

Report for
31st Queensland Synod
October 2014



Report from
**Department for Finance and
Property Services**

Context:

The Department for Finance and Property Services is responsible for facilitating the effective financial stewardship of the Church's resources in a manner consistent with roles assigned by Synod to other responsible bodies and with the mission priorities determined by the Synod, thus enabling The Uniting Church in Australia, Queensland Synod to develop and extend its worship witness and service.

The Department is also responsible for:

- Undertaking on behalf of the Synod, the general monitoring of all Church activities with respect to administrative, legal, financial property and computer matters;
- Undertaking on behalf of the Synod the specific monitoring and advice with respect to financial and related matters for all activities which form part of the Mission and Service Fund;
- Providing a caring and supportive environment for its own staff and all in the Church who are affected by it;
- Continuing to work towards the expansion of resources available to the Church in pursuing its mission; and
- Providing administrative, financial, legal, property and computer services to those areas of the Church's activity as determined by statute and by the Synod.

Responses to our Priority Directions since last Synod

Developing sustainable mission orientated organisation (way of being) for the Church in Queensland

Information System Development –

- Moodle is an on-line learning system that has been developed in conjunction with Trinity College Queensland.
- Guava is treasury management system that has been implemented to support funds management, investments and cash flow.
- *Caris* Relationships is a web-based database that currently supports the placement process and the education records of Trinity College Queensland.

Process Improvements –

- Budgeting and management reporting has been considerably enhanced with managers now able to access reports on-line. Quarterly financial reports are provided to the Finance Investment and Property Board, the Synod Standing Committee and the UnitingCare Queensland Board.
- A business continuity plan review of the Synod Office has almost been completed and its recommendations will be implemented.
- Revised accounting arrangements for the Uniting Church Foundation investments have been developed.
- A review by Deloitte of the finance processes, including appropriate separation of functions has been implemented.
- The closure of Uniting Church Investment Service (UCIS) operating accounts for congregations and the opening of bank accounts has improved the product offerings for congregations, reduced the full time equivalent staff in the Department by two and significantly reduced the licence costs of the banking platform used by the Department.

Legislative Compliance –

- The annual information statements required by the Australian Charities and Not-for-profit Commission required considerable resources to ensure a consistent approach. The process highlighted the deficiencies in the Synod's records on a number of fronts, including an accurate register of congregations, their names, governance structures, Australian Business Numbers (ABN's), and the authorised persons for communicating with the Australian Taxation Office.
- A successful appeal against our land tax assessment for 2012/2013 was upheld with savings of \$1,024,840 returned to congregations and agencies. Another appeal for several previous years' land tax year is now in preparation.

- Recent changes to the Credit Act and the removal of the Church's banking exemption has required the relinquishing of all retail loans and retail deposits of 30 days or less.
- Appointment of a Senior Risk Consultant to conduct risk surveys and provide hands on training and assistance in compliance and risk for all entities of the Church.
- Appointment of a Child Safe Church officer to provide hands on training and assistance in compliance with the Child Safe Policy for all entities of the Church.

Facilitating Effective Financial Stewardship –

- Housing Acquisition Fund (HAF) – In accordance with the direction of the 30th Synod, the required changes to the HAF constitution were implemented, the distribution to members was processed, and the Fund dissolved. This also enabled the payout of personal loans that had used the members' HAF balances as security.
- Congress Community Education and Development Unit Limited – The voluntary administration of this company that had a secured loan of \$6.2million with UCIS began on 20 August 2012 and finished in July 2014.
- Shalom Christian College – The College became part of the Uniting Church in Australia Property Trust (Q.) in September 2013. It has required significant financial oversight and resources through this developmental stage.
- Calvary Presbytery Review – The review highlighted the poor state of repair in a number of buildings used by congregations in this presbytery. In addition, there have been negotiations with two local councils about outstanding rates, and the demolition of two unsafe buildings.
- Auchenflower, 60 Bayliss St – The refurbishment of the Uniting Church Centre and the relocation of Trinity Theological College into the building has freed up space within Drysllwyn. Discussions are underway with Wesley Hospital for a possible use of this historic building.
- Synod office property strategy – Each property owned by the Synod office has an approved strategy that is reviewed quarterly by the Finance Investment and Property Board.

Mission Support Enterprises -

- Improvement to buildings and amenities have had positive impacts on both Alexandra Park Conference Centre and Raymont Lodge with occupancy up and both entities contributing to the Mission and Service Fund.

Working towards our Priority Directions in the future

Information System Development –

- *Caris* is an on-line portal for all web-based systems that will allow single sign-on for approved users. A version is currently available and in testing.
- *Caris Relationships* is being further enhanced to takeover the functions of Proclaim (the property database), the register of members for all Synod boards and committees, a donor management system, and the Synod directory.
- *Caris Content* is an electronic document management system that will support the digital recordkeeping of the Synod office. Currently the Synod office uses a Microsoft directory for file storage resulting in the same document stored multiple times, no version control, and difficulty searching.

Process Improvements –

- In conjunction with the information system development property processes are being reviewed to allow for automation and to reduce rework.

- Significant work is required to improve delegations and authorisations to minimise the work in the Synod office. The use of *Caris* should enable this data to be input at the source instead of double handling.

Legislative Compliance –

- The future of the Australian Charities and Not-for-profit Commission is still unknown, but it is expected that governments will increase their compliance requirements
- Land Tax assessment for various previous years will now be appealed.
- Risk assessments will be continuing across all presbyteries and congregations.

Facilitating Effective Financial Stewardship –

- Shalom Christian College will continue to receive support for its operations as it continues to trade out of its current difficulties.
- Calvary presbytery will require financial and staff resources to establish reliable accounting and reporting and remedy their property issues.
- A revised investment strategy is to be developed.
- The strategies on property in the beneficial use of the Synod office will be reviewed

Key achievements/initiatives

Caris Relationships a database supporting the placements process is now available to appropriate Synod office and presbytery staff.

Guava is a treasury management system that now provides better information on interest rates and loans.

Challenges/risks as we progress:

Shalom Christian College - Enrolments, cost control and contingent liabilities of \$5.2million with respect to Crystal Creek (a secondary campus) still pose major risks.

Synod and Presbytery Funding Model Report

Volunteers and expectations on Synod office

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