



Uniting Church in Australia
ASSEMBLY
Assembly Standing Committee

15 – 17 July 2022

DOCUMENT 6

Title	Assembly Finance Audit and Risk Committee (AFARC) Report to Assembly Standing Committee
Type of Paper	For Decision For Noting
Assembly or ASC Minute	Regulation 3.7.5.2
Consultation	AFARC Assembly General Secretary Assembly Associate General Secretary Assembly Agencies National Director, Strategic Finance and Administration
Purpose	To provide information and assurance to the ASC with respect to the management of finance, audit, and risk issues across the Assembly.
Rationale & Findings Summary	<p>The Committee continues to follow an annual work plan that ensures all matters within its mandate are addressed and reviewed on a regular and rolling basis.</p> <p>The attached report (and appendices) reviews Assembly's current financial position as well as discussing several other relevant matters.</p> <p>Importantly, Assembly and Agency budgets for 2022/23 are presented for ASC endorsement.</p>
Attachments	<p>Financial Overview and Review of AFARC Operations.</p> <p>With Appendices:</p> <ul style="list-style-type: none">• A: Commonly Used Acronyms• B: Financial Status Reports YTD to April 2022 (10 months)• C: Statement of Available Funds as of April 2022• D: Budgets for 2022/23• E: Financial Sustainability Workshop Update• F: AFARC Committee Evaluation
Proposals	<p>That the Assembly Standing Committee:</p> <ol style="list-style-type: none">1. Approve the 2022/23 Budgets for the Assembly and its Agencies as submitted; and2. Receive the report.

Submitted by	<p>Stuart Woodward, Chair, Assembly Finance, Audit and Risk Committee</p> <p>stuartwoodward202@gmail.com 0414 886 346</p> <p>and</p> <p>Leo Iosifidis National Director, Strategic Finance and Administration Assembly Support Unit</p> <p>Leoi@nat.uca.org.au 0427 546 100</p> <p>20th June 2022</p>
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ASSEMBLY FINANCE, AUDIT AND RISK COMMITTEE (AFARC) REPORT - FINANCIAL OVERVIEW AND REVIEW OF AFARC OPERATIONS

1. YTD April 2022 Results for the 2021/22 Financial Year – Management Accounts

This financial summary is split up into 2 sections being

- **National Assembly or Assembly Secretariat – “ASM” (on its own)**
- **National Assembly and its Agencies (consolidated financials)**

This report is split into two sections to allow for the ASC to firstly focus on the National Assembly itself and in some depth, with a focus on General Funds performance, before looking at the wider consolidated National Assembly and its Agencies position, noting that the Agencies are under the purview of their own Boards operating under their respective mandates as provided by the ASC. A focus on the former (National Assembly only) is valuable, as it is this entity that is really under the “control” of the ASC.

National Assembly – General Funds

ASM General Funds - Profit & Loss 30-Apr-2022									
	Month				Year to Date				Comments
	Actual \$000	Budget \$000	Var \$000	Var %	Actual \$000	Budget \$000	Var \$000	Var %	
Income									
Synod Contribution	437.3	239.0	198.3	83.0%	2,572.5	2,391.3	181.2	7.6%	Additional contribution of \$200k from Vic.Tas received in April 2022 (increase to \$700k).
Donations - Non-Tax Deductible	0.0	0.1	(0.1)	(100.0%)	1.0	0.8	0.2	20.0%	
Investment Income	4.9	7.9	(3.0)	(38.2%)	39.9	53.7	(13.8)	(25.7%)	
Fees And Charges	13.8	14.7	(0.9)	(6.0%)	138.7	147.0	(8.2)	(5.6%)	
Other Income	0.7	19.3	(18.6)	(96.2%)	234.4	295.6	(61.2)	(20.7%)	Timing Difference - Income for Uniting Learning and National Insurance Program to come
Total Income	456.7	280.9	175.7	62.6%	2,986.6	2,888.4	98.2	3.4%	
Expenses									
Salaries	99.0	104.7	5.7	5.4%	1,083.6	1,060.9	(22.7)	(2.1%)	
Payroll Oncosts	41.1	49.7	8.6	17.4%	467.4	494.7	27.3	5.5%	
Occupancy	13.9	11.5	(2.4)	(21.1%)	117.0	114.6	(2.4)	(2.1%)	
Communications	2.3	3.7	1.5	39.3%	29.6	37.5	7.9	21.2%	
Finance	16.6	19.2	2.6	13.4%	168.7	192.1	23.4	12.2%	
Information Technology	3.3	7.2	3.9	54.2%	89.3	104.4	15.0	14.4%	Saving on website hosting.
Professional & Consultancy Fees	3.4	2.9	(0.4)	(14.9%)	44.5	29.3	(15.2)	(52.0%)	Legal and other consultant fees
Advertising and Promotions	10.2	3.3	(6.9)	(209.5%)	45.1	62.0	17.0	27.3%	
Board/Governance	0.1	136.1	136.0	99.9%	6.8	196.9	190.1	96.5%	Some Travel related Triennial Assembly Costs coded to Travel (see below).
Travel	66.9	8.9	(58.0)	(650.6%)	103.9	109.2	5.3	4.8%	Includes some Triennial Assembly travel costs that need to be recoded to Board/Governance
Subscriptions	0.1	0.9	0.7	83.3%	20.2	8.6	(11.6)	(134.1%)	
Grants	41.7	42.5	0.9	2.1%	525.5	533.7	8.2	1.5%	
Other Expenses	15.4	9.3	(6.1)	(65.3%)	322.9	98.4	(224.4)	(228.0%)	\$300k Redress additional provision arising from Dec 2021 6 monthly review of provisions
Total Expenses	314.1	400.1	86.0	21.5%	3,024.6	3,042.4	17.8	0.6%	
Profit (Loss) before Investment Capital Growth	142.6	(119.1)	261.7	219.7%	(37.9)	(154.0)	116.0	75.3%	
Investment Capital Growth	(16.8)	0.0	(16.8)		(4.8)	0.0	(4.8)		First three quarter investment revaluations, unfavourable March reval loss of \$17k.
Profit (Loss)	125.8	(119.1)	244.9	205.6%	(42.7)	(154.0)	111.3	72.3%	

As of April 2022, the National Assembly’s General Funds performance (YTD April 2022), is tracking ahead of budget with an Actual loss of (\$42.7k) vs Budgeted loss of (\$154.0k). This is also taking in account an increase to the Provision for Claims taken at the six-month review in December 2021 of \$300k. Full Year Forecasts and Budgets for the National Assembly General Funds are included in the report below (as well as the Appendix to this Report).

Analysis of the Assembly’s General Funds Reserves are also included below in the Balance Sheet Analysis section as well as the Net Available Funds Calculation in the Appendix.

It is important to note that the National Disaster Relief Fund (NDRF) has raised approx. \$200K for the February/March/April East Coast floods, and the funds management committee is now working with the relevant Synods in the disbursement and appropriate use of these funds to assist those in need. The NDRF is included in the All-funds financials of the Assembly.

National Assembly and its Agencies

At the consolidated level (i.e. ASM and Agencies), included below are two summary tables: the General Funds Table and the All-Funds Table. The important distinction here is that “All Funds” is inclusive of all funds held by the Assembly and its Agencies, irrespective of any encumbrances or limitations that may exist over any of these funds, whilst General Funds are those funds considered unencumbered and available for the Assembly and its Agencies to use, or reserve, for purposes that their governing committees may designate. General funds are the more useful focus area. (As noted in previous reports to ASC, a focus on “General Funds” as opposed to “All Funds” is more relevant and appropriate given that “All Funds” includes a range of designated or specific funds that are essentially tied to a specific purpose and effectively represent both inflows and offsetting outflows. A focus on “General Funds” enables a truer financial position to be ascertained of the Assembly and its Agencies’ financial position.)

General Funds

For the Year-to-Date 30 April 2022, consolidated **General Funds** financial results are as follows:

Consolidated - General Fund \$000			
	Full Year 30 April 2022 Actual \$'000	Full Year 30 April 2022 Budget \$'000	Actual to Budget Variance \$'000
Revenue	12,414.7	12,708.9	(294.2)
Less Expenses	9,774.9	11,681.1	1,906.2
Net Surplus/(Deficiency)	2,639.8	1,027.8	1,612.0

All funds

For the Year-to-Date 30 April 2022, consolidated **All Funds** financial results are as follows:

Consolidated - All Fund \$000			
	Full Year 30 April 2022 Actual \$'000	Full Year 30 April 2022 Budget \$'000	Actual to Budget Variance \$'000
Revenue	17,796.9	17,494.4	302.5
Less Expenses	14,204.2	16,433.2	2,229.0
Net Surplus/(Deficiency)	3,592.7	1,061.2	2,531.5

Again, a favourable result for the ten months to end April is evident. Key points to highlight in assessing the actual vs budget variances in the tables above are noted as:

- Overall, for the first 10 months of year, the result for both the General Funds of \$2,639.8k vs Budget of \$1,027.8k, being a positive variance of \$1,612k and for All funds of \$3,592.7k vs Budget of \$1,061.2k being a positive variance of \$2,531.5 are both pleasing, however in assessing the above we note the following:
 - As noted above, the Synod of VIC.TAS remitted a \$200K top up of their annual grant to the Assembly (taking their annual grant for 2020/21 from \$500K to \$700K) in April 2022. The Assembly expresses its appreciation for this additional contribution;
 - Timing in raising of levies for UnitingCare Australia (and additionally please note subsequent requests have been received for \$250K credits to come in May 2022 for both QLD and NSW.ACT agencies, which will have the effect of moving to reduce the UnitingCare Agency result by \$500k for 2021/22) (see forecast note below);
 - Costs for the reconvened 16th Assembly held in May 2022 reflect an increase in Travel costs YTD coming through in recent months with final costs to come through May 2022 as costs are finalised;
 - Bequests are above budget – mainly \$1.2M in respect of the Jennings Bequest received by Frontier Services earlier in the financial year;
 - Investment Income below budget by \$115K – noting that with a poor market quarter to March 2022 the YTD unrealised gain/(loss) on investments is now **(\$83k)** YTD at a consolidated level;
 - Profit on Sale of the Croydon Manse sold earlier in the financial year is included in the UnitingWorld other income (both Actual and Budget); and
 - Provision for Claims – as noted above, the Assembly took up an additional \$300K for Provision for Claims as at December 2022, as part of its 6 monthly review of the provision (i.e. claims received in the 6 month period and adjustments to reflect this impact our modelling of future claims).

2. Balance Sheet as of 30 April 2022

The table below presents the consolidated Balance Sheet as at 30 April 2022.

Balance Sheet 30-Apr-2022

								June
Description	ASM \$000	UW \$000	UAICC \$000	Ucare \$000	FS & JFF \$000	NSCU \$000	Total \$000	Last year \$000
Assets								
Current Assets								
Other Assets	138.1	673.4	12.3	37.1	253.0	55.8	1,169.6	529.3
Cash and Bank	3,790.7	3,441.2	1,005.0	2,397.2	2,175.1	-47.6	12,761.5	14,816.0
Trade Receivables	159.3	294.7	0.0	750.0	0.5	50.0	1,254.6	1,119.6
Total Current Assets	4,088.1	4,409.2	1,017.3	3,184.4	2,428.6	58.2	15,185.7	16,464.8
Non Current Assets								
Fixed Assets	1,353.1	1,463.0	1.7	7.1	169.5	3.5	2,997.9	3,729.1
Investments	610.8	10,809.9	5,249.7	1,347.0	8,058.3	0.0	26,075.5	20,841.8
Lease Asset	812.3	778.2	0.0	604.6	4.9	0.0	2,200.0	2,486.8
Term Deposits	500.0	712.2	0.0	0.0	0.0	0.0	1,212.2	2,712.2
Total Non Current Assets	3,276.2	13,763.3	5,251.4	1,958.7	8,232.7	3.5	32,485.7	29,770.0
Total Assets	7,364.3	18,172.5	6,268.6	5,143.1	10,661.2	61.7	47,671.4	46,234.8
Current Liabilities								
Creditors	284.2	235.6	42.6	829.4	347.5	-253.9	1,485.6	3,073.8
Lease Liabilities- Current	16.6	15.2	0.0	20.7	0.5	0.0	53.1	335.6
Provision	2,482.2	693.2	3.9	100.9	1,019.9	73.7	4,373.8	4,687.4
Total Current Liabilities	2,783.0	944.1	46.4	951.1	1,368.0	-180.2	5,912.4	8,096.8
Non Current Liabilities								
Lease Liabilities - Non Current	831.1	800.3	0.0	638.8	4.6	0.0	2,274.9	2,244.1
Non-Current Other Liabilities	14.5	55.4	0.0	11.2	0.0	0.0	81.1	83.6
Total Non Current Liabilities	845.6	855.8	0.0	650.0	4.6	0.0	2,356.0	2,327.7
Total Liabilities	3,628.7	1,799.8	46.4	1,601.1	1,372.6	-180.2	8,268.4	10,424.4
Total Net Assets	3,735.6	16,372.7	6,222.2	3,542.0	9,288.6	241.9	39,403.0	35,810.3

In reviewing the Assembly and its agencies Balance Sheet as of end April 2022, it is important to note the following items:

- **Balance sheet Improvement** – Overall increase in Balance sheet from \$35M to \$39.4M, being an increase of \$3.592M in profit reflected in the All Funds result to April 2022 above.
- **Current Ratio** is Satisfactory – being the ratio of Current Assets to Current Liabilities, respectively being \$15.2M to \$5.9M (a ratio of 2.57 which is well in excess of a minimum desired ratio of 1). Note that investments held are classified as non-current in the Balance Sheet as they are not intended to be realised in the next 12 months (intention is to hold them long term) even through most of them can be realised/converted to cash at bank within 12 months should this be required.
- **Cash holdings** of \$12.7M slightly decreased on cash reserves of \$14.8M in the prior year. Management, in conjunction with AFARC and the Assembly Advisory Investment Committee (AIAC), is working with the Assembly and its Agencies to ensure that whilst sufficient cash reserves are retained, investment returns are optimised.
- **Investments** - Whilst the Church historically has held significant wealth in physical assets like property (manses etc), Assembly (consolidated) fixed assets at \$3.0M are now significantly below other investments held. Of the \$26.1M in investments held by the Assembly and its Agencies, approximately \$17M of this is held within the UFS Ethical Conservative Balanced Fund, a diversified fund with a targeted 50/50 split between Growth and Defensive Assets.
- **Provision for Claims** – As of 30 April 2022, the Net Provision for Claims on the Balance Sheet for matters of Civil Claims/Redress is \$3.5M. This is comprised of \$5.7M in Gross Provision taken up since the commencement of

the Federal Government Redress Scheme, less payments of \$2.2M made to date. It is important to note that whilst the \$5.7M Gross Provision has been increasing progressively over the last 3 years, the Net Assets of the Assembly and its agencies over this time has also been increasing (after allowing for this provisioning). AFARC works closely with Assembly’s external auditors, legal advisors and UCA Redress Ltd to ensure an appropriate, yet prudent, level of provisions is maintained. This is reviewed regularly, and is currently in the process of being reviewed at the six monthly point of 30 June 2022, which will also be the end of the 2021/22 financial year (and refer below for further commentary).

- **Assembly Balance Sheet** – The Assembly’s – “ASM” (or “Head Office / Secretariat) - limited net asset position of \$3.7M continues to be a concern, especially as to ability for the Assembly to sustain one or multiple financial shocks such as a significant reduction in its income sources. Financial sustainability is a topic well known to ASC and is further discussed below.

3. Full Year Forecast – FY 2021/22

Noting the above strong YTD results to end April 2022, it is important to look at the expected Full Year Forecast position of the National Assembly and its Agencies for both General Funds and All Funds.

The table below looks to Roll-forward current YTD April 2022 results to Full Year Forecasts. It is important to note the expected changes in YTD results for 10 months to April 2022 to that anticipated at the end of June 2022 (with both General Funds and All Funds expecting to post finalised deficits of approx. **(\$1.5M)** and **(\$1.3M)** respectively. This compares to the 2021/22 budgets - General Funds surplus of \$575.6K and an All Funds surplus of \$1,192.5K, reflecting the impact the additional unbudgeted provisioning (both in additional claims for Mogumber and the take up of matters with respect to Croker Island) noting that the Gross level of provisioning is expected to increase from \$5.4M as at June 2021 to \$8.8M as at June 2022, an increase of \$3.4M. Corresponding impacts will also applicable on the Balance Sheet as well.

Commentary on the adjustment column is included below.

	FYF 2022 Rollforward									
	General Funds					All Funds				
	YTD Apr 22	May22Bud	June22Bud	Adjust	FYF	YTD Apr 22	May22Bud	June22Bud	Adjust	FYF
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
ASM	(42.0)	(152.0)	(10.0)	(2,849.2)	(3,053.2)	99.9	(156.0)	7.0	(2,883.1)	(2,932.2)
NSCU	68.0	(45.0)	(47.0)	(11.8)	(35.8)	68.0	(45.0)	(47.0)	(11.7)	(35.7)
FS&JFF	606.0	(67.0)	223.0	294.1	1,056.1	606.0	(67.0)	223.0	294.1	1,056.1
UCARE	483.3	(198.0)	(197.0)	(446.7)	(358.4)	426.2	(198.0)	(197.0)	(434.4)	(403.2)
UAICC	120.1	(27.0)	3.0	161.2	257.3	109.4	(30.1)	5.0	161.2	245.5
UW	1,404.4	(48.0)	96.0	(844.2)	608.2	2,283.1	103.0	535.0	(2,184.5)	736.6
ALL	2,639.8	(537.0)	68.0	(3,696.6)	(1,525.8)	3,592.6	(393.1)	526.0	(5,058.4)	(1,332.9)

The material considerations in the adjustment column are set out below.

ASM	Croker Island - Provn for Claims	(2,469.0)
ASM	Mogumber - Addn Prov for Claims	(217.0)
UW	Mogumber - Addn Prov for Claims	(905.0)
UCARE	Credit Notes	(500.0)
Total Adjustments		(4,091.0)

Further commentary on matters of Provision for Claims – Redress and Civil Matters (noting the rebalancing of the Mogumber provision between Civil and Redress claims in the Assembly’s books) - is provided below.

As can be seen from above, the expected impact of raising a provision for matters of Croker Island, the increase in the provision for Mogumber, and credit notes being provided to the larger levy providers for UnitingCare, will impact the full year 2022 results. However, although these adjustments will impact the collective available resources of the Assembly, it is still important to note that both at an individual entity/agency level and at a collective level, the Assembly and its Agencies are, and are expected to remain, solvent. Discussions held with the Auditors have reaffirmed this view noting that based on items as presented in this report, the 30 June 2022 Accounts - which are expected to be signed off in October 2022 - will have neither a qualified nor modified opinion and will also note the satisfaction of the going concern principle (being the principle of an organization / entity being able to pay it’s debts as and when they fall due for the period of at least 12 months following the signing the accounts) for the Assembly and its Agencies. This is, of course, to be confirmed upon finalization of the year end Audit.

4. Budgets 2022/23 – Assembly and its Agencies

AFARC presents, for ASC consideration and endorsement, the 2022/23 draft budgets for the Assembly and its Agencies. A summarized table with commentary is included below. Included at Appendix D are the more detailed 2022/23 budgets for further consideration.

Budget 2022/23

		General Funds			All Funds		
		Bud 22/23	Fcst 21/22	Var	Bud 22/23	Fcst 21/22	Var
		\$000's	\$000's	%	\$000's	\$000's	%
	Revenue	4,533.5	3,378.5	34.2%	4,615.0	3,649.9	26.4%
ASM	Expenses	3,229.7	6,431.7	(49.8%)	3,507.8	6,582.1	(46.7%)
	Net	1,303.8	(3,053.2)	(142.7%)	1,107.2	(2,932.2)	(137.8%)
	Revenue	543.1	560.9	(3.2%)	543.1	560.9	(3.2%)
NSCU	Expenses	590.2	596.6	(1.1%)	590.2	596.6	(1.1%)
	Net	(47.1)	(35.8)	31.6%	(47.1)	(35.7)	32.0%
	Revenue	5,034.0	4,970.7	1.3%	5,034.0	4,970.7	1.3%
FS&JFF	Expenses	5,815.5	3,914.6	48.6%	5,815.5	3,914.6	48.6%
	Net	(781.5)	1,056.1	(174.0%)	(781.5)	1,056.1	(174.0%)
	Revenue	2,275.8	1,847.4	23.2%	2,825.7	2,143.4	31.8%
UCARE	Expenses	2,445.1	2,205.8	10.8%	3,050.9	2,546.6	19.8%
	Net	(169.4)	(358.5)	(52.8%)	(225.1)	(403.2)	(44.2%)
	Revenue	428.3	530.5	(19.3%)	447.8	548.7	(18.4%)
UAICC	Expenses	634.2	273.2	132.2%	654.2	303.2	115.8%
	Net	(205.9)	257.3	(180.0%)	(206.4)	245.5	(184.1%)
	Revenue	1,912.9	3,080.2	(37.9%)	6,059.6	7,585.0	(20.1%)
UW	Expenses	1,757.0	2,472.0	(28.9%)	6,446.6	6,848.4	(5.9%)
	Net	155.9	608.2	(74.4%)	(387.0)	736.6	(152.5%)
	Revenue	14,727.5	14,368.2	2.5%	19,525.2	19,458.7	0.3%
ALL	Expenses	14,471.8	15,893.9	(8.9%)	20,065.3	20,791.5	(3.5%)
	Net	255.7	(1,525.8)	(116.8%)	(540.0)	(1,332.8)	(59.5%)

Budget Commentary

AFARC is keen for the Assembly and its Agencies to submit balanced, if not surplus, budgets. Clearly, a number of budgets submitted this year reflect deficits, and AFARC engages with each respective Agency to ensure there is a clear plan for the Agency to return to a more sustainable recurring budget position, as well as a way in which to fund, in the short term, any deficit – generally through the availability of reserves. AFARC also takes into account an Agency's decisions and reasoning to seek to use specific surplus funds generated from a particular activity in the prior year to fund the activities in the current year (generally in terms of its strategic plan). As part of AFARC's annual workplan, all draft budgets are carefully scrutinised, and challenged as appropriate, prior to being brought forward to ASC.

In reviewing the 2022/23 budgets, the following comments are noted:

Assembly

- Allowance has been made for the Vic.Tas Synod grant funding to remain at \$500K. (Vic.Tas Synod has again indicated, consistent with the current year, that they hope to be able to make some top up contributions during the year).

- The budget includes the expected profit on sale of approx. \$1.2M (net, of approx. \$1.8M gross proceeds on sale) of the Penshurst Manse (expected to be settled and proceeds received in October 2022). We note that ASC did approve the move to sell the Manse late last year (with certain conditions), however with the tenant overstaying their normal entitlement period as well as the need to carry out rectification works the manse is now being listed for sale in June 2022. We are mindful that market conditions can change quickly so we are moving in a considered, and as quick a manner as we can, to work to optimise the sale value of the property.
- Appreciating the funding pressures on the Assembly, FTE has been steadily declining and are now at 14.4 FTE's (refer head count table below in the budget Appendix), down from 17.7 FTE's as at June 2021
- Allowance has been made for indexation in costs generally at 2.5%; noting superannuation increases by 0.5% from July 2022, meaning a total of 3% increase in labour costs.

NSCU (National Safe Church Unit)

- The NSCU budget remains subject to final approval from the NSCU Governance Committee/members (with AFARC feedback that it should ideally be set at a breakeven position).

Frontier Services/JFF

- The anticipated deficit reflects the outcomes of a recent Strategic Review conducted by the Board and Executives which sets out a coherent strategy to increase capacity, fundraising activity and grants to Bush chaplaincy.
- This activity sees a budget of approx. (\$780K) loss being submitted; AFARC has reviewed this and notes this investment in capacity and activity is being funded from the significant reserves (over \$10M) now held by Frontier Services/JFF; being reserves now held after a significant number of years of strong performance and periods of undergoing some serious balance sheet repair from the period of 2014/15. Frontier Services is effectively looking to leverage a “financial opportunity, to invest in strategic and sustainable growth”.

UnitingCare Australia

- The 2022/23 Budget has been prepared on a “Business as Usual” basis noting that the full level of contribution levies from both NSW.ACT and QLD at \$500K each have been factored in (but we are mindful of the current pressures in the network noting the request for credits from the network in the current year)
- UnitingCare Australia will continue implementing strategic and project initiatives. At the same time, AFARC will be closely monitoring monthly and quarterly results, with an expectation of the rapid implementation of fallback / remedial actions in the event that income starts to fall seriously short of budget.

UAICC

- UAICC has budgeted for the inclusion of a Youth Worker and Leadership Training resource; the Assembly grant to support UAICC has been maintained at the same level as in previous years (further discussed below).

UnitingWorld

- Uniting World is anticipating a small budget surplus, after allowance for increased investment in staffing with COO to support the National Director, as well as the recruitment of a National Programs manager. Strong income flows are anticipated. The Assembly grant to support UnitingWorld has been maintained at the same level as in previous years (further discussed below).

Budget Conclusions

As noted above, more details for the 2022/23 Budgets are included in [Appendix D](#).

At a high level, it is useful to note:

- Any reduction in Synod funding of Assembly activities has a significant effect – as incorporated in the 2022/23 Budgets.
- Assembly contribution to funding of UnitingWorld (\$200k) and UAICC (\$300k) has been maintained for the presented Budgets (noting that following previous ASC discussions, UnitingWorld was asked to consider several scenarios, including the impact of not receiving the \$200K grant). If this were to be withheld, and AFARC is not suggesting that it should be, this would reduce the UnitingWorld budgeted \$155K General Funds surplus to a \$45K deficit. It is noted that the \$200K contribution reflects the ASC’s historical support of UnitingWorld’s “Church Connection” work (with such costs otherwise likely to be incurred by the Assembly Secretariat), while UAICC support is a small part of the Church’s broader covenant with First Peoples. The levels of these contributions are discretionary to ASC and in the past have been the subject of considerable attention and debate. As noted, no reduction has been built in the 2022/23 Budgets.
- All Budgets have been submitted and endorsed by the relevant Agency governing body (unless noted above).

AFARC has considered these budgets in detail, and overall is satisfied as to their composition, sustainability, and ability to be funded (if proposed to be in deficit). We closely monitor deficit budget positions (indeed, we closely monitor all performance against budget) with each relevant Agency, and as noted above, look to develop confidence in an Agency’s ability and plan to return their operating budget to a more sustainable position. We therefore recommend to ASC the endorsement of the draft 2022/23 budgets as submitted in this report.

Discussion later in this paper will explore the broader question of Assembly’s long term financial sustainability and the related matter of Assembly’s “head office” financials.

Proposal 1

That the Assembly Standing Committee:

- Approve the 2022/23 Budgets for the Assembly and its Agencies as submitted.

5. Matters of Redress

Matters of Redress – especially in relation to financial provisions for likely claims - have been discussed at length at ASC, and are again noted above in the context of 2021/22 YTD and Full Year Forecast Financial results. This is a significant matter for the Assembly and warrants continued discussion and focus. The Assembly and its Agencies continue to receive claims under the Federal Government National Redress Scheme, as well as receiving some Civil Claims. Under the Accounting Standard, AASB 137 – Provisions, Contingent Liabilities and Contingent Assets, we are required, once an

event has occurred (such as the Redress Scheme), and we have received claims under the event, to bring to account a Provision to reflect the likely cost over the full extent of the scheme¹. The table below looks to set out the assessment anticipated as at the 30 June 2022.

UPDATED PER CBP REVIEW AT June 2022

Provision for Claims - Current position											Appendix C
Provision for Claims Expected for June 2022 (as at 2/6/2022)	Number of Claims			Claim Value			Total Value				
	Gross	Paid	Net	Gross	Paid	Net	Gross	Paid	Net		
	#'s	#'s	#'s	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
Mogumber Redress	96.0	(36.0)	60.0	53.0	56.9	50.7	5,088.0	(2,048.4)		3,039.6	
Mogumber Civil	1.0	0.0	1.0	250.0			250.0	0.0		250.0	
Total Mogumber	97.0	(36.0)	61.0				5,338.0	(2,048.4)		3,289.6	
Croker Redress	42.0	(3.0)	39.0	52.0	74.7		2,184.0	(224.0)		1,960.0	
Croker Civil	2.0	(1.0)	1.0	142.5	60.0		285.0	(60.0)		225.0	
Total Croker	44.0	(4.0)	40.0				2,469.0	(284.0)		2,185.0	
Frontier Redress	10.0	(2.0)	8.0	56.5	56.5	56.5	565.0	(113.0)		452.0	
Frontier Civil	2.0		2.0	250.0		250.0	500.0			500.0	
	12.0	(2.0)	10.0				1,065.0	(113.0)		952.0	
Total All	153.0	(42.0)	111.0	58.0	58.2	57.9	8,872.0	(2,445.4)		6,426.6	

Heading Descriptions	
Number of Claims	
Gross	Is the total number of expected claims expected to be received by the Assembly over the Redress Scheme
Paid	Is the number of claims that have been paid to date
Net	Is Gross minus Paid (2 rows above) which is the expected no of claims not yet paid but expected from the Scheme
Claim Value	
Gross	Is the average \$ value per claim for the total of all expected claims
Paid	Is the average \$ value per claim for all paid claims to date
Net	Is the average \$ value of the claims to come
Total Value	
Gross	Is the total value of all expected claims to be paid
Paid	is the total value of claims paid to date
Net	is the total value of the claims still expected to be paid (Also calculated as Gross minus Paid - being the 2 lines above)

In reviewing the above table it is noted:

- Gross Total Provisioning for Claims to be recognised as 30 June 2022 will increase to **\$8.872M** (barring any material events from now to the signing of the annual financial statements). This level of Provisioning has been agreed with AFARC.
- This assessment is again based on a consistent quantitative model as used in previous years, updated for more recent information and the inclusion of Croker Island (including the receipt of updated assessments from legal advisors Colin Biggers Paisley).

¹ As advised to ASC in November 2020 - A provision is essentially an amount set aside in financial accounts to cover a future liability. They are balance sheet items representing funds allocated as assets to pay for anticipated future losses or expenses. A provision represents an amount set aside for an uncertain (as to timing or quantum) yet probable obligation or liability that can, or is confidently expected to, arise in the future. Provisions are recognised or created when there is a liability (or reasonable likelihood thereof), or a present obligation has arisen due to past activity, but has not yet been extinguished.

- A rebalancing of the provision towards Redress Claims from Civil Claims
- Whilst the number of Redress claims being received now are higher than anticipated, we still expect that the bulk of the claims have now been received and that claim volumes are expected to tailor off.
- Frontier Services has confirmed no further claims have been received in the last 6 months, and as such we expect to retain the current level of provisions in their accounts.
- Early consultation and engagement with the auditors KPMG, indicates that they are satisfied with the approach and expected quantum of provisioning as at 30 June 2022.

Of course, as is the nature of provisions such as this, this is a highly subjective matter, but the above analysis represents, in our view, the best estimate based on available information and expectations.

We will continue to work closely with Assembly’s external auditors, legal advisors and UCA Redress Ltd to ensure an appropriate, yet prudent, level of provisions is maintained and reviewed / adjusted as appropriate as we move to finalise the financial statements for 2021/22 financial year.

Importantly, as at the time of writing this report, the apportionment of the overall provision between ASM (Assembly Office) and UnitingWorld is yet to be confirmed. ASC will be updated should greater clarity emerge prior to the ASC meeting.

6. Financial Sustainability

As has been noted at numerous points above, financial sustainability is a vitally important matter for consideration and something which AFARC expects to be addressing with ASC during the life of this triennium. To set some context, and by way of introduction and background, Assembly’s Financial Sustainability was discussed at some length at the November 2019 ASC meeting and was a constant topic for discussion for the remainder of the 15th triennium. This aspect is intertwined with re-forecast analyses, budget preparation, consideration of matters such as Redress and almost all other financial elements of Assembly’s operations. Accordingly, this continues to be a critical area of focus for AFARC.

The November 2019 discussion, and underlying paper, assessed the ability of the Assembly to cope with external “shocks”, considering the potential nature of such shocks and their likely implications. A central conclusion from the discussion and underlying analysis was that whilst the Assembly’s financial position has improved over recent years, our ability to withstand future shocks is by no means guaranteed and in the event of a shock, difficult calls will be required. It was clear at the time that the funds available to ASC, if the need were to arise to address an unexpected shock, were well short of aspirations, and AFARC suggested that a prudent approach to this would be to seek to bolster reserves and shore up our ability to absorb shocks.

When considering the Assembly’s financial sustainability, it is important to consider the Assembly in its own right as distinct and separate from the Agencies within the Assembly. Both UnitingWorld and Frontier Services are PBI endorsed entities, which bring with it limitations on use of funds, essentially quarantining them away from the Assembly (as the Assembly is not endorsed as a PBI). As noted above, UnitingCare Australia receives specific funding from the wider Uniting network and UAICC funding is critical to the ongoing commitment with Congress. The key point here is that Agency funds are largely unavailable to the broader Assembly in the event of need. The Assembly also, to some extent, may also need to consider the potential to act in the capacity of “Lender of last resort” for an Assembly Agency, which in the past, it has previously acted in this capacity with Frontier Services (in 2014/2015). To this end the importance of

AFARC's oversight of the financial functionality of the Assembly and its Agencies, especially through the centralised structure of finance (with significant support from the NSW.ACT Synod through the SLA) is key.

The "bottom line" in any analysis like this is that the funds immediately available to the Assembly "head office" in the event of a crisis, are limited. Putting aside the buffer now available in relation to Redress, the overall position for Assembly likely remains sobering and challenging (as it was when first shared with ASC in late 2019).

As was noted, verbally, to the 16th Assembly meeting in May, *"more work remains to address the long-term financial sustainability of the Assembly. The nature of the sustainability challenge has changed over recent years – individual agencies are, by and large, better positioned than in the past, but the national Assembly itself remains vulnerable. During the past Triennium, AFARC kicked off a series of discussions at ASC in relation to long term financial sustainability and it is anticipated that such focus will continue with the upcoming ASC"*.

AFARC is now moving to meet on the 5th of July 2022 to consider the ASC feedback received during the Sustainability workshop held during the March 2022 ASC meeting. [Appendix E](#) provides an update on that workshop; a further verbal update will be presented to the ASC following AFARC's special meeting to consider this topic.

7. AFARC Membership / AFARC Evaluation

AFARC has recently moved to co-opt Jim McVey to the Committee, as allowed under the AFARC Charter², for the special purposes of assisting AFARC's role in Management carrying out the recently received Cyber Security Internal Audit Road map from Grant Thornton. (This is discussed further, below.) This is an important piece of work and reflects the priority AFARC is placing on Cyber Risk and we welcome Jim to the Committee. Jim brings many years of senior IT experience to the Committee, having an extensive history in consulting, large outsourced data management programmes, banking and data governance.

Under AFARC's ASC approved Charter, an evaluation, or review, of AFARC's performance is required every three years. Such a review has now been completed (early 2022). [Appendix F](#) updates ASC on that process and its outcomes.

8. Assembly Investment Advisory Committee "AIAC"

The AIAC, in line with its Charter, continues to meet on a quarterly basis, having recently met in May 2022. This was the first meeting conducted under the stewardship of the recently appoint Chair, Graeme Rough. Graeme, as Chair of the Committee is scheduled to meet with AFARC at its upcoming late July 2022 regular quarterly meeting.

Included within the papers for this ASC meeting, is an updated Assembly Investment Advisory Policy for the ASC's consideration. This Policy is being brought back to ASC noting that a condition of approval of the existing policy (August 2021) was that an updated policy addressing issues raised by the ASC at the time, would be brought back to the ASC for consideration and re-endorsement in 12 months' time.

Also included within the ASC papers are the proposals to appoint two additional Committee members to AIAC. Both Thomas Hodson and Andrew Fong – the nominees - bring significant investment skillsets to the Committee, and the separate paper seeks out ASC endorsement of their appointment to the Committee. This does bring the recent process

² Under the AFARC Charter, ASC is to be informed of any such co-options.

of renewing the committee to a period of stability after the retirement of several long-term committee members including both former Chairs Vivienne Lee and Jason Bryan.

AFARC gives thanks for the diligence and enthusiasm exhibited by the re-invigorated AIAC.

9. Risk Management

AFARC continues to oversee the Assembly Risk Management processes - including the Risk Registers of the National Assembly and the Agencies. We continue to work with Management in reviewing the Risk Registers, in conjunction with the ASC approved Risk Appetite Statement, and Agency Risk Appetite Statements, with a focus on the risks rated as both High and Significant, the controls in place to mitigate these risks, and continually focusing on perceived gaps “where residual risk is still perceived to sit outside our risk appetite/tolerance”. “Risk” is regularly discussed at ASC; a separate paper is again being prepared for this ASC meeting. In more recent times, AFARC has been working with Management in reviewing in more depth the “Risk Acceptance” process – that is the process of formally noting and accepting where residual risks, as noted above, are assessed as sitting outside tolerance and the conscious process of accepting and mitigating these risks. This is an evolving and ongoing work item at present.

10. Internal Audit

Grant Thornton, as recently appointed Internal Auditors for the Assembly, NSW.ACT Synod and UFS collectively, have recently completed their first review for the National Assembly. As noted above, a detailed Cyber Security review/audit has been carried out with the main outcome arising being a 12–18-month roadmap for the National Assembly and its agencies to bring the “governance” and “response” elements of any Cyber Risk management programme up to best practice levels.

As part of this process, a subcommittee of AFARC, noted as the Cyber Security Committee, is in the process of being finalised to help in providing advice and guidance to Management as they implement the Grant Thornton recommendations. Significant liaison and engagement with Agencies took place during the audit, and this will also be a part of the roadmap implementation. Significant engagement also took place with the Assembly’s major IT suppliers including the majority supply of IT services from the NSW.ACT Synod, under the existing Service Level Agreement. AFARC will continue its work and oversight as this important work is carried out.

At a very high level, the Grant Thornton review assigned an overall rating of “Needs Improvement”, reflecting an assessed “Cyber Risk Maturity” rating of “Initial”. The review was focussed on the need to strengthen the overall Cyber control environment (including the Cyber Policy Framework); a fair amount of work to address this is underway. There was also an acknowledgement that no technical/critical exposures were identified for immediate action/reporting arising from the Audit. It should also be noted that the NSW.ACT Synod IT environment is itself scheduled for Audit (by Grant Thornton) in early 2023 which will deliver additional insights of benefit to Assembly.

This programme of work, and the outcomes of future internal audits, will become a regular inclusion in AFARC reports to future ASC meetings.

11. SLA with NSW.ACT Synod

Work continues to renew and update the SLA arrangement with the NSW.ACT Synod for the provision of key back of office support in areas of Financial Accounting, Payroll, IT, HR and other key areas of support provided as needed (insurance, risk etc.). In recent times several conversations have been held between management, AFARC and key staff from the Synod. AFARC is pleased to see the continuation of the maturing of this relationship and would like to express its gratitude to the NSW.ACT General Secretary Jane Fry and COO Albert Olley for their continued support here.

It is also important to note that the Assembly is working with the NSW.ACT Synod in the project to migrate financial systems from Techone (currently) to the Microsoft Business Central product as part of the organisation's wider IT implementation plan.

12. Shared Services

AFARC is supporting Management's initiatives around exploring the concept of "Shared Services" (or the opportunity to work collaboratively and co-operatively across the Church in relation to common activities). We consider it is important for us, collectively and across the breadth and depth of the Church, to look at innovation and this includes looking at ways of doing things better.

Shared Services is one consideration that has been used successfully across many complex and large institutions (similar to the Uniting Church) to deliver increased efficiency and effectiveness around the provisioning of services, especially those deemed back of house (e.g. Finance, IT, HR, Payroll, Property, Insurance). In saying this, we are also mindful that there are likely to be a number of potential challenges as we explore this concept – and that this will likely take considerable time (to be balanced with other priorities) and broad, and deep, engagement with relevant parties. Whilst we appreciate there is no one size fits all model here, we will continue to work with Management to explore these possibilities.

Our thinking remains in its infancy. Initial high-level guidance has been received (at no cost) from several of the Big 4 accounting firms and we will continue to work through these.

We will also watch with interest, and be ready to assist, as the Assembly's ACT 2 project comes to light and how this Shared Services concept might be relevant to any consideration of the Church's "sustainability and structure" as part of the future strategic direction of the Church.

ASC will be kept informed as appropriate.

13. Beneficiary Fund

As has been reported to previous ASC meetings, AFARC continues to engage with the Policy and Employer Committees of the Beneficiary Fund / Mercers Super Trust in further understanding, and reviewing, the position of the Beneficiary Fund.

AFARC will shortly engage with the BeneFund Committees in reviewing the 2022 financials, including the expected Vested Benefit Index (“VBI”³) levels of the Fund as at 30 June 2022, and the expected annual pension indexation. This is an important consideration given the recent significant increase in CPI and the cost of living. In recent months, Mercers have announced that they have recently taken over the stewardship of the BT superannuation funds which they have indicated, given their increased scale, should see a reduction in member fees charged by approximately 25%. We will watch this with interest.

In the longer term, AFARC is also mindful of how we can reduce the market risk of the Fund to the Church - that is the risk that a significant fall in investment values might lead to the employer (the Church) being required to make “top ups”. In terms of the indexing of pensions, we are mindful that investment markets are now entering a period of volatility as inflation has increased markedly across many economies, and Governments are now looking to rein in demand and inflation. The impact of both of these on the ability to manage the indexation of pensions, and the impact on the investment values of the Fund at the same time, will be important considerations for the BeneFund. We are conscious of the importance to continue to consider formulating a potential long term exit strategy for the Defined Benefit nature of the Fund, to reduce the risk to the Fund when such events occur.

AFARC will continue the dialogue with the relevant BeneFund Committees.

14. AFARC Operations

AFARC meets either in face-to-face meetings or by teleconference throughout the year and has developed a work schedule that corresponds to the requirements as provided for within the Regulations. AFARC has scheduled a special meeting for the 5th of July 2022 to consider in depth the feedback received from the self-evaluation exercise at the start of the year, along with Cyber Security and the recent ASC Sustainability workshop. The next regular quarterly AFARC meeting is scheduled for the 25th July 2022.

15. Meetings with National Directors and Governance Boards

The Committee also has long standing practice of meeting with leadership of each Agency as well as with the other relevant governance bodies. At our recent June 2022 (deferred from May 2022) meeting we met with Frontier Services.

16. Other Matters

AFARC continues to manage, or monitor, several other topics not addressed above and will continue to keep ASC up to date on relevant matters. The diverse nature of matters on the AFARC radar reflects the diverse nature of the Assembly’s operations and helps to keep us motivated, challenged and rewarded. We are grateful for the support provided by ASC, Assembly leaders and the broader Management team.

³ VBI – a defined benefit fund is in a “satisfactory financial position” under superannuation law if the ratio of the fund assets to the vested benefits is 100% or more. The value of vested benefits represents the total amount the fund would be required to pay if all members were to voluntarily leave service on the valuation date. This is a short-term solvency measure and is the focus of the superannuation regulator, APRA. Benefund’s VBI is typically comfortably in excess of 100%, largely due to the “pension increase policy” providing considerable leeway in the governance of the fund.

We would also like to express a sincere thanks to Liyan Zhang who supported the Assembly for the last 10 years mainly in the capacity of Management Accountant. Unfortunately, for us, Liyan has left to take up a more senior role in another NFP organisation. Liyan’s work ethic, skillset and dedication to the organisation is well regarded. We wish Liyan all the best in her new role.

Proposal 2

That the Assembly Standing Committee:

- Receive the report.

Submitted to: Assembly Standing Committee
15 – 17 July 2022

Submitted By: Stuart Woodward,
Chair, Assembly Finance, Audit and
Risk Committee

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Assembly Support Unit

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20 June 2022

LIST OF APPENDICES

Appendix A	Assembly Finance Audit and Risk Committee Commonly Used Acronyms
Appendix B	Financial Status Report
Appendix C	Statement of Available Funds
Appendix D	Budgets for 2022/23
Appendix E	Financial Sustainability Workshop Update
Appendix F	Assembly Finance Audit and Risk Committee – Committee Evaluation

ASSEMBLY FINANCE AUDIT AND RISK COMMITTEE – COMMONLY USED ACRONYMS

The following list will be expanded as additional acronyms come to mind.

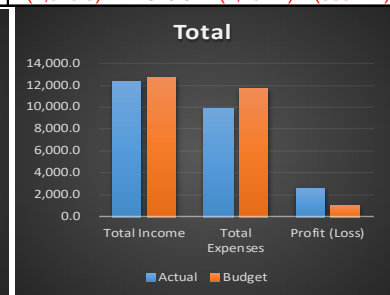
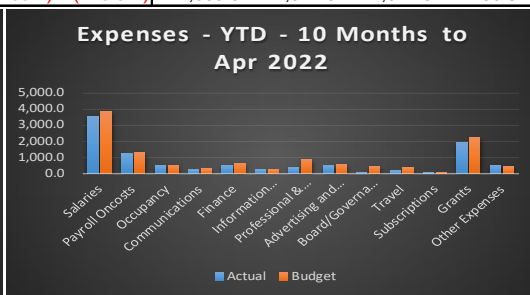
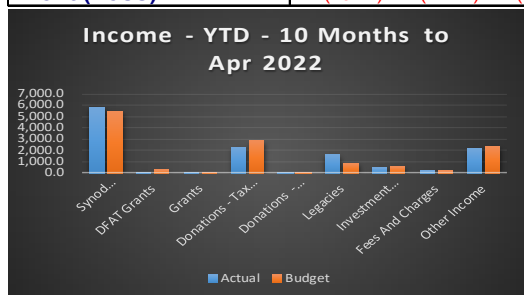
"INTERNAL"	
AFARC	Assembly Finance Audit and Risk Committee
AIAC	Assembly Investment Advisory Committee
ARU	Assembly Resourcing Unit
ASC	Assembly Standing Committee
ASM	Assembly Secretariat
ASU	Assembly Support Unit
FS	Frontier Services
JFF	John Flynn Foundation
NSCU	National Safe Church Unit
UAICC	Uniting Aboriginal and Islander Christian Congress
UCA	Uniting Church in Australia
UCANA	Uniting Church in Australia National Assembly
UCARE	UnitingCare Australia
UW	Uniting World

"EXTERNAL"	
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ABR	Australian Business Register
ACFID	Australian Council for International Development
ACNC	Australian Charities and Not For Profits Commission
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
BAS	Business Activity Statement
DFAT	Department of Foreign Affairs and Trade
DGR	Deductible Gift Recipient
ESG	Environmental, Social and Governance
FBT	Fringe Benefits Tax
GST	Goods and Services Tax
PAYG	Pay As You Go (Taxation)
PBI	Public Benevolent Institution

30 May 2022

Financial Status Report – General Funds Reporting

UCANA & Entities	General Funds - Profit & Loss 30-Apr-2022											
	Month				Year to Date				FY Forecast		FY Budget	
	A	B	Var	Var	A	B	Var	Var	F	B	Var	Var
	\$000	\$000	\$000	%	\$000	\$000	\$000	%	\$000	\$000	\$000	%
Income												
Synod Contrib/Levies	761.9	551.4	210.5	38.2%	5,722.4	5,512.4	210.0	3.8%	5,573.2	6,072.0	(498.8)	(8.2%)
DFAT Grants	0.0	0.0	0.0		79.9	225.3	(145.4)	(64.5%)	225.3	225.3	0.0	0.0%
Grants	0.0	8.3	(8.3)	(100.0%)	4.6	84.2	(79.6)	(94.6%)	38.8	100.9	(62.1)	(61.6%)
Donations - Tax deductible	167.9	216.2	(48.3)	(22.4%)	2,238.3	2,837.7	(599.4)	(21.1%)	2,994.4	3,709.0	(714.6)	(19.3%)
Donations - Non-Tax Deductible	0.0	0.1	(0.1)	(100%)	1.0	0.8	0.2	20.0%	1.0	1.0	0.0	0.0%
Legacies	10.0	88.3	(78.3)	(88.7%)	1,568.3	883.3	685.0	77.5%	1,968.1	1,060.0	908.1	85.7%
Investment Income	(253.7)	167.8	(421.5)	(251.2%)	474.9	590.6	(115.6)	(19.6%)	994.0	771.8	222.2	28.8%
Fees And Charges	17.7	18.9	(1.3)	(6.8%)	177.1	189.5	(12.4)	(6.6%)	216.1	227.4	(11.3)	(5.0%)
Other Income	26.6	68.4	(41.8)	(61.1%)	2,148.3	2,385.2	(236.8)	(9.9%)	2,357.2	2,521.2	(164.0)	(6.5%)
Total Income	730.3	1,119.4	(389.1)	(34.8%)	12,414.7	12,708.9	(294.2)	(2.3%)	14,368.2	14,688.6	(320.5)	(2.2%)
Expenses												
Salaries	309.0	390.6	81.6	20.9%	3,573.2	3,897.9	324.7	8.3%	4,394.1	4,660.9	266.8	5.7%
Payroll Oncosts	91.2	130.5	39.3	30.1%	1,211.8	1,294.9	83.1	6.4%	1,502.0	1,550.2	48.2	3.1%
Occupancy	49.9	45.4	(4.5)	(10.0%)	469.8	454.5	(15.3)	(3.4%)	558.2	545.2	(13.1)	(2.4%)
Communications	22.9	17.6	(5.4)	(30.6%)	205.2	277.3	72.1	26.0%	280.9	334.0	53.1	15.9%
Finance	48.7	58.5	9.8	16.7%	502.9	591.8	88.9	15.0%	643.9	708.8	65.0	9.2%
Information Technology	14.4	19.9	5.4	27.4%	220.6	240.7	20.1	8.4%	258.4	284.7	26.3	9.2%
Professional & Consultancy Fees	48.0	86.7	38.7	44.6%	379.3	874.0	494.8	56.6%	528.5	1,047.4	519.0	49.5%
Advertising and Promotions	82.8	43.0	(39.8)	(92.6%)	485.4	568.2	82.8	14.6%	559.3	687.7	128.4	18.7%
Board/Governance	(0.5)	156.5	157.1	100.4%	28.7	400.9	372.2	92.8%	334.9	585.2	250.3	42.8%
Travel	72.6	35.2	(37.4)	(106.1%)	165.9	383.1	217.2	56.7%	229.3	459.0	229.7	50.1%
Subscriptions	2.7	7.9	5.1	65.3%	101.6	79.7	(21.9)	(27.5%)	122.9	95.5	(27.4)	(28.7%)
Grants	188.0	213.8	25.7	12.0%	1,953.5	2,246.0	292.5	13.0%	2,391.6	2,709.1	317.6	11.7%
Other Expenses	65.4	39.2	(26.2)	(66.8%)	508.0	397.0	(111.0)	(28.0%)	4,120.2	475.4	(3,644.8)	(766.7%)
Total Expenses	995.1	1,244.6	249.5	20.0%	9,806.1	11,706.1	1,900.0	16.2%	15,923.9	14,143.0	(1,780.9)	(12.6%)
Transfers	(2.5)	(2.5)	0.0	0.0%	(31.2)	(25.0)	6.2	(24.7%)	(30.0)	(30.0)	0.0	0.0%
Profit (Loss)	(262.4)	(122.7)	(139.7)	(113.8%)	2,639.8	1,027.8	1,612.0	156.8%	(1,525.8)	575.6	(2,101.4)	(365.1%)



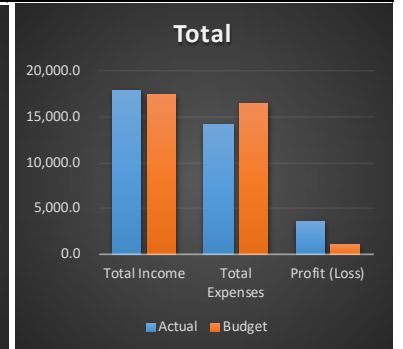
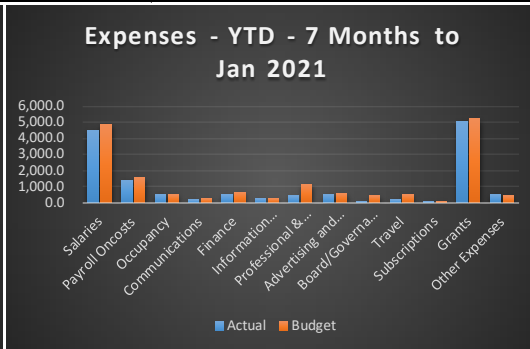
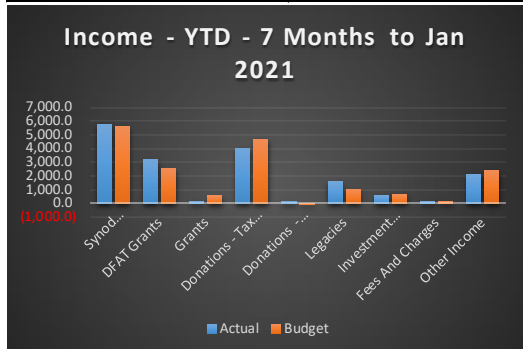
Commentary:

Income
 Pleasing result for the first 10 months for 2021/22 year - income 2.3% below budget whilst expenses 16.2% below budget leading to net profit of \$2.6m vs a bud profit of \$1.0m. Synod Contributions are in line with budget (with additional \$200K from Vic.Tas Synod)
 Investment income YTD impacted by the poor March 2022 quarter (4th quarter performance at writing report looking negative as well)

Expenses
 Salaries and Wages are somewhat underbudget due to time taken to backfill vacancies
 Expenses generally under budget as Covid restrictions limited travel and other activities

Note that FYF includes \$2.5M on adoption of Crocker Island and an additional \$1M provision for Mogumber

UCANA & Entities	All Funds - Profit & Loss 30-Apr-2022											
	Month				Year to Date				FY Forecast	FY Budget		
	A	B	Var	Var	A	B	Var	Var	F	B	Var	Var
	\$000	\$000	\$000	%	\$000	\$000	\$000	%	\$000	\$000	\$000	%
Income												
Synod Contrib/Levies	768.7	558.2	210.5	37.7%	5,790.9	5,581.0	210.0	3.8%	5,659.1	6,154.3	(495.2)	(8.0%)
DFAT Grants	326.4	0.0	326.4		3,199.0	2,487.2	711.8	28.6%	2,487.2	2,487.2	0.0	0.0%
Grants	12.1	55.0	(42.9)	(78.0%)	208.2	570.7	(362.5)	(63.5%)	354.7	670.7	(316.0)	(47.1%)
Donations - Tax deductible	342.4	431.1	(88.8)	(20.6%)	3,976.4	4,627.9	(651.5)	(14.1%)	4,943.1	6,286.0	(1,342.9)	(21.4%)
Donations - Non-Tax Deductible	57.5	(2.3)	59.8	(2,576%)	163.5	(23.2)	186.7	(803.6%)	176.2	(27.9)	204.1	(732.1%)
Legacies	10.0	103.4	(93.4)	(90.3%)	1,586.1	1,034.2	551.9	53.4%	2,200.1	1,241.0	959.1	77.3%
Investment Income	(253.0)	168.8	(421.8)	(249.9%)	521.3	638.8	(117.5)	(18.4%)	1,061.4	833.8	227.6	27.3%
Fees And Charges	17.7	18.9	(1.3)	(6.8%)	177.1	189.5	(12.4)	(6.6%)	216.1	227.4	(11.3)	(5.0%)
Other Income	26.6	68.7	(42.1)	(61.3%)	2,174.4	2,388.5	(214.1)	(9.0%)	2,360.9	2,525.2	(164.4)	(6.5%)
Total Income	1,308.4	1,401.9	(93.6)	(6.7%)	17,796.9	17,494.4	302.5	1.7%	19,458.7	20,397.7	(939.1)	(4.6%)
Expenses												
Salaries	438.2	489.8	51.6	10.5%	4,494.2	4,914.5	420.3	8.6%	5,614.0	5,871.6	257.6	4.4%
Payroll Oncosts	119.3	153.6	34.4	22.4%	1,418.1	1,532.7	114.6	7.5%	1,778.2	1,833.3	55.2	3.0%
Occupancy	50.3	47.2	(3.1)	(6.5%)	470.6	473.4	2.8	0.6%	561.6	567.8	6.2	1.1%
Communications	20.8	18.0	(2.7)	(15.3%)	206.8	281.9	75.1	26.7%	283.1	339.5	56.4	16.6%
Finance	49.6	75.5	25.9	34.3%	513.4	664.6	151.2	22.7%	714.5	783.1	68.6	8.8%
Information Technology	15.0	21.0	6.0	28.8%	232.0	252.1	20.1	8.0%	268.4	298.3	29.9	10.0%
Professional & Consultancy Fees	50.1	99.6	49.5	49.7%	462.1	1,114.9	652.7	58.5%	695.5	1,314.4	619.0	47.1%
Advertising and Promotions	74.7	44.6	(30.1)	(67.5%)	502.3	584.0	81.7	14.0%	607.3	706.7	99.4	14.1%
Board/Governance	(0.5)	158.2	158.7	100.3%	28.7	417.6	388.9	93.1%	341.5	605.2	263.7	43.6%
Travel	72.5	45.7	(26.8)	(58.6%)	166.2	491.5	325.2	66.2%	277.6	587.3	309.7	52.7%
Subscriptions	2.7	7.9	5.1	65.3%	122.5	98.3	(24.2)	(24.6%)	141.9	114.0	(27.8)	(24.4%)
Grants	768.5	736.4	(32.1)	(4.4%)	5,073.4	5,198.6	125.2	2.4%	5,376.4	5,694.0	317.6	5.6%
Other Expenses	66.3	40.4	(25.9)	(64.2%)	513.8	409.2	(104.6)	(25.6%)	4,131.6	490.0	(3,641.7)	(743.3%)
Total Expenses	1,727.5	1,938.1	210.6	10.9%	14,204.2	16,433.2	2,229.0	13.6%	20,791.5	19,205.2	(1,586.3)	(8.3%)
Profit (Loss)	(419.1)	(536.1)	117.0	21.8%	3,592.7	1,061.2	2,531.5	238.5%	(1,332.8)	1,192.5	(2,525.3)	(211.8%)



Commentary:
Income
 Pleasing result for the first 10 months for 2020/21 year - income 1.7% above budget and expenses 13.6% below budget leading to net profit of \$3.6m vs a bud profit of \$1.06m. Synod Contributions are in line with budget (with additional \$200K from Vic.Tas)
 Investment income down on budget impacted by the poor quarter returns for March 2022

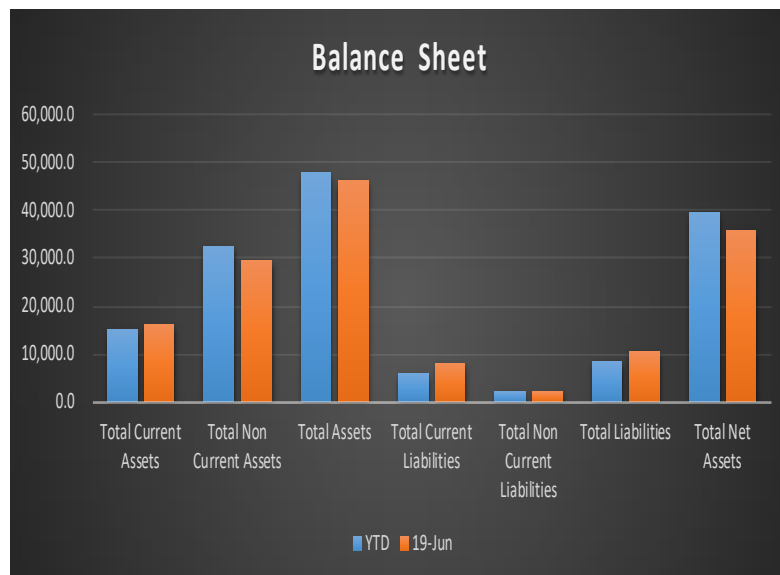
Expenses
 Salaries and Wages are under budget due to some time taken to fill vacant roles, especially with the impact of Covid
 Expenses generally under budget as Covid restrictions limited travel and other activities

Note that FYF includes \$2.5M on adoption of Crocker Island and an additional \$1M provision for Mogumber

UCANA & Entities

Balance Sheet 30-Apr-2022

Description	YTD Apr 22 \$000	Jun 21 \$000	Var \$000
Assets			
Current Assets			
Other Assets	1,169.6	529.3	640.4
Cash At Call	9,170.1	11,383.9	-2,213.8
Bank	3,591.5	3,432.1	159.4
Trade Receivables	1,254.6	1,119.6	135.0
Total Current Assets	15,185.7	16,464.8	-1,279.1
Non Current Assets			
Fixed Assets	2,997.9	3,729.1	-731.2
Investments	26,075.5	20,841.8	5,233.8
Leased Assets	2,200.0	2,486.8	-286.9
Term Deposits	1,212.2	2,712.2	-1,500.0
Total Non Current Assets	32,485.7	29,770.0	2,715.7
Total Assets	47,671.4	46,234.8	1,436.7
Current Liabilities			
Creditors	10.8	787.8	777.1
Current Other Liabilities	498.2	936.8	438.6
Lease Liabilities	53.1	335.6	282.5
Other Creditors	976.6	1,349.1	372.6
Provision	4,373.8	4,687.4	313.6
Total Current Liabilities	5,912.4	8,096.8	2,184.4
Non Current Liabilities			
Lease Liabilities	2,274.9	2,244.1	-30.8
Non-Current Other Liabilities	81.1	83.6	2.5
Total Non Current Liabilities	2,356.0	2,327.7	-28.4
Total Liabilities	8,268.4	10,424.4	2,156.0
Total Net Assets	39,403.0	35,810.3	3,592.7



Commentary

Current Assets - more cash at bank has been placed into investments which are classified as non current

Investments - Strong return first half year - wnd half year negative returns to date

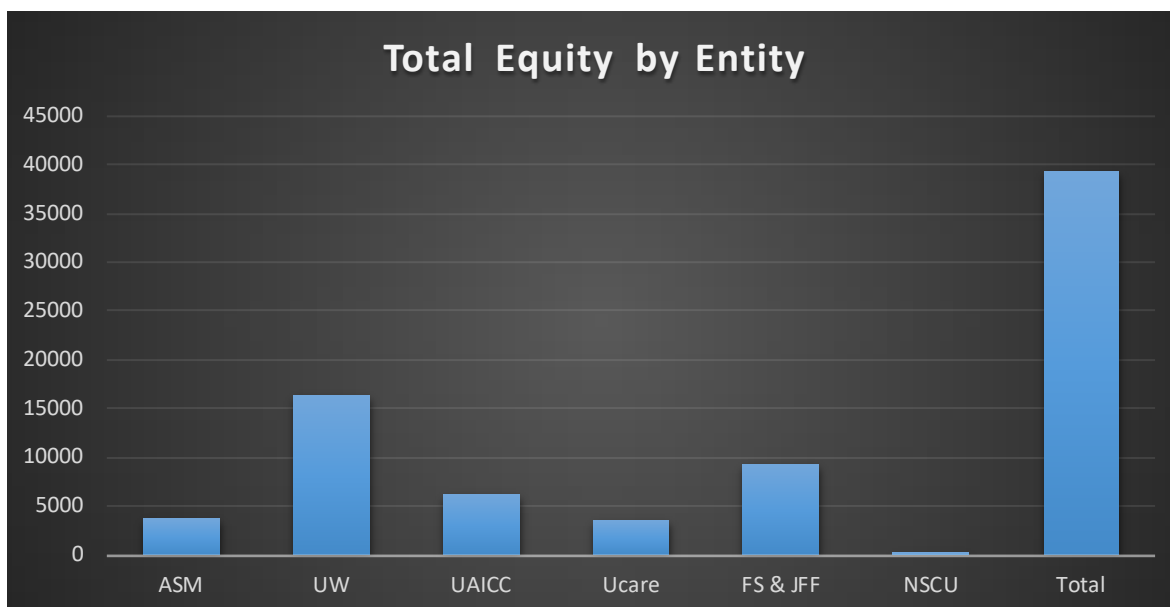
Other Creditors have decreased as funds received in advance are used up

Provisions have decreased as Mogumber claims are paid.

UCANA & Entities

Equity Analysis 30-Apr-2022

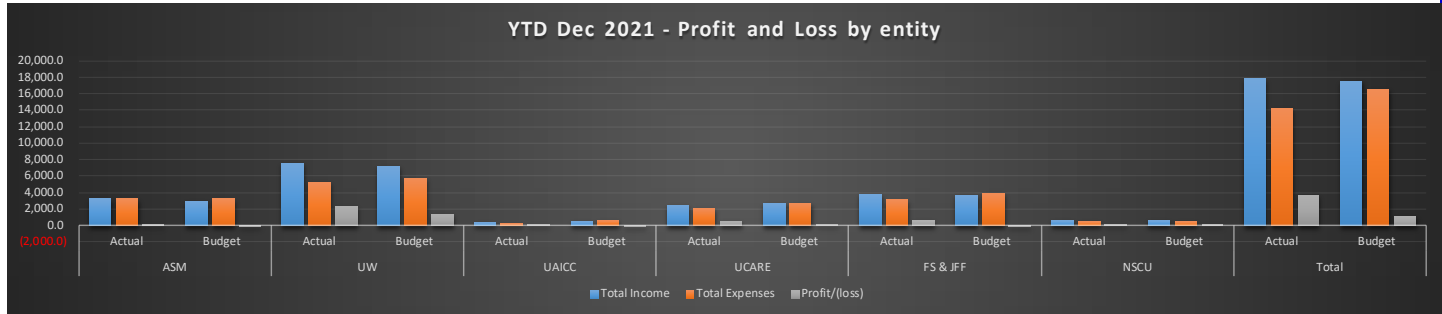
	YTD \$000	Jun 21 \$000	Var \$000
Unrestricted Equity			
General Fund			
Opening Balance	23,858.4	23,858.4	0.0
Equity movement	0.0	0.0	0.0
Current Year Profit/(Loss)	2,639.8	0.0	2,639.8
Closing Balance	26,498.2	23,858.4	2,639.8
Total Unrestricted Equity	26,498.2	23,858.4	2,639.8
Restricted Equity			
Specific Fund			
Opening Balance	8,418.6	8,418.6	0.0
Equity movement	0.0	0.0	0.0
Current Year Profit/(Loss)	947.3	0.0	947.3
Closing Balance	9,365.9	8,418.6	947.3
Endowment Fund			
Opening Balance	3,533.3	3,533.3	0.0
Equity movement	0.0	0.0	0.0
Current Year Profit/(Loss)	5.7	0.0	5.7
Closing Balance	3,539.0	3,533.3	5.7
Total Restricted Equity	12,904.8	11,951.9	952.9
Total Equity	39,403.0	35,810.3	3,592.7



All Funds - Profit & Loss 30-Apr-2022

ASM		UW		UAICC		UCARE		FS & JFF		NSCU		Total	
Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
3,281.4	2,983.5	7,519.8	7,133.4	341.1	412.7	2,403.6	2,746.7	3,692.4	3,674.9	558.7	543.1	17,796.9	17,494.4
3,181.5	3,199.3	5,236.6	5,687.5	231.7	616.5	1,977.3	2,638.0	3,086.4	3,822.9	490.6	468.9	14,204.2	16,433.2
99.9	(215.8)	2,283.1	1,446.0	109.4	(203.8)	426.2	108.7	606.0	(148.0)	68.0	74.2	3,592.7	1,061.2

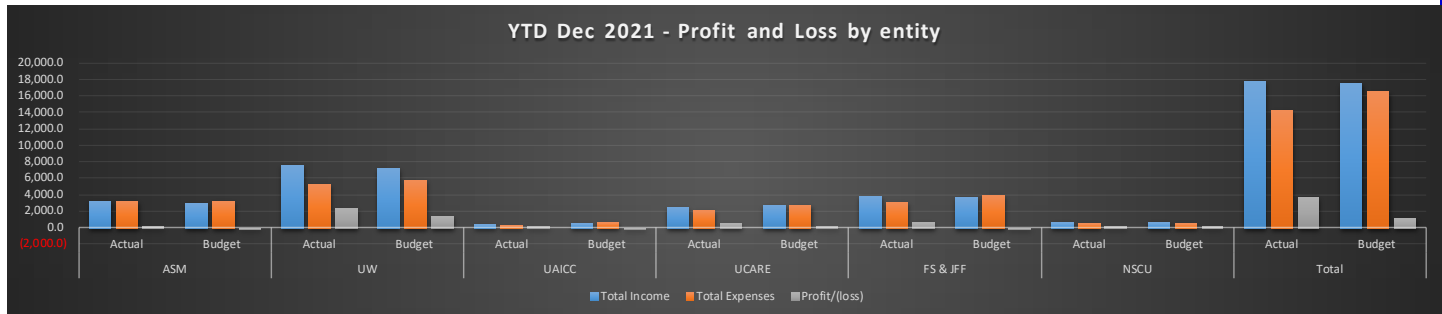
Total Income
Total Expenses
Profit (Loss)



General Funds - Profit & Loss 30-Apr-2022

ASM		UW		UAICC		UCARE		FS & JFF		NSCU		Total	
Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2,981.9	2,888.4	2,609.9	2,874.9	326.8	397.5	2,245.1	2,330.0	3,692.4	3,674.9	558.7	543.1	12,414.7	12,708.9
3,024.6	3,042.4	1,205.4	1,575.5	206.7	591.5	1,761.2	2,179.9	3,086.4	3,822.9	490.6	468.9	9,774.9	11,681.1
(42.7)	(154.0)	1,404.4	1,299.5	120.1	(194.0)	483.9	150.1	606.0	(148.0)	68.0	74.2	2,639.8	1,027.8

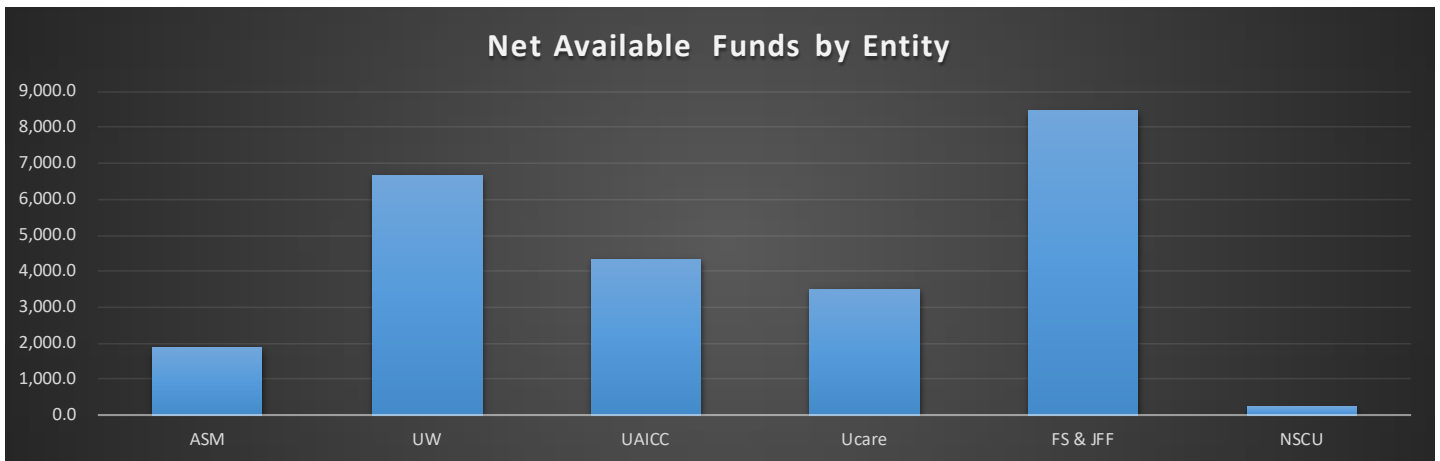
Total Income
Total Expenses
Profit (Loss)



Statement of Available Funds

Net Available Fund 30-Apr-2022

Code Description							June		Var. \$000
	ASM \$000	UW \$000	UAICC \$000	Ucare \$000	FS & JFF \$000	NSCU \$000	Total \$000	Last year \$000	
Net Assets	3,735.6	16,372.7	6,222.2	3,542.0	9,288.6	241.9	39,403.0	35,810.3	3,592.7
Less, Property	1,162.8	1,288.4	0.0	0.0	145.6	0.0	2,596.8	3,298.4	-701.6
Less, FFE and other	190.4	174.7	1.7	7.1	23.8	3.5	401.2	430.8	-29.6
Sub-total monetary funds	2,382.5	14,909.7	6,220.5	3,534.8	9,119.1	238.4	36,405.1	32,081.2	4,323.9
Less, Trust Funds									
Specific DFAT	0.0	-1,007.1	0.0	0.0	0.0	0.0	-1,007.1	0.0	-1,007.1
Specific DGR	0.0	6,808.0	0.0	0.0	0.0	0.0	6,808.0	5,946.2	861.9
Specific Other	174.2	64.0	1,815.0	27.7	0.0	0.0	2,080.9	2,084.4	-3.6
Endowment	337.3	2,386.6	65.1	0.0	636.1	0.0	3,425.2	3,419.5	5.7
Designated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Trust Funds	511.6	8,251.5	1,880.1	27.7	636.1	0.0	11,307.0	11,450.1	-143.1
Net Available Fund ("free cash")	1,871.0	6,658.2	4,340.4	3,507.2	8,483.0	238.4	25,098.1	20,631.1	4,467.0



	ASM	UW	UAICC	UCARE	NSCU	FS&JFF	Total
Budgets 22/23 - Gen Funds	22/23Bud	22/23Bud	22/23Bud	22/23Bud	22/23Bud	22/23Bud	22/23Bud
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Income							
Synod Contrib/Levies	2,888.7	200.0	300.0	2,245.0	543.1	0.0	6,176.8
DFAT Grants	0.0	230.9	0.0	0.0	0.0	0.0	230.9
Grants	0.0	3.0	0.0	0.0	0.0	200.0	203.0
Donations - Tax deductible	0.0	1,096.0	0.0	0.0	0.0	2,960.0	4,056.0
Donations - Non-Tax Deductible	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legacies	0.0	100.8	0.0	0.0	0.0	1,250.0	1,350.8
Investment Income	96.3	282.2	128.3	30.8	0.0	226.0	763.6
Fees And Charges	152.9	0.0	0.0	0.0	0.0	46.0	198.9
Other Income	1,395.5	0.0	0.0	0.0	0.0	352.0	1,747.5
Total Income	4,533.5	1,912.9	428.3	2,275.8	543.1	5,034.0	14,727.5
Expenses							
Salaries	1,251.8	653.5	191.3	1,311.0	322.3	1,521.3	5,251.1
Payroll Oncosts	555.9	179.3	77.6	388.5	111.4	387.4	1,700.1
Occupancy	132.0	152.2	4.3	173.5	11.7	81.5	555.3
Communications	41.2	180.2	14.2	26.1	9.0	72.1	342.8
Finance	223.6	223.4	14.7	110.3	25.2	141.3	738.5
Information Technology	64.3	75.2	4.3	41.0	7.8	67.6	260.2
Professional & Consultancy Fees	43.5	24.9	33.9	106.3	13.0	493.3	714.9
Advertising and Promotions	17.7	131.5	5.0	35.0	13.0	418.4	620.6
Board/Governance	83.5	14.6	158.0	22.0	6.0	3.3	287.4
Travel	98.5	64.0	55.0	78.3	40.0	85.9	421.7
Subscriptions	21.8	18.8	0.0	48.0	12.4	8.3	109.4
Grants	654.4	0.0	10.0	0.0	0.0	2,432.9	3,097.3
Other Expenses	41.5	39.5	85.8	105.1	18.5	102.1	392.4
Total Expenses	3,229.7	1,757.0	654.2	2,445.1	590.2	5,815.5	14,491.8
Transfers	0.0	0.0	(20.0)	0.0	0.0	0.0	(20.0)
Profit (Loss)	1,303.8	155.9	(205.9)	(169.4)	(47.1)	(781.5)	255.7

Bud 22/23 All Funds	ASM	UW	UAICC	UCARE	NSCU	FS&JFF	Total
	22/23 Bud \$000	22/23 Bud \$000	22/23 Bud \$000	22/23 Bud \$000	22/23 Bud \$000	22/23 Bud \$000	22/23 Bud \$000
Income							
Synod Contrib/Levies	2,962.0	200.0	300.0	2,245.0	543.1	0.0	6,250.1
DFAT Grants	0.0	2,618.7	0.0	0.0	0.0	0.0	2,618.7
Grants	0.0	60.0	0.0	550.0	0.0	200.0	810.0
Donations - Tax deductible	0.0	2,609.5	0.0	0.0	0.0	2,960.0	5,569.5
Donations - Non-Tax Deductible	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Legacies	1.0	240.0	0.0	0.0	0.0	1,250.0	1,491.0
Investment Income	100.1	331.4	147.8	30.8	0.0	226.0	836.0
Fees And Charges	152.9	0.0	0.0	0.0	0.0	46.0	198.9
Other Income	1,399.0	0.0	0.0	0.0	0.0	352.0	1,751.0
Total Income	4,615.0	6,059.6	447.8	2,825.7	543.1	5,034.0	19,525.2
Expenses							
Salaries	1,251.8	1,813.5	191.3	1,515.9	322.3	1,521.3	6,616.1
Payroll Oncosts	555.9	446.2	77.6	439.9	111.4	387.4	2,018.4
Occupancy	132.0	152.2	4.3	183.5	11.7	81.5	565.3
Communications	41.2	180.1	14.2	31.6	9.0	72.1	348.3
Finance	223.6	284.4	14.7	115.3	25.2	141.3	804.5
Information Technology	64.3	75.1	4.3	51.0	7.8	67.6	270.2
Professional & Consultancy Fees	43.5	144.2	33.9	231.3	13.0	493.3	959.2
Advertising and Promotions	18.7	135.9	5.0	53.0	13.0	418.4	644.0
Board/Governance	83.5	14.7	158.0	42.0	6.0	3.3	307.5
Travel	103.0	70.0	55.0	228.3	40.0	85.9	582.2
Subscriptions	21.8	37.9	0.0	48.0	12.4	8.3	128.5
Grants	925.0	3,052.9	10.0	0.0	0.0	2,432.9	6,420.8
Other Expenses	43.5	39.5	85.8	111.0	18.5	102.1	400.3
Total Expenses	3,507.8	6,446.6	654.2	3,050.9	590.2	5,815.5	20,065.3
Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit (Loss)	1,107.2	(387.0)	(206.4)	(225.1)	(47.1)	(781.5)	(540.0)

FTE Table – 22/23 Budgets

Unit/ Projects	ASM	UW	Ucare	UAICC	NSCU	FS	Redress	Grand Total
Assembly Resourcing Unit	5.3							5.3
Finance & Admin	3.0							3
Communication Unit	2.5							2.5
Secretriart General	2.0							2.0
President	1.6							1.6
UW Gen		3.5						3.5
UW Fundraising		4.7						4.7
UW Programs		12.8						12.8
Uniting Care ACT			7.8					7.8
Remote Accord Ucare ACT			1.0					1
Aged Care Project			0.6					0.6
UAICC General				2.0				2.0
Leadership Training				0.6				0.6
Youth Training				0.6				0.6
National Safe Church Unit					3			3
FS Fundraising						10.0		10.0
National Office Sydney						6.0		6.0
Outbanks Links						3.0		3.0
UCA Redress							2.0	2
Total	14.4	21.0	9.4	3.2	3	19.0	2	72

FINANCIAL SUSTAINABILITY WORKSHOP UPDATE**1. Context**

ASC members will recall participating in a Table Group / Break-Out Room workshop focussed on Assembly Financial Sustainability at the March 2022 ASC meeting. In order to elicit explicit input from ASC members, a series of ideas were put forward, and responses sought in terms of whether the idea(s) were good (or not) and associated indicative priority. Additional “free form” ideas, and comments, were also sought.

A high level overview of the outputs of that session follows.

2. Outputs

Having collated all the feedback, I draw the following conclusions / observations:

- ASC ran out of time for this exercise – most feedback sheets were incomplete
- Some specific, suggested, initiatives seem to have the support of ASC e.g. –
 - Bequests, Assembly donations, diversification (kind of obvious), collaboration – and probably a few others.
 - ASC seems quite open to a co-ordinated engagement with Synods around an Assembly Value Proposition and a complementary “value proposition” / communication strategy (noted in one response as a “national collaboration project”).
- ASC was cool to some other suggested initiatives such as “clipping the ticket” on non Assembly property sales, direct engagement with Presbyteries, and brand licensing, while feedback was mixed in relation to approaching philanthropic organisations.
- There seems to be a mixed appetite to re-examining Assembly strategy (and asking whether we are trying to do too much), with one response pointing out that reviewing strategy to do less would probably not achieve desired results anyway.
- In relation to new ideas / additional initiatives –
 - One “room” voiced a few linked ideas around a broad business plan, funding strategy lead by a dedicated Committee – with the observation made that this reflects a gap in the Secretariat and that, furthermore, AFARC is currently leading this work to fill a gap but perhaps this should not be AFARC’s to deliver.
 - A Presidential callout for funds / donations for a specific purpose was seen to have more merit than the more general Presidential Appeal.
- One member of ASC was willing to volunteer to help with this work.

Clearly, this is a view high level summary, but it does capture the flavour of the feedback received.

3. A Personal Strawman

As at the time of preparing this brief note, AFARC has not been able to meet to discuss the outcomes of the March 2022 ASC Workshop. Results have, however, been shared with AFARC members. AFARC is holding a “special purpose” meeting in early July to discuss, amongst other things, the outcomes of the workshop.

In order to promote discussion and thinking, and in a desire to move forward, I have proposed, to AFARC, a “strawman” of what I think could be the next focus areas, in light of the feedback received from ASC. This is very much a personal perspective – AFARC may well discern different focus areas; but with a view to encouraging discussion, I have suggested that the following could be our / Assembly’s focus areas in relation to longer term financial sustainability (based on feedback from ASC’s breakout room sessions) – and again I stress that this is very much my thinking only at this stage – it hasn’t been considered in depth by AFARC. With that caveat, maybe we could focus on:

1. Establishment of a “business planning” Committee – not AFARC – to bring an holistic approach to funding, resourcing, income, expenditure etc with an overarching goal of financial sustainability for Assembly – membership, structure, reporting etc etc all TBD. (In floating this, I do have some sympathy with the suggestion of a new “business planning type” committee – this stuff is probably not AFARC’s forte and might be seen as outside our remit - but then again, if existential type risk and financial management is not ours to ponder
2. Strategic engagement with Synods according to an agreed plan, seeking to develop and leverage an Assembly “value proposition” (articulating the value that Assembly brings) as a driver for greater financial support for Assembly – and with appropriate supporting communications strategy.
3. Implement a process for Assembly bequests, donations and specific appeals – underpinned by a strong “why” (aligned with the Assembly value proposition). Potentially, an outcome from the business planning Committee?

They are my top three. They are not direct replicas of the points covered in the workshop questionnaire, but instead seek to distil and combine a few overlapping topics / ideas into logical (I think) groupings. And a fourth is underway, but needs, I think, to be given a new lease of life:

4. Nation wide collaboration – which is already underway but is proving difficult, so could do with more muscle and focus – possibly leveraging ACT2 but maybe making this more explicit.

And work is already underway investigating Constitutional / Regulatory / Legal restrictions on fundraising etc. (No significant hurdles have yet been identified.) This work would be of interest to a business planning Committee.

And I note again, for the avoidance of doubt, that the above suggestions are mine and mine alone as at the time of preparing this note.

4. Next Steps

As noted above, at the time of preparing this brief note, AFARC has not been able to meet to discuss the outcomes of the March 2022 ASC Workshop. AFARC will discuss this topic in early July. ASC will be verbally updated with any additional, relevant, material at the July ASC meeting – including any proposed next steps.

In closing, I thank ASC for the feedback offered in the March workshop. The feedback is valuable and will be taken on board and will help guide the work of Assembly / ASC / AFARC (and maybe a yet to be formed “business planning” Committee) as we move forward addressing the challenge of Assembly Financial Sustainability.

Stuart Woodward

30 May 2022

ASSEMBLY FINANCE AUDIT AND RISK COMMITTEE – COMMITTEE EVALUATION

1. Context

Under AFARC’s ASC approved Charter, an evaluation, or review, of AFARC’s performance is required every three years. Such a review has now been completed (early 2022), using a similar approach to that adopted in 2015 and again in mid 2018. A total of 30 stakeholders were approached (comprised of AFARC members, Agencies (Chairs and National Directors), General Secretaries, and other stakeholders). An overall response rate of 66% was achieved. Feedback sought, and provided, was both quantitative and qualitative.

A high level overview follows.

2. AFARC Self Evaluation / Feedback

All AFARC members completed a quantitative survey and provided additional written feedback. Feedback was universally “high” or “good”; most questions showed results close to, or improved upon, those recorded in 2018, similar to the improvements recorded between 2015 and 2018. Comments expressed strong appreciation for, amongst other things, our meetings, structure, supporting material, member engagement and teamwork – especially under the difficult conditions brought on by the need to meet in a COVID friendly manner. Our attention to risk management, budgets, and compliance all scored highly.

Opportunities for improvement were suggested in terms of the potential greater use of secondments where additional specialised expertise was required, seeking opportunities for greater engagement with the broader Assembly and / or ASC, and enhancing our general awareness around contemporary governance matters.

Strengths of commitment / passion, skillset and willingness to contribute were identified (amongst others). Equally, the desirability of greater diversity in membership (in its broadest sense) was called out, as was ongoing training and exploring ways in which the Committee might be able to extend its broader “influence” as Assembly grapples with matters of strategic significance (such as financial sustainability).

3. Agency and Stakeholder Evaluation / Feedback

23 “external” stakeholders were also approached for feedback; 16 responses were received. Qualitative responses were sought. Feedback received was overwhelmingly positive / endorsing / affirming / appreciative, with a number of respondents noting “improvements” in what we do and how we do it over recent years. Several responses noted the importance of the work addressed by AFARC as part of the broader Assembly.

A few respondents flagged areas of concern or potential and opportunity, including:

- Is AFARC straying into the realm of business development, arguably beyond our remit?
- One Agency is seeking specific investment assistance; another Agency is simply seeking greater engagement.
- One response suggested the possibility of AFARC providing more training / orientation to other parts of Assembly.

4. Conclusions

The above comments are clearly high level only. A rich variety of feedback was received, for which we are grateful. All feedback is taken on board. Further detail is available should be ASC members be interested.

A few immediate conclusions are apparent from this evaluation exercise:

- This has been an incredibly valuable exercise. As a work colleague of mine used say – “feedback is a gift”.
- AFARC is functioning well – a high performing team – and maybe we are getting better at what we do!
- We are well thought of; we are held in high regard.
- We have been gifted some feedback identifying areas where we might be able to do more or do things differently and / or better. We will delve into such “opportunities” or “issues”. We can always improve.

5. Next Steps

As at the time of preparing this brief note, AFARC has not been able to meet to discuss the outcomes of this exercise. Results have, however, been shared with AFARC members. AFARC is holding a “special purpose” meeting in early July to discuss the feedback received (amongst other subjects). ASC will be verbally updated with any additional, relevant, material at the July meeting.

Exercises such as this are not conducted simply for the sake of it. They are designed to give an indication of past performance and also to identify ways in which we can do better. There is a lot to be gleaned from this feedback and it is AFARC’s intention to do so eagerly and constructively. To this end, AFARC will seek to identify specific next steps to take on board with a view to continuing to serve Assembly to the best of our abilities.

In passing, it is foreshadowed that further feedback as to AFARC’s performance etc will be sought from ASC members prior to the conclusion of this triennium with a further evaluation exercise completed in three years’ time.

Stuart Woodward

30 May 2022