Nelson
Carried

These next two items were discussed at the same time.

b) APRA/ASIC update and next steps – linked to item 7.c)

Overview of current position including email correspondence has been provided in a self contained report to be noted in the minutes.

Consistent with; key result area 5. Governance Compliance and Risk management

c) AFS Licence update - (Australian Financial Services licence)

Refer to briefing paper with possible solutions.

The Board on first review of the proposal was not convinced it would work for our existing retail non associated clients. The Board has recommended a further meeting be established and that Blaine, Chris & David attend if possible.

Consistent with; key result area 5. Governance Compliance and Risk management

The Board discussed at length the information in the email chronology of the reports provided..

This is a more detailed update on the situation arising from the issuing of a new Class Order by the Australian Securities and Investment Commission (ASIC), AFGD's attempt to comply with that Class Order, and the situation arising from AFGD failure to supply documentation in 2002 in compliance with Class Order issued at that time.

You will note that the email chronology includes an ASIC officer, Stella Lee, saying "We note that issuing certain products to retail investors without disclosure and where no exemption is available may constitute a breach of the Corporations Act."

This matter was a priority discussion at today's meeting of the Board of AFGD. The Board passed the following resolutions related to this topic.

"Noting the potential seriousness of the Corporations Act breach notified by ASIC, the AFGD Board encourages the Manager to continue discussions with ASIC in conjunction with our solicitors Emil Ford, to investigate options for the Fund, and to have scenarios modelled in order for this matter to be further discussed at the 11 May 2017 meeting of the Board."

Moved: David Ford
Seconded: Terry Hunt
Carried

"That after being advised of a possible breach of the Corporations Act that AFGD seek legal advice as to the possible consequences of such a breach".

Moved: Terry Hunt
Seconded: John Adlington
Carried

"The AFGD Board asks the Registrar to source a suitable independent financial adviser for the modelling of scenarios in response to the ASIC Class Order."

Moved: Bishop Sarah
Seconded: John Adlington
Carried

"That AFGD lodge an Identification Statement with ASIC as a wholesale charitable investment fundraiser whilst continuing to actively pursue a suitable arrangement for existing retail non-associated clients. In lodging the Identification Statement, AFGD will request a transition period to 31 December 2017 for the existing retail non-associated clients."

Moved: Terry Hunt
Seconded: John Adlington
Carried

"That AFGD places a moratorium on the acceptance of new funds from retail non-associated clients until the response to the ASIC Class Order is clarified. In this period AFGD will communicate with prospective clients to this effect including a statement on the AFGD website. The draft statement shall be submitted to Emil Ford for comment prior to use."

Moved: Chris Nelson
Seconded: Terry Hunt
Carried

With respect to the last resolution on the list, the draft statement is:

"Anglican Funds Grafton Diocese is currently responding to requests from the Australian Securities Investment Commission regarding the scope of its operational license and until that is clarified AFGD is unable to accept any new retail funds in its portfolio.

AFGD expects this matter to be better understood within 30 days and will be in contact with existing and prospective customers as soon as clarification is achieved."

8. Matters for Discussion:

a) expression of Interest AFGD Board Lisa Mulvaney.

Consistent with; key result area 5. Governance Compliance and Risk management

The Board discussed the expression of interest from Lisa Mulvaney and proposed the following:

“That the AFGD Board recommend to Bishop-in-Council the appointment of Lisa Mulvaney to the Board of AFGD post Synod.”

Moved: Terry Hunt

Seconded: David Ford

Carried

9. Matters for Update:

Nil

10. Matters for Noting

a) **Fund Manager Report** 17/3/17 to 18/4/17 (refer late papers)

Motion: “that the Fund Manager’s report be accepted.”

Moved Gary Boyd

Seconded John Adlington

Carried

b) **Financial Reports** to 31/03/2017

Includes draft audited financial statements for review.

Consistent with key result area 1. Financial Performance

Motion: “that the Finance Report to 31/03/2017 be accepted.”

Moved: Gary Boyd

Seconded: John Adlington

Carried

Next Meeting –

11/5/2017 Joint with Corporate Trustees for review and signing of audited results.

CONFIRMED – As a true and correct record of proceedings of Anglican Funds Grafton Diocese (AFGD) meeting of 20th April 17



Chair – David Ford