

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

Minutes
Thursday 23 February 2017 9.00 am
Level 1 50 Victoria St Grafton

1. Opening Prayer

2. Attendees:	Bishop Sarah Macneil	Ex Officio
	Chris Nelson	Ex Officio
	David Ford	Chairperson
	John Adlington	Board member
	Phil Crandon	Board member
	Gary Boyd	Board member
	Terry Hunt	Board member
	Blaine Fitzgerald	Manager AFGD

Apologies: Ted Clarke Board member

3. Call for additional Agenda items and close of Agenda –

Agenda item 4 confirmation of 4 e) AFGD Minutes Special Purpose meeting 21 December 2016
 Agenda item 6 Correspondence Out 6 ii. ASIC – AFGD Identification Statement
 Agenda item 9c Managers Adelaide trip update
 Agenda item 10 b) Finance Reports – Request from Finance Manager Diocese for indication for budget purposes of AFGD’s 2018 Diocese contribution.

4. Confirmation of

a) Minutes - 17 November 2016

Motion: “That the minutes of the meeting of the 17th November 2016 be confirmed”

Moved: Phil Crandon

Seconded: John Adlington

Carried

b) Flying Minute – Loan interest rate review for period commencing 1/1/17

c) Flying Minute – Pastoral Care and Assistance Scheme Loan extension.

d) Flying Minute – Interstate Travel for Manager February 17.

Motion: “That the flying minute of 4 b), c) & d) be confirmed”

Moved: John Adlington

Seconded: Gary Boyd

Carried

e) AFGD Minutes Special Purpose meeting 21 December 2016.

Motion: “That the minutes of the meeting of the 21 December 2016 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. 10/1/17 - Ord Minnett response to AFGD correspondence 9/1/17.
 - ii. 9/12/16 - Data Action – re new digital platform and pricing.
 - iii. 16/11/2016 – Corporate Trustees – response to AFGD’s submissions

- Out:**
- i. 9/1/17 - AFGD to Ord seeking a fee review.
 - ii. 20/2/17 - ASIC – AFGD Identification Statement lodged.

Motion: “That the inward and outward correspondence be accepted”
Moved: Terry Hunt
Seconded: John Adlington
Carried

7. Matters for Decision:

a) Camfar Properties P/L

Loan submission for \$190,000 submitted for Board consideration.

Consistent with; key result area 2. Marketing & Business Development
key result area 3. Customer and stakeholder

Note: Bishop Sarah Macneil wishes to abstain from the vote. The security property neighbours Bishopsholme where she resides.

Motion: “That the funding application as submitted be approved.”
Moved: Phil Crandon
Seconded: Chris Nelson
Carried

b) Bruce Blackbell

Clergy Car Loan \$16K (now ex-clergy). Request to retain loan with AFGD

Consistent with; key result area 2. Marketing & Business Development
key result area 3. Customer and stakeholder

Discussion held noting that Bruce Blackwell has left the Diocese and formally Bruce was in fact a Stipend lay Minister –not clergy.

All agreed with a correct PPSR charge in place we have security over the vehicle and a level of control of sale proceeds if it was sold. Therefore approval granted to retain the loan

Motion: “That the Bruce Blackwell Car Loan be approved to remain with AFGD and further Management is to review the motor vehicle terms and conditions and incorporate any amendments into the redraft of the AFGD Credit Policy Document.”
Moved: Terry Hunt
Seconded: David Ford
Carried

8. Matters for Discussion:

a) Document & Policy Chart

Overarching chart of policies and documents for relevance in the Governance and Risk management of the fund.

Feedback from the Board was that the document is a useful tool and would appreciate an update on progress on a quarterly basis.

b) AFGD Hardship Policy

Draft Hardship Policy for review and comment prior to recommending to CT's.
Required to comply with ASIC & APRA.

Motion: "The document AFGD Hardship Policy was tabled and discussed. The Manager has been asked to amend the document and prepare a new document to the next board meeting."
Moved: Bishop Sarah Macneil
Seconded: Chris Nelson & Phil Crandon
Carried

c) AFGD Volunteer Policy

Draft Volunteer Policy for review and comment prior to recommending to CT's.
Required to comply with ASIC & APRA.

The policy was discussed and Chris Nelson agreed to amend the policy in time for the next CT's meeting of 16/3/17.

d) AFGD Disclosure Document

Required to comply with ASIC & APRA when seeking investments from new and existing customers that are considered Retail non-associated clients.

Initial draft presented for Board discussion and it was agreed that the Manager make some further adjustments to the wording taking into account what other Anglican Development Funds are using and represent for another review at the next Board meeting

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

9. Matters for Update:

a) Lindisfarne update.

Consistent with; key result area 2. Marketing & Business Development
key result area 3. Customer and stakeholder

Manager Blaine Fitzgerald advised funding proposal is tracking as planned full application will be available for Board consideration on 23/3/17.

b) APRA/ASIC update

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

ASIC update:

- AFGD Identification Statement to ASIC lodged by deadline 28/2/17.
 - Initial ASIC response was non-acceptance as we stated we were seeking reliance under the existing 2002 ASIC class order to avail of a 12 month transition arrangement.
 - ASIC have indicated we had not previously lodged a 2002 ID Statement and therefore as a way forward we amended our ID Statement to reflect that position.
 - ASIC have not responded accepting the ID Statement at the time of writing this report.
 - ASIC flagged potential Corporations Act breaches as a result of dealings with retail clients from 2002 through to now without the 2002 ID Statement in place. This is concerning and we are working through our options as more information comes to hand.

- Emil Ford Solicitors are aware of ASIC's position and want to deal with it as it arises a separate issue.
- Adelaide, Melbourne, Newcastle have received the same initial ASIC response. I am led to believe a number of other Diocese have been hit with the same breach threat.
- I have updated Michael Blaxland Head of Diocese audit committee and he has confirmed Grafton is not an isolated case. He has agreed to take our case to DFATF – General Synod to discuss a unified response on behalf of the Anglican Church of Australia.
- I have also notified ANIP the Diocese insurers and they have verbally confirmed it being noted and advised once more information comes to light to update them again.
- I will be providing the auditors with an update when we next meet 15/3/16.
- I will continue to provide regular updates as more information comes to hand.

Obtaining an AFS Licence is a priority for AFGD if we are to retain our Retail non-associated clients. A number of providers have been approached and to date a firm solution has not been presented.

c) AFSA and Ord Minnett Adelaide trip update

Consistent with; key result area 3. Customer and stakeholder
 key result area 5. Governance Compliance and Risk management

Refer to late paper by Manager Blaine Fitzgerald regarding the Adelaide trip covering both AFSA and Ord Minnett Ord Minnett was an important meeting to ascertain where they are at with renting us their AFS Licence, unfortunately they will not be in a position to assist. Alison has agreed to use her contacts to attempt to locate a suitable provider.

As a result of these discussions in **9 b) & c)** the following motion was put forward:

Motion: **“Delegation on Manager’s travel costs including inter & intrastate travel relating to ASIC be delegated to the Chair of AFGD .”**
Moved: Phil Crandon
Seconded: John Adlington
Carried

d) Board members declarations annual update.

- i. Register of Interest Declarations
- ii. AFGD Responsible Person Declaration
- iii. Corporate Trustees Fit & Proper Person Declaration

Manager to provide updated authorities for completion.

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

10. Matters for Noting

a) Fund Manager Report 16/12/16 to 10/2/17

Motion: "That the Managers Report be noted and accepted."
Moved: Terry Hunt
Seconded: Phil Crandon
Carried

b) Financial Reports to 31/12/2016

Consistent with key result area 1. Financial Performance

Motion: "That the Finance Report to 31/12/16 be noted and accepted."
Moved: Phil Crandon
Seconded: Terry Hunt
Carried

Other information

Request from Finance Manager Diocese for indication for budget purposes of AFGD's 2018 Diocese contribution.

After discussion regarding a level of uncertainty with regard to income, through new business being written and expenses, through increased licencing and compliance costs associated with ASIC the following motion was proposed:

Motion: "In regard to Finance Departments request for confirmation of AFGD's contribution to the diocese for 2018 it has been agreed that the amount is to remain unchanged at \$175,000 per annum."
Moved: Phil Crandon
Seconded: John Adlington
Carried

Next Meeting - 23/3/2017

CONFIRMED AS A TRUE & CORRECT RECORD OF PROCEEDINGS
OF ANGLICAN FUNDS GRAFTON DIOCESE (AFGD) MEETING
OF 23RD FEBRUARY 2017.



DAVID FORD CHAIR