



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

**ANGLICAN FUNDS GRAFTON DIOCESE BOARD MEETING  
Video Conference  
Wednesday 19<sup>th</sup> August 2020  
AGENDA**

- 1. 10.00am - Opening Prayer**
- 2. Acknowledgement of Country**

We, the Board of Anglican Funds Grafton Diocese, acknowledge the Bundjalung, Arakwal, Yaegl, Githabul, Gumbayngirr, Dunghutti and Birpai peoples, traditional custodians of these lands on which this Diocese is based; and we pay tribute and respect to the elders of these nations and peoples, past, present and emerging and acknowledge their connection with and care for this country.
- 3. Confirm attendees and apologies**
- 4. Conflict of Interest Declarations**

Current standing register of interests:

  - Bishop Murray Harvey – various Diocesan boards and committees.
  - David Ford – Chair of Bishop Druitt College (BDC) Council and member of Bishop-in-Council.
  - Ted Clarke – agreement with Clarence Valley Anglican School (CVAS)
  - Chris Nelson – involved on various Diocesan boards and committees.
  - Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA).
- 5. Confirmation of Minutes**
  - Meeting of 11 June 2020.
  - Flying Minute of 1 July 2020 – Term Investment Interest Rate Changes effective 3 July 2020.
  - Flying Minute of 15 July 2020 – Term Investment Interest Rate Changes effective 17 July 2020.
  - Flying Minute of 12 August 2020 – Cash Management & Term Investment Interest Rate Changes effective 14 August 2020.
- 6. Call for additional agenda items and close of agenda**
- 7. Financial and performance reports**
  - a) Finance reports
- 8. Matters for discussion and/or decision**
  - a) AFSA/AFGD Service Agreement to be provided as verbal report from Blaine Fitzgerald includes;
    - Schools updates and report on major borrowers.
    - Progress report on discussions with Westpac.
  - b) Corporate Trustee Resolution at meeting of 06/08/2020 – AFGD Capital Adequacy & Liquidity incorporating projected use of funds.
  - c) 2020 Audit Proposal
- 9. Matters for noting and status updates**
  - a) Governance update AML/CTF Monitoring program and software from AFSA.

- b) Anglican Diocese of Grafton – Advice on Termination of AIRS Membership and appointment of Arthur J Gallagher & Co.

**10. Correspondence**

In:

- 3 August 2020 – ‘Insurance Arrangements’ from Chris Nelson Anglican Diocese of Grafton.
- 7 August 2020 – ‘Resolution of Corporate Trustees’ from Chris Nelson. See Agenda Item 8.b).

Out:

- 23 June 2020 – AFGD Board Resolutions for Bishop-in-Council

**11. Next meeting scheduled for 15 October 2020.**

**12. Meeting close**



**BOARD MEETING DATE:**

19/08/2020

**No 5      Confirmation of Minutes**

**Title: Meeting of 11 June 2020**

**No of Pages. 5 incl Header**



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

**Minutes**  
**Thursday 11<sup>th</sup> June 2020**  
**By Zoom Video Conference**

On the same day, prior to this meeting, the members of the AFGD Board met with the Corporate Trustees to discuss the audit with the auditor present and to have a general discussion on the AFGD operations and strategy.

**1. Opening** Meeting opened at 3.17pm.

**2. Attendees:** Mr David Ford (Chair), Mr Phil Crandon, Mr Ted Clarke,  
Mr John Adlington, Mr Gary Boyd, Bishop Murray Harvey

Non-members: Mr Chris Nelson, Mr Blaine Fitzgerald,  
Mrs Annette Dent

All participants were joined by Zoom video conference.

**Apologies:** Nil

**3. Prayers and Acknowledgement of Country**

The Chair opened the meeting with prayer and Acknowledgement of Country as printed in the meeting agenda and Mr Gary Boyd said the opening prayer.

**4. Conflict of Interest Declarations**

The current standing register of interests as follows was noted:

- Bishop Murray Harvey – involved on various Diocesan boards and committees
- David Ford – Chair of Bishop Druitt College (BDC) Council and member of Bishop-in-Council.
- Ted Clarke – Agreement with Clarence Valley Anglican School
- Chris Nelson – involved on various Diocesan boards and committees.
- Blaine Fitzgerald – Head of Anglican Funds South Australia (AFSA)

**5. Confirmation of Minutes**

*That the minutes of the meeting of 30 April 2020 be accepted as true and correct*

**Moved:** Mr John Adlington

**Seconded:** Mr Phil Crandon

**Carried**

On 12<sup>th</sup> May 2020, the following resolution was agreed by Flying Minute:

“That when comparing 30/4/20 actual liquidity against the forecast liquidity position, it has become evident that AFGD will not be in a position to release funds in early May 2020 to The Corporate Trustees and that based on the forecast liquidity position to 31/5/20, AFGD would need to wait until the actual data becomes available before it will be in a position to advise the Corporate Trustees further. AFGD anticipates it will be able to provide that information to the Corporate Trustees by 5/6/20.”

*That the Flying Minute on the withdrawal of Corporate Trustee Funds dated 12<sup>th</sup> May 2020 be ratified.*

**Moved:** Mr John Adlington

**Seconded:** Mr David Ford

**Carried**



On 3<sup>rd</sup> June 2020, the following was agreed by Flying Minute:

By email from Mr Blaine Fitzgerald –

I have a response from the Board of AFGD.

After taking in to consideration the request and advice from AFGD's solicitors Fishburn Watson O'Brien (FWO), AFGD confirm they are prepared to accept the following amendments:

Clause 6. No change

"The proposed deletion of clause 6 would be unusual in a commercial mortgage because it would allow the school to carry out works on the land without AFGD's consent or oversight. Because those works have the potential to change the value of the land itself, most mortgagees require that they not be carried out without the lender's consent."

Also I have obtained a copy of Westpac Mortgage provisions and note it contains a similar clause.

Refer clause 7.

Clause 8. Amended as requested.

"The proposed amendment to clause 8 is appropriate."

Clause 12. Amended as requested (deleted)

*That the Flying Minute on the Lindisfarne AFGD Loan Documents Mortgage Annexure dated 3<sup>rd</sup> June 2020 be ratified.*

**Moved:** Mr David Ford

**Seconded:** Mr Ted Clarke

**Carried**

On 3<sup>rd</sup> June 2020, the following resolution was agreed by Flying Minute:

"That the AFGD Board approves the following Term Investment rates effective immediately:

90 days 1.00% p.a.

180 days 1.55% p.a.

365 days 1.40% p.a."

Note that due to the time of day that responses from the AFGD Board were received on 3<sup>rd</sup> June 2020, the rate changes were processed in the client banking system effective 4<sup>th</sup> June 2020.

*That the Flying Minute on Term Investment Interest Rate Changes dated 3<sup>rd</sup> June 2020 be ratified.*

**Moved:** Bishop Murray Harvey

**Seconded:** Mr Phil Crandon

**Carried**

On 9<sup>th</sup> June 2020, the following resolution was agreed by Flying Minute:

"That when comparing 31/5/20 actual liquidity against the forecast liquidity position, it has become evident that AFGD will be in a position to release \$1.5m in early June 2020 to The Corporate Trustees and that based on the forecast liquidity position to 30/6/20, AFGD would need to wait until the actual data becomes available before it will be in a position to advise the Corporate Trustees further. AFGD anticipates it will be able to provide that information to the Corporate Trustees by 7/7/20."

*That the Flying Minute on the withdrawal of Corporate Trustee Funds - Updated Analysis 05/06/20 dated 9<sup>th</sup> June 2020 be ratified.*

**Moved:** Mr David Ford

**Seconded:** Mr Gary Boyd

**Carried**

## **6. Call for additional Agenda items and close of Agenda**

There were no additional agenda items. There were two late paper items. The first late paper was forwarded by email from Mrs Annette Dent on 9<sup>th</sup> June 2020 and is included in Agenda Item 5.

'Confirmation of Minutes – Flying Minute Withdrawal of Corporate Trustee Funds Updated Analysis 05/06/2020'. The second late paper was forwarded by email from Mr Blaine Fitzgerald and is included in Agenda Item 8a. AFSA/AFGD Service Agreement 'Key Client Update' report.

## **7. Financial and Performance Reports**

### **a. Finance Reports**

The finance reports to 31<sup>st</sup> May 2020 were considered. Mr Blaine Fitzgerald spoke to the reports and advised that the fund is tracking ahead of budget and will be in a strong position if the trend continues. It was noted that there may be a clawing back towards the end of the year based on the timing of loan income however it is a conservative budget and the margins are holding well. Expense lines are well maintained. There was further discussion in regards to the Ord Minnett portfolio. Mr Blaine Fitzgerald advised that he had received a 'credit worthiness' report from Ord Minnett and that he will share the report with the Board. The current holdings comply with the interest bearing security policy. It was noted that the Ord Minnett portfolio is tracking in line with budget expectations and that it is receiving a reasonable return based on the level of risk and current market conditions.

*That the AFGD Board receives the financial reports for the period to 31 May 2020.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr Gary Boyd

**Carried**

#### **b. Audit Update**

The Board considered the 2019 Financial Statements and the presentation by the auditor.

*That the Board of Anglican Funds Grafton Diocese accepts the general purpose financial report for the year ending 31 December 2019 which has been prepared in accordance with the accounting policies described in Note 2 to the financial statements.*

*The Board declares that*

1. *The financial statements and notes, as set out on pages 5 to 25 present fairly the Fund's financial position as at 31 December 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.*

2. *In the Board's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.*

*That the AFGD Board authorises Mr David Ford and Mr Ted Clarke to sign the Audited Financial Statements.*

**Moved:** Mr Phil Crandon

**Seconded:** Mr John Adlington

**Carried**

*That the Audited Financial Statements for 2019 for Anglican Funds Grafton Diocese as presented to Board be presented to Synod by Mr David Ford on behalf of the Fund.*

**Moved:** Mr John Adlington

**Seconded:** Mr Gary Boyd

**Carried**

### **8. Matters for Discussion and or Decision**

#### **a. AFSA/AFGD Service Agreement Update**

Mr Blaine Fitzgerald provided an update on various administration and support provided to AFGD as part of the Service Agreement. The report covered the topics of:

- Overarching strategy with Westpac update
- Schools updates

Mr Blaine Fitzgerald spoke further to his report with a summary of the current position of each of the schools. SCAS has reported that they will be positioned better than forecast for the end of the year and that they are currently awaiting signing clause updates on deed documents for release of remaining Westpac funding for fitout costs associated with the Performing Arts Centre of Excellence. Mr Blaine Fitzgerald advised that after considerable follow up work, LAGS loans documents have been finalised and are now in the process of being signed by all parties. This means that the LAGS purchase of the Berger Land is on track for settlement on 30 June 2020 and AFGD is in position to meet & honour our commitment to LAGS on this matter. Any further shift of LAGS facilities to Westpac requires a move forward from Westpac. The shift of SCAS and BDC line of credit facilities is also dependant on the level of urgency from Westpac to move forward. There was extensive discussion in regards to the current position of EAC negotiations with Westpac. It was noted that from the Diocese point of view the relationship and 'go forward' of the school is the big picture priority. The AFGD Board asked that Mr Blaine Fitzgerald clarify with EAC Principal Rob Tobias if the College

Council wants to proceed on the proposal currently presented to them by Westpac. If the response is yes then Mr Blaine Fitzgerald has been asked by the AFGD Board to complete an Executive Summary on the proposal to be presented to the Corporate Trustees and Bishop-in-Council for consideration. The Chair acknowledged Mr Blaine Fitzgerald and thanked him for all of the work he has completed to date on the strategy to shift large line of credit exposures under Pari Passu arrangements from AFGD to Westpac.

**b. Ordinance Requirements**

Mr Chris Nelson spoke to the two Diocesan Governance Ordinance clauses referenced in the business papers. The AFGD Board discussed further and resolved the following.

*That the AFGD Board request permission from Bishop-in-Council that Clause 220.8 is not activated and reviewed in December 2021 due to the AFGD Board exploring strategic options.*

**Moved:** Mr John Adlington

**Seconded:** Mr David Ford

**Carried**

*That the AFGD Board request permission from Bishop-in-Council to amend Clause 221.1 to 'The AFGD Board shall meet a minimum of 6 times per calendar year'.*

**Moved:** Mr Gary Boyd

**Seconded:** Mr Phil Crandon

**Carried**

**c. Withdrawal of Corporate Trustee Funds – updated May actuals and June forecast.**

The Chair thanked Mrs Annette Dent for her work on providing the analysis and confirmed that the next update with June actuals and July forecast is to be provided by 07/07/2020.

**9. Matters for noting and status updates**

**a. Corporate Trustees Resolution regarding AFGD and AFSA**

The Chair noted the resolution forward by email from Mr Chris Nelson on 4<sup>th</sup> May 2020 as presented.

**10. Correspondence**

**In:**

- Nil

**Out:**

- Nil

**11. Next meeting – scheduled for 20 August 2020.**

**12. Meeting close –the meeting closed at 4.38pm**

**CONFIRMED** as true and correct record of proceedings of Anglican Funds Grafton Diocese Board meeting of 11 June 2020

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Chair – David Ford



**BOARD MEETING DATE:**

19/08/2020

**No 5      Confirmation of Minutes**

**Title: Flying Minute of 1 July 2020 – Term Investment  
Interest Rate Changes effective 3 July 2020**

**No of Pages. 5 incl Header**

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**AFGD Board Flying Minute - newTerm Investment Rates effective 03/07/2020**

1 message

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**Annette Dent** <office@afgd.com.au>

1 July 2020 at 15:53

To: David Ford <fordie@mac.com>, John Adlington <jadlington2@gmail.com>, Philip Crandon <phil\_crandon@bigpond.com>, Ted & Peggy Clarke <tedpeggy@bigpond.net.au>, Gary Boyd <garyandcilla@outlook.com>, Murray Harvey <bishop@graftondiocese.org.au>  
Cc: Chris Nelson <chris.nelson@graftondiocese.org.au>, bfitzgerald@adelaideanglicans.com, Linda Butler <linda.butler@afgd.com.au>

Dear AFGD Board Members,

As part of my regular fortnightly review of deposit rates, specifically Term Investment rates, please see below proposed rate changes. Note: an effective date of 03/07/2020 is to provide sufficient time for Board Member response and subsequent system changes to be processed.

AFGD currently advertises the following Term Investment rates:

90 days 1.00% p.a.  
180 days 1.55% p.a.  
365 days 1.40% p.a.

Most recent assessment (1 July) of comparative retail rates (see attachment) which on average are:

90 days 0.88% p.a.  
180 days 0.93% p.a.  
365 days 1.01% p.a.

AFSA current rates 01/07/2020 are:

90 days 0.85% p.a.  
180 days 1.40% p.a.  
365 days 1.10% p.a.

Could you please respond by 'Reply All' email confirming whether you support the following resolution?

**That the AFGD Board approves the following Term Investment rates effective 03/07/2020:**

**90 days 0.90% p.a.**  
**180 days 1.40% p.a.**  
**365 days 1.20% p.a.**

Kind regards  
Annette

Annette Dent  
Office Admin / Customer Service  
Anglican Funds Grafton Diocese  
Level 1, 50 Victoria Street GRAFTON NSW 2460  
PO Box 4 GRAFTON NSW 2460  
FreeCall 1800 810 919 (NSW Only)  
Ph: 02 6642 4480 Fax: 02 6643 2391



Visit [www.anglicanfundsgraftondiocese.com.au](http://www.anglicanfundsgraftondiocese.com.au) for details on our Investment Products,  
Saver and Term Investment Accounts - currently paying up to 1.55% pa

*The contents of this email are confidential. Any unauthorised use of the contents is expressly prohibited. If you have received this email in error, please advise by telephone (reverse charges) immediately and then delete/destroy the email and any printed copies.  
Thank you.*

1/07/2020

Term (months)

	1	2	3	6	12
CBA	0.20	0.30	0.65	0.70	0.90
WESTPAC	0.15	0.30	0.70	0.65	0.85
BANKWEST	0.40	0.65	0.90	0.95	1.00
NAB	0.20	0.35	0.70	0.80	0.95
SUNCORP BANK	0.30	0.35	0.85	0.90	0.80
MACQUARIE	0.10	0.10	0.90	0.90	0.90
CUA	0.30	0.50	1.00	1.05	1.05
BENDIGO&ADELAIDE BANK	0.20	0.30	0.75	0.90	1.00
BANK OF QLD	0.20	0.45	1.00	1.05	1.10
ME BANK	0.85	0.85	1.30	1.40	1.50

Average	0.29	0.42	0.88	0.93	1.01
Median	0.20	0.35	0.88	0.90	0.98
Current	0.20	0.30	0.80	1.40	1.10
Difference	0.09	0.12	0.08	-	0.10
New	0.20	0.30	0.85	1.40	1.10
Std Dev	0.21	0.21	0.19	0.21	0.20
Movement	-	-	0.05	-	-
From Max	0.65	0.55	0.45	-	0.40

Comparison Rate

1.25% Monthly rate  
1.26% Annualised compound rate

Security Float

0.97% 1,124,000  
1.92% 281,000  
1.16% 1,405,000

For ALCO Report

Average	0.29	0.42	0.88	0.93	1.01
Median	0.20	0.35	0.88	0.90	0.98
Standard Deviation	0.21	0.21	0.19	0.21	0.20
<b>AFSA Current Rates</b>	<b>0.20</b>	<b>0.30</b>	<b>0.85</b>	<b>1.40</b>	<b>1.10</b>

AFSA as @ 01/07/2020

90 days 0.85%  
180 days 1.40%  
365 days 1.10%

AFGD as @ 01/07/2020

90 days 1.00%  
180 days 1.55%  
365 days 1.40%

AFGD - proposed changes effective 03/07/2020

90 days 0.90%  
180 days 1.40%  
365 days 1.20%

<b>1/07/2020</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>180</b>	<b>365</b>			
	-	-	-	-	-			
CBA	0.20	0.30	0.65	0.70	0.90			
WESTPAC	0.15	0.30	0.70	0.65	0.85			
BANKWEST	0.40	0.65	0.90	0.95	1.00			
NAB	0.20	0.35	0.70	0.80	0.95			
SUNCORP BANK	0.30	0.35	0.85	0.90	0.80			
MACQUARIE	0.10	0.10	0.90	0.90	0.90			
CUA	0.30	0.50	1.00	1.05	1.05			
	-	-	-	-	-			
BENDIGO&ADELAIDE BANK	0.20	0.30	0.75	0.90	1.00			
BANK OF QLD	0.20	0.45	1.00	1.05	1.10			
ME BANK	0.85	0.85	1.30	1.40	1.50			
	-	-	-	-	-			
	-	-	-	-	-			
	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>	<b>270</b>	<b>365</b>
WESTPAC								
ST GEORGE								
BANK OF MELBOURNE								
BANK SA								
NAB	0.25%	0.40%	0.90%	2.24%	2.26%	0.90%	1.80%	1.25%
AN								
SUNCORP BANK								
AMP BANK	1.10%	1.20%	1.30%	2.15%	2.65%	1.65%	2.05%	1.45%
MACQUARIE								
ING Direct - Middle Mar et								
ING Direct - Adviser								
BENDIGO&ADELAIDE BANK	0.25%	0.55%	0.70%	2.60%	2.65%	0.90%	1.75%	1.05%
BANK OF QLD	0.30%	0.60%	1.00%	2.58%	2.58%	1.15%	2.05%	1.20%
ME BANK	1.00%	1.10%	1.35%	2.68%	2.68%	1.60%	2.00%	1.40%
WESTPAC	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
ST GEORGE	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK OF MELBOURNE	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK SA	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
NAB	1.80%	2.25%	2.39%	2.39%	0.0239	0.0239	0.0241	0.0241
SUNCORP BANK	1.70%	1.80%	2.27%	2.45%	0.023	0.0255	0.024	0.0247
AMP BANK	2.15%	2.15%	2.50%	2.35%	0.02	0.026	0.026	0.026
MACQUARIE	1.55%	1.55%	2.35%	2.35%	0.023	0.023	0.0235	0.024
ING Direct - Middle Mar et	1.70%	2.04%	2.17%		0.0232	0.0262	0.0259	0.0259
ING Direct - Adviser	2.00%	2.40%				0.026		0.027
BENDIGO&ADELAIDE BANK	1.60%	1.95%	2.20%	2.25%	0.023	0.024	0.0245	0.025
BANK OF QLD	1.65%	2.00%	2.45%	2.50%	0.0255	0.026	0.026	0.0255
ME BANK	1.85%	2.15%	2.52%	2.55%	0.0255	0.0265	0.026	0.026

# Fixed Income - Term Deposits

## Indicative Rates

01-Jul-2020

### \$100,000 to \$1,000,000 for Wholesale Clients

Issuer (Long Term Rating / Short Term Rating)	Min	1 Month	2 Months	3 Months	6 Months	9 Months	12 Months	2 Years	3 Years	5 Years
Bank Bill Swap Rates (Mid)		0.09%	0.10%	0.10%	0.16%	0.16%	0.15%	0.19%	0.23%	0.23%
AMP (BBB+ / A-2)	\$100k	0.70%	0.80%	0.95%	1.00%	1.20%	1.20%	1.20%	1.00%	1.00%
Bank of Queensland (BBB+ / A-2)	\$500k	0.15%	0.30%	0.65%	0.70%	0.90%	0.95%	1.00%	1.10%	1.30%
Bendigo and Adelaide Bank (BBB+ / A-2)	\$100k	0.25%	0.50%	0.70%	0.80%	0.80%	1.05%	1.10%	1.10%	1.10%
BOQ Specialist (BBB+ / A-2)	\$100k	0.75%	0.75%	0.95%	1.05%	0.85%	1.05%	0.90%	0.90%	1.05%
Community First Credit Union (NR / NR)	\$250k	0.00%	0.35%	0.50%	0.55%	0.00%	0.60%	0.00%	0.00%	0.00%
ME Bank (BBB / A-2)	\$100k	0.75%	0.85%	1.20%	1.20%	1.20%	1.25%	0.00%	0.00%	0.00%
NAB (AA- / A-1+)	\$500k	0.25%	0.35%	0.75%	0.80%	0.85%	1.00%	0.90%	0.95%	1.10%
Rural Bank (BBB+ / A-2)	\$250k	0.15%	0.25%	0.70%	0.85%	0.70%	0.95%	0.90%	0.90%	0.90%

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**BOARD MEETING DATE:**

19/08/2020

**No 5 Confirmation of Minutes**

**Title: Flying Minute of 15 July 2020 – Term Investment  
Interest Rate Changes effective 17 July 2020**

**No of Pages. 5 incl Header**

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**AFGD Board Flying Minute - new Term Investment Rates effective 17/07/2020**

1 message

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**Annette Dent** <office@afgd.com.au>

15 July 2020 at 18:03

To: David Ford <fordie@mac.com>, John Adlington <jadlington2@gmail.com>, Philip Crandon <phil\_crandon@bigpond.com>, Ted & Peggy Clarke <tedpeggy@bigpond.net.au>, Gary Boyd <garyandcilla@outlook.com>, Murray Harvey <bishop@graftondiocese.org.au>  
Cc: Chris Nelson <chris.nelson@graftondiocese.org.au>, bfitzgerald@adelaideanglicans.com, Linda Butler <linda.butler@afgd.com.au>

Dear AFGD Board Members,

As part of my regular fortnightly review of deposit rates, specifically Term Investment rates, please see below proposed rate changes. Note: an effective date of 17/07/2020 is to provide sufficient time for Board Member response and subsequent system changes to be processed.

AFGD currently advertises the following Term Investment rates:

90 days 0.90% p.a.  
180 days 1.40% p.a.  
365 days 1.20% p.a.

Most recent assessment (15 July) of comparative retail rates (see attachment) which on average are:

90 days 0.84% p.a.  
180 days 0.86% p.a.  
365 days 0.94% p.a.

AFSA current rates 15/07/2020 are:

90 days 0.85% p.a.  
180 days 1.05% p.a.  
365 days 1.10% p.a.

Could you please respond by 'Reply All' email confirming whether you support the following resolution?

**That the AFGD Board approves the following Term Investment rates effective 17/07/2020:**

**90 days 0.90% p.a.**  
**180 days 1.15% p.a.**  
**365 days 1.10% p.a.**

Kind regards  
Annette

Annette Dent  
Office Admin / Customer Service  
Anglican Funds Grafton Diocese  
Level 1, 50 Victoria Street GRAFTON NSW 2460  
PO Box 4 GRAFTON NSW 2460  
FreeCall 1800 810 919 (NSW Only)  
Ph: 02 6642 4480 Fax: 02 6643 2391



Visit [www.anglicanfundsgraftondiocese.com.au](http://www.anglicanfundsgraftondiocese.com.au) for details on our Investment Products,  
Saver and Term Investment Accounts - currently paying up to 1.40% pa

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*Thank you.*

15/07/2020

Term (months)	1	2	3	6	12
CBA	0.20	0.30	0.60	0.65	0.80
WESTPAC	0.15	0.30	0.70	0.65	0.85
BANKWEST	0.40	0.65	0.90	0.95	1.00
NAB	0.20	0.35	0.75	0.70	0.95
SUNCORP BANK	0.30	0.35	0.85	0.90	0.70
MACQUARIE	0.05	0.05	0.85	0.85	0.85
CUA	0.30	0.50	1.00	1.05	1.05
BENDIGO&ADELAIDE BANK	0.20	0.30	0.75	0.70	1.00
BANK OF QLD	0.20	0.45	1.00	1.05	1.10
ME BANK	0.60	0.60	1.00	1.05	1.05
Average	0.26	0.39	0.84	0.86	0.94
Median	0.20	0.35	0.85	0.88	0.98
Current	0.10	0.30	0.85	1.10	1.15
Difference	0.16	0.09	-	0.25	-
New	0.15	0.35	0.85	1.05	1.10
Std Dev	0.15	i	0.14	0.17	0.13
Movement	0.05	0.05	-	0.05	-
From Max	0.45	0.30	0.15	-	-

#### Comparison Rate

1.25% Monthly rate  
1.26% Annualised compound rate

#### Security Float

0.97% 1,124,000  
1.92% 281,000  
1.16% 1,405,000

For ALCO Report

Average	0.26	0.39	0.84	0.86	0.94
Median	0.20	0.35	0.85	0.88	0.98
Standard Deviation	0.15	i	0.14	0.17	0.13
<b>AFSA Current Rates</b>	<b>0.15</b>	<b>0.35</b>	<b>0.85</b>	<b>1.05</b>	<b>1.10</b>

AFSA as @ 15/07/2020

90 days 0.85%  
180 days 1.05%  
365 days 1.10%

AFGD as @ 15/07/2020

90 days 0.90%  
180 days 1.40%  
365 days 1.20%

AFGD - proposed changes effective 17/07/2020

90 days 0.90%  
180 days 1.15%  
365 days 1.10%

15/07/2020

	30	60	90	180	365			
	-	-	-	-	-			
CBA	0.20	0.30	0.60	0.65	0.80			
WESTPAC	0.15	0.30	0.70	0.65	0.85			
BANKWEST	0.40	0.65	0.90	0.95	1.00			
NAB	0.20	0.35	0.75	0.70	0.95			
SUNCORP BANK	0.30	0.35	0.85	0.90	0.70			
MACQUARIE	0.05	0.05	0.85	0.85	0.85			
CUA	0.30	0.50	1.00	1.05	1.05			
	-	-	-	-	-			
BENDIGO&ADELAIDE BANK	0.20	0.30	0.75	0.70	1.00			
BANK OF QLD	0.20	0.45	1.00	1.05	1.10			
ME BANK	0.60	0.60	1.00	1.05	1.05			
	-	-	-	-	-			
	-	-	-	-	-			
	30	60	90	120	150	180	270	365
WESTPAC ☼								
ST GEORGE ☼								
BANK OF MELBOURNE ☼								
BANK SA ☼								
NAB ☼	0.25%	0.40%	0.90%	2.24%	2.26%	0.90%	1.80%	1.25%
ANZ								
SUNCORP BANK ☼								
AMP BANK ☼	1.10%	1.20%	1.30%	2.15%	2.65%	1.65%	2.05%	1.45%
MACQUARIE ☼								
ING Direct - Middle Market ☼								
ING Direct - Adviser ☼								
BENDIGO&ADELAIDE BANK ☼	0.25%	0.55%	0.70%	2.60%	2.65%	0.90%	1.75%	1.05%
BANK OF QLD ☼	0.30%	0.60%	1.00%	2.58%	2.58%	1.15%	2.05%	1.20%
ME BANK ☼	1.00%	1.10%	1.35%	2.68%	2.68%	1.60%	2.00%	1.40%
WESTPAC ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
ST GEORGE ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK OF MELBOURNE ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK SA ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
NAB ☼	1.80%	2.25%	2.39%	2.39%	0.0239	0.0239	0.0241	0.0241
SUNCORP BANK ☼	1.70%	1.80%	2.27%	2.45%	0.023	0.0255	0.024	0.0247
AMP BANK ☼	2.15%	2.15%	2.50%	2.35%	0.02	0.026	0.026	0.026
MACQUARIE ☼	1.55%	1.55%	2.35%	2.35%	0.023	0.023	0.0235	0.024
ING Direct - Middle Market ☼	1.70%	2.04%	2.17%		0.0232	0.0262	0.0259	0.0259
ING Direct - Adviser ☼	2.00%	2.40%				0.026		0.027
BENDIGO&ADELAIDE BANK ☼	1.60%	1.95%	2.20%	2.25%	0.023	0.024	0.0245	0.025
BANK OF QLD ☼	1.65%	2.00%	2.45%	2.50%	0.0255	0.026	0.026	0.0255
ME BANK ☼	1.85%	2.15%	2.52%	2.55%	0.0255	0.0265	0.026	0.026

# Fixed Income - Term Deposits

## Indicative Rates

15-Jul-2020

### \$100,000 to \$1,000,000 for Wholesale Clients

Issuer (Long Term Rating / Short Term Rating)	Min	1 Month	2 Months	3 Months	6 Months	9 Months	12 Months	2 Years	3 Years	5 Years
Bank Bill Swap Rates (Mid)		0.09%	0.10%	0.11%	0.17%	0.14%	0.13%	0.15%	0.19%	0.38%
AMP (BBB+ / A-2)	\$100k	0.40%	0.50%	0.60%	0.90%	0.80%	1.00%	1.00%	1.00%	1.00%
Bank of Queensland (BBB+ / A-2)	\$500k	0.15%	0.25%	0.55%	0.70%	0.80%	0.85%	0.90%	1.00%	1.20%
Bendigo and Adelaide Bank (BBB+ / A-2)	\$100k	0.10%	0.35%	0.65%	0.70%	0.70%	0.95%	1.00%	1.00%	1.00%
BOQ Specialist (BBB+ / A-2)	\$100k	0.75%	0.75%	0.90%	1.00%	0.85%	0.95%	0.85%	0.90%	1.05%
Community First Credit Union (NR / NR)	\$250k	0.00%	0.35%	0.50%	0.55%	0.00%	0.65%	0.00%	0.00%	0.00%
ME Bank (BBB / A-2)	\$100k	0.60%	0.60%	1.00%	1.05%	1.00%	1.05%	0.00%	0.00%	0.00%
NAB (AA- / A-1+)	\$500k	0.22%	0.35%	0.75%	0.75%	0.83%	0.90%	0.80%	0.85%	1.00%
Rural Bank (BBB+ / A-2)	\$250k	0.15%	0.25%	0.70%	0.85%	0.70%	0.95%	0.90%	0.90%	0.90%

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**BOARD MEETING DATE:**

19/08/2020

**No 5      Confirmation of Minutes**

**Title: Flying Minute of 12 August 2020 – Cash Management  
& Term Investment Interest Rate Changes effective 14  
August 2020**

**No of Pages. 6 incl Header**

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**AFGD Board Flying Minute - new Cash Management & Term Investment Rates effective 14/08/2020**

1 message

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**Annette Dent** <office@afgd.com.au>

12 August 2020 at 14:36

To: David Ford <fordie@mac.com>, John Adlington <jadlington2@gmail.com>, Philip Crandon <phil\_crandon@bigpond.com>, Ted & Peggy Clarke <tedpeggy@bigpond.net.au>, Gary Boyd <garyandcilla@outlook.com>, Murray Harvey <bishop@graftondiocese.org.au>  
Cc: Chris Nelson <chris.nelson@graftondiocese.org.au>, bfitzgerald@adelaideanglicans.com, Linda Butler <linda.butler@afgd.com.au>

Dear AFGD Board Members,

As part of my regular fortnightly review of deposit rates, particularly Term Investment rates, please see below proposed rate changes. Note: an effective date of 14/08/2020 is to provide sufficient time for Board Member response and subsequent system changes to be processed.

AFGD currently advertises the following Cash Management Account & Term Investment rates:

Cash Management 0.75%

90 days 0.90% p.a.

180 days 1.15% p.a.

365 days 1.10% p.a.

Most recent assessment (12 August) of comparative retail rates (see attachment) which on average are:

90 days 0.65% p.a.

180 days 0.71% p.a.

365 days 0.82% p.a.

AFSA current rates 12/08/2020 are:

90 days 0.60% p.a.

180 days 0.85% p.a.

365 days 1.00% p.a.

Could you please respond by 'Reply All' email confirming whether you support the following resolution?

**That the AFGD Board approves the following Cash Management Account & Term Investment rates effective 14/08/2020:**

**Cash Management 0.50%**

**90 days 0.75% p.a.**

**180 days 0.95% p.a.**

**365 days 1.00% p.a.**

Kind regards

Annette

Annette Dent  
Office Admin / Customer Service  
Anglican Funds Grafton Diocese  
Level 1, 50 Victoria Street GRAFTON NSW 2460  
PO Box 4 GRAFTON NSW 2460  
FreeCall 1800 810 919 (NSW Only)  
Ph: 02 6642 4480 Fax: 02 6643 2391



Visit [www.anglicanfundsgraftondiocese.com.au](http://www.anglicanfundsgraftondiocese.com.au) for details on our Investment Products,  
Saver and Term Investment Accounts - currently paying up to 1.15% pa

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*Thank you.*



**AFGD Rate Review 12Aug2020.pdf**

1154K



12/08/2020

Term (months)	1	2	3	6	12
CBA	0.10	0.10	0.50	0.60	0.85
WESTPAC	0.10	0.20	0.55	0.65	0.80
BANKWEST	0.30	0.45	0.80	0.80	0.90
NAB	0.20	0.35	0.60	0.65	0.75
SUNCORP BANK	0.35	0.35	0.80	0.85	0.85
MACQUARIE	0.05	0.05	0.60	0.65	0.65
CUA	0.30	0.30	0.70	0.65	0.80
BENDIGO&ADELAIDE BANK	0.05	0.25	0.60	0.65	0.80
BANK OF QLD	0.15	0.25	0.55	0.70	0.80
ME BANK	0.50	0.50	0.80	0.85	1.00
Average	0.21	0.28	0.65	0.71	0.82
Median	0.18	0.28	0.60	0.65	0.80
Current	0.15	0.30	0.75	0.90	1.00
Difference	0.06 -	0.02 -	0.10 -	0.20 -	0.18
New	0.15	0.25	0.60	0.85	1.00
Std Dev	0.15	0.14	0.12	0.09	0.09
Movement	- -	0.05 -	0.15 -	0.05	-
From Max	0.35	0.25	0.20	-	-

#### Comparison Rate

1.25% Monthly rate  
1.26% Annualised compound rate

#### Security Float

0.97% 1,124,000  
1.92% 281,000  
1.16% 1,405,000

For ALCO Report

Average	0.21	0.28	0.65	0.71	0.82
Median	0.18	0.28	0.60	0.65	0.80
Standard Deviation	0.15	0.14	0.12	0.09	0.09
<b>AFSA Current Rates</b>	<b>0.15</b>	<b>0.25</b>	<b>0.60</b>	<b>0.85</b>	<b>1.00</b>

AFSA as @ 12/08/2020

90 day 0.60%  
180 day 0.85%  
365 day 1.00%

AFGD as @ 12/08/2020

Cash Management 0.75%  
90 day 0.90%  
180 day 1.15%  
365 day 1.10%

AFGD proposed effective 14/08/2020

Cash Management 0.50%  
90 day 0.75%  
180 day 0.95%  
365 day 1.00%

<b>12/08/2020</b>	<b>30</b>	<b>60</b>	<b>90</b>	<b>180</b>	<b>365</b>			
	-	-	-	-	-			
CBA	0.10	0.10	0.50	0.60	0.85			
WESTPAC	0.10	0.20	0.55	0.65	0.80			
BANKWEST	0.30	0.45	0.80	0.80	0.90			
NAB	0.20	0.35	0.60	0.65	0.75			
SUNCORP BANK	0.35	0.35	0.80	0.85	0.85			
MACQUARIE	0.05	0.05	0.60	0.65	0.65			
CUA	0.30	0.30	0.70	0.65	0.80			
	-	-	-	-	-			
BENDIGO&ADELAIDE BANK	0.05	0.25	0.60	0.65	0.80			
BANK OF QLD	0.15	0.25	0.55	0.70	0.80			
ME BANK	0.50	0.50	0.80	0.85	1.00			
	-	-	-	-	-			
	-	-	-	-	-			
	<b>30</b>	<b>60</b>	<b>90</b>	<b>120</b>	<b>150</b>	<b>180</b>	<b>270</b>	<b>365</b>
WESTPAC ☼								
ST GEORGE ☼								
BANK OF MELBOURNE ☼								
BANK SA ☼								
NAB ☼	0.25%	0.40%	0.90%	2.24%	2.26%	0.90%	1.80%	1.25%
ANZ								
SUNCORP BANK ☼								
AMP BANK ☼	1.10%	1.20%	1.30%	2.15%	2.65%	1.65%	2.05%	1.45%
MACQUARIE ☼								
ING Direct - Middle Market ☼								
ING Direct - Adviser ☼								
BENDIGO&ADELAIDE BANK ☼	0.25%	0.55%	0.70%	2.60%	2.65%	0.90%	1.75%	1.05%
BANK OF QLD ☼	0.30%	0.60%	1.00%	2.58%	2.58%	1.15%	2.05%	1.20%
ME BANK ☼	1.00%	1.10%	1.35%	2.68%	2.68%	1.60%	2.00%	1.40%
WESTPAC ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
ST GEORGE ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK OF MELBOURNE ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
BANK SA ☼	1.48%	1.75%	2.14%	2.18%	0.0223	0.0227	0.0229	0.022
NAB ☼	1.80%	2.25%	2.39%	2.39%	0.0239	0.0239	0.0241	0.0241
SUNCORP BANK ☼	1.70%	1.80%	2.27%	2.45%	0.023	0.0255	0.024	0.0247
AMP BANK ☼	2.15%	2.15%	2.50%	2.35%	0.02	0.026	0.026	0.026
MACQUARIE ☼	1.55%	1.55%	2.35%	2.35%	0.023	0.023	0.0235	0.024
ING Direct - Middle Market ☼	1.70%	2.04%	2.17%		0.0232	0.0262	0.0259	0.0259
ING Direct - Adviser ☼	2.00%	2.40%				0.026		0.027
BENDIGO&ADELAIDE BANK ☼	1.60%	1.95%	2.20%	2.25%	0.023	0.024	0.0245	0.025
BANK OF QLD ☼	1.65%	2.00%	2.45%	2.50%	0.0255	0.026	0.026	0.0255
ME BANK ☼	1.85%	2.15%	2.52%	2.55%	0.0255	0.0265	0.026	0.026

# Fixed Income - Term Deposits

## Indicative Rates

12-Aug-2020

### \$100,000 to \$1,000,000 for Wholesale Clients

Issuer (Long Term Rating / Short Term Rating)	Min	1 Month	2 Months	3 Months	6 Months	9 Months	12 Months	2 Years	3 Years	5 Years
Bank Bill Swap Rates (Mid)		0.09%	0.10%	0.10%	0.17%	0.14%	0.13%	0.15%	0.19%	0.38%
AMP (BBB+ / A-2)	\$100k	0.40%	0.50%	0.55%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
Bank of Queensland (BBB+ / A-2)	\$500k	0.15%	0.25%	0.55%	0.70%	0.70%	0.75%	0.90%	1.00%	1.20%
Bendigo and Adelaide Bank (BBB+ / A-2)	\$100k	0.05%	0.25%	0.60%	0.65%	0.65%	0.80%	0.90%	0.90%	0.95%
BOQ Specialist (BBB+ / A-2)	\$100k	0.55%	0.55%	0.70%	0.80%	0.75%	0.80%	0.60%	0.65%	0.85%
Community First Credit Union (NR / NR)	\$250k	0.00%	0.30%	0.45%	0.50%	0.00%	0.60%	0.00%	0.00%	0.00%
ME Bank (BBB / A-2)	\$100k	0.50%	0.50%	0.80%	0.85%	0.90%	1.00%	0.00%	0.00%	0.00%
NAB (AA- / A-1+)	\$500k	0.17%	0.32%	0.65%	0.67%	0.70%	0.75%	0.80%	0.85%	1.00%
Rural Bank (BBB+ / A-2)	\$250k	0.10%	0.25%	0.60%	0.75%	0.65%	0.85%	0.80%	0.80%	0.90%

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**BOARD MEETING DATE:**

19/08/2020

**No 7      Financial and performance reports**

**Item: a**

**Title: Finance reports**

**No of Pages. 13 incl Header**

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

**Profit & Loss Statement**

January to December 2020

	Jan	Feb	Mar	Apr	May	Jun	Jul	YTD	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
<b>4-0000</b>																
Income																
Interest Recd - Investments	10,539	17,980	17,300	10,907	7,418	6,183	5,827	76,155	7,341	6,607	10,355	9,000	5,000	114,457	102,954	11,503
Interest Recd - Borrowers	76,493	53,483	53,664	57,453	63,116	60,043	69,943	434,194	55,272	62,594	51,782	51,183	51,183	706,208	594,970	(38,690)
Sundry Income - Other Asset classes and Ser	18,047	57,149	35,375	37,585	37,585	29,302	37,067	252,110	36,119	36,119	36,119	36,119	36,125	432,709	433,430	(721)
Total Income	105,079	128,613	106,339	105,945	108,118	95,528	112,837	762,459	98,732	105,319	98,255	96,302	92,308	1,253,375	1,131,354	(41,378)
<b>5-0000</b>																
Cost Of Sales																
Total Interest Paid to Investors	45,427	42,208	41,938	35,985	33,083	30,829	30,766	260,236	50,000	50,000	50,000	50,000	50,000	510,236	600,000	89,764
<b>Gross Profit</b>	<b>59,652</b>	<b>86,405</b>	<b>64,401</b>	<b>69,960</b>	<b>75,036</b>	<b>64,699</b>	<b>82,071</b>	<b>502,223</b>	<b>48,732</b>	<b>55,319</b>	<b>48,255</b>	<b>46,302</b>	<b>42,308</b>	<b>743,139</b>	<b>531,354</b>	<b>211,785</b>
<b>6-0000</b>																
Expenses																
Total Employee Benefits	9,172	11,064	10,617	10,617	10,617	10,706	10,869	73,662	10,768	11,168	10,768	10,768	11,765	128,898	132,012	3,114
Total Professional fees	1,886	3,146	1,886	1,886	1,886	2,359	2,456	15,505	2,194	2,194	2,194	2,194	2,186	26,467	26,320	(147)
Total Banking and Indue Costs	16,676	16,720	16,739	17,841	16,942	16,351	17,345	118,614	18,056	18,056	18,056	23,056	18,051	213,890	221,672	7,782
Total insurance costs	1,109	1,120	1,114	-2,025	601	585	604	3,108	1,029	1,029	1,029	1,029	1,023	8,247	12,342	4,095
Total General Operations costs	793	878	1,050	1,134	683	702	1,420	6,662	1,940	1,940	1,940	1,940	1,947	16,369	23,287	6,918
Total Expenses	29,636	32,928	31,406	29,453	30,730	30,702	32,695	217,550	33,987	34,387	33,987	38,987	34,971	393,871	415,633	21,762
<b>Total Net Profit</b>	<b>30,016</b>	<b>53,477</b>	<b>32,995</b>	<b>40,507</b>	<b>44,306</b>	<b>33,997</b>	<b>49,376</b>	<b>284,673</b>	<b>14,744</b>	<b>20,931</b>	<b>14,268</b>	<b>7,315</b>	<b>7,337</b>	<b>349,268</b>	<b>115,721</b>	<b>233,547</b>
<b>9-0000</b>																
Distribution to Diocese																
Total Other Expenses	10,400	10,400	10,400	10,400	10,400	10,400	10,400	72,800	10,400	10,400	10,400	10,400	10,600	125,000	125,000	-
<b>Net Profit/(Loss) after distribution</b>	<b>19,616</b>	<b>43,077</b>	<b>22,595</b>	<b>30,107</b>	<b>33,906</b>	<b>23,597</b>	<b>38,976</b>	<b>211,873</b>	<b>4,344</b>	<b>10,531</b>	<b>3,868</b>	<b>-3,085</b>	<b>-3,263</b>	<b>224,268</b>	<b>-9,279</b>	<b>233,547</b>

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street

Grafton 2460

NSW

**Profit & Loss Statement**

January to December 2020

		January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	July Actual	YTD Actual	August Budget	September Budget	October Budget	November Budget	December Budget	Forecast	Budget	Variance
<b>4-0000</b>	<b>Income</b>																
4-1010	Interest Received - Investment	0	0	0	0	0	0	0	0	7,341	6,607	10,355	9,000	5,000	38,302	102,954	(64,652)
4-1011	Interest Received - NAB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-1012	Interest Recd - AFSA	9,242	14,499	14,562	8,893	7,066	7,986	5,722	67,970	0	0	0	0	0	67,970	0	67,970
4-1013	Interest Recd - Melb CF7963	1,151	3,337	2,586	1,884	245	-1,909	0	7,293	0	0	0	0	0	7,293	0	7,293
4-1014	Interest recd - WBC	147	144	153	130	107	106	105	892	0	0	0	0	0	892	0	892
4-1015	Interest Recd - AMP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
	<b>Interest Recd - Investments</b>	<b>10,539</b>	<b>17,980</b>	<b>17,300</b>	<b>10,907</b>	<b>7,418</b>	<b>6,183</b>	<b>5,827</b>	<b>76,155</b>	<b>7,341</b>	<b>6,607</b>	<b>10,355</b>	<b>9,000</b>	<b>5,000</b>	<b>114,457</b>	<b>102,954</b>	<b>11,503</b>
4-1020	Overdraft/LOC INT INC	36,595	16,530	14,345	19,660	25,251	22,299	23,687	158,367	55,272	62,594	51,782	51,183	51,183	430,381	594,970	(164,588)
4-1021	Interest Only Loans INT INC	16,444	15,298	16,353	15,799	15,673	16,485	24,514	120,568	0	0	0	0	0	120,568	0	120,568
4-1022	Princ & Int Loans INT INC	23,453	21,655	22,966	21,993	22,192	21,259	21,742	155,259	0	0	0	0	0	155,259	0	155,259
	<b>Interest Recd - Borrowers</b>	<b>76,493</b>	<b>53,483</b>	<b>53,664</b>	<b>57,453</b>	<b>63,116</b>	<b>60,043</b>	<b>69,943</b>	<b>434,194</b>	<b>55,272</b>	<b>62,594</b>	<b>51,782</b>	<b>51,183</b>	<b>51,183</b>	<b>706,208</b>	<b>594,970</b>	<b>111,239</b>
4-1055	Ord Min List Interest Income	3,631	3,631	3,275	3,631	3,631	3,260	3,526	24,585	3,345	3,345	3,345	3,345	3,349	41,314	40,144	1,170
4-1056	Ord Min U/List Interest Income	14,412	14,412	12,559	14,413	14,413	11,499	14,000	95,708	13,232	13,232	13,232	13,232	13,234	161,870	158,786	3,084
4-1057	Proceeds on Sale of Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-1058	Profit/Loss Sale Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-2000	Service Fees Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
4-2100	Line Fee Income	0	39,084	19,541	19,541	19,541	14,543	19,541	131,791	19,542	19,542	19,542	19,542	19,542	229,499	234,500	(5,001)
4-3000	Sundry Income	4	22	0	0	0	0	0	26	0	0	0	0	0	26	0	26
	<b>Sundry Income - Other Asset classes and Service Fee</b>	<b>18,047</b>	<b>57,149</b>	<b>35,375</b>	<b>37,585</b>	<b>37,585</b>	<b>29,302</b>	<b>37,067</b>	<b>252,110</b>	<b>36,119</b>	<b>36,119</b>	<b>36,119</b>	<b>36,119</b>	<b>36,125</b>	<b>432,709</b>	<b>433,430</b>	<b>(721)</b>
	<b>Total Income</b>	<b>105,079</b>	<b>128,613</b>	<b>106,339</b>	<b>105,945</b>	<b>108,118</b>	<b>95,528</b>	<b>112,837</b>	<b>762,459</b>	<b>98,732</b>	<b>105,319</b>	<b>98,255</b>	<b>96,302</b>	<b>92,308</b>	<b>1,253,375</b>	<b>1,131,354</b>	<b>122,021</b>
5-2100	Interest Paid to Investors	45,427	42,208	41,938	35,985	33,083	30,829	30,766	260,236	50,000	50,000	50,000	50,000	50,000	510,236	600,000	89,764
	<b>Total Cost Of Sales</b>	<b>45,427</b>	<b>42,208</b>	<b>41,938</b>	<b>35,985</b>	<b>33,083</b>	<b>30,829</b>	<b>30,766</b>	<b>260,236</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>510,236</b>	<b>600,000</b>	<b>89,764</b>
	<b>Gross Profit</b>	<b>59,652</b>	<b>86,405</b>	<b>64,401</b>	<b>69,960</b>	<b>75,036</b>	<b>64,699</b>	<b>82,071</b>	<b>502,223</b>	<b>48,732</b>	<b>55,319</b>	<b>48,255</b>	<b>46,302</b>	<b>42,308</b>	<b>743,139</b>	<b>531,354</b>	<b>211,785</b>
<b>6-0000</b>	<b>Expenses</b>																
6-1100	Provision for Annual Leave	-658	443	443	443	443	531	453	2,097	0	0	0	0	0	2,097	0	(2,097)
6-1200	Provision Long Service Leave	0	0	0	0	0	0	0	0	0	0	0	0	600	600	1,200	600
6-1300	Salaries and Wages	7,279	8,002	7,594	7,594	7,594	7,594	7,815	53,472	8,136	8,136	8,136	8,136	8,136	94,152	97,632	3,480
6-1400	Registry Support	1,859	1,859	1,859	1,859	1,859	1,859	1,859	13,013	1,859	1,859	1,859	1,859	1,856	22,305	22,305	-
6-1500	Superannuation	691	760	721	721	721	721	742	5,080	773	773	773	773	773	8,944	9,275	331
6-1600	Staff Traing	0	0	0	0	0	0	0	0	0	400	0	0	400	800	1,600	800
6-1700	Fund Manager Vehicle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
	<b>Total Employee Benefits</b>	<b>9,172</b>	<b>11,064</b>	<b>10,617</b>	<b>10,617</b>	<b>10,617</b>	<b>10,706</b>	<b>10,869</b>	<b>73,662</b>	<b>10,768</b>	<b>11,168</b>	<b>10,768</b>	<b>10,768</b>	<b>11,765</b>	<b>128,898</b>	<b>132,012</b>	<b>3,114</b>
6-4200	Advertising	0	0	0	0	0	473	570	1,043	200	200	200	200	200	2,043	2,400	358
6-4300	Audit Fees	1,886	1,886	1,886	1,886	1,886	1,886	1,886	13,202	1,827	1,827	1,827	1,827	1,823	22,333	21,920	(413)
6-4360	Legal Fees	0	1,260	0	0	0	0	0	1,260	167	167	167	167	163	2,091	2,000	(91)
	<b>Total Professional fees</b>	<b>1,886</b>	<b>3,146</b>	<b>1,886</b>	<b>1,886</b>	<b>1,886</b>	<b>2,359</b>	<b>2,456</b>	<b>15,505</b>	<b>2,194</b>	<b>2,194</b>	<b>2,194</b>	<b>2,194</b>	<b>2,186</b>	<b>26,467</b>	<b>26,320</b>	<b>(147)</b>
6-4400	WBC Bank Charges	499	449	524	400	224	190	323	2,609	560	560	560	560	560	5,409	6,720	1,311
6-4402	Indue Fees	73	20	36	83	95	31	33	370	49	49	49	49	47	613	586	(27)
6-4410	Consultancy Fees	0	0	0	0	0	0	0	0	625	625	625	625	625	3,125	7,500	4,375
6-4412	Donations	0	0	0	0	0	0	0	0	0	0	0	5,000	0	5,000	5,000	-
6-4440	WBC Line of Credit Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6-4442	Ord Minnett Brokerage/Advice	1,200	1,200	1,200	1,099	1,200	1,200	1,112	8,211	1,320	1,320	1,320	1,320	1,320	14,811	15,840	1,029
6-4445	ASFA Line of Credit Charges	417	417	417	448	423	417	417	2,957	417	417	417	417	413	5,038	5,000	(38)
6-4450	AFSA Service Agreement Fees	14,487	14,635	14,562	15,811	15,000	14,513	15,460	104,468	15,085	15,085	15,085	15,085	15,086	179,895	181,026	1,131
	<b>Total Banking Costs</b>	<b>16,676</b>	<b>16,720</b>	<b>16,739</b>	<b>17,841</b>	<b>16,942</b>	<b>16,351</b>	<b>17,345</b>	<b>118,614</b>	<b>18,056</b>	<b>18,056</b>	<b>18,056</b>	<b>23,056</b>	<b>18,051</b>	<b>213,890</b>	<b>221,672</b>	<b>7,782</b>
6-4510	Insurance - Workers Comp	109	120	114	114	114	114	117	800	136	136	136	136	130	1,474	1,626	152
6-4530	Insurance - General	1,000	1,000	1,000	-2,139	487	472	487	2,308	893	893	893	893	893	6,773	10,716	3,943
	<b>Total insurance costs</b>	<b>1,109</b>	<b>1,120</b>	<b>1,114</b>	<b>-2,025</b>	<b>601</b>	<b>585</b>	<b>604</b>	<b>3,108</b>	<b>1,029</b>	<b>1,029</b>	<b>1,029</b>	<b>1,029</b>	<b>1,023</b>	<b>8,247</b>	<b>12,342</b>	<b>4,095</b>
6-4425	Depreciation Expense	123	69	69	69	69	69	69	537	123	123	123	123	123	1,152	1,476	324

6-4600	Meeting Expenses	0	0	0	0	0	0	0	0	41	41	41	41	49	213	500	287
6-4610	Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-
6-4700	Postage	0	84	80	118	79	68	89	518	99	99	99	99	95	1,009	1,184	175
6-4800	Printing & Stationery	139	0	374	112	0	0	671	1,296	215	215	215	215	206	2,362	2,571	209
6-4900	Rent/Victoria Street	433	433	433	433	433	433	3,033	433	433	433	433	433	437	5,202	5,200	(2)
6-5000	PC Repairs and Maintenance	0	0	0	36	0	0	36	250	250	250	250	250	250	1,286	3,000	1,714
6-5100	Telephone	98	110	95	365	102	132	158	1,060	110	110	110	110	110	1,610	1,320	(290)
6-5200	Travel & Accommodation - Board	0	182	0	0	0	0	0	182	416	416	416	416	424	2,270	5,000	2,730
6-5300	Travel & Accommodation - AFGD	0	0	0	0	0	0	0	200	200	200	200	200	200	1,000	2,400	1,400
6-5310	AFGD Staff Expenses Other	0	0	0	0	0	0	0	53	53	53	53	53	53	265	636	371
<b>Total General Operations costs</b>		<b>793</b>	<b>878</b>	<b>1,050</b>	<b>1,134</b>	<b>683</b>	<b>702</b>	<b>1,420</b>	<b>6,662</b>	<b>1,940</b>	<b>1,940</b>	<b>1,940</b>	<b>1,940</b>	<b>1,947</b>	<b>16,369</b>	<b>23,287</b>	<b>6,918</b>
<b>Total Expenses</b>		<b>29,636</b>	<b>32,928</b>	<b>31,406</b>	<b>29,453</b>	<b>30,730</b>	<b>30,702</b>	<b>32,695</b>	<b>217,550</b>	<b>33,987</b>	<b>34,387</b>	<b>33,987</b>	<b>38,987</b>	<b>34,971</b>	<b>393,871</b>	<b>415,633</b>	<b>21,762</b>
<b>Total Net Profit</b>		<b>30,016</b>	<b>53,477</b>	<b>32,995</b>	<b>40,507</b>	<b>44,306</b>	<b>33,997</b>	<b>49,376</b>	<b>284,673</b>	<b>14,744</b>	<b>20,931</b>	<b>14,268</b>	<b>7,315</b>	<b>7,337</b>	<b>349,268</b>	<b>115,721</b>	<b>233,547</b>
9-2200	Contribution to Diocese	10,400	10,400	10,400	10,400	10,400	10,400	10,400	72,800	10,400	10,400	10,400	10,400	10,600	125,000	125,000	-
<b>Total Other Expenses</b>		<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>72,800</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,400</b>	<b>10,600</b>	<b>125,000</b>	<b>125,000</b>	<b>0</b>
<b>Net Profit/(Loss) after distribution</b>		<b>19,616</b>	<b>43,077</b>	<b>22,595</b>	<b>30,107</b>	<b>33,906</b>	<b>23,597</b>	<b>38,976</b>	<b>211,873</b>	<b>4,344</b>	<b>10,531</b>	<b>3,868</b>	<b>-3,085</b>	<b>-3,263</b>	<b>224,268</b>	<b>-9,279</b>	<b>233,547</b>

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

**Balance Sheet**

As of July 2020

Account No.				
1-0000	Assets			
1-1000	Current Assets			
1-1105	WBC 032537 247819 Operating Ac		\$1,493.49	
1-1110	WBC 032537 120455 Client Chq		\$126,013.59	
1-1130	AFSA Float SAV00000202		\$419.51	
1-1131	AFSA MIA SAV00041173		\$3,134,445.26	
1-1137	Daily Txns Unproc'd in Phoenix		\$38,456.38	
1-1160	WBC 032537 163017 Cash Managem		\$525,565.26	
1-1170	Accrued Int Receivable Investm		\$83.15	
1-1171	Ord Min List Accrued Int Rec		(\$4,957.97)	
1-1172	Ord Min U/List Accrued Int Rec		(\$3,152.00)	
1-1173	Accrued Income		\$19,541.00	
1-1400	Prepaid Insurance		\$487.35	
1-2700	Furniture & Fixtures			
1-2710	Furniture & Fixtures Orig Cost		\$4,852.56	
1-2720	Furniture & Fixtures Accum Dep		(\$2,051.82)	
1-2800	Plant & Equipment			
1-2810	Computer Hardware		\$26,730.39	
1-2820	Acc Depn Computer Hardware		(\$26,612.65)	
1-2900	Intangible Assets			
1-2910	Computer Software		\$60,500.00	
1-2920	Acc Depn - Compnr Software		(\$60,500.00)	
1-3000	Financial Assets - Current			
1-3114	AFSA Term Investment		\$1,000,000.00	
1-3120	AFSA Security Dep SAV00000203		\$252,886.66	
1-3130	WBC Term Invested Funds		\$100,000.00	
1-3145	Ord Minnett-Listed Investments		\$1,155,137.00	
1-3148	Ord Minn-Global Investments		\$4,441,300.00	
1-3150	Loan Assets			
1-3155	Line of Credit - O/D		\$9,430,291.31	
1-3160	Loan Advances		\$6,678,224.61	
1-3170	Loan Advances - P & I		\$5,110,123.29	
1-3190	Accrued Interest Loans			
1-3199	Financial Assets Current - Adj		(\$15,104,496.17)	
1-4000	Financial Assets - Non Current			
1-4110	Financial Assets Non Current		\$15,104,496.17	
	Total Assets			\$32,009,276.37
2-0000	Liabilities			
2-1000	Current Liabilities			
2-1004	Audit Costs		\$13,702.00	
2-1100	Accrued Interest payable			
2-1101	2243130 Access Acc INT PAY		\$26.50	
2-1102	2243131 Inst Acc INT PAY		\$83.91	
2-1104	2243133 Parish Prov INT PAY		\$14.40	
2-1200	Accounts payable			\$759.32
2-1221	2243310 Term 90 Days INT PAY			\$5,783.19
2-1222	2243320 Term 180 days INT PAY			\$32,873.83
2-1223	2243330 Term 365 days INT PAY			\$63,857.99
2-1700	Investor Funds Fin Liab Curren			



2-1710	2103300 Access Accounts		\$140,021.55		
2-1715	2103310 Institution Access		\$203,526.59		
2-1725	2103330 Parish Provider Access		\$9,573.50		
2-1730	2103350 Interest Free Deposits		\$8,937.17		
2-1735	2103370 Chq Acc Parishes		\$1,085,203.46		
2-1740	2103380 Chq Acc Ministry		\$2,620,584.46		
2-1745	2103400 Anglican Affiliates		\$6,962,620.98		
2-1750	139 Parishes CMA		\$684,815.65		
2-1755	2183310 Term Inv 90 days		\$3,078,412.86		
2-1756	2103420 Clergy Access Account		\$307,343.59		
2-1760	2183320 Term Inv 180 days		\$8,997,665.66		
2-1765	2183330 Term Inv 365 days		\$6,021,606.11		
2-1900	Other Current Liabilities				
2-1910	Accrued Annual Leave		\$4,474.69		
2-1911	Accrued Long Service Leave		\$11,627.54		
2-1915	Accrued Expenses		\$16,200.00		
2-3030	GST from purchases			(\$515.04)	
2-9999	Westpac Unknown transactions			\$223.68	
	Total Liabilities				\$30,269,423.59
	Net Assets				\$1,739,852.78
3-0000	Equity				
3-7000	Revaluation Financial Assets			(\$216,201.96)	
3-8000	Retained Earnings			\$1,744,181.29	
3-9000	Current Earnings			\$211,873.45	
	Total Equity				\$1,739,852.78

**Anglican Funds Grafton Diocese**

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

**Balance Sheet [Multi-Period]**

January 2020 To July 2020

Account No.	Account Name	January	February	March	April	May	June	July
	<b>Assets</b>							
	<b>Current Assets</b>							
		233,404	237,465	231,173	196,629	220,504	247,893	227,507
		14,209,486	13,666,732	13,180,300	8,266,595	7,968,260	5,912,129	3,951,773
		5,781,244	5,781,244	5,726,201	5,726,201	5,726,201	5,596,437	5,596,437
		-8,843	49,482	6,982	18,622	53,916	8,934	12,002
	<b>Fixed Assets</b>	3,332	3,263	3,194	3,125	3,056	2,987	2,918
	<b>Loan Assets</b>	16,186,834	17,319,658	16,654,150	19,553,641	18,834,776	21,654,979	22,218,639
		0	0	0	0	0	0	0
	<b>Total Assets</b>	<b>36,405,458</b>	<b>37,057,844</b>	<b>35,802,000</b>	<b>33,764,814</b>	<b>32,806,714</b>	<b>33,423,359</b>	<b>32,009,276</b>
	<b>Liabilities</b>							
	<b>Current Liabilities</b>							
		38,847	44,992	47,308	31,984	27,356	30,441	30,661
		117	222	324	432	539	0	125
		154,137	152,716	130,854	127,653	112,333	99,239	102,515
	<b>Investor Funds Fin Liab Current</b>	10,249,692	10,913,901	13,768,553	12,597,666	12,306,829	13,253,929	12,022,627
		24,217,852	24,157,198	20,097,714	19,221,233	18,539,487	18,323,028	18,097,685
	<b>Other Current Liabilities</b>	12,188	13,113	13,992	12,485	12,903	15,623	15,587
		224	224	224	224	224	224	224
	<b>Total Liabilities</b>	<b>34,673,055</b>	<b>35,282,365</b>	<b>34,058,969</b>	<b>31,991,676</b>	<b>30,999,671</b>	<b>31,722,483</b>	<b>30,269,424</b>
	<b>Net Assets</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>
3-0000	<b>Equity</b>							
	<b>Total Equity</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>

## Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street  
Grafton 2460  
NSW

## Balance Sheet [Multi-Period]

January 2020 To July 2020

Account No.	Account Name	January	February	March	April	May	June	July
<b>Assets</b>								
<b>Current Assets</b>								
1-1105	WBC 032537 247819 Operating Ac	9,220	8,490	11,225	3,676	18,428	2,920	1,493
1-1110	WBC 032537 120455 Client Chq	124,185	128,975	119,949	92,953	102,076	144,973	126,014
1-3130	WBC Term Invested Funds	100,000	100,000	100,000	100,000	100,000	100,000	100,000
		<b>233,404</b>	<b>237,465</b>	<b>231,173</b>	<b>196,629</b>	<b>220,504</b>	<b>247,893</b>	<b>227,507</b>
1-1130	AFSA Float SAV00000202	81	68	28	345	59	377	420
1-1131	AFSA MIA SAV00041173	11,623,828	9,645,463	10,586,746	7,804,067	7,282,054	5,339,119	3,134,445
1-1137	Daily Txns Unproc'd in Phoenix	-26,017	1,320,661	-225,000	-727,433	34,584	-95,247	38,456
1-1160	WBC 032537 163017 Cash Managem	359,818	444,849	544,880	395,251	395,267	395,284	525,565
1-1165	Melb DIF 30 day term	2,000,000	2,000,000	2,000,000	500,000	0	0	0
1-3120	AFSA Security Dep SAV00000203	251,777	251,971	252,179	252,380	252,588	252,789	252,887
1-3147	Ord Minnett-Global Cash Trust	0	3,720	21,467	41,985	3,709	19,807	0
		<b>14,209,486</b>	<b>13,666,732</b>	<b>13,180,300</b>	<b>8,266,595</b>	<b>7,968,260</b>	<b>5,912,129</b>	<b>3,951,773</b>
1-3145	Ord Minnett-Listed Investments	1,166,574	1,166,574	1,120,826	1,120,826	1,120,826	1,155,137	1,155,137
1-3148	Ord Minn-Global Investments	4,614,670	4,614,670	4,605,375	4,605,375	4,605,375	4,441,300	4,441,300
		<b>5,781,244</b>	<b>5,781,244</b>	<b>5,726,201</b>	<b>5,726,201</b>	<b>5,726,201</b>	<b>5,596,437</b>	<b>5,596,437</b>
1-1170	Accrued Int Receivable Investm	3,567	8,485	6,982	10,143	12,048	7,959	83
1-1171	Ord Min List Accrued Int Rec	-6,906	-3,275	0	-6,891	-3,260	0	-4,958
1-1172	Ord Min U/List Accrued Int Rec	-5,504	5,188	0	-6,105	4,600	0	-3,152
1-1173	Accrued Income	0	39,084	0	19,541	39,082	0	19,541
1-1400	Prepaid Insurance	0	0	0	1,934	1,446	975	487
		<b>-8,843</b>	<b>49,482</b>	<b>6,982</b>	<b>18,622</b>	<b>53,916</b>	<b>8,934</b>	<b>12,002</b>
<b>Fixed Assets</b>								
1-2710	Furniture & Fixtures Orig Cost	4,853	4,853	4,853	4,853	4,853	4,853	4,853
1-2720	Furniture & Fixtures Accum Dep	-1,848	-1,882	-1,916	-1,950	-1,984	-2,018	-2,052
1-2810	Computer Hardware	26,730	26,730	26,730	26,730	26,730	26,730	26,730
1-2820	Acc Depn Computer Hardware	-26,403	-26,438	-26,473	-26,508	-26,543	-26,578	-26,613
1-2910	Computer Software	60,500	60,500	60,500	60,500	60,500	60,500	60,500
1-2920	Acc Depn - Comprtr Software	-60,500	-60,500	-60,500	-60,500	-60,500	-60,500	-60,500
		<b>3,332</b>	<b>3,263</b>	<b>3,194</b>	<b>3,125</b>	<b>3,056</b>	<b>2,987</b>	<b>2,918</b>
<b>Loan Assets</b>								
1-3114	AFSA Term Investment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
1-3155	Line of Credit - O/D	6,112,057	7,286,189	6,672,864	9,706,905	9,049,642	8,822,299	9,430,291
1-3160	Loan Advances	3,660,068	3,659,008	3,660,063	3,579,509	3,569,383	6,670,195	6,678,225
1-3170	Loan Advances - P & I	5,414,709	5,374,460	5,321,223	5,267,227	5,215,751	5,162,485	5,110,123
		<b>16,186,834</b>	<b>17,319,658</b>	<b>16,654,150</b>	<b>19,553,641</b>	<b>18,834,776</b>	<b>21,654,979</b>	<b>22,218,639</b>
1-3199	Financial Assets Current - Adj	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496
1-4110	Financial Assets Non Current	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Assets</b>		<b>36,405,458</b>	<b>37,057,844</b>	<b>35,802,000</b>	<b>33,764,814</b>	<b>32,806,714</b>	<b>33,423,359</b>	<b>32,009,276</b>
<b>Liabilities</b>								
<b>Current Liabilities</b>								
2-1004	Audit Costs	19,996	21,882	23,768	8,044	9,930	11,816	13,702
2-1200	Accounts payable	164	2,075	378	6,929	26	25	759
2-1915	Accrued Expenses	18,687	21,035	23,162	17,011	17,400	18,600	16,200
		<b>38,847</b>	<b>44,992</b>	<b>47,308</b>	<b>31,984</b>	<b>27,356</b>	<b>30,441</b>	<b>30,661</b>
2-1101	2243130 Access Acc INT PAY	42	75	99	124	149	0	27
2-1102	2243131 Inst Acc INT PAY	56	111	173	233	296	0	84
2-1104	2243133 Parish Prov INT PAY	20	36	52	75	95	0	14
		<b>117</b>	<b>222</b>	<b>324</b>	<b>432</b>	<b>539</b>	<b>0</b>	<b>125</b>
2-1221	2243310 Term 90 Days INT PAY	16,549	12,718	7,862	13,003	6,207	4,344	5,783
2-1222	2243320 Term 180 days INT PAY	50,632	61,406	38,257	36,323	28,006	26,617	32,874

2-1223	2243330 Term 365 days INT PAY	86,956	78,593	84,735	78,326	78,121	68,278	63,858
		<b>154,137</b>	<b>152,716</b>	<b>130,854</b>	<b>127,653</b>	<b>112,333</b>	<b>99,239</b>	<b>102,515</b>
	<b>Investor Funds Fin Liab Current</b>							
2-1710	2103300 Access Accounts	175,199	134,895	144,806	145,581	129,102	127,720	140,022
2-1715	2103310 Institution Access	151,131	160,072	166,346	164,328	168,937	197,804	203,527
2-1725	2103330 Parish Provider Access	5,713	4,676	5,168	6,346	6,340	7,326	9,574
2-1730	2103350 Interest Free Deposits	9,770	8,717	8,635	8,819	9,262	8,719	8,937
2-1735	2103370 Chq Acc Parishes	947,250	705,047	767,380	908,970	898,418	1,049,636	1,085,203
2-1740	2103380 Chq Acc Ministry	4,381,571	3,816,458	3,528,980	2,337,787	2,740,216	3,804,200	2,620,584
2-1745	2103400 Anglican Affiliates	3,673,102	5,150,547	8,271,285	8,187,149	7,478,705	7,184,629	6,962,621
2-1750	139 Parishes CMA	658,581	679,238	624,419	573,933	598,723	575,550	684,816
2-1756	2103420 Clergy Access Account	247,375	254,249	251,534	264,753	277,126	298,346	307,344
	<b>Investor Funds Fin Liab Current</b>	<b>10,249,692</b>	<b>10,913,901</b>	<b>13,768,553</b>	<b>12,597,666</b>	<b>12,306,829</b>	<b>13,253,929</b>	<b>12,022,627</b>
2-1755	2183310 Term Inv 90 days	7,608,290	7,620,616	5,468,356	5,569,728	3,736,937	3,176,993	3,078,413
2-1760	2183320 Term Inv 180 days	9,071,122	9,347,496	7,461,301	7,080,361	8,363,110	8,845,633	8,997,666
2-1765	2183330 Term Inv 365 days	7,538,440	7,189,086	7,168,057	6,571,143	6,439,440	6,300,402	6,021,606
		<b>24,217,852</b>	<b>24,157,198</b>	<b>20,097,714</b>	<b>19,221,233</b>	<b>18,539,487</b>	<b>18,323,028</b>	<b>18,097,685</b>
	<b>Other Current Liabilities</b>							
2-1910	Accrued Annual Leave	1,720	2,163	2,605	3,048	3,491	4,022	4,475
2-1911	Accrued Long Service Leave	11,628	11,628	11,628	11,628	11,628	11,628	11,628
2-3030	GST from purchases	-1,160	-678	-241	-2,191	-2,215	-27	-515
	<b>Other Current Liabilities</b>	<b>12,188</b>	<b>13,113</b>	<b>13,992</b>	<b>12,485</b>	<b>12,903</b>	<b>15,623</b>	<b>15,587</b>
2-9999	Westpac Unknown transactions	224	224	224	224	224	224	224
		<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>
	<b>Total Liabilities</b>	<b>34,673,055</b>	<b>35,282,365</b>	<b>34,058,969</b>	<b>31,991,676</b>	<b>30,999,671</b>	<b>31,722,483</b>	<b>30,269,424</b>
	<b>Net Assets</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>
3-0000	<b>Equity</b>							
3-7000	Revaluation Financial Assets	-31,395	-31,395	-86,438	-86,438	-86,438	-216,202	-216,202
3-8000	Retained Earnings	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181	1,744,181
3-9000	Current Earnings	19,616	62,693	85,288	115,394	149,300	172,897	211,873
	<b>Total Equity</b>	<b>1,732,402</b>	<b>1,775,479</b>	<b>1,743,031</b>	<b>1,773,138</b>	<b>1,807,043</b>	<b>1,700,876</b>	<b>1,739,853</b>

Loan Book Data		31-Jul-20	Loan Balance	Unsecured	Limits	Unutilised/Not Drawn	Rate	Open Date	Amount Borrowed	Loan Expiry Date
COM 730	436032770 Secondary Campus Stage 2	Clarence Valley Anglican School	\$ 1,767,400.06				5.90%	10/05/2005	\$ 1,758,979.66	31/12/2037
COM 730	436040019 Stage 2 Building Loan	Emmanuel Anglican College	\$ 100,351.16				4.21%	30/04/2013	\$ 405,163.30	30/04/2021
COM 730	436040020 Stage 3 Building Loan	Emmanuel Anglican College	\$ 89,817.77				4.21%	30/04/2013	\$ 257,533.50	30/04/2022
COM 730	436040021 Stage 4 Building Loan	Emmanuel Anglican College	\$ 1,149,732.46				4.21%	30/04/2013	\$ 1,672,479.06	30/04/2025
COM 730	436040136 Stanley St Unit Purchase	M Smedley	\$ 462,081.96				5.34%	25/01/2017	\$ 550,000.00	25/01/2047
COM 730	436040221 Purchase 72 Mahers Lane Terran	Lindisfarne Anglican School	\$ 3,108,841.20				3.35%	26/06/2020	\$ 3,100,000.00	26/06/2025
COM 731	436040139 Refinance 10 Cotswold Close	Coffs Harbour Anglican Parish	\$ 19,574.61				3.85%	19/04/2017	\$ 174,000.00	19/04/2037
COM 731	436040069 6 McLean St, Coffs Harbour NSW	Coffs Harbour Anglican Parish	\$ 47,646.52				3.85%	01/12/2015	\$ 194,000.00	01/12/2031
COM 731	436040129 Administration & Classrooms	Emmanuel Anglican College	\$ 2,095,841.44				5.56%	03/01/2017	\$ 2,500,000.00	03/01/2032
COM 731	436040202 Construction Learning Spaces	Emmanuel Anglican College	\$ 733,914.30				3.99%	02/01/2020	\$ 750,000.00	02/01/2035
COM 731	436040059 Principal and interest loan	Anglicare North Coast	\$ 14,546.10				5.50%	18/12/2014	\$ 1,200,000.00	18/12/2026
COM 731	436040211 Rectory Loan	South Grafton Anglican Parish	\$ 138,115.07				3.85%	27/02/2020	\$ 137,578.94	27/02/2031
COM 731	436040011 Middle School Stage 4	St Columba Anglican School Council Incor	\$ 332,450.89				4.98%	02/04/2013	\$ 1,003,682.80	02/05/2023
COM 731	436040012 Stage 5	St Columba Anglican School Council Incor	\$ 161,107.10				4.98%	02/04/2013	\$ 432,389.82	02/11/2023
COM 731	436040013 Stage 6	St Columba Anglican School Council Incor	\$ 474,181.71				4.98%	02/04/2013	\$ 1,209,360.63	02/03/2024
COM 731	436040014 Admin Building Stage 6b.1	St Columba Anglican School Council Incor	\$ 439,771.03				4.98%	02/04/2013	\$ 786,598.41	02/01/2027
COM 731	436040015 Building Loan Stage 7	St Columba Anglican School Council Incor	\$ 578,400.95				4.98%	02/04/2013	\$ 959,563.76	10/12/2027
COM 731	436040166 CCELC Purchase	St Columba Anglican School Council Incor	\$ 57.53				4.98%	05/06/2018	\$ 1,777,000.00	05/03/2026
COM 731	436040146 Clergy Car Loan	M Smedley	\$ 19,719.84				5.85%	22/08/2017	\$ 43,532.00	22/08/2022
COM 731	436040170 Ridge Clergy Car Loan	M A Ridge	\$ 14,407.90				5.85%	04/10/2018	\$ 21,660.00	04/10/2023
COM 731	436040149 Clergy Car Loan	M B Jones	\$ 4,837.67				5.85%	28/11/2017	\$ 13,450.00	28/11/2021
COM 731	436040143 Clergy Car Loan - Jenks	G C Jenks	\$ 16,774.33				5.85%	13/06/2017	\$ 40,000.00	13/06/2022
COM 731	436040145 Clergy Car Loan	D Snyman	\$ 16,336.71				5.85%	11/08/2017	\$ 36,000.00	11/08/2022
COM 731	436040161 Clergy Car Loan Toyota Corolla	D Snyman	\$ 2,439.59				5.85%	06/02/2018	\$ 11,662.00	06/02/2021
OD 535	438040007 Annual Insurance Premium Fundi	Anglican Diocese of Grafton	\$ -	\$ -	\$ 450,000.00	\$ 450,000.00				
OD 535	438040004 Line of Credit	Clarence Valley Anglican School	\$ -	\$ -	\$ 850,000.00	\$ 850,000.00				
OD 535	438040015 Working Capital & Residual Fun	Emmanuel Anglican College	\$ 75,857.96	\$ -	\$ 3,100,000.00	\$ 3,024,142.04				
OD 535	438040010 Working Capital	Anglicare North Coast	\$ -	\$ -	\$ 200,000.00	\$ 200,000.00				
OD 535	438040008 Line of Credit	St Columba Anglican School Council Incor	\$ 3,457,273.13	\$ -	\$ 8,000,000.00	\$ 4,542,726.87				
OD 535	438040017 Line of Credit	Camfar Properties Pty Ltd	\$ -	\$ -	\$ 190,000.00	\$ 190,000.00				
OD 535	438040018 Line of Credit	Lindisfarne Anglican School	\$ 3,186,527.87	\$ -	\$ 6,000,000.00	\$ 2,813,472.13				
OD 535	438040025 Working Capital Requirements	Bishop Druitt College Council	\$ 2,347,706.55	\$ -	\$ 3,450,000.00	\$ 1,102,293.45				
OD 535	438040026 Information Computer Technolog	Bishop Druitt College Council	\$ 362,925.80	\$ -	\$ 550,000.00	\$ 187,074.20				
			\$ 21,218,639.21	\$ -	\$ 22,790,000.00	\$ 13,359,708.69				
Total Loan Book assets			\$ 34,578,347.90							
Excludes redraw			\$ 34,578,347.90							
Loans only			\$ 11,788,347.90							
Overdrafts only			\$ 9,430,291.31							
				Facility Limit	Annual Line Fee \$	Rate	Line Fee %			
Anglican Diocese of Grafton				\$ 450,000.00	\$ -	3.85%	0.00%			
St Columba Anglican School Council Incor				\$ 8,000,000.00	\$ 60,000.00	3.09%	0.75%			
Camfar Properties Pty Ltd				\$ 190,000.00	\$ -	5.33%	0.00%			
Clarence Valley Anglican School				\$ 850,000.00	\$ 4,250.00	5.90%	0.50%			
Anglicare North Coast				\$ 200,000.00	\$ 1,000.00	5.00%	0.50%			
Emmanuel Anglican College				\$ 3,100,000.00	\$ 23,250.00	3.24%	0.75%			
Lindisfarne Anglican School				\$ 6,000,000.00	\$ 66,000.00	2.25%	1.10%			
Bishop Druitt College Council				\$ 5,450,000.00	\$ 54,500.00	4.16%	1.00%			
Bishop Druitt College Council				\$ 550,000.00	\$ 5,500.00	4.16%	1.00%			
				\$ 24,790,000.00	\$ 214,500.00	3.31%	0.92%			

**AFGD Capital Adequacy & Liquidity:**
**31/07/2020**
**Capital Adequacy (4.4.2):** (Target > 10% of Risk Weighted Assets)

Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 5,140,824	\$ 514,082
Cash (Other Aust. Banks, ADI's)		\$ -	
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ -	\$ -
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	
Unrated	400%	\$ -	
Internal Loans - Unsecured	100%	\$ -	
Internal Loans		\$ -	
Secured Commercial	75%	\$ 21,218,639	\$ 15,913,979
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%		\$ -
External Loans - Secured Commercial property	125%		\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:			\$ -
Rating AAA to AA-	20%		\$ -
Rating A+ to BBB-	50%	\$ 5,815,204	\$ 2,907,602
Rating BB+ to B-	100%		\$ -
Rating CCC to D	200%		\$ -
Unrated	400%		\$ -
Other Investments/assets and Equities	400%		\$ -
<b>Total Assets</b>		<b>32,174,667</b>	<b>\$ 19,335,664</b>
<b>Risk Concentration:</b>			
To the extent an External loans exceeds 5% of Total Assets			
	<u>Total Assets:</u>	<u>Limit Amount:</u>	<u>Number</u>
Limit 5%	\$ 32,174,667	\$ 1,608,733	
Loans > 5% of TA		\$ -	400%
			\$ -
To the extent an Internal loans exceeds 30% of Total Assets			
	<u>Total Assets:</u>	<u>Limit Amount:</u>	
Limit 30%	\$ 32,174,667	\$ 9,652,400	
Loans > 30% of TA			200%
			\$ -
		<b>Total Risk Weighted Assets</b>	<b>\$ 19,335,664</b>
		8% of risk weighted assets	\$ 1,546,853
		+ 2.5% Buffer	\$ 483,392
		<b>Required Capital 10.5%</b>	<b>\$ 2,030,245</b>
<b>Equity:</b>			
		Accumulated Funds	\$ 1,956,055
		Asset Reserves	-\$ 216,202
		<b>Total Equity</b>	<b>\$ 1,739,853</b>
		"Surplus" Capital	-\$ 290,392
		<b>Actual Capital Adequacy ratio</b>	<b>9.00%</b>

Note: excludes available for re-draw & undrawn facility limits  
Note Adelaide utilise drawn facilities only.

Comments should actual Capital Adequacy ratio be < 10.5%

**Liquidity (4.1):** (> 10% of Total Assets):

Total Assets:		\$ 32,174,667	
<b>Minimum Liquidity requirement</b>	<b>10%</b>		<b>\$ 3,217,467</b>
<u>Actual position:</u>			
Cash		\$ 5,140,824	
Undrawn Bank OD Facility		\$ 1,000,000	
Total Actual Liquidity			\$ 6,140,824
<b>"Surplus" Liquidity</b>			<b>\$ 2,923,357</b>
<b>Actual Liquidity Ratio</b>			<b>19.1%</b>

Comments should actual Liquidity ratio be < 10%

**4.3 Depositors in excess of 5% of Liabilities**

Total depositors in excess of 5% of Liabilities	\$ 14,881,720	\$ 14,881,720	49.4%
Total liabilities		\$ 30,120,312	

**Comments on large depositors**

The number of accounts/clients with balances in excess of 5% is: **1** **Corporate Trustees**

**AFGD Capital Adequacy & Liquidity:**
**31/07/2020**
**Capital Adequacy (4.4.2):** (Target > 10% of Risk Weighted Assets)

Assets	Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)	10%	\$ 5,140,824	\$ 514,082
Cash (Other Aust. Banks, ADI's)		\$ -	
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ -	\$ -
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	
Unrated	400%	\$ -	
Internal Loans - Unsecured	100%	\$ -	
Internal Loans		\$ -	
Secured Commercial	75%	\$ 34,578,348	\$ 25,933,761
Secured Residential	50%	\$ -	\$ -
External Loans - Secured Residential Property	75%	\$ -	\$ -
External Loans - Secured Commercial property	125%	\$ -	\$ -
Other Investments (excluding Equities) with claims on Australian and International counter parties:		\$ -	\$ -
Rating AAA to AA-	20%	\$ -	\$ -
Rating A+ to BBB-	50%	\$ 5,815,204	\$ 2,907,602
Rating BB+ to B-	100%	\$ -	\$ -
Rating CCC to D	200%	\$ -	\$ -
Unrated	400%	\$ -	\$ -
Other Investments/assets and Equities	400%	\$ -	\$ -
<b>Total Assets</b>		<b>45,534,376</b>	<b>\$ 29,355,445</b>

Note: includes undrawn facility limits  
Note Adelaide utilise drawn facilities only.

**Risk Concentration:**

To the extent an External loans exceeds 5% of Total Assets							
	<u>Total Assets:</u>		<u>Limit Amount:</u>	<u>Number</u>			
Limit	5%	\$ 45,534,376	\$ 2,276,719				
Loans > 5% of TA			\$ -	400%	\$ -	\$ -	\$ -
To the extent an Internal loans exceeds 30% of Total Assets							
	<u>Total Assets:</u>		<u>Limit Amount:</u>				
Limit	30%	\$ 45,534,376	\$ 13,660,313				
Loans > 30% of TA				200%	\$ -	\$ -	\$ -
				<b>Total Risk Weighted Assets</b>		<b>\$ 29,355,445</b>	
				8% of risk weighted assets		\$ 2,348,436	
				+ 2.5% Buffer		\$ 733,886	
				<b>Required Capital 10.5%</b>		<b>\$ 3,082,322</b>	
<b>Equity:</b>				Accumulated Funds		\$ 1,956,055	
				Asset Reserves		-\$ 216,202	
				<b>Total Equity</b>		<b>\$ 1,739,853</b>	
				"Surplus" Capital		-\$ 1,342,469	
				<b>Actual Capital Adequacy ratio</b>		<b>5.93%</b>	

Comments should actual Capital Adequacy ratio be &lt; 10.5%

**Liquidity (4.1):** (> 10% of Total Assets):

Total Assets:				\$ 45,534,376	
<b>Minimum Liquidity requirement</b>	<b>10%</b>				<b>\$ 4,553,438</b>
<u>Actual position:</u>					
Cash				\$ 5,140,824	
Undrawn Bank OD Facility				\$ 1,000,000	
Total Actual Liquidity					\$ 6,140,824
<b>"Surplus" Liquidity</b>					<b>\$ 1,587,386</b>
<b>Actual Liquidity Ratio</b>					<b>13.5%</b>

Comments should actual Liquidity ratio be &lt; 10%

**4.3 Depositors in excess of 5% of Liabilities**

Total depositors in excess of 5% of Liabilities	\$ 14,881,720		\$ 14,881,720	49.4%
Total liabilities			\$ 30,120,312	

**Comments on large depositors**

The number of accounts/clients with balances in excess of 5% is: **1** Corporate Trustees

# ORD MINNETT

## PORTFOLIO VALUATION

Portfolio Details as at: 31 July 2020

*Corp Trustees of Diocese of Grafton GDIF*

Code	Security Name	Quantity	Cost Price	Cost Base	Market Price	Market Value	Assets %	Est. Yield %	Est. Annual Income	Est. Franking %	Est. Franking Credits	Est. Gross Yield %
<b>INTEREST RATE SECURITIES</b>												
AU3FN0032710	AAI LTD FRN 06/10/2022 - 2042 BBSW+3.20%	2,000,000	1.0605	2,120,940.00	1.021	2,041,320.00	36.17	2.32	66,000.00			2.32
AU3FN0033668	BENDIGO FRN 09/12/2021-2026 BBSW+2.80%	1,000,000	1.0319	1,031,930.00	1.015	1,014,790.00	17.98	1.79	29,006.00			1.79
AU3FN0037917	AMPAUS FRN 01/12/2022 - 2027 BBSW+1.80%	500,000	1.0045	502,260.00	0.957	478,660.00	8.48	3.83	9,475.00			3.83
AU3FN0039426	CHALLENGER LIFE CO LTD FRN 24/11/2022 -2042 BBSW+2.10%	500,000	1.0000	500,000.00	0.961	480,425.00	8.51	2.45	10,993.00			2.45
AU3FN0048716	AUSWIDE BANK LTD FRN 12/06/2024 - 2029 BBSW+3.2%	500,000	1.0000	500,000.00	0.962	481,085.00	8.52	4.37	16,518.50			4.37
<b>Sub Total</b>				<b>4,655,130.00</b>		<b>4,496,280.00</b>	<b>79.67</b>		<b>131,992.50</b>			
<b>HYBRID SECURITIES</b>												
AYUHB	AUSTRALIAN UNITY LTD	11,437	101.4317	1,160,074.15	100.350	1,147,702.95	20.33	3.55	40,735.16			3.55
<b>Sub Total</b>				<b>1,160,074.15</b>		<b>1,147,702.95</b>	<b>20.33</b>		<b>40,735.16</b>			
<b>TOTAL PORTFOLIO</b>				<b>5,815,204.15</b>		<b>5,643,982.95</b>	<b>100.00</b>	<b>3.06</b>	<b>172,727.66</b>			<b>3.06</b>

Adviser Name: Alison Perrott  
Location: ADELAIDE  
Phone No: (08) 8203 2500  
Account No: 1146256

*Note: Estimate information based on rolling 12 months actual data.*

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While Ord Minnett believes that the information contained herein is reliable, no warranty is given as to its accuracy or the accuracy of information or material from other sources and persons who rely on it do so at their own risk. Accordingly you should satisfy yourself as to the correctness or otherwise of the statements contained herein.





**BOARD MEETING DATE:**

19/08/2020

**No 8      Matters for discussion and/or decision**

**Item: b**

**Title: Corporate Trustee Resolution at meeting of  
06/08/2020 – AFGD Capital Adequacy & Liquidity  
incorporating projected use of funds.**

**No of Pages. 2 incl Header**

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## Resolution of Corporate Trustees

1 message

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**Chris Nelson** <chris.nelson@graftondiocese.org.au>  
To: David Ford <fordie@mac.com>  
Cc: Annette Dent <office@afgd.com.au>

7 August 2020 at 16:38

Hi David,

As discussed, at their meeting of 6 August 2020, the Corporate Trustees made the following resolution:  
*That the Corporate Trustees request that Anglican Funds Grafton Diocese Board consider in their financial reports capital adequacy and liquidity analysis incorporating projected use of funds.*

While there are unknowns and surprises when projecting the use of funds, the Corporate Trustees considered that it would be a good practice to try to incorporate those projections in the analysis of liquidity and capital adequacy.

--

Regards,

**Chris Nelson**

**General Manager/Registrar**

**Anglican Diocese of Grafton**

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**BOARD MEETING DATE:**

19/08/2020

**No 8      Matters for discussion and/or decision**

**Item: c**

**Title: 2020 Audit Proposal**

**No of Pages. 29 incl Header**

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**2020 Audit Proposal**

1 message

**Chris Nelson** <chris.nelson@graftondiocese.org.au>

12 August 2020 at 14:48

To: Annette Dent &lt;office@afgd.com.au&gt;

Cc: David Ford &lt;fordie@mac.com&gt;

Hi Annette,

Please find attached a selection of papers from the 6 August Corporate Trustees meeting regarding TNR's proposal for the 2020 Audit. Could you please include material in the AFGD Board meeting papers so that the AFGD Board can consider this matter too?

For the record, the Corporate Trustees actually resolved:

That the Corporate Trustees appoint Thomas Noble & Russell (TNR) as its independent Financial Auditor and accept the draft 2020 audit plan for the Corporate Trustees of the Diocese of Grafton (incorporating Anglican Funds Grafton Diocese) and the proposed fees of \$20,510 plus a share of disbursements for Anglican Funds Grafton Diocese and \$14,650 plus a share of disbursements for Corporate Trustees pending the consideration of this matter by the Board of Anglican Funds Grafton Diocese.

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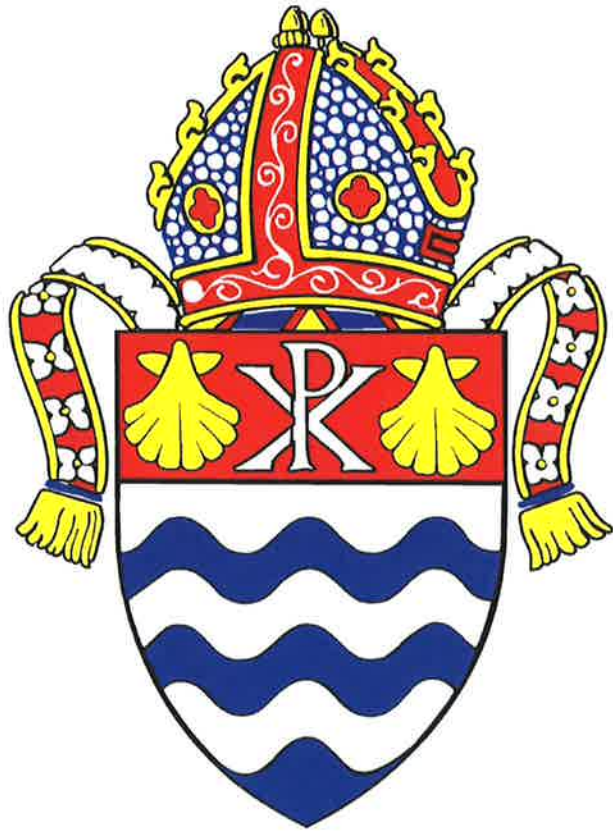
Regards,

**Chris Nelson****General Manager/Registrar****Anglican Diocese of Grafton**

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**Audit Proposal CTS meeting.pdf**

2475K



# **The Corporate Trustees of the Diocese of Grafton**

**Item No  
5c**

**THE DIOCESE OF GRAFTON  
CORPORATE TRUSTEES  
Item Paper**

<b>AGENDA ITEM NO</b>	<b>SUBJECT:</b>	<b>PREPARED BY:</b>	<b>DATE:</b>
<b>5.c.</b>	2020 Audited Proposal	Mr Chris Nelson Registrar	6 August 2020
<p><b>PURPOSE:</b> To consider a proposal on the appointment of an independent financial auditor for the audit of the 2020 accounts.</p> <p><b>BACKGROUND:</b> TNR were appointed for the 2017 year audit and subsequently performed the audits for 2018 and 2019.</p> <p>The performance of TNR has been consistently good through this process and a clear improvement on the performance of the Diocese's previous auditor.</p> <p>On that basis, TNR were approached to submit a proposal for the 2020 year audit including pricing for 2021 and 2022.</p> <p><b>DISCUSSION:</b> The submission received from TNR was at a similar price to the 2019 audit.</p> <p>The Audit Committee considered the TNR proposal at their 28 July 2020 meeting and made the following resolutions:</p> <p><i>The Committee noted the draft 2020 audit plan for the Anglican Diocese of Grafton and proposed fees of \$12,450 plus a share of disbursements and recommends its adoption by Bishop-in-Council.</i></p> <p><i>The Committee noted the draft 2020 audit plan for the Corporate Trustees of the Diocese of Grafton (incorporating Anglican Funds Grafton Diocese.) and proposed fees of \$20,510 plus a share of disbursements for Anglican Funds Grafton Diocese and \$14,650 plus a share of disbursements for Corporate Trustees, and recommends their adoption by the Corporate Trustees and Anglican Funds Grafton Diocese.</i></p> <p><b>RECOMMENDATION:</b> It is recommended that the Corporate Trustees make the following resolution:</p> <p><b>That the Corporate Trustees accept the draft 2020 audit plan for the Corporate Trustees of the Diocese of Grafton (incorporating Anglican Funds Grafton Diocese) and the proposed fees of \$20,510 plus a share of disbursements for Anglican Funds Grafton Diocese and \$14,650 plus a share of disbursements for Corporate Trustees pending the consideration of this matter by the Board of Anglican Funds Grafton Diocese.</b></p>			



9 July 2020

Mr Chris Nelson  
Registrar  
Anglican Diocese of Grafton  
PO Box 4  
GRAFTON NSW 2460

Dear Chris

## Audit Engagement Letter

As it has been some time since the terms of our engagement were agreed, we consider it appropriate to reconfirm the terms and conditions of our appointment as auditors of the Anglican Diocese of Grafton Group (the Group) comprising:

- Anglican Diocese of Grafton
- Anglican Funds Grafton Diocese
- The Corporate Trustees of the Diocese of Grafton

This letter and its appendices (collectively the **Engagement Agreement**) confirm the terms of our engagement. The Engagement Agreement is effective from the earlier of the date that you sign the acknowledgment and acceptance below or 7 calendar days from the date set out at the top of this letter if we do not hear from you to the contrary sooner.

Where used in this letter, a reference to “we”, “us” or “our” is to Thomas Noble & Russell.

Please read this letter and the accompanying appendices carefully.

Kevin Franey will act as Engagement Partner for the audit, and will be responsible for the conduct of the audit.

### 1. Consent to Appointment

We confirm that written consent to our appointment as the Group’s auditor has been previously given.

### 2. Objective and Scope of the Audit of the Financial Report

You have requested that we audit the financial reports of the entities within the Group, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ending, a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

The objectives of our audit are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue auditor’s reports that include our opinion.

Page 1 of 13

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### **3. Responsibilities of Management and Others Charged with Governance**

This engagement is conducted on the basis that Management and Others Charged with Governance are responsible for the matters set out in Appendix 2.

### **4. Independence**

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of Australian Professional and Ethical Standard APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") in relation to the audit of the financial report.

### **5. Communication of Audit Matters**

We will communicate audit matters of governance interest arising from our audit with:

- (i) the respective Governing Bodies (Bishop-in-Council, the Anglican Funds Grafton Diocese Board, and the Corporate Trustees of the Diocese of Grafton);
- (ii) the Audit Committee of the Diocese of Grafton; and/or
- (iii) management

as we consider appropriate in relation to the matter to be communicated.

Ordinarily, we will initially discuss audit matters of governance interest with management.

Some of these matters will be communicated orally and some in writing. All matters will be communicated on a timely basis. An audit of a financial report is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, our audit does not ordinarily identify all such matters.

Our communication of matters of governance interest will include only those audit matters of governance interest that come to our attention as a result of the performance of our audit.

### **6. Form and Content of Audit Report**

Our audit report will be in the form required by Australian Auditing Standards.

The form and content of our audit report may need to be amended in the light of our audit findings.

### **7. Agreement**

The Engagement Agreement will be effective for future years unless it is terminated, amended or superseded in accordance with the standard terms and conditions attached at Appendix 3.

The terms of this agreement will also apply to all work carried out by us on your instructions prior to the date you sign this agreement.

Please sign a copy of this letter where indicated below and return that signed copy to us. By signing this letter, or continuing to instruct us, you make the acknowledgments set out below.



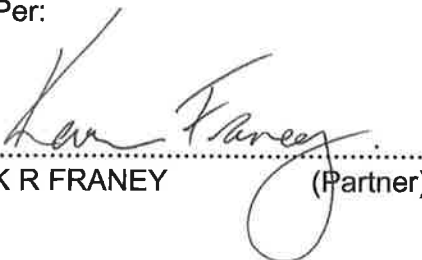


If you have any questions about any of the matters addressed in this letter or the appendices, or this appointment more generally, please contact Kevin Franey.

Yours faithfully,

**THOMAS NOBLE & RUSSELL  
CHARTERED ACCOUNTANTS**

Per:

  
K R FRANEY (Partner)



---

### Acknowledgement and Acceptance

I confirm that I have the requisite authority to bind the Group to the Engagement Agreement.

On behalf of the Anglican Diocese of Grafton, Anglican Finds Grafton Diocese and the Corporate Trustees of the Diocese of Grafton, I acknowledge and agree that the Group:

- has engaged Thomas Noble & Russell as auditors to complete the work described in this letter on the terms of the Engagement Agreement;
- has received a copy of Appendix 1 (Fees), Appendix 2 (Relative Responsibilities and Terms applicable to Audit & Assurance Engagements) and Appendix 3 (Standard Terms and Conditions), along with the covering letter;
- has read and agrees to be bound by the Engagement Agreement.

.....  
Signature of authorised representative

.....  
[Name and Title]

.....  
Date



## Appendix 1: Fees

Our fee estimate for the 2020 audit is as follows:

Service	Professional Fee \$
Audit Services	42,200
Preparation of financial reports	6,910
Attendance at various Governing Body meetings throughout the year	2,400
Discount provided	(3,900)
<b>Total Professional Fees</b>	<b>47,610</b>
Disbursements	5,970
<b>Total Fees</b>	<b>53,580</b>

These fees are exclusive of GST, and have been offered to the Group on the following conditions:

- Matters requiring audit attention are not significantly different from those encountered last year (or when the fee was set);
- Work that is to be completed by your staff is completed and made available to us in accordance with an agreed timetable;
- No errors requiring significant additional work will be encountered;
- Accounting records and other financial information that we wish to examine are properly kept and in a form that makes them readily accessible to our staff; and
- We will not have to stop work and/or make follow up visits because of delays caused by your staff or the unavailability of information required for the audit.

If the conditions outlined above have not been met we will inform you and advise if additional audit hours are required. If we are required to provide additional audit hours, or you request us to provide accounting assistance to enable you to meet your reporting obligations on time, additional charges will apply.

Unless an additional fixed fee is agreed, additional charges will be calculated on the basis of hours charged at our standard rates ruling at the relevant time for the applicable personnel. Those standard rates at the present time are as follows:

Staff Member	GST exclusive rate* \$	GST (10%) \$	GST inclusive rate \$
Partner	350	35	385
Manager	250	25	275
Supervisor	220	22	242
Senior Auditor	190	19	209
Auditor	120	12	132

\* The above rates are reviewed annually

We will endeavour not to commence work that attracts additional charges before notifying you that additional charges will apply, however in some circumstances we may be required to use our discretion and provide additional audit hours or provide accounting assistance to enable the Group to meet its objectives. You agree that in such cases our reasonable additional fees will be payable.



Our fees will be billed as the work progresses.

### **Disbursements**

In addition to our fees, we may incur expenses (disbursements) on your behalf during the engagement. General disbursements may include charges and expenses for travel, accommodation, document production and handling, company searches, PPSR searches and bank confirmation costs. By engaging us you consent to us incurring these disbursements on your behalf and you agree to reimburse us for them (GST will be charged as appropriate).

We will seek your approval before incurring any unusual or extraordinary expenses on your behalf.



## Appendix 2: Relative Responsibilities and Terms applicable to Audit & Assurance Engagements

### 1. Audit of Financial Report

#### 1.1 Our Responsibilities

We will conduct our audits in accordance with Australian Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial reports are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial reports. We take into account both qualitative and quantitative factors when assessing materiality.

We are also required to form an opinion, and report on, whether or not the special purpose financial reports (applicable to Anglican Diocese of Grafton and the Corporate Trustees of the Diocese of Grafton) present fairly, in all material aspects, the financial position of the entity's, and their financial performance and cash flows in accordance with the accounting policies described in the notes to the financial statements.

We are also required to form an opinion, and report on, whether or not the general purpose financial report (applicable to Anglican Funds Grafton Diocese) presented to us by the Directors is in accordance with ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and that it:

- gives a true and fair view of the entity's financial position and performance; and
- complies with Australian Accounting Standards – Reduced Disclosure Requirements.

#### 1.2 Nature & Limitations of Audit

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

#### 1.3 Your Responsibilities

Our audit will be conducted on the basis that management and, where appropriate, others charged with governance acknowledge and understand that they have responsibility:

- for the preparation and fair presentation of the financial report in accordance with relevant Australian Accounting Standards. If compliance with these Standards will not give a fair presentation, those charged with governance must add such information and explanations that will give a fair presentation;
- to maintain accounting records which correctly record and explain the entity's transactions and financial position;
- for ensuring compliance with GST and other taxation legislation to the extent required by that legislation;
- for such internal control as management and others charged with governance determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error; and
- to provide us with:
  - access to all information of which management and others charged with governance are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters;
  - additional information that we may request from management and others charged with governance for the purpose of the audit;
  - unrestricted access to persons within the Entity's from whom we determine it necessary to obtain audit evidence; and
  - reasonable working space and clerical assistance.



## 2. Independence

In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the Code we will notify you on a timely basis.

The Code includes specific restrictions on the employment relationships that can exist between the audited entity and its auditors. To assist us in meeting the independence requirements of the Code, and to the extent permitted by law and regulation, we request that you discuss with us:

- the provision of services offered to you by Thomas Noble & Russell prior to engaging or accepting the service; and
- the prospective employment opportunities of any current or former Partner or professional employee of Thomas Noble & Russell prior to the commencement of formal employment discussions with the current or former Partner or professional employee.

If you request us to provide other services, we will be pleased to provide those additional services provided that our independence is not compromised. In relation to non-audit services you request that we perform it will be the responsibility of your management to ensure that they:

- make all management decisions and perform all management functions;
- designate a competent employee to oversee the services;
- evaluate the adequacy and results of the services performed; and
- accept responsibility for the results of the services.

## 3. Events Subsequent to Issue of Auditor's Report

Once we have issued our auditor's report we have no further direct responsibility in relation to the financial report for that financial period. However, by signing this letter you confirm that you will inform us of any material event occurring between the date of our auditor's report and the date that the financial report is issued which, had it been known to us at the date of the auditor's report, may have caused us to amend the auditor's report.

## 4. Detection of Fraud, Error and Non-Compliance with Laws and Regulations

Those charged with governance are responsible for safeguarding the Group's assets and for the prevention and detection of fraud, error and non-compliance with regulatory requirements.

Those charged with governance also have responsibility to advise us of, or ensure that we are advised of, any known or suspected fraud within the Group.

Our audit procedures are designed to provide reasonable assurance that there are no undetected errors or irregularities, including fraud and other illegal acts, material to the financial report.

As audit testing is based on samples it may not result in errors and irregularities being detected.

Our audit can only provide reasonable, not absolute, assurance that the financial report is free from material misstatement. See also Appendix 3, section 11.

## 5. Management Representations

As part of our audit process, we will request from management and/or those charged with governance written confirmation concerning representations made to us in connection with our audit.

## 6. Presentation of Audited Financial Report on the Internet

Should the Group wish electronically present the audited financial report and auditor's report on its internet website, responsibility for the electronic presentation of financial reports on the website is that of those charged with governance of the Group. The security and controls over information on the website should be addressed by the Group to maintain the integrity of the data presented.

The examination of controls over the electronic presentation of audited financial reports on the Group's website is beyond the scope of the audit of the financial report.

## 7. Other Documents Accompanying the Audited Financial Report

Auditing Standard ASA 720: *The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report* requires that we read any annual report and any other documents that contain an audited financial report such as those used in security offerings. The purpose of this procedure is to consider whether other information in the document, including the manner of its presentation, is materially consistent with information appearing in the audited financial report. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

We therefore request that any documents containing the audited financial report (including any professionally printed version of these reports that are produced after our audit report) are provided to us prior to their release for us to undertake the required procedures.

We also request that where any document containing the audited financial report indicates that the financial report has been audited, our auditor's report will also be included in the document.

## 8. Reporting

At the conclusion of our work we may issue a report in relation to matters we consider appropriate to bring to the attention of management or others charged with governance. If any such report deals with internal controls, it may not contain all matters that a full review of internal controls may identify, as our audit work is primarily conducted to allow us to express an opinion on the financial report.

This report may not be provided to a third party without our written consent. We may, at our discretion, grant or withhold our consent or grant it subject to conditions, including an acknowledgement by a recipient that the report is not prepared with the interests of anyone other than you in mind and that we accept no duty or responsibility to any other party.

Any report we issue will be addressed to the Audit Committee after it has been discussed with management.

## Appendix 3: Standard Terms and Conditions

### 1. Introduction

- 1.1. These Standard Terms and Conditions and the accompanying letter ("Engagement Letter"), Appendix 1 ("Fees") and Appendix 2 ("Relative Responsibilities and Terms applicable to Audit & Assurance Engagements") (together "Engagement Agreement") must be read together as they form our agreement with you. They will apply to all work we undertake for you with respect to the engagement described in the Engagement Letter.
- 1.2. All references to "Client" or "you" are references to the client identified in the Engagement Letter.
- 1.3. All references to "us" or "we" are to the Thomas Noble & Russell.
- 1.4. We are a member firm of HLB Mann Judd Australasian Association ("HLB Australasia"), a network of independent accounting firms whose members practise as "HLB Mann Judd" in designated territories throughout Australia and New Zealand. Through HLB Australasia, we are members of HLB International, a worldwide network of independent accounting firms. Each member of, respectively, HLB Australasia and HLB International is a separate legal entity and as such has no liability for the acts and omissions (including negligent act and omissions) of any other member. HLB Australasia co-ordinates the Australasian activities of the HLB Australasian network and HLB International co-ordinates the international activities of the HLB International network, but HLB Australasia and HLB International do not provide, supervise or manage professional services to clients. We are not in partnership with the other members of HLB Australasia or HLB International and we do not hold ourselves out as being a member of a national or international partnership. Neither HLB Australasia nor HLB International has any liability for the acts and omissions (including negligent act and omissions) of any of their members.

### 2. Our Services

- 2.1. The services we have agreed to provide to you, which comprise the scope of our work for this engagement, are set out in our Engagement Letter.
- 2.2. We will exercise reasonable skill and care to provide the services in line with the appropriate professional standards.
- 2.3. From time to time you may request additional services from us. Where we agree to provide these services to you they will be governed by the Engagement Agreement amended as agreed in relation to the scope of work unless a separate engagement agreement is entered into.
- 2.4. Unless specifically stated otherwise in the Engagement Letter, any advice or opinion relating to the services is provided solely for your benefit. Except as required by law, you may not disclose all or any part of our advice or opinion in any way, including by publication or electronic media, to any person without our prior written consent.
- 2.5. We disclaim all responsibility for the consequences of anyone, apart from you, relying on our advice and/or opinion without our prior written consent.

### 3. Advice

- 3.1. During the supply of our services, we may provide oral, draft or interim advice, reports or presentations to you. In these circumstances our written advice or final written report shall take precedence. No reliance should be placed by you on any draft or interim advice, reports or presentations. Where you wish to rely on oral advice or an oral presentation, you must inform us and we may (but are not obliged to) provide you with documentary confirmation of the advice.
- 3.2. We are not obliged, regardless of the circumstance, to update any advice or report, oral or written, for events occurring after the advice or report has been issued in final form.
- 3.3. Any advice or opinion that we give you will be based on the law effective at the date of the advice or opinion. We do not accept any responsibility for any changes in the law, and/or in its interpretation, which occur after the date of our advice. This applies to any changes in the law or its interpretation which take effect retrospectively.
- 3.4. No actions taken by us and/or statements made in the course of our engagement may be taken as a promise or guarantee to you about the outcome of any matter.
- 3.5. Unless otherwise agreed with you, or specifically stated in the Engagement Agreement, the advice we give cannot be relied upon to disclose irregularities, including fraud and other illegal acts and errors that may occur.
- 3.6. No advice we provide to you can, is intended to, nor will it, constitute legal advice and it should not be relied upon by you as such.

### 4. Your Responsibilities

- 4.1. You agree to pay for the services we provide in accordance with the payment terms set out in the Engagement Agreement.
- 4.2. In order to provide our services to you, we require your co-operation. You agree that you will:
  - Provide, in a timely way, all information and materials that we reasonably require to enable us to provide the services set out in the Engagement Letter;
  - Arrange access to members of your staff, third parties, records, technology and systems, and premises;
  - Respond to us promptly to facilitate the performance of the services.
- 4.3. Your primary representative from Thomas Noble & Russell is the Engagement Partner specified in the Engagement Letter.
- 4.4. We will rely on the information and material that you provide. You are responsible for the completeness and accuracy of the information and materials you supply to us.
- 4.5. If you become aware that any of the information or material provided to us has changed, is incomplete, incorrect or misleading in any respect, or may in any other way impact upon the services we provide to you, you must inform us immediately. You must also take all necessary steps to correct any announcement, communication or document issued which contains, refers to, or is based upon such information.





- 4.6. We disclaim all responsibility for your failure to inform us of any changes to any information and/or material which impacts upon the services we have agreed to provide to you.
- 4.7. If you provide any advice or opinion we give to you to a third party without our consent, you agree to indemnify us against any and all claims made against us by that third party or any other party and for the costs of defending any such claims.

## **5. Non-Conformance**

- 5.1. If you believe that the advice or opinion we have provided to you does not confirm to the scope of work set out in the Engagement Agreement, you must inform us immediately. You must give us a reasonable opportunity to rectify any such advice or opinion.
- 5.2. If you fail to do so, we disclaim all responsibility for our advice/opinion failing to conform with the scope of works set out in the Engagement Agreement.

## **6. Our Liability**

- 6.1. Our liability is limited by a scheme approved under the Professional Standards Legislation (other than for the acts or omissions of Australian Financial Services Licenses). Further information on the scheme is available from the Professional Standards Councils website:  
[www.professionalstandardscouncil.gov.au](http://www.professionalstandardscouncil.gov.au)
- 6.2. In no event will we be liable for any indirect, special or consequential loss or damage including loss of revenue, loss of profits, loss of opportunity, damage to goodwill or reputation.

## **7. Fees & Disbursements**

- 7.1. The basis on which we charge fees for this engagement is set out in Appendix 1.
- 7.2. If the basis on which our fees will be charged is our standard hourly rates, our fees will be charged on the basis of the hourly rates from time to time of each person working on your engagement. Time spent is recorded in six minute units with time rounded up to the nearest unit of six minutes. As at the date of the Engagement Letter, our standard hourly rates are as set out in Appendix 1.
- 7.3. If the basis on which we will charge for fees is or includes fixed fees for a fixed scope of work described in the Engagement Agreement, we will charge you the fixed fees for the fixed scope of work. However, if the work we are required to complete exceeds, or is not included in, the fixed scope of work described in the Engagement Agreement, we will charge you at our standard hourly rates from time to time unless a further fixed fee arrangement is reached.
- 7.4. If we receive money into our trust account on your behalf (in respect of any engagement), you authorise us to withdraw that money, as well as any other trust money we hold for you on account of our fees, for the purposes of paying our fees as they arise (in respect of any engagement). You may revoke your authority by giving us seven days' notice in writing. However, in this case, we may still withdraw money held on your behalf for our fees that were accrued up to the expiry of the notice period.

If we receive money to be paid to a third party, we will forward that money to the third party unless you instruct us to do otherwise.

- 7.5. We may review and increase the rates we are charging to you on an annual basis.
- 7.6. Unless we agree otherwise in writing, all accounts are payable 14 days after they have been sent.
- 7.7. Each account will be a tax invoice for GST purposes where an amount of GST forms part of our fees and we will briefly describe the work that we have undertaken on your behalf.
- 7.8. If you do not pay our invoice in full, we may:
- Elect not to continue to provide our services to you;
  - Suspend work until further payment is made;
  - Exercise our common law right to retain your documents until our account is paid;
  - Charge interest on any unpaid amount. The rate of interest will be at the prevailing corporate overdraft reference rate published by the Commonwealth Bank of Australia; and / or
  - Immediately initiate legal proceedings without notice.
- 7.9. Our fees include GST at the prevailing rate unless our services are GST-free. If the prevailing rate of GST changes, we will adjust our costs to reflect the change. In addition to our fees, we may incur expenses (disbursements) on your behalf during the engagement.
- 7.10. General disbursements may include charges and expenses for travel, accommodation, and document production and handling, including photocopying, fax charges and courier. Please refer to the Appendix 1 for details of any other specific disbursements that we may incur. By engaging us you consent to us incurring these disbursements on your behalf and you agree to reimburse us for them. (Where applicable, GST will be charged on these disbursements at the prevailing rate.)
- 7.11. Unless specified otherwise in the Engagement Agreement, the cost of any person required to be appointed by you or us to provide specialist advice in connection with our engagement, is not included as part of our fee estimate.

## **8. Documents**

- 8.1. Any documents that we produce during our work belong to us.
- 8.2. Unless otherwise agreed in the Engagement Agreement, all original documents you have provided to us in the course of this engagement will belong to you.
- 8.3. On completion of our work, or termination of this engagement, we will return to you any papers to which you are entitled.
- 8.4. You agree that we can keep files relating to the engagement in electronic form. If you do not direct us otherwise in writing, we may destroy your files, without further notice to you, after 7 years from the date of completion of the engagement, or if a different (shorter or longer) retention period is required by law, following the expiration of that period.

You authorise us to destroy our file including all electronic records (excluding any documents kept in safe custody) after the



expiration of the relevant period referred to in the previous sentence.

- 8.5. If you believe that any document held by us in our files is, or is reasonably likely to be, required in evidence in a legal proceeding, you will inform us of this fact urgently and request in writing that we do not destroy such document until it is no longer required, unless you may be committing an offence under the applicable crimes legislation.
- 8.6. We may charge for special storage requirements and/or retrieving documents from storage if you request them.
- 8.7. We accept no liability for any losses you suffer if our file, including any documents or other material you leave with us, is damaged or destroyed for any reason.

## 9. Communication

- 9.1. We may correspond with you by post, by fax or electronically. We are not responsible for any delay, non-delivery or interruption of any of these methods of communication.
- 9.2. You authorise us to communicate with you and provide you with documents electronically. You acknowledge that electronic transmissions can be insecure and can be corrupted, intercepted and may contain viruses. To the extent permitted by law, we will not be responsible for any liability caused in connection with electronic transmissions. You will take all reasonable steps to ensure that you have suitable systems in place to prevent corruption of data, or transmission of viruses in your electronic documents or other communication to us. You acknowledge and accept the risks that email communications may not always be secure, irrespective of the security we have in place.
- 9.3. Please contact us immediately if you have any doubts about the authenticity of any documents or communications purportedly sent by us.
- 9.4. We authorise you to communicate with us and provide us with documents electronically.

## 10. Confidentiality & Data Security

- 10.1. In conducting this engagement, information acquired by us in the course of this engagement is subject to strict confidentiality and security requirements.
- 10.2. We will protect confidential information (including electronic data) in a reasonable and appropriate manner and in accordance with applicable professional standards and our Data Security Framework.
- 10.3. We will only use or reproduce confidential information to perform our obligations under this engagement.
- 10.4. We may disclose data to our service providers for the purpose of providing our professional services to you.
- 10.5. Thomas Noble & Russell may also store, process or back-up your data on computer servers or networks which are located in the cloud.
- 10.6. It is not practicable to list all countries in which data recipients may be located, however, Thomas Noble & Russell will only disclose

data to an overseas recipient where reasonably necessary in order to provide its professional services.

- 10.7. Service providers are expected to operate in accordance with established data security standards.
- 10.8. We may, on a confidential basis, disclose confidential information to our own professional advisors and insurers.
- 10.9. We may disclose confidential information if this is required by law, or is required in order for us to comply with our professional duties and obligations, or as required by professional or regulatory bodies.

## 11. Non-compliance with Laws and Regulation

- 11.1. Non-compliance with laws and regulations ("non-compliance") comprises acts of omission or commission, intentional or unintentional, committed by a client, or by Those Charged with Governance, by management or by other individuals working for or under the direction of a client which are contrary to the prevailing laws or regulations.
- 11.2. As members of the accounting profession we are required to act in the public interest and should we encounter or be made aware of non-compliance or suspected non-compliance with laws and regulations in the course of providing our service we are required to respond in accordance with the Code.
- 11.3. Our response will be determined by the specific circumstances of the non-compliance and the type of service we are providing but may include obtaining an understanding of the matter, discussing with the appropriate level of management or governance of the client how the matter will be addressed. We may be obliged to disclose the matter to your external auditor, group auditor or appropriate authority. We may be obliged to withdraw from the engagement.
- 11.4. If we are performing an audit, we will consider the impact of instances non-compliance or suspected non-compliance on our audit approach.

## 12. Quality Control

- 12.1. As a member of HLB Australasia, HLB International and Chartered Accountants Australia and New Zealand we are required to undertake quality review processes. Other regulatory bodies, including ASIC, may also conduct surveillance or review to monitor quality control. As part of these processes client files are subject to review.
- 12.2. As a result of these quality reviews your client file may be chosen for inspection. By accepting our terms of engagement you authorise your files to be reviewed in this way.

## 13. Copyright and Intellectual Property

- 13.1. Unless otherwise specified in the Engagement Letter, we retain all copyright and intellectual property rights in all material developed, designed or created by us in the course of carrying out the engagement including know how, systems, software, reports, written advice, drafts and working papers.



13.2. You warrant that any documents or material given to us in relation to this engagement will not infringe the intellectual property rights of any other person and you indemnify us against any breach of that warranty.

13.3. You must not use the Thomas Noble & Russell name or logo on any website or in any public statement unless you have our prior permission.

#### **14. Privacy**

14.1. We understand the importance of protecting the privacy of personal information. In handling personal information, we will comply with the *Privacy Act 1988* (Cth) ("Privacy Act"), as amended from time to time.

14.2. We collect, use, disclose and store personal information in accordance with our privacy statement, a copy of which is available on request or may be viewed on our website [www.tnr.com.au](http://www.tnr.com.au)

14.3. Generally, we collect and use personal information for the purposes of providing professional services to you. We may also use your personal information for the purpose of providing marketing and training information to you. Please let us know if you do not want to receive this information.

14.4. To provide services to you, we may disclose your information to third parties engaged to perform administrative or other services. Any such disclosure is always on a confidential basis. We may also disclose your information if required or authorised by law.

14.5. Before you disclose personal information to us, whether that information relates to you or someone else, you should make sure that you are entitled to disclose that information.

14.6. If you become aware of any breach or alleged breach of privacy laws concerning the information that you disclose to us, you must notify us immediately.

#### **15. Anti-Money Laundering and Counter Terrorism Financing**

15.1. From time to time we may request information from you in order to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) ("AML/CTF Act").

15.2. Where we provide a designated service (as defined under the AML/CTF Act), we are a reporting entity under the legislation and as such must meet stringent identification and verification requirements.

15.3. This means that, before providing you with a service we must make sure that you are who you say you are by collecting information to identify you or any agent acting on your behalf, and taking steps to verify this information.

15.4. We will maintain all information collected in a secure manner in accordance with the relevant privacy principles and the AML/CTF Act. We will only disclose information about you where we reasonably consider that we are required to do so under Australian law.

15.5. This means that your identification information may be disclosed to government agencies or law enforcement agencies. We may also disclose this information to other HLB Mann Judd entities involved in providing services to you to the extent that this information is required to fulfil that entity's AML/CTF obligations.

15.6. You agree to provide such information upon request. If you do not provide this information we may not be able to provide services to you.

#### **16. Independence and Conflicts of Interest**

16.1. The performance of our services is governed by Professional and Ethical Standards and other specific legislative requirements regarding independence.

16.2. As at the date of the Engagement Letter, we do not believe that there is any conflict of interest in us providing the services set out in the Engagement Agreement to you. However, it is possible that in the future a conflict (actual, potential or perceived) may arise. If it does, we will notify you immediately and discuss the issue with you.

16.3. Our aim is to make sure that any further services we provide to you will be objective and free from any independence or conflict of interest issues. In some cases this may result in us having to cease providing any further services to you.

#### **17. Problem Resolution**

17.1. If you are unhappy with the services we have provided to you, or would like to discuss how they could be improved, you are welcome to contact the Partner specified in the Engagement Letter.

17.2. We will investigate all complaints carefully and promptly and attempt to resolve any difficulties.

#### **18. Our Staff**

18.1. When our staff are assigned to work for you, you agree that, during the period of the engagement and for a period of 12 months following the completion or termination of the engagement, you will not without our consent employ or engage, or procure a third party to employ or engage, any employee of ours who has taken part in the provision of services to you. We reserve the right to charge to you a fee equivalent to the recruitment, training and additional expenses required to replace our employee (plus GST). We agree to not engage or employ any employee of yours without your consent for a period of 12 months following the completion or termination of the engagement.

18.2. The safety and wellbeing of our people is of paramount importance to us. We reserve the right to inspect your premises where our staff are, or are proposed, to work from. Irrespective of any inspection by us, you acknowledge that you have legal responsibility to provide a safe place of work at all times including for our staff who work from your premises.



## 19. Termination

19.1. Unless we are providing you with a statutory audit, the engagement may be terminated by you or us by giving 7 days' written notice subject to applicable legislation and professional standards.

19.2. Unless we are providing you with a statutory audit service we may terminate this engagement by giving you 7 days' notice in writing, unless a shorter period is required for matters of urgency, if:

- You do not pay our account
- You do not meet a requirement for money on account of costs or disbursements
- We have requested instructions, information or materials from you but you have failed to provide them in a timely manner
- You give us instructions that are false and misleading
- We believe that we may have a conflict of interest
- Any other reasonable grounds

19.3. Either party may terminate this engagement if an insolvency event occurs in relation to the other party. Where used in this clause, 'insolvency event' means, in relation to a body corporate, a liquidation or winding up, the appointment of a controller, administrator, receiver, manager or similar insolvency administrator to a party or any substantial part of its assets or the entering into a scheme or arrangement with creditors, or in relation to an individual, becoming bankrupt or entering into a scheme or arrangement with creditors or, in relation to a body corporate or an individual, the occurrence of any event that has a substantially similar effect to any of the above events.

19.4. All sums due to us for time spent prior to termination shall become payable in full when termination takes effect regardless of whether the engagement is complete, or as otherwise agreed in the Engagement Agreement.

19.5. Termination under this clause shall be without prejudice to any rights that may have accrued before termination.

## 20. Amendment

The Engagement Letter may only be amended or varied by a document in writing signed by each party.

## 21. Entire Agreement

These Standard Terms and Conditions, together with the Engagement Letter, Appendix 1 and Appendix 2, contain the entire agreement between the parties about their subject matter and supersede all previous communications, representations or agreements between the parties on the subject matter.

## 22. Inconsistency

If there is any inconsistency between the documents forming part of or contemplated by the entire agreement between the parties as set out in clause 21, then the following order of priority applies to determine which provisions prevail to the extent of the inconsistency:

(a) the Engagement Letter;

(b) Appendix 1;

(c) Appendix 2;

(d) these Standard Terms and Conditions.

For the avoidance of doubt, an inconsistency between a clause of these Standard Terms and Conditions and any part of the other documents in the list ("Other Documents") above will only be considered to exist if the subject matter of the particular clause is dealt with in both this Standard Terms and Conditions and any part of the Other Documents. If the Other Documents are silent on any particular subject matter, then that silence will not be taken to constitute an inconsistency between these Standard Terms and Conditions and the Other Documents.

## 23. Waiver

No failure to exercise or delay in exercising any right given by or under this Engagement Agreement to a party constitutes a waiver and the party may still exercise that right in the future. No single or partial exercise of any right precludes any other or further exercise of that or any other right.

Any waiver of any provision of this Engagement Agreement or a right created under it must be in writing signed by the party giving the waiver and is only effective to the extent set out in that written waiver.

## 24. Governing Law and Jurisdiction

This Engagement Agreement is governed by the laws in force in New South Wales, Australia.

The parties submit to the exclusive jurisdiction of any courts of competent jurisdiction in New South Wales, Australia and any courts that may hear appeals from those courts about any proceedings in connection with this Engagement Agreement.

# AUDIT STRATEGY

ANGLICAN DIOCESE OF GRAFTON  
YEAR ENDING 31 DECEMBER 2020



Thomas  
Noble &  
Russell

Accountants | Auditors | Business Advisers

ISSUED: 10 JULY 2020

[www.tnr.com.au](http://www.tnr.com.au)



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## Audit of the Financial Report of the Anglican Diocese of Grafton Group for the year ending 31 December 2020

We are currently in the process of planning our audit of the financial reports for the year ending 31 December 2020 of the Anglican Diocese Grafton Group (the Group) which comprises the:

- Anglican Diocese of Grafton;
- Anglican Funds Grafton Diocese (AFGD); and
- The Corporate Trustees of the Diocese of Grafton

Australian Auditing Standards issued by the Auditing and Assurance Standards Board require us to communicate with "those charged with governance" of the Group in relation to some aspects of our audit

Auditing Standard ASA 260 defines "Those charged with governance" as "...the person(s) or organisation(s) ... with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process".

Those charged with governance may involve management personnel.

ASA 260 defines "management" as those with "executive responsibility for the conduct of the entity's operations".

We advise that we will communicate matters of governance interest arising from our audit with:

- (i) the respective Governing Bodies (Bishop-in-Council, the Anglican Funds Grafton Diocese Board, and the Corporate Trustees of the Diocese of Grafton);
- (ii) the Audit Committee of the Diocese of Grafton; and/or
- (iii) management

as we consider appropriate in relation to each matter to be communicated.

Ordinarily, we will initially discuss audit matters of governance interest with management.

In particular, any management letter we issue will be addressed to the Audit Committee after it has been discussed with management.

Some of these matters will be communicated orally and some in writing. All matters will be communicated on a timely basis.

### 1. Auditor's Responsibilities

We are responsible for forming and expressing an opinion on the financial reports that will be prepared by management with the oversight of those charged with governance. Our audit of the financial reports does not relieve management or those charged with governance of their responsibilities.

### 2. Scope of Our Audit

The purpose of providing you with details of the planned scope of the audit is to assist you in better understanding the consequences of our work and to help identify any areas in which you may request us to undertake additional procedures.

Should there be any matters outlined in this letter that are not consistent with your understanding of the engagement, please contact us.

We will conduct our audit for the year ending 31 December 2020 for each Group entity in accordance with the terms of our most recent engagement letter dated 9 July 2020 and with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement.



Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures will be undertaken to form an opinion whether, in all material respects, the respective financial reports of each Group entity give a true and fair view of their financial position as at 31 December 2020 and their performance for the year ended on that date; and comply with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements.

### Controls Reliance

Based on our preliminary planning procedures we consider that a fully substantive approach is the most efficient and effective for each audit. Consequently, we will not be placing reliance on any controls for your organisation.

### Significant Risks

A feature of our audit approach is to identify areas of significant risk of material misstatement in the financial statements. We then undertake our audit, giving special attention to those areas, whilst still ensuring that all other material areas in the financial statements are subject to audit examination.

Our planning procedures have identified the following significant risks and other areas of focus.

We propose to address these risks of material misstatement as follows. Please note that the items noted below do not cover all risks subject to audit.

SIGNIFICANT RISKS	PLAN TO ADDRESS
<p>1. <b>Revenue and related risk of fraud*</b></p> <p><i>All entities</i></p>	<ul style="list-style-type: none"> <li>Update our understanding of and perform walkthrough tests over major revenue streams.</li> </ul>

### SIGNIFICANT RISKS

### PLAN TO ADDRESS

#### 2. **Management Override of Controls\***

*All entities*

- Perform detailed analytics and sample tests over revenue to ensure it is accurate, complete and recorded in the correct accounting period.
- Test the appropriateness of journal entries.
- Review accounting estimates for bias.
- Determine whether there is a need to perform other audit procedures where there are specific additional risks of management override that are not covered by the procedures above.

## SIGNIFICANT RISKS

## PLAN TO ADDRESS

### 3. Recognition of Liabilities or Contingent Liabilities

#### *Anglican Diocese of Grafton*

- Consider the latest developments and claims received relating to professional conduct. Ensure appropriate disclosure is made in the financial statements.
- Review management's assessment of actual liabilities and contingent liabilities.
- Have regard to any correspondence from legal advisors and the National Redress Scheme.
- Have regards to the results from the revised actuarial report from Marsh obtained during the year.
- Ensure appropriate disclosure is made in the financial statements.

### 4. Asset Impairment

#### *Anglican Funds Grafton Diocese*

- Review management's methodology for assessing, recognising and accounting for impaired loans.
- Review evidence of impairment indicators and review impairment calculations prepared by management.
- Review financial accounting and disclosures for impaired loans.

### 5. COVID-19 Pandemic

#### *All entities*

The World Health Organisation has declared that COVID-19 is a pandemic.

- Monitor the impacts of COVID-19 on the Group throughout the period.
- Assess whether financial reporting impacts of COVID-19 are accurately

## SIGNIFICANT RISKS

## PLAN TO ADDRESS

This pandemic is affecting the health of the public and the economy.

The Pandemic has presented a number of financial reporting risks. In general, these include:

- Inappropriate application of the going concern principle
- Impairment of assets (financial and non-financial)
- Credit and liquidity risks
- Key estimates and judgements may need to be revised
- Disclosure requirements including subsequent events and/or contingencies

The Diocese has been able to access various Government stimulus (e.g. JobKeeper) to assist in maintaining financial viability.

recognised and disclosed in the financial statements.

- Consider the appropriate treatment and disclosure of Government assistance received.

\* Australian Auditing Standards require the auditor to presume there is a risk of fraud relating to inappropriate revenue recognition as well as due to management's ability to override controls. As these present a risk of material misstatement due to fraud, they are considered significant risks.





In addition to the above significant risks, the following areas will also be a focus for our audit:

#### OTHER AREAS OF FOCUS

#### PLAN TO ADDRESS

##### 1. Strategic Direction of Anglican Funds Grafton Diocese

The AFGD Board is currently considering options for the future direction of the Fund's activities. Decisions made by the Board may impact the Fund's financial reporting requirements.

- We will continue to liaise with management to ascertain the financial reporting impacts of any strategic decision and assess whether our audit approach is to be amended.

Please advise us if there are any areas where you consider we should conduct additional audit procedures.

### 3. Independence and Ethics

The Partner and all staff assigned to the audit engagement team for the year ending 31 December 2020 have confirmed that they are independent in accordance with the ethical requirements of Professional Standard APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)*. We also consider that the firm is independent of the Group.

During the financial year to 31 December 2020 we have been requested to provided the following non-audit services to the Group:

- Assistance with the preparation of the annual financial statements for the entities within the Group
- Advice with respect of eligibility for the JobKeeper program, and application and enrollment in the JobKeeper program

We consider that the provision of these services has not impaired our independence.

*The Australian Charities and Not-for-profits Commission Act 2012* requires the independent auditor to make a declaration to those charged with governance regarding independence. This declaration will be provided at the conclusion of our audit.

### 4. Significant Accounting Policies

We have been advised by management that there have been no changes in, and no other new, significant accounting policies and practices that have, or could have, a material effect on the financial report.

### 5. Materiality

Our audit is designed to identify and assess the risk of material misstatement. The concept of materiality affects our audit planning and our consideration of matters arising from our audit. We take into account both qualitative and quantitative factors when assessing materiality.

Completion of initial audit procedures has resulted in the following preliminary materiality levels being established. These levels will be subject to reassessment throughout the audit, including the finalisation of the financial report.

ENTITY	BASIS FOR DETERMINING MATERIALITY	PLANNING MATERIALITY \$	SCORESHEET THRESHOLD \$
Anglican Diocese of Grafton	3% of expenditure	190,000	19,000
Anglican Funds Grafton Diocese	3% of expenditure	37,000	3,700
The Corporate Trustees of the Diocese of Grafton	3% of expenditure	110,000	11,000

Prior to the conclusion of our audit, we will advise of:

- All adjustments to the financial reports made as a result of our audit.
- Uncorrected misstatements identified during the audit which management determined were not material other than those that are clearly trivial.

## 6. Fraud

We have discussed with management their knowledge of any actual, suspected or alleged fraud affecting each Group entity within the period being audited and they have advised us that they are not aware of any such matters.

If you have knowledge of any such matters, please let us know as soon as possible as this will affect the scope of our audit work.

## 7. Additional Audit Work

Should you wish us to extend the scope of our audit work, or to work to a lower materiality level, please let us know.

## 8. Breaches of Laws & Regulations

Management has advised that they are not aware of any breaches of laws or regulations that may have a material effect on the financial reports. If this is not the case, please let us know as soon as possible as this will affect the scope of our audit work.

## 9. Audit Quality

We strive to provide professional high quality, value for money auditing services to all of our clients by ensuring responsive and high quality service. To minimise any disruption to your work practice and ensure the greatest outcome from the audit, we encourage your assistance in the following areas:

- Provide clear, concise and accurate documentation.
- Ensure key staff availability.
- Provide necessary documentation in accordance with the timetable agreed.
- Respond to audit inquiries and issues in a timely manner.

To ensure we maintain our high standards we encourage you to discuss any feedback or comments on the services we provide with the engagement partner.

## 10. Engagement Team

Our aim is to provide the Group with audit resources at an appropriate skill mix, suited to the specialist requirements of your industry. The following team members will be responsible for the financial audit.

OFFICE/POSITION	ROLE	CONTACT
Kevin Franey Engagement Partner	Responsible for the audit opinion, the audit approach and execution, determining key risks and judgements, assigning staff to the engagement and monitoring their performance	Email: <a href="mailto:kevin.franey@tnr.com.au">kevin.franey@tnr.com.au</a> Phone: 6626 3000 Mobile: 0416 218 544
Jodie Carter Audit Manager	Supports and reports to the Engagement Partner and is responsible for the day-to-day planning, coordination and execution of the audit.	Email: <a href="mailto:Jodie.carter@tnr.com.au">Jodie.carter@tnr.com.au</a> Phone: 6626 3000 Mobile: 0437 404 354

## 11. Audit Timetable

The following timetable has been proposed in relation to financial audit process.

ACTIVITY	RESPONSIBILITY	BY
Commence interim visit	TNR	30 November 2020
Commence year end visit	TNR	1 March 2021
Closing report and year-end audit management letter issued	TNR	April 2021 (TBC)
Audit Committee meeting	Audit Committee	April 2021 (TBC)
Bishop-in-Council meeting to adopt financial report	Bishop-in-Council	May 2021 (TBC)
Corporate Trustees and AFGD Board meeting to adopt financial report	Board	May 2021 (TBC)
Receipt of signed management representation letters.	Management	May 2021 (TBC)
Audit report to be signed	TNR	May 2021 (TBC)
Synod		June 2021 (TBC)

## 12. Audit Fees

The audit fee based on our planned audit approach is \$53,580 (exclusive of GST).

The audit fee will be billed progressively based on work completed.

The audit fee is allocated between the following components:

FINANCIAL AUDIT COMPONENTS	CURRENT YEAR ESTIMATE \$	PRIOR YEAR ACTUAL \$
<b>Audit of Financial Reports</b>		
Anglican Diocese of Grafton	10,800	10,475
Anglican Funds Grafton Diocese	18,400	17,810
The Corporate Trustees of the Diocese of Grafton	13,000	12,570
<b>Preparation of Financial Reports</b>		
Anglican Diocese of Grafton	2,150	2,100
Anglican Funds Grafton Diocese	2,610	2,610
The Corporate Trustees of the Diocese of Grafton	2,150	2,100
<b>Disbursements</b>	5,970	5,970
<b>Attendance at various Governing Body meetings throughout the year</b>	2,400	-
<b>Discount</b>	(3,900)	(1,500)
<b>Total</b>	<b>53,580</b>	<b>52,135</b>

Changes to our audit plan, such as the identification of other significant issues which impact on the nature and extent of planned audit procedures, have the potential to affect the audit fee.



Thomas  
Noble &  
Russell

Accountants | Auditors | Business Advisers

Other matters that may have an impact on our fees include:

- your achievement of key milestones within the agreed timeframes;
- the quality of working papers provided for audit; and
- availability of your key management and staff, and timeliness of response to audit issues.

Any anticipated variation of our fee will be discussed with management during the course of the audit.

31 Keen Street, LISMORE NSW 2480

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Thomas  
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Russell

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**DISCLAIMER:**

An audit of a financial report is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, our audit does not ordinarily identify all such matters.

Our communication of matters of governance interest includes only those audit matters of governance interest that come to our attention as a result of the performance of our audit.

[www.tnr.com.au](http://www.tnr.com.au)





# Thomas Noble & Russell

Accountants | Auditors | Business Advisers

9 July 2020

Mr Chris Nelson  
Registrar  
Anglican Diocese of Grafton  
PO Box 4  
GRAFTON NSW 2460

Dear Chris

## RE: PROPOSAL FOR AUDIT SERVICES 2020 – 2022 FEE ESTIMATE

Thank you for the opportunity to provide a proposal for the provision of audit services to the Anglican Diocese of Grafton Group (the Group) which comprises the:

- Anglican Diocese of Grafton
- Anglican Funds Grafton Diocese; and
- The Corporate Trustees of the Diocese of Grafton

Our fee estimate proposal for the financial years ending 31 December 2020 (GST-exclusive) is as follows:

Service	2020 Fee \$	Discount applied \$	2020 Proposed Fee \$
<b>Anglican Diocese of Grafton</b>			
Audit of Annual Financial Report	10,800	-	10,800
Annual preparation of financial report	2,150	(500)	1,650
<b>Anglican Funds Diocese Grafton</b>			
Audit of Annual Financial Report	18,400	-	18,400
Annual preparation of financial report	2,610	(500)	2,110
<b>The Corporate Trustees of the Diocese of Grafton</b>			
Audit of Annual Financial Report	13,000	-	13,000
Annual preparation of financial report	2,150	(500)	1,650
<b>Group</b>			
Disbursements	5,970	-	5,970
Attendance at various Governing Body meetings throughout the year	2,400	(2,400)	-
<b>Total Proposed Fee</b>	<b>57,480</b>	<b>(3,900)</b>	<b>53,580</b>

Page 1 of 2

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## **Disbursements**

Disbursements will be charged on an 'actual costs incurred' basis in addition to our quoted fee but are expected to be no greater than \$5,970 plus GST. This represents approximately 3 people to be on-site at Grafton for 2 weeks per annum and includes attendance at governing body meetings. In order to reduce this cost, the amount of work that can be done by our staff on-site or off-site can be negotiated each year depending on requirements and availability of documents and reports remotely. We note the extensive use of electronic workpapers by Diocese finance staff, however this does not detract from our on-site service philosophy.

## **Future direction of Anglican Funds Grafton Diocese**

We understand that the future direction of the Anglican Funds Grafton Diocese entity is under consideration by the Anglican Funds Grafton Diocese Board and possible resolutions and outcomes from this may affect the level of audit effort required in relation to this entity. The fee provided above is made assuming no significant changes to operations when compared to the financial year ended 31 December 2019. We would be happy to provide a revised fee estimate should circumstances change. We would appreciate your prompt notification of any decisions made by the Board that may impact on audit requirements.

## **Method for determining subsequent years fees**

Presuming there are no material changes to the organisation's level of operation, systems or procedures, the 2021 and 2022 audit fees will be linked to annual increases in the seasonally adjusted private sector full-time adult average weekly ordinary time earnings (AWOTE) as published by the Australian Bureau of Statistics (report 6302). This index increased by 3.4% for the year ended November 2019.

## **Assistance with accounting for end of year journals**

In response to efficiency observations identified in previous audits in relation to the processing of trust account reversing entries and other financial reporting adjustments made at reporting date, we have also been requested to provide a quote to provide advice and assistance with structuring the general ledger chart of accounts to facilitate the processing of these entries and to reconcile the respective entities Myob files to the opening balances per the final financial reports. We propose this cost of this work to be \$1,800 (GST-exclusive).

We would be pleased to discuss our fee methodology if required.

Yours faithfully

**THOMAS NOBLE & RUSSELL**

Per:

  
.....  
K R FRANEY (Partner)  
Registered Company Auditor



**BOARD MEETING DATE:**

19/08/2020

**No 9      Matters for noting and status updates**

**Item: a**

**Title: Governance update AML/CTF Monitoring program  
and software from AFSA**

**No of Pages. 94 incl Header**





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## Governance update - AML/CTF Monitoring program and software

1 message

---

**Blaine Fitzgerald** <afsahead@adelaideanglicans.com>

22 July 2020 at 11:33

To: office <office@afgd.com.au>, Glen Cousins <GlenCousins@newcastleanglican.org.au>, Zoe Williams <zoeWilliams@newcastleanglican.org.au>, Richard Connelly <richardc@gippsanglican.org.au>, Annette Hollonds <AnnetteH@gippsanglican.org.au>  
Cc: Anna Halman <ahalman@adelaideanglicans.com>

Hi everyone

In a recent governance review, a gap was identified in our business process required to adhere to the Anti Money Laundering and Counter Terrorism Financing (AML/CTF) Act regulations. AML/CTF is commonwealth legislation outside of any banking related exemptions our Anglican Funds business enjoys.

The Act basically requires a regulated entity that provides a designated service to have in place the requirements of AML/CTF except where an exemption applies. It goes without saying that the regulations in place under this Act promotes excellent risk minimising strategies for fraud and other illegal type of financing activities.

I have attached the AFSA Compliance plan to explain the Act. We are in the process of an external legal review of the plan to ensure all requirements are captured. There are two parts to the Act;

1. A risk review of the business/clients and the business process required to be in place to comply with the Act
2. Identification and verification of your clients ( AKA "Know your client")

The good news is that AFSA has the majority of the requirements of the plan in place.

One of the significant gaps that will impact all branches is the requirement of the each entity to have Transaction Monitoring in place. The attached compliance plan will explain the process.

AFSA has a basic manual process in place to monitor transactions however this is not sufficient to satisfy the requirements of the Act. Particularly in light of the nearly 200,000 transactions that are processed annually.

Research into the commercial transaction monitoring software has pointed us to the solution that is offered by Data Action (DA). The solution has an interface with CBS as an automated solution.

Indue also has a solution but exemptions are examined by a human eye in the Indue office, therefore increasing costs. This has been reviewed and rejected by AFSA as a possible solution.

DA have partnered up with a firm call Refinitiv who offers a solution called TransWatch. Various add ons are available however I have chosen the base model of monitoring up 500,000 transactions pa and 2 licences. DA have provided a quote which is shown below;

#### Year 1 Cost

Annual Fee	\$ 8,540
Implementation fee	\$10,500
<b>Total</b>	<b>\$19,040</b>

#### Year 2 Cost

Annual fee	\$8,540 plus CPI increase
------------	---------------------------

#### Cost allocation by Branch

	Year 1		Year 2 (thereafter)
	Implementation (one off)	Monitoring	Monitoring
AFSA	\$3,150	\$2,562 (\$213-50/month)	\$2,562 (\$213-50/month)
ASDF	\$3,150	\$2,562	\$2,562
AFGD	\$3,150	\$2,562	\$2,562
GIPP 16/month)	\$1,050	\$ 854 (\$71-16/month)	\$ 854 (\$71-
<b>Total</b>	<b>\$10,500</b>	<b>\$8,540</b>	<b>\$8,540</b>

As all branches will have access to this software and have the same responsibility to adhere to the Act, the cost will be split as just under a third each. AFSA is prepared to absorb a third of the cost in light of our reduced number of transactions per year compared to Newcastle and Grafton as a gesture of goodwill. Gippsland who are on the very light end of transaction numbers will contribute a minor portion of the cost.

AFSA has also absorbed the cost of the compliance plan( approx. \$10k) plus will oversee the project management of the implementation and conduct the compliance training required.

Anna has worked with each Branch and has an understanding where the potential gaps in each of your business units are.

I can schedule a meeting next week to discuss this after each branch has had time to read the plan, absorb the information which may throw up questions.

*Kind regards*

**Blaine Fitzgerald**

Head of Anglican Funds South Australia

18 King William Road, North Adelaide SA 5006

P 08 8305 9371 | M 0452 137 740



AFSA AML\_CTF Program - Final 2020[2].docx  
364K



# AFSA AML/CTF Program

## Parts A & B

### Program Information

<b>Version Number</b>	1.0
<b>Last Board Approval Date</b>	
<b>Last Updated Information</b>	May 2020
<b>Next Review Date</b>	May 2021
<b>Board Endorsement Date</b>	
<b>Title of Program Owner</b>	Head of Anglican Funds South Australia
<b>Issuing Department</b>	Anglican Funds South Australia (AFSA)
<b>Details of Policy Approval Authority</b>	AFSA Board
<b>Compliance Reporting</b>	AFSA Board and AUSTRAC

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## **1.1 Introduction**

### **1.2 Purpose**

AFSA is committed to combating money laundering and terrorism financing (“ML/TF”). As a provider of various financial products and services AFSA is required to comply with the obligations imposed on it under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (“AML/CTF Act”), the *Anti-Money Laundering and Counter-Terrorism Financing Rules 2007 (No. 1)* (Cth) (“AML/CTF Rules”) and associated regulations.

The purpose of the document is to:

- Ensure that AFSA is aware of the statutory and regulatory obligations that apply to it, along with the penalties associated with non-compliance with the AML/CTF Act;
- Provide guidance on money laundering and terrorist financing (“ML/TF”) activities so as to enable all relevant AFSA staff to be educated in this regard; and
- Document AFSA’s Anti Money Laundering / Counter Terrorism Financing Program (“AML/CTF Program”).

This AML/CTF Program outlines the AFSA’s approach to identifying, managing and mitigating ML/TF risks.

The AML/CTF Program also outlines the roles and responsibilities for Anti Money Laundering/Counter Terrorism Financing Compliance Officer (“AML/CTF Compliance Officer”) and the Customer Service Team in making sure that AFSA complies with its ML/TF obligations.

### **1.3 Scope**

The Customer Service Team and Head of AFSA are the primary audiences for this AML/CTF Program. However, the AML/CTF Program applies to the entirety of AFSA and defines accountabilities for associated team members.

### **1.4 Format**

The AFSA AML/CTF Program is a Standard Program, divided into:

#### **Part A**

- Explains how AFSA identifies, manages and mitigates its ML/TF risks; and
- Is subject to a risk-based approach.

#### **Part B**

- Is specific in nature, relating exclusively to customer identification;
- Sets out customer identification procedures that must be carried out by the Customer Service Team; and
- Establishes methods for identifying customers (and their agents), to enable AFSA to be reasonably satisfied that a customer is who they claim to be.

## **1.5 AML/CTF Program structure**

This AML/CTF Program has been structured to show each legal AML/CTF obligation, the approach to complying with each obligation AFSA has adopted and the person(s) accountable at AFSA for ensuring that the approach is actioned.

### ***1.5.1 Obligations***

These obligations are what AFSA must comply with under the AML/CTF Act, AML/CTF Rules, Public Legal Interpretations (PLI), and AUSTRAC guidance notes.

### ***1.5.2 Approaches***

This AML/CTF Program sets minimum standards for how each obligation is to be addressed. With consideration to these minimum standards and AFSA's ML/TF risk profiling, AFSA must develop individual approaches to meet each obligation.

The AML/CTF Compliance Officer has the responsibility for the development and implementation of approaches to meet each obligation.

### ***1.5.3 Accountabilities***

Accountabilities for meeting each obligation vary. Separate accountabilities for each of the parties involved are clearly defined within each obligation of this AML/CTF Program.

In all instances, AFSA is accountable for assessing their ML/TF risks, developing ML/TF controls, implementing ML/TF controls, and monitoring and testing the veracity of ML/TF controls. These steps demonstrate that AFSA understands its risks, has taken steps to manage its risks, and to monitor the effectiveness of the controls.

## **1.6 Approval**

This AML/CTF Program is required to be approved by the Anglican Funds South Australia (AFSA) board.

The outcome of oversight activities conducted against ML/TF risks profiles and obligations contained within this AML/CTF Program are reported to be the AFSA Board on an annual basis.

## **2.1 Part A**

### **2.2 Purpose:**

The purpose of Part A of the AML/CTF Program is to set out how AFSA must identify, mitigate and manage the ML/TF risk it may reasonably face in providing designated services to its customers at or through a permanent establishment in Australia, which might involve or facilitate money laundering or financing of terrorism.



Part A includes the following:

- Training employees in AML obligations, trends, risk based processes and consequences of non- compliance;
- Ensuring that systems are in place to assess the risk of products and designated services that AFSA provides;
- Ongoing customer due diligence and monitoring of customer transactions;
- Screening AFSA's employees prior to engagement and ongoing monitoring of staff; and
- Training and ongoing monitoring of agents and third parties.

### 2.2.1 Application of Part A

Part A of this AML/CTF Program applies to all areas of AFSA business that are involved in the provision of designated services, including in relation to any functions that are outsourced to a third party.

### 2.2.2 Designated services

AFSA has identified the following activities as designated services they may provide:

Activity	DS item no.	Customer/type
Making a loan, where the loan is made in the course of carrying on a loans business	6	Low risk. Loans are provided to parishes, the cathedral, dioceses and schools for a variety of purposes including the purchase and renovation of property, and the purchase of vehicles. Customers will generally be known by AFSA.
In the capacity of lender for a loan, allowing the borrower to conduct a transaction in relation to the loan, where the loan was made in the course of carrying on a loans business	7	Low risk. Loans are provided to parishes, the cathedral, dioceses and schools for a variety of purposes including the purchase and renovation of property, and the purchase of vehicles. Customers will generally be known by AFSA.
In the capacity of account provider for an account, providing a chequebook, or a similar facility, that enables the holder of the account to draw a cheque on the account.	14	Low risk. Cheque facilities are provided for savings accounts and accounts held by parishes, the cathedral, and the Diocese.
In the capacity of beneficiary institution, making money available to the payee as a result of an electronic funds transfer instruction	30	Low risk. Customers may include parishes, priests, the cathedral, Dioceses, schools, Anglicare and other affiliated groups. Customers will generally be known by AFSA.

AFSA is an activity of the Synod of the Diocese of Adelaide of the Anglican Church of Australia Inc. AFSA performs services for other business units within the same legal entity and may also perform similar services for discrete legal entities that are not part of the Diocese of Adelaide. AFSA will only be providing a designated service within the meaning of the AML/CTF Act where the customer listed in the table is a separate legal entity from the Diocese of Adelaide.

AFSA may also:

- In the capacity of account provider, open an account, allow a person to become a signatory to the account or allow a transaction to be conducted in relation to the account;
- Accept money on deposit (otherwise than by way of deposit to an account).

These services will not be considered "designated services" because AFSA is not an ADI as it operates within the exemption under section 66 of the *Banking Act 1959* (Cth) for religious charitable development funds. However, AFSA has decided that it will nevertheless conduct know your customer checks in respect of all customers for whom it provides deposit account services as if it were an ADI (See Part B for further details).

## 2.3 Risk Based Approach

### Obligation

Reporting Entities should implement appropriate risk based systems and controls to manage ML/TF risks, with regard to the nature, size and complexity of the business and the type of ML/TF risk faced.

#### 2.3.1 Approach

In identifying a ML/TF risk, AFSA considers the following factors:

- Its customer types, including any PEPs and the beneficial ownership of customers;
- The types of designated services it provides;
- The source of funds and wealth of customers;
- The control structure of non-individual customers;
- The methods by which it delivers designated services; and
- The foreign jurisdictions in which it deals.

This risk based approach must be taken into account when determining any procedure including Part B of the AML/CTF Program.

AFSA through this AML/CTF Program is able to:

- Understand the nature and purpose of the business relationship with its customer types, including, as appropriate, the collection of information relevant to that understanding;
- Understand the control structure of non-individual customers;
- Identify significant changes in ML/TF risk, including;
  - risks identified by consideration of the factors identified in the section above;
  - risks arising from changes in the nature of the business relationship, control structure, or beneficial ownership of its customers;

- Recognise such changes in ML/TF risk for the purposes of the stated requirements in the AML/CTF Program;
- identify, mitigate and manage any ML/TF risk posed by:
  - All new designated services prior to introducing them to the market;
  - All new methods of designated service delivery prior to adopting them;
  - All new or developing technologies used for the provision of a designated service prior to adopting them; and
  - Changes arising in the nature of the business relationship, control structure or beneficial ownership of its customers.

AFSA has conducted a ML/TF Risk Assessment which considers its customer types (including PEPs and the beneficial ownership of customers), the designated services it provides, the source of funds and wealth of customers, the control structure of non-individual customers, the methods by which it delivers designated services and the foreign jurisdictions in which it deals. The risk assessment framework can be found at Part A, Appendix A. The risk assessment provides an inherent and residual risk rating for each product AFSA offers per customer type by considering the profile and typical activity per product/customer. The ratings are assigned on the likelihood and consequence of the product/service being used by a customer for ML/TF purposes. Given the nature of AFSA's customers and the designated services it provides, AFSA's ML/TF risk is considered to be low.

### **2.3.2 Accountabilities**

#### **AML/CTF Compliance Officer**

The role of the AML/CTF Compliance Officer is to ensure that the ML/TF risk assessment is kept up to date (through review on an annual basis), and is fully communicated to relevant stakeholders within AFSA to ensure that as a whole, the organisation is comfortable that the ratings assigned, and the conclusions reached in the risk assessment are supported by the analysis conducted.

The AML/CTF Compliance Officer is also responsible for ensuring that any new products are risk assessed for ML/TF purposes prior to their being introduced. Equally, the AML/CTF Compliance Officer should ensure that the results of the ML/TF risk assessment are fully considered when designing the approach to relevant ML/TF systems and controls such as Ongoing Customer Due Diligence (including Transaction Monitoring), Enhanced Customer Due Diligence, Employee Due Diligence and the Customer Identification Program.

### **2.3.3 Registration with AUSTRAC**

The AML/CTF Compliance Officer must ensure that each Reporting Entity is either enrolled with AUSTRAC as a reporting entity under section 51D of the AML/CTF Act or has applied to be enrolled within 28 days after first providing a designated service.

### **2.3.4 AML/CTF Compliance Reporting**

The AML/CTF Compliance Officer, on behalf of AFSA, must submit an AML/CTF Compliance Report to AUSTRAC from 2 January to 31 March in the calendar year immediately following

the end

of the reporting period (which is each calendar year) and at such other times as required by the AML/CTF Act or AML/CTF Rules.

The AML/CTF Compliance Report must cover AFSA compliance with the AML/CTF Act and the AML/CTF Rules during the reporting period and take the form to be specified by AUSTRAC (if any).

## 2.4 AML/CTF Risk Awareness Training Program

### Obligation

Reporting Entities are required to provide employees with appropriate AML/CTF risk awareness training at appropriate intervals to manage ML/TF risk.

#### 2.4.1 Approach

AFSA's approach to meeting this obligation is comprised of two components:

##### Firstly:

- Take appropriate measures for the purpose of making employees whose duties relate to the provision of financial services aware of requirements under the AML/CTF Act;
- Provide employees whose duties relate to the provision of relevant financial services with training in the recognition and handling of transactions carried out by or on behalf of persons who are, or appear to be engaged in money laundering; and
- Establish and maintain procedures for monitoring and testing the effectiveness of AFSA's systems and internal controls including the effectiveness of awareness raising and training for relevant employees.

##### Secondly:

- Provide regular training (at least on an annual basis) to all officers and employees involved in the provision of designated services and the administration of this AML/CTF Program.
- The program will ensure that the relevant staff understand:
  - AFSA's obligations under the AML/CTF Act and AML/CTF Rules;
  - The consequences of non-compliance with the AML/CTF Act and AML/CTF Rules;
  - The type of ML/TF risk faced by AFSA and the potential consequences of such risk; and
  - The AML/CTF processes and procedures AFSA has in place that are relevant to the work carried out by the employee including investigation, escalation and reporting obligations. This includes:
    - AFSA's customer identification and verification procedures;
    - AFSA's requirements in respect of identification and reporting of suspicious activities or alleged criminal conduct; and
    - Record retention obligations.
- Where the level or circumstances of ML/TF risk relating to a particular position or group of positions is different or significantly higher, the AML/CTF Compliance Officer will give consideration to whether tailored or additional risk awareness training is required for the affected position(s).
- Induction training for new employees regarding their role and duties as an employee will include an AML/CTF component where their role may include the provision of designated

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services.

- All existing officers, employees and agents whose role may include the provision of designated services will receive risk awareness training within 30 days of the date of their commencement of the relevant role.
- Officers, employees and agents involved in the provision of designated services and the administration of this AML/CTF Program must undertake risk awareness training on an annual basis. Annual training is also undertaken by the AFSA Customer Service Team, Head of AFSA. In addition, those employees who are in a position or who are transferred or promoted to a position, which could enable them to facilitate the commission of a ML or a financing of terrorism offence will be trained according to the ML/TF risk posed by the position.
- Training is completed at least annually (or where otherwise required in accordance with the preceding paragraphs) via an online training module from the Safetrac Group called 'Anti-Money Laundering & Counter-Terrorism Financing'. The training content includes:
  - The law;
  - What is money laundering?
  - What is terrorism financing?
  - Differences;
  - Global regulations;
  - The regulator;
  - AML/CTF Legislation;
  - Compliance with the *Financial Transaction Reports Act 1988* (Cth) (FTR Act);
  - AML/CTF Programs;
  - Limited expectations;
  - Collection information;
  - Beneficial owners;
  - Customer due diligence;
  - Reporting; and
  - Keeping records.

## 2.4.2 Accountabilities

### AML/CTF Compliance Officer

The AML/CTF Compliance Officer will:

- Design, deliver and maintain the training program;
- Ensure that the training program is updated as appropriate, including any changes to the AML/CTF Act or the AML/CTF Rules for ML/TF risks.
- Monitor delivery and effectiveness of the training program;
- Update relevant staff with updates as issued by AUSTRAC; and
- Maintain a training record with the following information:
  - The date of training,
  - Names of staff who attended;
  - Purpose and nature of training;
  - Any documents provided to staff; and
  - Steps taken to assess employee awareness and understanding.

## 2.5 Employee Due Diligence (EDD) Program

### Obligation

Reporting Entities are required to implement risk based systems and controls to screen all employees (including prospective employees) in positions where it is possible to facilitate ML/TF activity.

### 2.5.1 Approach

- All prospective employees and officers who apply for a position within AFSA, and all employees or officers who are being transferred or promoted into a position, that may enable them to facilitate the commission of a money laundering or terrorism financing offence will be subject to a background check in accordance with AFSA's employment screening procedures (see section 2.5.2 below) prior to the appointment to that position.
- AFSA will, on an ongoing basis, monitor its officers' and employees' compliance with this AML/CTF Program. The compliance of employees with this AML/CTF Program will be monitored in a number of ways and may include, subject to applicable laws, surveillance of an employee's activities in the workplace.
- If an officer or employee believes that another officer or employee of AFSA has failed to comply with the AML/CTF legislation, or any system, control or procedure in this AML/CTF Program they must notify to their supervisor or the AML/CTF Compliance Officer.
- Alternatively, if an officer or employee believes that the AML/CTF Compliance Officer has failed to comply with the AML/CTF legislation, or any system, control or procedure in this AML/CTF Program, they must notify Senior Management (Registrar and Secretary of Synod)
- AFSA will manage any employee who fails to comply with the procedures established in Part A and Part B of AFSA's AML/CTF Program.

### 2.4.2 Accountabilities

#### AML/CTF Compliance Officer

- Will undertake the following due diligence activities on all new staff and those that are promoted to a position which could enable them to facilitate the commission of money laundering or counter terrorism financing offences:
  - 2 reference checks;
  - A national criminal history check;
  - Search of ASIC banned and disqualified person register; and
  - Identification and verification in accordance with Part B of this AML/CTF Program.
- Will investigate any potential breaches of:
  - The AML/CTF legislation or AML/CTF Rules; or
  - This AML/CTF Program;by an employee or officer and will communicate their findings to the Head of AFSA, as appropriate. The AML/CTF Compliance Officer may, if necessary, communicate his



or her findings to AUSTRAC and the relevant law enforcement agencies as appropriate;and

- Will ensure that all documentation collected in accordance with this Section is held on the relevant staff member's human resources file.

### **Head of AFSA**

- Will communicate any potential breaches of:
  - The AML/CTF legislation or AML/CTF Rules; or
  - This AML/CTF Program;
 by an employee or officer to the Registrar of the Adelaide Diocese, as appropriate.

### **Registrar of the Adelaide Diocese**

- Will conduct appropriate disciplinary action, including termination of employment where deemed necessary, if a staff member fails to comply with AFSA's AML/CTF Program in accordance with AFSA's disciplinary procedures.

## **2.6 Oversight by the Board and Senior Management**

### **Obligation**

Reporting Entities are required to ensure that the AML/CTF Program (Part A) is approved and subject to ongoing oversight by Senior Management and its governing Board.

### **2.6.1 Approach**

- The AFSA Board and Senior Management must ensure that this AML/CTF Program is appropriately designed and there are adequate resources assigned to fully implement this AML/CTF Program.
- AFSA's approach to meeting this obligation is managed by the Head of Anglican Funds SA who:
  - Presents the AML/CTF Program (Part A) for approval to the AFSA Board on an annual basis (only if the AML/CTF Program has had material changes made to it since previously approved by the Board); and
  - Provides Senior Management oversight of the AML/CTF Program on a regular basis through formal reporting.
- The Board is responsible for approving high level policies, while Senior Management is responsible for approving day-to-day systems or procedures adopted under the AML/CTF Program, overseeing the AML/CTF Compliance Officer and management of this AML/CTF Program.

### **2.6.2 Accountabilities**

#### **AML/CTF Compliance Officer**

- Prepare the AML/CTF Program (Part A) to deliver to the Board annually (subject to 2.5.1 above); and
- Notify the Head of AFSA (if separately appointed) of any material AML/CTF issues that need immediate resolution.

## Head of AFSA

- Notify Registrar of the Adelaide Diocese of any material AML/CTF issues that need immediate resolution.
- Deliver the AML/CTF Program (Part A) to the Board annually (subject to 2.5.1 above); and
- Notify the AFSA Board, of any material AML/CTF issues that need immediate resolution.

## 2.7 AML/CTF Compliance Officer

### Obligation

Reporting Entities are required to appoint a person at management level to act as the AML/CTF Compliance Officer.

### 2.7.1 Approach

AFSA has appointed the Investor Relations Manager as the AML/CTF Compliance Officer (as at the date of this AML/CTF Program) to:

- ensure continued compliance with the obligations of the AML/CTF Act and AML/CTF Rules; and
- manage regulatory relationships in relation to AML/CTF with AUSTRAC.

The AML/CTF Compliance Officer is able to delegate duties to other team members.

### 2.7.2 Accountabilities

#### Board:

In appointing the AML/CTF Compliance Officer, AFSA Board must ensure that the individual:

- Is employed by the financial services business;
- Is based in Australia;
- Has sufficient experience and skills;
- Has appropriate independence and sufficient resources;
- Has regular contact with the Board to ensure that the Board is able to satisfy itself that statutory obligations are being met and that the business is taking sufficiently robust measures to protect itself against the risk of money laundering and terrorist financing;
- Has a sufficient level of seniority and authority within the business to ensure that the Board reacts to and acts upon any recommendations made;
- Has unencumbered access to all business lines and information necessary to appropriately perform the function;
- Is fully aware of both his/her and the business' obligations under the AML/CTF Act and its associated regulations, rules and guidelines, and by extension, also AFSA's AML/CTF Program, and take reasonable steps to ensure compliance;
- Maintains a record of all enquiries received from law enforcement authorities and records relating to all internal and external suspicious activity reports;

- Ensures that relationships are managed effectively post disclosure to avoid tipping off any third parties;
- Acts as the liaison point with AUSTRAC and in any other third party enquiries in relation to money laundering or terrorist financing; and
- In the event that the position of the AML/CTF Compliance Officer is expected to fall vacant, AFSA must take action to appoint an appropriate member of Senior Management to the position on a temporary basis.

### **AML/CTF Compliance Officer**

The AML/CTF Compliance Officer is responsible for managing the day-to-day operations of this AML/CTF Program. This includes, but is not limited to:

- Monitoring AFSA's compliance with the AML/CTF Act, AML/CTF Rules and associated regulations;
- The implementation of this AML/CTF Program, including but not limited to:
  - ML/TF risk assessment;
  - assessment of new products, new delivery methods and new technologies;
  - the Risk Awareness Training Program;
  - the Employee Due Diligence Program;
  - review of the AML/CTF Program;
  - addressing feedback from AUSTRAC;
  - Ongoing Customer Due Diligence;
- Customer Identification Procedures;
- Suspicious Matter Reporting;
- Overseeing communication and AML/CTF risk awareness training for all employees of AFSA;
- Ensuring that the proper AML/CTF records are maintained and filed as required;
- Being provided with all new documentation e.g. agreements, application forms to ensure they meet AML/CTF requirements; and
- Being the point of contact for all communication with AUSTRAC and appropriate law enforcement agencies.

### **Head of AFSA**

The Head of AFSA is responsible for overseeing the day-to-day operations of this AML/CTF Program. This includes, but is not limited to:

- Monitoring AFSA's compliance with the AML/CTF Act, AML/CTF Rules and associated regulations;
- The implementation of this AML/CTF Program, including but not limited to:
  - ML/TF risk assessment;
  - assessment of new products, new delivery methods and new technologies;
  - the Risk Awareness Training Program;
  - the Employee Due Diligence Program;
  - review of the AML/CTF Program;
  - addressing feedback from AUSTRAC;
  - Ongoing Customer Due Diligence;
- Customer Identification Procedures; and

- Suspicious Matter Reporting.
- Providing periodic reports to members of the Board with regard to;
  - significant changes to the ML/TF risks affecting AFSA;
  - compliance with the AML/CTF Program, the AML/CTF Act and AML/CTF Rules by AFSA;
  - the results of any report produced for internal or external review of this AML/CTF Program;
  - any AUSTRAC feedback;
  - any market information regarding ML/TF risk;
  - changes to relevant legislation;
- Ensuring that all reports that are required to be prepared and lodged with AUSTRAC under the AML/CTF Act are prepared and lodged as necessary; and
- Ensuring that an up-to-date copy of the AML/CTF Program is made available to officers, employees and agents of AFSA.

The AML/CTF Compliance Officer may delegate any of its responsibilities under this AML/CTF Program, the AML/CTF Act or AML/CTF Rules to another employee or agent of AFSA.

### 2.7.3 Other Information

- [Part A, Appendix D - Record of the AML/CTF Compliance Officers and Nominated Team Members](#)

## 2.8 Independent Review

### Obligation

Reporting Entities are required to ensure that the AML/CTF Program (Part A) receives regular independent review, carried out by either an internal or external party.

### 2.8.1 Approach

The purpose of the independent review is to:

- Assesses the effectiveness of Part A of the AML/CTF Program having regard to the ML/TF risk of the reporting entity;
- Assess whether the Part A of the AML/CTF Program complies with the AML/CTF Rules;
- Assess whether Part A of the AML/CTF Program has been effectively implemented; and
- Assess whether AFSA has complied with Part A of the AML/CTF Program.

## 2.8.2 Accountabilities

### AML/CTF Compliance Officer

- Arranges for regular review (at least annually) of the AFSA's AML/CTF Program's Part A by independent parties with requisite AML/CTF expertise;
- Assists in the review by being able to provide evidence of effective implementation of the AML/CTF Program within AFSA;
- Provides Senior Management and the Board with outcomes from the Independent Review, including any actions arising out of the review; and
- Records and manages actions arising out of the review.

## 2.9 AUSTRAC Feedback and Guidance

### Obligation

Reporting Entities are required to consider any applicable guidance material disseminated or published by AUSTRAC and have appropriate procedures in place in Part A to have regard to any feedback provided by AUSTRAC in respect of the Reporting Entity's identification, mitigation and management of ML/TF Risk.

### 2.9.1 Approach

- AFSA maintains an electronic and physical register of feedback provided by AUSTRAC.
- Communicates feedback to staff through discussions.
- Coordinates responses and responds to AUSTRAC on behalf of AFSA.

### 2.9.2 Accountabilities

#### AML/CTF Compliance Officer

- Responds to AUSTRAC feedback within required timeframes;
- Assesses AUSTRAC feedback to determine if any changes to this AML/CTF Program are required;
- Communicates and consults on feedback to Senior Management and the Board;
- Implements any such changes to the AML/CTF Program as soon as reasonably practicable, subject to approval from the Board and Senior Management; and
- Oversees AFSA's plans to respond to AUSTRAC feedback.

#### AFSA Head

- Communicates and consults on feedback to the Board.

## 2.10 AML/CTF Reporting

### Obligation

Reporting Entities are required to provide the following reports to the AUSTRAC CEO in a timely manner:

- Suspicious Matter Reports (SMRs) (s41);
- Threshold Transaction Reports (TTRs) (s43)– not applicable as AFSA does not accept cash deposits;
- AML/CTF Compliance Report (s47); and
- International funds transfer instructions (IFTIs) (s45) – not applicable as funds transfers are facilitated through AFSA's banks.

### 2.10.1 Approach:

#### Suspicious Matter Reports

- If an employee of AFSA becomes aware of activity that leads the employee or representative to consider whether:
    - an existing, new or potential customer, or the agent of an existing, new or potential customer, is not who they claim to be; or
    - information about the provision (or prospective provision) of a designated service to a client may be:
      - relevant to the investigation or prosecution of a person for:
        - an offence against a law of the Commonwealth or a State or Territory;
        - an evasion, or an attempted evasion, of a taxation law (as defined in the *Taxation Administration Act 1953* (Cth)) or a law of a State or Territory that deals with taxation); or
        - a ML or financing of terrorism offence;
      - of assistance in the enforcement of laws relating to proceeds of crime; or
      - the provision of a service to a client may be preparatory to the commission of a ML or a financing of terrorism offence,
- (together, **Suspicious Activities**),
- the employee who becomes aware of that activity must **immediately** notify the AML/CTF Compliance Officer and provide the AML/CTF Compliance Officer with all relevant information related to the matter.
- Under no circumstances should the employee discuss the matter with any person other than their immediate supervisor, unless authorised by the AML/CTF Compliance Officer.

- If the AML/CTF Compliance Officer receives a notification from an employee under this section, the AML/CTF Compliance Officer must assess the information or activity which led the employee to notify the AML/CTF Compliance Officer and then determine whether a suspicion can be formed on reasonable grounds that the customer's activities involves a Suspicious Activity.
- If the AML/CTF Compliance Officer has formed a suspicion on reasonable grounds that the customer's activities involves a Suspicious Activity then as soon as practicable the AML/CTF Compliance Officer must report the suspicion to the AUSTRAC CEO:
  - within 24 hours after the time when the AML/CTF Compliance Officer forms the relevant suspicion, if the matter relates to the financing of terrorism; or
  - within three business days after the day on which the AML/CTF Compliance Officer forms the relevant suspicion in all other cases.
- A report to the AUSTRAC CEO reporting any of the matters set out in this section must be in the approved form and sent in accordance with the requirements of the AML/CTF Act and AML/CTF Rules. The prescribed form to be used for suspicious matter reporting from time to time is available from the AUSTRAC Online portal and the AML/CTF Compliance Officer must have regard to this form when submitting a SMR to AUSTRAC under this AML/CTF Program.
- A representative of AFSA must not disclose to someone other than the AUSTRAC CEO or a member of the staff of AUSTRAC:
  - that AFSA has reported, or is required to report, information to the AUSTRAC CEO under section 41 of the AML/CTF Act;
  - that AFSA has formed a suspicion, under section 41 of the AML/CTF Act, about a transaction or matter;
  - any other information from which the person to whom the information is disclosed could reasonably be expected to infer that information has been communicated to the AUSTRAC CEO under section 41 of the AML/CTF Act or the suspicion has been formed; or
  - that information or documentation has been given or produced under section 49 of the AML/CTF Act.
- If the AML/CTF Compliance Officer, on behalf of AFSA, forms a reasonable suspicion relating to one of the matters set out in this section in respect of an existing customer (that is, a person who was a customer of AFSA as at 12 December 2007), the AML/CTF Compliance Officer must, within 14 days commencing after the day on which the AML/CTF Compliance Officer formed the suspicion, carry out the applicable customer identification procedures in Part B of this AML/CTF Program unless the AML/CTF Compliance Officer determines that AFSA has previously carried out or been deemed to have carried out that procedure or a comparable procedure.



- If the AML/CTF Compliance Officer, on behalf of AFSA, suspects that a customer is not who the customer claims to be, the AML/CTF Compliance Officer must, within 14 days commencing after the day on which the AML/CTF Compliance Officer formed the suspicion:
  - collect any KYC Information in respect of the customer;
  - re-verify, from a reliable and independent source, any KYC information that has been obtained in respect of the customer; or
  - verify, from a reliable and independent source, the KYC Information that has been obtained in respect of the customer.
- If :
  - after collecting additional KYC information from a customer in accordance with the paragraph above, the AML/CTF Compliance Officer is still not satisfied that the customer is who they claim to be; or
  - the AML/CTF Compliance Officer is unable to collect any additional information from the customer,

then the AML/CTF Compliance Officer must make a SMR to AUSTRAC.

### **AML/CTF Compliance Reports**

- The AML/CTF Compliance Officer, on behalf of AFSA, must submit an AML/CTF Compliance Report to AUSTRAC from 2 January to 31 March in the calendar year immediately following the end of the reporting period which is a calendar year specified in the AML/CTF Rules<sup>1</sup>.
- The AML/CTF Compliance Report must cover AFSA's compliance with the AML/CTF Act, the AML/CTF Rules and associated regulations during the reporting period and take the form specified by AUSTRAC (if any).

### **Threshold Transaction Reports (TTR)**

- Reporting entities are required under the AML/CTF Act to make reports to AUSTRAC of threshold transactions (that is, transactions involving the transfer of physical currency of \$10,000 or more (or foreign currency equivalent)) within 10 business days after the day on which the transaction takes place.
- AFSA does not undertake any designated services that would trigger this obligations as it does not accept cash deposits. If an officer or employee considers that an obligation to make a report in relation to a TTR has arisen or may arise (e.g. because of a change in product offering or an unusual transaction) then that person must report the matter to the AML/CTF Compliance Officer who must respond to the report in the same way as a response to a report of a SMR outlined above.

<sup>1</sup>Section 47 AML/CTF Act; AML/CTF Rules Chapter 11. Relevant timeframe should be confirmed, but at time of writing was between 2 January and 31 March.

## International Funds Transfer Instructions (IFTI)

- Reporting entities under the AML/CTF Act are required to make reports to AUSTRAC of international funds transfer instructions (often referred to as IFTIs) within 10 business days after the day on which the instruction was sent or received by the reporting entity. An IFTI occurs where the reporting entity is either the sender or the recipient of international funds transfers out of or into Australia respectively.
- AFSA does not undertake any designated services that would trigger this obligation as funds transfer arrangements are facilitated through its banks (who themselves are subject to this obligation). If an officer or employee considers that an obligation to make a report in relation to an IFTI has arisen or may arise then that person must report the matter to the AML/CTF Compliance Officer who must respond to the report in the same way as a response to a report of a SMR outlined above.

### 2.10.2 Accountabilities

#### AML/CTF Compliance Officer

- Completes and provides AML/CTF Compliance Report to AUSTRAC annually;
- Provides SMR to AUSTRAC within designated timeframes; and
- Develop, implement and monitor procedures and processes to ensure that reporting obligations relevant to the product and services that AFSA provides are met.

### 2.10.3 Other Information

Further details on reporting obligations can be found in [Part A, Appendix E – Reporting obligations](#)

## 2.11 Ongoing Customer Due Diligence (OCDD) and Transaction Monitoring

### Obligation

Reporting Entities are required to maintain risk based systems and controls to enable a reporting entity to determine in what circumstances further KYC information or beneficial owner information should be collected and/or verified in respect of customers or beneficial owners of customers to enable the review and update of KYC information and beneficial owner information for ongoing customer due diligence purposes. Reporting entities must also maintain a TM program and an enhanced customer due

#### 2.11.1 Approach

- In the normal course of business operations, collect, update and verify additional KYC information when customer details or business relationships with customers materially change. The additional information required is contained in Part B of the AML/CTF Program;
- Monitor customer initiated transactions using manual and/or automated TM systems and controls;
- Conduct ECDD on high risk customers and customers that have generated an SMR report; and

- Define appropriate triggers that result in the development and implementation of ML/TF controls ([see Part A, Appendix B](#)).

## **2.11.2 Accountabilities**

### **AML/CTF Compliance Officer**

- Implement controls to manage and mitigate ML/TF risks;
- Develop risk methodologies that identify high risk customers;
- Monitor the effectiveness of automated TM conducted through Phoenix;
- Document procedures used to monitor customers not subjected to automated TM or who have transactions monitored on a manual basis;
- Document processes explaining how and when customer information is updated; and
- Oversight of Customer Service Team of KYC obligations.

### **2.11.3 Other Information**

Further OCDD guidance can be found in:

- [Part A, Appendix B – AFSA OCDD framework](#)
- [Part A, Appendix C – Mandated High Risk Customers](#)
- [Part A, Appendix E – Reporting Requirements](#)

## 3.1 Part A - Appendix A – Anglican Funds South Australia (AFSA) Risk Assessment framework

### 3.2 AFSA Risk Rating Scale

The following risk rating is relevant to this Section:

#### **Extreme (E):**

The product/service/factor presents risk for laundering money or establishing a conduit for terrorist financing. Mitigating risk factors are not, or cannot, be established to effectively preclude this possibility. The impact of the risk would be so great which would draw into question the ongoing viability of the Diocese.

#### **High (H):**

The product/service/factor presents risk for laundering money or establishing a conduit for terrorist financing. Mitigating risk factors are not, or cannot, be established to effectively preclude this possibility.

#### **Medium (M):**

Product/service/factor provides opportunity for money laundering or terrorist financing, however, effective mitigating risk factors and internal controls are in place to reduce exposure.

#### **Low (L):**

Product/service/factor is not generally found to represent a risk for money laundering or terrorist financing or presents a low risk for money laundering or terrorist financing and mitigating risk factors and internal controls are in place to reduce exposure.

					Insignificant	Minor	Moderate	Major	Catastrophic
	Probability	Description	Frequency Guide		1	2	3	4	5
<b>Almost Certain</b>	>90%	Is expected to occur – almost inevitable	>10 times per year	5	Medium	Medium	High	Extreme	Extreme
<b>Likely</b>	70 – 90%	Will probably occur in most circumstance – not surprised if it happens	More than once in 12 months	4	Low	Medium	High	High	Extreme
<b>Possible</b>	30 – 70%	Might occur at some time	Once in every 12 months to 3 years	3	Low	Low	Medium	High	Extreme
<b>Unlikely</b>	5 – 30%	Could occur at some point – surprised if it happens	Once in 5 years	2	Low	Low	Low	Medium	High
<b>Rare</b>	<5%	Highly unexpected – considered exceptional circumstance	Once in >5 years	1	Low	Low	Low	Medium	Medium
<b>Risk Treatment Actions/ Escalation</b>									
Risk Level	Risk Reporting	Monitoring	Actions and Timeframes						
Extreme	AFSA Board, DC, Senior Management	Quarterly	All extreme risks are deemed intolerable. Risk must be reported to the AFSA Board and Senior Management, Registrar) and to Diocesan Council Senior Management to monitor monthly. The Risk Owner must take immediate action and prepare a risk action plan as soon as practicable (<1week) of the extreme risk being identified.						
High	Manager, AFSA Board	Quarterly	Risk to be reported and monitored by Head of AFSA quarterly and to the AFSA Board through half yearly risk reporting. The Risk Owner to monitor these risks and put in place treatments where possible.						
Medium	AFSA Board, Manager	Quarterly	Review existing controls for effectiveness, introduce new or changed controls, if cost-benefit justifiable. Action plan to be noted in the risk register if risk being lowered.						
Low	Manager	Annual	Manage by routine procedures, unlikely to need specific application of resources.						

The scale refers to the risk that will occur should the ML/TF event occur. This considers the financial loss that will arise from the event, including fines and penalties that may be imposed by AUSTRAC and other regulators.

## 4.1 Part A - Appendix B - OCDD framework

### 4.2 Additional KYC Information

AFSA uses processes and systems to update customer information and determine whether any additional KYC information or beneficial owner should be collected and/or verified. The following list provides examples of triggers or events for when customer information or beneficial owner information may be updated:

- Changes in an individual's circumstances (for example change of address, getting married/divorced, changing employment);
- Changes to a customer's or businesses resident jurisdiction;
- Changes to the type of product or service;
- Changes in a company's beneficial owners, directors, signatories;
- Changes in the volumes and amounts of the transaction from the anticipated use of the account;
- Changes to the nature of a customer's business;
- Where an SMR has been submitted; and
- When there is a transfer of ownership or assignment of any products.

The following list provides examples of what types of additional KYC information that should be collected and verified about an owner or where appropriate a beneficial owner:

- Any other name that the customer is known by;
- The customer's country(ies) of citizenship;
- The customer's country(ies) of residence;
- The customer's principal place of business
- The customer's occupation or business activities;
- The nature of the customer's business;
- The income or assets available to the customer;
- The customer's source of funds including the origin of funds;
- The customer's financial position;
- The beneficial ownership of the funds used by the customer with respect to the designated services; and
- Consideration of ML/TF risks identified from the above.

### 4.3 Transaction Monitoring (TM)

Through AFSA's Customer Banking Solution (CBS) software, AFSA will monitor customer transactions to identify any potentially suspicious transactions within the terms of section 41 of the AML/CTF Act. AFSA's TM program will have regard to complex, unusual large transactions and all unusual patterns of transactions where there is no apparent economic or visible lawful purpose.

As part of its risk management process, AFSA will determine how many and what types of high-risk transactions and high-risk customer relationships are 'normal' for AFSA, having regard to the nature, size and complexity of its business.

TM allows AFSA to identify the following:

- Accounts with multiple non-cash deposits by one or many people other than the account holder(s);
- Payments out in last 48 hours equal to or greater than the value of credits made in the last 48 hours;
- Transactions (both credit and debit) totalling over a certain value between the accounts of the same member (moving money back and forth between accounts);
- Large withdrawals from account; and
- Account change of details (email address, postal address, password, telephone etc) followed by a transfer out over a certain value.

#### **4.4 Enhanced Customer Due Diligence (ECDD)**

AFSA applies ECDD when:

- The AFSA risk based systems and controls determine the ML/TF risk is high; or
- A designated service is being provided to a customer who is or who has a beneficial owner who is, a foreign PEP; or
- A suspicion has arisen that gives rise to a SMR; or
- It enters into or proposes to enter into a transaction and a party to the transaction is physically present in, or is a corporation incorporated in, a Prescribed Foreign Country.

Where a customer is considered high risk, the original KYC information collected on a customer or beneficial owner must be verified and updated. The following additional measures may also be taken as part of ECDD:

- obtain any further KYC information or beneficial owner information, including, where appropriate, taking reasonable measures to identify:
  - the source of the customer's and each beneficial owner's wealth;
  - the source of the customer's and each beneficial owner's funds;
  - the customer's or beneficial owner's country of citizenship or residence; and
  - the customer's or beneficial owner's occupation or business activities;
- clarify the nature of the customer's ongoing business with AFSA;
- undertake more detailed analysis of the customer's KYC information and beneficial owner information, including, where appropriate, taking reasonable measures to identify:
  - the source of the customer's and each beneficial owner's wealth; and
  - the source of the customer's and each beneficial owner's funds;
- verify or re-verify KYC information in accordance with the Customer Identification Program;
- verify or re-verify beneficial owner information in accordance with the beneficial owner information requirements;
- undertake more detailed analysis and monitoring of the customer's transactions – both past and future, including, but not limited to:
  - the purpose, reasons for, or nature of specific transactions; or
  - the expected nature and level of transaction behaviour, including future transactions;
- seek Senior Management approval for:
  - continuing a business relationship with a customer; and
  - whether a designated service should continue to be provided to the customer;



- consider whether a transaction or particular transactions should be processed.

## 5.1 Part A - Appendix C - High Risk Customer Types

AFSA is required to consider the ML/TF risk posed *inter alia* by its customer types. The following customer types are mandated by the AFSA as posing a high ML/TF risk. As a result additional systems and controls have been put in place to ensure the AFSA appropriately manages the increased risk posed by these customer types.

It is important to note that a customer being rated high risk does not mean suspicious.

### 5.2 Politically Exposed Persons (PEPs)

a) PEPs is defined as:

- i) individuals who hold a prominent public position or function in a government body or an international organisation, including:
  - 1) Heads of State or head of a country or government;
  - 2) government ministers or equivalent senior politicians;
  - 3) senior government officials;
  - 4) Judges of the High Court of Australia, the Federal Court of Australia or a Supreme Court of a State or Territory or a Judge of equivalent seniority in a foreign country or international organisation;
  - 5) high-ranking member of the armed forces;
  - 6) the governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia;
  - 7) senior foreign representative, ambassador or high commissioner;
  - 8) board chair, chief executive or chief financial officer of, or any other position that has comparable influence in, any State enterprise or international organisation; and
- ii) immediate family members of person referred to in (i) (spouses, de facto partners, children and their spouse or de facto partners or parents); and
- iii) 'close associates' of the above individuals. A 'close associate' is someone known (having regard to information that is publicly available) to have joint beneficial ownership of a legal entity or legal arrangement referred to in (i) or sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of a person referred to in (i).

The definition is not intended to cover middle ranking or more junior individuals in the foregoing categories, refer to the Financial Action Task Force, *Glossary to the 40 Recommendations*. The definition should not just be thought to apply to foreign persons as Australians may also be PEPs.

- b) AFSA will screen all new customers and beneficial owners of customers (where applicable) to determine whether they are a PEP, or an associate of a PEP. AFSA will also screen existing customers and their beneficial owners at regular intervals to determine whether any existing customers have become PEPs since they originally became a customer.
- c) Information collection and verification: AFSA will carry out the following procedures to determine whether a customer is a PEP, or is an associate of a PEP:
  - i) check the customer's background through internet searches, such as Google;
  - ii) run the customer's name through relevant government databases, such as DFAT 'Heads of Government' database (<http://www.info.dfat.gov.au/info/hog/hog.nsf/>) and the Australian Parliament Senators and Members database ([https://www.aph.gov.au/Senators\\_and\\_Members](https://www.aph.gov.au/Senators_and_Members)); and
  - iii) if the above searches raise the suspicion that the customer is, or is associated with, a PEP, or there generally is a high likelihood of AFSA having customers who are PEPs, AFSA may subscribe to a specialist commercial PEP database (e.g. Accuity, Veda or LexisNexis) as an appropriate risk mitigation tool.
- d) Where it is determined that a customer (or the beneficial owner of the customer) is a PEP the AML/CTF Compliance Officer will:
  - i) in the case of a beneficial owner of the customer, comply with the identification and verification requirements specified in Section 4.3 of this AML/CTF Program as if the PEP was the customer; and
  - ii) determine whether the customer or beneficial owner is of high ML/TF risk. If they are, AFSA will:
    - 1) obtain Senior Management approval before establishing or continuing a business relationship with the individual and before the provision, or continued provision, of a designated service to the customer;
    - 2) take reasonable measures to establish the PEP's source of wealth and source of funds; and
    - 3) comply with all applicable enhanced customer due diligence requirements set out in section 4.3.

- e) Any individual known to be associated with a new customer must also be assessed as to whether they may satisfy the definition of a PEP.
- f) It is the responsibility of all AFSA staff to be aware of the risk associated with PEPs and to report any information or suspicions immediately to the AML/CTF Compliance Officer.
- g) When there are any discrepancies in the information provided in relation to the PEP, AFSA will collect such further information as the AML/CTF Compliance Officer determines is necessary to enable AFSA to be reasonably satisfied that the PEP is the person that he or she claims to be. In addition, the requirements of section 8.7 apply to the detection of such discrepancies.

## 6.0 Part A - Appendix D - AFSA AML/CTF Compliance Officer & Nominated Team Member

AML/CTF Compliance Officer and Team Member	Title	Start	End
AML/CTF Compliance Officer	Investor Relations Manager		
Team Member	Head of AFSA		

## 7.0 Part A - Appendix E - Reporting Requirements

Type and summary of report	Reporting Requirements	Reporting Process
<p><b>Suspicious Matters (SMR)</b></p> <p>A SMR must be reported where a suspicion has been formed at any time while dealing with a customer, or potential customer that may relate to a ML/TF offence.</p> <p>This includes any customer activity from an enquiry stage through to the provision of a designated service.</p>	<p>The AML/CTF Compliance Officer lodges all SMR on behalf of AFSA.</p> <p>All Customer Service Team members are required to report <b>unusual activity</b> to the Head of AFSA for investigation.</p> <p>In developing procedures and processes, consideration must also be given to ensuring "Tipping Off" requirements are not breached.</p>	<p>SMRs are required to be submitted within 72 hours (24 hours if the matter is terrorism) of the suspicion been formed.</p> <p>The AML/CTF Compliance Officer is required to develop procedures and processes to meet this requirement.</p> <p>In developing procedures and process consideration must also be given to '<b>Tipping Off</b>'.</p> <p>Care must be taken not to warn or 'tip-off' the customer (or any intermediary) that a suspicion has arisen or that an SMR will be/has been lodged.</p> <p>The AML/CTF Compliance Officer is only allowed to disclose that a suspicion has arisen or been reported to:</p> <ul style="list-style-type: none"> <li>• The AUSTRAC CEO; and</li> <li>• A member of the staff at AUSTRAC.</li> </ul>
<p><b>AML/CTF Compliance Report, Section 47</b></p> <p>AUSTRAC requires all reporting entities to annually submit</p>	<p>The AML/CTF Compliance Report is an annual self-assessment questionnaire and provides AUSTRAC with information about the AFSA's compliance with the AML/CTF Act, the regulations and the AML/CTF Rules.</p>	<p>The appointed AML/CTF Compliance Officer<sup>2</sup> is responsible for collecting and collating the data for this report and submitting to AUSTRAC on behalf of AFSA within the required timeframe.</p>

<sup>2</sup> Refer to Appendix D – AML/CTF Compliance Officer and Nominated Contact Officer for details.

## 8.1 Part B

### 8.2 Customer Identification Procedure (CIP) - When it applies

#### Obligation

Reporting Entities are required to have a procedure to identify a customer BEFORE commencing to provide a designated service to the customer.

Where AFSA was providing a designated service to a customer prior to 12 December 2007 (the commencement date of the AML/CTF Act) there is no new obligation to re-identify that customer unless certain trigger events occur. An existing customer of an AFSA is known as a 'pre-commencement customer'.

#### 8.2.1 AFSA's approach is:

- AFSA considers post-commencement customers to be those that AFSA provided a designated service to on or after 12 December 2007.
- Customer identification requirements set out in this AML/CTF Program apply to all post-commencement customers.
- AFSA will conduct KYC on all post-commencement customers:
  - prior to providing a designated service to the customer; and
  - where, in its capacity as account provider, AFSA opens an account, allows a person to become an authorised signatory to the account (Authorised to Operate) or allows a transaction to be conducted in relation to the account; and
  - where AFSA accepts money on deposit (otherwise than by way of deposit to an account).
- Where a customer allows a person to sign cheques to be drawn from a cheque account facility offered by AFSA, then AFSA will as a minimum obtain the full name of the cheque signatory and verify that the person has been approved by a relevant Authorised to Operate signatory for the account.
- Pre-commencement customers are subject to OCDD, which involves re-identifying the customer within 14 days commencing after the day on which an SMR obligations arises in relation to the customer, or the customer's details and/or relationship with AFSA materially changes.

#### 8.2.2 Accountabilities

##### AML/CTF Compliance Officer

- Implement controls to make sure pre-existing customers are re-identified in applicable circumstances;
- Monitor and test controls to make sure they are effective; and
- Conduct CIP on newly established post-commencement customers. This is dealt with in subsequent sections.

## 8.3 Customer Types

### Obligation

Reporting Entities are required to implement relevant identification standards for different customer types. In AFSA's case, these include:

- Individuals and Sole Traders;
- Companies;
- Customers who act in the capacity of a trustee of a trust;
- Incorporated or unincorporated associations; and
- Registered co-operatives.

Government bodies and customers who act in the capacity of a member of a partnership are not included in this list of Customer Types as AFSA does not have such entities as customers.

#### 8.3.1 AFSA's approach is:

- Customer Service Team assesses customers for ML/TF risk upon on boarding. Customer Service Team then applies appropriate due diligence in accordance with the risk rating of the customer; and
- Specific identification standards apply to each customer type.

#### 8.3.2 Accountabilities

##### AML/CTF Compliance Officer

- Defining and maintaining minimum KYC standards;
- Communicate identification standards for different customer types to Customer Service Team;
- Implement controls to make sure appropriate identification standards are met;
- Conduct oversight of Customer Service Team adherence to relevant identification standards; and
- Monitor and test controls to make sure they are effective.

#### 8.3.3 Other Information

- [Part B, Appendix F – AML/CTF Compliance – KYC Minimum Standards](#) sets out the minimum standards required by the AML/CTF Rules, which the Customer Service Team must apply in respect of each of their individual and non-individual customers.



## 8.4 Agents of Customers

### Obligation

Reporting Entities are required to carry out an applicable CIP to identify both the agent and the customer, when a customer appoints an agent to act on their behalf in relation to the provision of a designated service.

Agents of customers include:

- Agents
- Verifying Officers (VOs)

#### 8.4.1 AFSA's approach is:

*In relation to Agents of customers–*

- Where an agent requests the provision of a designated service on behalf of a customer, AFSA must collect the following, at a minimum:
  - the full name of each individual who purports to act on behalf of the customer; and
  - evidence of the customer's authorisation of the person to act on its behalf.
- Where an agent requests the provision of a designated service on behalf of a customer, AFSA will carry out the relevant customer identification procedure outlined in Part B, in respect of that customer.
- AFSA will not verify the identity of the agent where the ML/TF risk associated with the provision of the designated service is classified as low. Where it is determined that the ML/TF risk associated with the provision of the designated service to the particular customer is medium or high, AFSA will verify the information collected regarding the customer in accordance with Part B.

*In relation to verifying officers and agents of non-natural customers –*

- Agents of non-natural customers may be identified by the customer's verifying officer.
- In this section, "verifying officer" means a person appointed by a customer to act as a verifying officer for the purposes of the AML/CTF Rules. A person may be appointed as a verifying officer if he or she is an employee, agent or contractor of the customer.
- A verifying officer will be taken to have identified an agent if he or she has collected the following:
  - the full name of the agent;
  - the title of the person or role held by the agent with the customer;
  - a copy of the signature of the agent; and
  - evidence of the agent's authorisation to act on behalf of the customer.
- AFSA must carry out the relevant customer identification procedure outlined in Part B, in respect of the verifying officer and obtain evidence of the customer's authorisation of the verifying officer to act as the verifying officer.
- The verifying officer must:

- make, and the customer must retain, a record of all matters collected about the agent; and
- provide to AFSA the full name of the agent and a copy of the signature of the agent.

## 8.4.2 Accountabilities

### AML/CTF Compliance Officer

- Conduct oversight of Customer Service Team adherence to relevant agent identification standards;
- Implement controls to make sure appropriate procedures are in place to identify agents of customers; and
- Monitor and test controls to make sure they are effective.

## 8.5 Collection, Verification & Retention - Customer Identification Program (CIP)

### Obligation

Reporting Entities are required to adopt a CIP for KYC in relation to individuals and non- individual customers, to enable AFSA to be reasonably satisfied that the customer is who they claim to be.

8.5.1

AFSA's

#### approach is:

- Establishing the identity of a customer is central to this KYC procedure. The Customer Service Team requests certain information from the customer to uniquely identify them. The type of information requested will depend on the customer type ([see Part B, Appendix F](#)). This is done by:
  - Collecting information that is obtained from the customer that assists with identifying them;
  - Verifying via independent sources to support and confirm the information provided by the customers; and
  - Retaining documents used to identify and verify the customer. This information is kept on file and is retrievable.

## 8.5.2 Accountabilities

### AML/CTF Compliance Officer

- Develop and implement controls to make sure CIP standards are met;
- Conduct regular oversight to make sure CIP controls are effective;
- Define an escalation/exception process for managing customers who are unable to successfully complete verification processing as outlined in this AML/CTF Program; and

- Demonstrate how they manage AML/CTF risk during processing to ensure a designated service is not provided to a customer who has not successfully been verified.

### 8.5.3 Other Information

For guidance on the retention of records, see: Additional Obligation – Record keeping

## 8.6 Verification Standards – Documentation

### Obligation

Reporting Entities are required to:

- determine the type of reliable and independent documentation AFSA requires a customer to produce for the purpose of verifying the required customer information; and
- determine if and in what circumstances AFSA is prepared to rely upon a copy of a reliable and independent document.

#### 8.6.1 AFSA's approach is:

- The following types of reliable and independent documentation are acceptable for verification of information relating to an individual:
  - *Primary Photographic Identification:*
    - a licence or permit issued under a law of State or Territory or equivalent authority of a foreign country for the purpose of driving a vehicle that contains a photograph of the person in whose name the document is issued;
    - Passport issued by the Commonwealth;
    - Passport or a similar document issued for the purpose of international travel, that:
      - Contains a photograph and either the signature of the person in whose name the document is issued or any unique identifier of the person in whose name the document is issued;
      - Is issued by a foreign government, the United Nations or an agency of the United Nations; and
      - If it is written in a language that is not understood by the person carrying out the verification – is accompanied by an English translation prepared by an accredited translator.
  - a card issued under a law of a State or Territory for the purpose of proving the person's age which contains a photograph of the person in whose name the document is issued.
  - National Identity Card issued for the purpose of identification that:
    - Contains a photograph and either the signature of the person in whose name the document is issued or any unique identifier of the person in whose name the document is issued;

- Is issued by a foreign government, the United Nations or an agency of the United Nations; and
- If it is written in a language that is not understood by the person carrying out the verification – is accompanied by an English translation prepared by an accredited translator.
- *Primary Non-photographic Identification:*
  - Birth certificate or birth extract issued by a State or Territory;
  - Citizenship certificate issued by the Commonwealth;
  - Citizenship certificate issued by a foreign government that, if it is written in a language that is not understood by the person carrying out the verification, is accompanied by an English translation prepared by an accredited translator;
  - a birth certificate issued by a foreign government, the United Nations or an agency of the United Nations that, if it is written in a language that is not understood by the person carrying out the verification, is accompanied by an English translation prepared by an accredited translator; and
  - a concession card, as defined from time to time in the *Social Security Act 1991* (Cth), or an equivalent term which expresses the same concept in relation to concession holders e.g. a pensioner concession card, health care card or seniors health card.
- *Secondary Identification Document:*
  - a notice that:
    - was issued to an individual by the Commonwealth, a State or Territory within the preceding twelve months;
    - contains the name of the individual and his or her residential address; and
    - records the provision of financial benefits to the individual under a law of the Commonwealth, State or Territory (as the case may be);
  - a notice that:
    - was issued to an individual by the Australian Taxation Office within the preceding 12 months;
    - contains the name of the individual and his or her residential address; and
    - records a debt payable to or by the individual by or to (respectively) the Commonwealth under a Commonwealth law relating to taxation;
  - a notice that:
    - was issued to an individual by a local government body or utilities provider within the preceding three months;
    - contains the name of the individual and his or her residential address; and

- records the provision of services by that local government body or utilities provider to that address or to that *person*;
  - in relation to a *person* under the age of 18, a notice that:
    - was issued to a person by a school principal within the preceding three months;
    - contains the name of the person and his or her residential address; and
    - records the period of time that the *person* attended at the school.
- *Reliable and independent electronic data*
  - For the purposes of verification of information regarding an individual, the following sources are considered to provide reliable and independent electronic data:
    - White Pages Online ([www.whitepages.com.au](http://www.whitepages.com.au)); and
    - [www.world-check.com](http://www.world-check.com) and other commercially available databases such as Complanet, Factiva and Link Match Lite; and
    - other electronic verification tools which have been assessed by AFSA as meeting the reliability and independence test.
  - For the purposes of verification of a company other than a foreign company, the following sources are considered to provide reliable and independent electronic data:
    - Australian Securities and Investments Commission ([www.asic.gov.au](http://www.asic.gov.au));
    - Australian Securities Exchange ([www.asx.com.au](http://www.asx.com.au)); and
    - Australian Prudential Regulatory Authority ([www.apra.gov.au](http://www.apra.gov.au))
  - For the purposes of verification of trust information, the following sources are considered to provide reliable and independent electronic data:
    - Australian Securities and Investments Commission ([www.asic.gov.au](http://www.asic.gov.au));
    - Australian Securities Exchange ([www.asx.com.au](http://www.asx.com.au)); and
    - Australian Prudential Regulatory Authority ([www.apra.gov.au](http://www.apra.gov.au))
- Additional or alternative forms of identification are accepted only after ML/TF risks are understood and assessed by the Head of AFSA. This alternative data must be reliable and independent such that it can be accepted into the verification process. In making this determination, the following factors need to be taken into account:
  - the accuracy of the data;
  - how secure the data is;
  - how the data is kept up-to-date;
  - how comprehensive the data is (for example, by reference to the range of persons included in the data and the period over which the data has been collected);
  - whether the data has been verified from a reliable and independent source;

- whether the data is maintained by a government body or pursuant to legislation; and
  - whether the electronic data can be additionally authenticated.
- Documentation written in a language that is not understood by the person carrying out the verification must be accompanied by an English translation prepared by an accredited translator.
- Reliable and independent documentation is either, an original document, certified copy,<sup>3</sup> or certified extract.<sup>4</sup>

## 8.6.2 Accountabilities

### AML/CTF Compliance Officer

- Conduct regular oversight to make sure documentation verification standards are met;
- Review the use of documents not listed within this AML/CTF Program before inclusion in the AFSA CIP;
- Use this approach as a foundation to apply verification standards;
- Must be satisfied that any document used to verify KYC information collected from a customer has not expired (other than in the case of a passport issued by the Commonwealth that expired within the preceding two years);
- Communicate acceptable forms of identification to Customer Service Team; and
- Documents used on an exception basis.
- Head of AFSA must develop and implement a process to make sure the reasons for the exception is noted on the customer file and the documents used are retained.

## 8.6.3 Other Information

- [Part B, Appendix F – KYC Minimum Standards](#)
- [Part B, Appendix G – Approved Certifiers](#)

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<sup>3</sup> A certified copy means a document that has been certified as a true copy of an original document by one of the persons listed in Part B, Appendix G – Approved Certifiers.

<sup>4</sup> A certified extract means an extract that has been certified as a true copy of some of the information contained in a complete original document, by one of the persons listed in Part B, Appendix G – Approved Certifiers.

## 8.7 Safe Harbour KYC for Individual Customers

### Obligation

Reporting Entities may follow the documentation-based safe harbour procedure, or the electronic-based safe harbour procedure, where the ML/TF risk is medium or lower.

#### 8.7.1 AFSA's approach is:

Minimum standards for Safe Harbour KYC verification are where the customer is of medium or lower risk:

##### (a) Documentation-based safe harbour procedure

- Collect the KYC information from a customer set out in section 10.1 (Individuals) or 10.2 (Sole Traders);
- Verify the customer's name and either the customer's residential address or date of birth, or both, from:
  - (a) an original or certified copy of a primary photographic identification document ([see 8.5.1](#)); or
  - (b) both:
    - (i) an original or certified copy of a primary non photographic identification document; and
    - (ii) an original or certified copy of a secondary identification document; and
- Verify that any document produced by the customer has not expired (other than in the case of a passport issued by the Commonwealth that expired within the preceding two years).

##### (b) Electronic-based safe harbour procedure

- Collect the KYC information from a customer set out in section 10.1 (Individuals) or 10.2 (Sole Traders);
- Verify:
  - (a) the customer's name; and
  - (b) either:
    - (i) the customer's residential address; or
    - (ii) the customer's date of birth; or
    - (iii) both (i) and (ii); or
  - (c) that the customer has a transaction history for at least the past 3 years.
- For subparagraphs (a) and (b) above, verification must be undertaken by AFSA through the use of reliable and independent electronic data from at least two separate data sources.

## 8.8 Responding to discrepancies

### Obligation

Reporting Entities are required to have appropriate controls to respond to any discrepancy that arises in the course of verifying information collected from a customer as part of the KYC process.

#### 8.8.1 AFSA's approach is:

- AFSA's CIP includes detailed procedures on how to respond to any discrepancy that arises in the course of verifying information about a customer;
- Suspicions relating to discrepancies are referred to the Head of AFSA;
- Discrepancies are either 'Immaterial' or 'Material'; and
- Discrepancies can relate to the collection and verification of KYC information in respect of individuals and or non-individuals.

Immaterial Discrepancy Type	Document 1	Document 2
Minor spelling error	Smith	Smyth
Inconsistent address information.	44 Sy	232 Moore Street, Fitzroy Vic. 3065
English identity/translation	Alexis Mitsinikos	David Mitsinikos
Minormiddle namediscrepancies	John Lachlan Smith	John L Smith or John Smith

Material Discrepancy Type	Document 1	Document 2
Major spelling error	William	Williamson
Information on document appears to have been altered	Mark Williams	Mark Williamson (text font different to body of document)
Major middle name discrepancies	John Lachlan Smith	John James Smith or John H Smith

**Note:** Change of name evidence can be used to support discrepancy

#### 8.8.2 Accountabilities

##### AML/CTF Compliance Officer

- Develop and implement controls to manage KYC discrepancies.
- Monitor controls to make sure they are effective; and
- Material or systemic issues must be referred to the AML/CTF Compliance Officer and recorded.



## 8.9 Beneficial Owners

- a) **Beneficial owner** of a *customer* is defined as an individual who ultimately 'owns' or 'controls' (directly or indirectly) the *customer*, noting that:
  - i) **Control** is broadly defined to include control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, and includes exercising control through the capacity to determine decisions about financial and operating policies; and
  - ii) **Owns** means ownership (either directly or indirectly) of 25% or more of a person.
- b) In respect of any designated services provided by AFSA on or after 1 June 2014, AFSA must determine the beneficial ownership of each customer. The following information must therefore be collected and reasonable steps taken to verify (from reliable and independent data):
  - i) each beneficial owner's full name; and
  - ii) the beneficial owner's date of birth; or
  - iii) the beneficial owner's full residential address.

The above information must be collected either before the provision of the designated service or as soon as practicable after.

- c) The AML/CTF Compliance Officer may determine whether any additional information for the reporting entity to determine will be collected and verified from a customer about a beneficial owner. In determining whether or not to require additional information the AML/CTF Compliance Officer should have regard to whether or not a beneficial owner is a PEP and whether or not there are any other factors which indicate that the ML/TF risk is anything higher than low risk.
- d) However:
  - i) for customers that are individuals it may be assumed that the customer and the beneficial owner are one and the same (unless AFSA has reasonable grounds to consider otherwise); and
  - ii) for the following customers the requirements in paragraph (b) do not apply:
    - 1) a company verified under the simplified company verification procedure discussed at section 10.3 of Part B; and

- 2) a trust verified under the simplified trustee verification procedure discussed at section 10.4 of Part B.
- e) Under the AML/CTF Rules AFSA will be taken to have met its requirements in respect of medium or lower ML/TF risk customers (but not including where the beneficial owner is a PEP) if the following procedure is undertaken:
- i) the information in paragraph (b) is collected; and
  - ii) each beneficial owner's full name and either the beneficial owner's residential address or date of birth is verified from:
    - 1) an original or certified copy of a primary photographic document; or
    - 2) both:
      - (a) an original or certified copy of a primary non-photographic identification document; and
      - (b) an original or certified copy of a secondary identification document; and
    - 3) verify the document produced by the customer in regard to each beneficial owner has not expired (other than in the case of a passport issued by the Commonwealth that expired within the preceding two years); or
    - 4) reliable and independent electronic data from at least two separate data sources.
  - iii) but if any discrepancy arises in verifying the above information then AFSA should take such additional steps as the AML/CTF Compliance Officer determines are reasonably required to determine that the beneficial owner is the person the customer claims (in which respect the AML/CTF should be guided by the enhanced customer due diligence procedures set out in section 4.3 and following).
- f) If AFSA is unable to ascertain a beneficial owner then the reporting entity must identify and take reasonable measures to verify the following entities:
- i) for a company (other than a company verified under the simplified company verification procedure discussed at section 10.3 of Part B above) or a partnership, any individual who:
    - 1) is entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto; or

2) holds the position of senior managing official (or equivalent);

- ii) for a trust (other than a trust verified under the simplified trustee verification procedure discussed above at section 10.4 of Part B), any individual who holds the power to appoint or remove the trustees of the trust;
- iii) for an association or registered co-operative, any individual who:
  - 1) is entitled (either directly or indirectly) to exercise 25% or more of the voting rights including a power of veto; or
  - 2) would be entitled on dissolution to 25% or more of the property of the association or registered co-operative; or
  - 3) holds the position of senior managing official (or equivalent).

## 9.1 Additional Obligations

### 9.2 Record Keeping

#### Obligation

Retain copies of records relating to the provision of the designated service for 7 years. For documentation concerning CIPs, records must be retained for a period of 7 years after the end of AFSA's relationship with the customer.

#### 9.2.1 Approach

AFSA must ensure that documents listed in the table below are retained for the period set out in the table. The table below lists the relevant persons at AFSA that are responsible for implementing procedures to ensure that the relevant records are retained for the required period.

Record	What Records must be kept?	For what period must the records be kept?	Responsible Person
Transaction records generated by AFSA	All records generated by AFSA in the provision of a designated service.	7 years after the record is made	Head of AFSA
Transaction documents provided by the customer	Any document given to the reporting entity by the customer in respect of a designated service which proceeds.	7 years after the document is provided	Head of AFSA
Records of applicable customer identification procedures	If AFSA carries out a customer identification activity in respect of a customer, AFSA must retain: (a) a record of the procedure used	If designated service is provided, for 7 years after the last designated service relating to that identification	Head of AFSA

	by	procedure was provided.	
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	<p>AFSA to identify the customer; and</p> <p>(b) the information the reporting entity obtains in the course of carrying out the procedure.</p> <p>AFSA must retain this information even if the transaction does not proceed.</p>	<p>If no designated service is provided, for 7 years after the document was provided to the reporting entity by the customer.</p>	
Records of AML/CTF Programs	A record of the adopting of an AML/CTF Program and a record of the AML/CTF Program itself.	7 years after the AML/CTF Program ceases to be in force.	AFSA Manager

Businesses must retain either an electronic or hard copy document (original, certified copy, certified extract of a copy in the prescribed format).

## 10.1 Part B, Appendix F - AML/CTF Compliance - KYC Minimum Standards

This section of the AML/CTF Program sets out the minimum KYC standards that the Customer Service Team must apply in respect of each of their individual and non-individual customers.

As these are minimum standards the business must review all sections of this Part B AML/CTF Program to ascertain that minimum standards apply.

### 10.2 Individuals

Collect	Verify	Applicable documentation	Retain
<p><b>Conversation with customer or completion of an application form collect the following about each individual:</b></p> <ul style="list-style-type: none"> <li>• Full name of individual;</li> <li>• Residential address; and</li> <li>• Date of Birth.</li> </ul> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to a particular individual is medium or high, or there are any discrepancies in the information</p>	<p><b>Obtaining separate documentation from the customer to verify the following about each individual:</b></p> <ul style="list-style-type: none"> <li>• Full name of individual; and either: <ul style="list-style-type: none"> <li>○ Residential address, or</li> <li>○ Date of birth.</li> </ul> </li> </ul>	<p><b>Documents which may be used for the purposes of verifying the information collected from the customer</b></p> <p>Where the relationship with the customer is of medium or lower ML/TF risk, this information may be verified in accordance with the "safe harbour" verification procedures outlined in section 8.6 of Part B of the AML/CTF Program.</p> <p>Where it is determined that the ML/TF risk posed by the provision of a designated</p>	<p><b>Retain a record of how customer's identity was verified i.e.</b></p> <ul style="list-style-type: none"> <li>• a copy of the actual document received.</li> </ul> <p>Records of how a customer was identified and verified must be retained in a</p>





<p>provided by the individual, AFSA may at its discretion collect additional pieces of information. This may include:</p> <ul style="list-style-type: none"> <li>• any other name that the customer is known by;</li> <li>• the customer's country(ies) of citizenship;</li> <li>• the customer's country(ies) of residence;</li> <li>• the customer's occupation or business activities;</li> <li>• the source of the customer's funds including the origin of funds;</li> <li>• income or assets available to the customer;</li> <li>• the customer's financial position;</li> <li>• the nature of the customer's business with the reporting entity including the purpose of specific transactions or the expected nature and level of transaction behaviour;</li> </ul>		<p>service to an individual is medium or high and additional KYC information has been collected in respect of that customer, it may be necessary to verify some or all of the additional KYC information that has been collected. The AML/CTF Compliance Officer will determine what and how additional KYC information will be verified in respect of that customer.</p>	<p>retrievable format.</p>
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<ul style="list-style-type: none"> <li>the beneficial ownership of the funds used by the customer with respect to the designated services;</li> <li>the beneficiaries of the transactions being facilitated by the reporting entity on behalf of the customer including the destination of funds; and</li> </ul> <p>The AML/CTF Compliance Officer will determine what and how additional KYC information will be collected in respect of that customer.</p>			
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## 10.3 Sole Traders

Collect	Verify	Applicable documentation	Retain
<p><b>Conversation with customer or completion of an application form collect the following about each individual:</b></p> <ul style="list-style-type: none"> <li>• Full name of individual;</li> <li>• Date of Birth;</li> <li>• Full business name which the customer carries on their business (if any); and</li> <li>• Full address of the customer's principal place of business (if any) OR the customer's residential address; and</li> <li>• ABN issued to the customer (if any)</li> </ul> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to a particular individual is medium or high, or there are any discrepancies in the information provided by the</p>	<p><b>Obtaining separate documentation from the customer to verify the following about each individual:</b></p> <ul style="list-style-type: none"> <li>• Full name of individual; and either <ul style="list-style-type: none"> <li>○ Residential address, or</li> <li>○ Date of birth.</li> </ul> </li> </ul>	<p><b>Documents which may be used for the purposes of verifying the information collected from the customer</b></p> <p>Where the relationship with the customer is of medium or lower ML/TF risk, this information may be verified in accordance with the "safe harbour" verification procedures outlined in section 8.6 of Part B of the AML/CTF Program.</p> <ul style="list-style-type: none"> <li>• Where it is determined that the ML/TF risk posed by the provision of a designated service to an individual is medium or high and additional KYC information has been collected in respect of that customer, it may be necessary to verify some or all of the additional KYC information that has been collected. The AML/CTF Compliance Officer will determine what and how additional KYC information will be verified in respect</li> </ul>	<p><b>Retain a record of how the customer's identity was verified i.e.</b></p> <ul style="list-style-type: none"> <li>• a copy of the actual document received.</li> </ul> <p>Records of how a customer was identified and verified must be retained in a retrievable format.</p>

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<p>AFSA may at its discretion collect additional pieces of information. This may include:</p> <ul style="list-style-type: none"> <li>• any other name that the customer is known by;</li> <li>• the customer's country(ies) of citizenship;</li> <li>• the customer's country(ies) of residence;</li> <li>• the customer's occupation or business activities;</li> <li>• the source of the customer's funds including the origin of funds;</li> <li>• income or assets available to the customer;</li> <li>• the customer's financial position;</li> <li>• the nature of the customer's business with the reporting entity including the purpose of specific transactions or the expected nature and level of transaction</li> </ul>		<p>of that customer.</p>	
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behaviour;			
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<ul style="list-style-type: none"> <li>the beneficial ownership of the funds used by the customer with respect to the designated services;</li> <li>the beneficiaries of the transactions being facilitated by the reporting entity on behalf of the customer including the destination of funds; and</li> </ul> <p>The AML/CTF Compliance Officer will determine what and how additional KYC information will be collected in respect of that customer.</p>			
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## 10.4 Domestic Companies

Where a new customer is a company, it is necessary for AFSA to be reasonably satisfied that:

- a) the company exists; and
- b) in respect to beneficial owners, AFSA has complied with the requirements set out in section 8.8 of Part B.

Collect	Verify	Applicable documentation	Retain
<p><b>Conversation with customer or completion of an application form collect the following about each individual:</b></p> <ul style="list-style-type: none"> <li>• Full name as registered with ASIC;</li> <li>• ACN;</li> <li>• Full address of company's registered office;</li> <li>• Full address of company's principal place of business (if any); and</li> <li>• Whether the company is registered by ASIC as a proprietary or public company; and</li> </ul>	<p><b>Obtain separate documentation from the customer to verify the following about each individual:</b></p> <ul style="list-style-type: none"> <li>• Full name as registered with ASIC;</li> <li>• ACN; and</li> <li>• Whether the company is registered with ASIC as a proprietary or public company.</li> </ul> <p><b>A simplified company verification procedure</b> may be adopted in certain circumstances. Under the simplified company verification procedure, if AFSA can confirm that the company is either:</p> <ul style="list-style-type: none"> <li>• a domestic listed public company;</li> <li>• a majority owned subsidiary of a domestic</li> </ul>	<p><b>Documents which may be used for the purposes of verifying the information collected from the customer:</b></p> <p>For the purposes of verification of a company, the following sources are considered to provide reliable and independent electronic data:</p> <p>Australian Securities and Investments Commission (www.asic.gov.au), e.g. company search;</p>	<p><b>Retain a record of how the customer's identity was verified i.e.</b></p> <ul style="list-style-type: none"> <li>• a copy of the actual document received.</li> </ul> <p>Records of how a customer was identified and verified must be retained in a retrievable format.</p>

• If the company is registered as a		Australian Securities	
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<p>proprietary company, the name of each director of the company.</p> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to a particular individual is medium or high, or there are any discrepancies in the information provided by the individual, AFSA may at its discretion collect additional pieces of information about the customer. This may include:</p> <ul style="list-style-type: none"> <li>the full business name (if any) of the company as registered under any State or Territory business names legislation;</li> <li>the date upon which the company was registered by ASIC;</li> <li>the name of any company secretary;</li> <li>the nature of the business activities conducted by the company.</li> </ul>	<p>listed public company; or licensed and subject to the regulatory oversight of a Commonwealth, State or Territory statutory regulator in relation to its activities as a company, by obtaining one or a combination of the following:</p> <ul style="list-style-type: none"> <li>a search of the relevant domestic stock exchange;</li> <li>a public document issued by the company;</li> <li>a search of the relevant ASIC database;</li> <li>a search of the licence or other records of the relevant regulator,</li> </ul> <p>then AFSA is considered to meet its customer identification requirements (in lieu of the full suite of information required).</p> <p>Where it is determined that the ML/TF risk posed by the provision of a designated service to an individual is medium or high and additional KYC information has been collected in respect of that customer, it may be necessary to verify some or all of the additional KYC information that has been collected. The AML/CTF Compliance Officer will determine what and</p>	<p>Exchange (<a href="http://www.asx.com.au">www.asx.com.au</a>); and Australian Prudential Regulatory Authority (<a href="http://www.apra.gov.au">www.apra.gov.au</a>)</p> <p>Additional KYC information that has been collected will be verified in respect of that customer.</p>	
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The AML/CTF Compliance Officer will determine what and how additional KYC			
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information will be collected in respect of that customer.	how additional KYC information will be verified in respect of that customer.		
For <b>beneficial owners</b> of domestic companies, follow the procedure set out at section 8.8 of Part B.			

## 10.5 Trusts/Trustees

Where a new customer is a trustee of a trust, it is necessary for AFSA to be reasonably satisfied that:

- a) the trust exists; and
- b) the name of each trustee and beneficiary, or a description of each class of beneficiary, has been provided.

Collect	Verify	Applicable documentation	Retain
<b>Conversation with customer or completion of an application form to collect the following about each trust/trustee a:</b> <ul style="list-style-type: none"> <li>Full name of Trust;</li> <li>Full Business Name of trustee (if any);</li> <li>Type of Trust;</li> <li>Country in which trust was established;</li> <li>the full name of the settlor of the trust, unless: <ul style="list-style-type: none"> <li>the material asset</li> </ul> </li> </ul>	<b>Through obtaining separate documentation from the customer verify the following about each Trust/Trustee:</b> <ul style="list-style-type: none"> <li>Full name of Trust from a trust deed, certified copy or certified extract of the trust deed, reliable and independent documents relating to the trust or reliable and independent electronic data;</li> <li>If any of the trustees is an individual then for <u>one</u> of those individuals – information about the individual in accordance with section 10.1;</li> <li>If any of the trustees is a company then for <u>one</u> of those companies - information about the company in accordance with section 10.3.</li> </ul>	<b>Documents which may be used for the purposes of verifying the information collected from the customer</b> <p>If the simplified trustee verification procedure is adopted, the following sources are considered to provide reliable independent data or electronic data:</p> <p>an original or certified copy of a trust deed, or</p>	<b>Retain a record of how the customer's identity was verified i.e.</b> <ul style="list-style-type: none"> <li>a copy of the actual document received; or</li> <li>Records of how a customer was identified and verified must be retained in a retrievable format.</li> </ul>

<p>contribution to the trust by the settlor at the time the trust was established is less than \$10,000; or</p> <ul style="list-style-type: none"> <li>the settlor is deceased; or</li> <li>the trust is verified using the simplified trustee verification procedure outlined in this table; or</li> <li>the customer is a Custodian (as defined in the AML/CTF Rules);</li> </ul> <ul style="list-style-type: none"> <li>if any of the trustees is an individual – the information required to be collected from an individual under section 10.1;</li> <li>if any of the trustees is a company – the information required to be collected from a company under section 10.3; and</li> <li>if the trustees comprise individuals and companies then in respect of either an individual or company – the information required to be</li> </ul>	<ul style="list-style-type: none"> <li>if the trustees comprise individuals and companies then in respect of either an individual or a company – the information about the individual or company in accordance with sections 10.1 and 10.3 respectively;</li> <li>the full name and settlor of the trust, unless: <ul style="list-style-type: none"> <li>the material asset contribution to the trust by the settlor at the time the trust was established is less than \$10,000; or</li> <li>the settlor is deceased; or</li> <li>the trust is verified using the simplified trustee verification procedure outlined in this table; or</li> <li>the customer is a Custodian (as defined in the AML/CTF Rules).</li> </ul> </li> </ul> <p>Where it is determined that the ML/TF risk posed by the provision of a designated service is medium or high, it may be necessary to verify the name of any or each trustee or beneficiary, or details of any or each class of beneficiaries, or any other KYC information collected from a trust deed, certified copy or certified extract of the trust deed, reliable and independent documents relating to the trust or reliable and independent electronic data.</p>	<p>certified extract of the trust deed;</p> <p>Australian Securities and Investments Commission (<a href="http://www.asic.gov.au">www.asic.gov.au</a>), e.g. company search;</p> <p>Australian Securities Exchange (<a href="http://www.asx.com.au">www.asx.com.au</a>); and</p> <p>Australian Prudential Regulatory Authority (<a href="http://www.apra.gov.au">www.apra.gov.au</a>)</p> <p>If AFSA does not adopt the simplified verification procedure, the following sources are considered to provide reliable independent data or electronic data:</p> <p>an original or certified copy of a trust deed, or certified extract of the</p>	
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<p>collected about the individual or company under either section 10.1 or 10.3; and</p> <ul style="list-style-type: none"> <li>(other than a trust to which the simplified trust verification procedure applies) - Full name and address of each trustee and either: <ul style="list-style-type: none"> <li>the full name of each beneficiary in respect of the trust; or</li> <li>if the terms of the trust identify the beneficiaries by reference to membership of a class – details of the class;</li> </ul> </li> </ul> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to a trustee of a trust is medium or high, or there are any discrepancies in the information provided by the trustee, AFSA may at its discretion collect additional pieces of information about the customer. This may include:</p> <p>the State or Territory in which the trust was established;</p>	<p>A <b>simplified trust verification procedure</b> may be adopted with respect to a trust that is:</p> <ul style="list-style-type: none"> <li>a managed investment scheme registered by ASIC;</li> <li>a managed investment scheme that is not registered by ASIC and that: <ul style="list-style-type: none"> <li>only has wholesale clients; and</li> <li>does not make small scale offerings to which section 1012E of the Corporations Act applies;</li> </ul> </li> <li>registered and subject to the regulatory oversight of a Commonwealth statutory regulator in relation to its activities as a trust; or</li> <li>a government superannuation fund established by legislation.</li> </ul> <p>Under the simplified trust verification procedure, AFSA may collect the following information to meet its customer identification requirements in lieu of the full suite of information required above:</p> <p>evidence that the trust is a managed investment scheme registered by ASIC; or</p>	<p>trustee which is an individual – information about the individual in accordance with section 10.1; in the case of any of the trustees which is a company – information about the company in accordance with section 10.4.</p>	
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	evidence that the trust is a managed investment		
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<p>the date upon which the trust was established;</p> <p>the full name of the trust manager (if any) or settlor (if any) in respect of the trust.</p> <p>The AML/CTF Compliance Officer will determine what and how additional KYC information will be collected in respect of that customer.</p>	<p>scheme that is not registered by ASIC and that:</p> <ul style="list-style-type: none"> <li>has only wholesale clients; and</li> <li>does not make small scale offerings to which section 1012E of the Corporations Act applies; or;</li> <li>registered and subject to the regulatory oversight of a Commonwealth statutory regulator in relation to its activities as a trust; or</li> <li>a government superannuation fund established by legislation.</li> </ul>		
<p>For <b>beneficial owners</b> of trusts, follow the procedure set out at section 8.8 of Part B.</p>			

## 10.6 Incorporated Association

Where a new customer notifies AFSA that it is an incorporated association, it is necessary for AFSA to be reasonably satisfied that:

- a) the association exists; and
- b) the name of any members of the governing committee (however described) of the association have been provided.

Collect	Verify	Applicable documentation	Retain
<b>Conversation with customer or completion of an application form to collect the following about each Association:</b> <ul style="list-style-type: none"> <li>• Full name of association;</li> <li>• Full address of: <ul style="list-style-type: none"> <li>• Association's principal place of administration or registered office; or</li> <li>• Residential address of the association's public officer; or</li> <li>• The residential address of the association's President, Secretary or Treasurer;</li> </ul> </li> <li>• Unique identification number issued</li> </ul>	<b>Through obtaining separate documentation from the customer verify the following about each Association:</b> <ul style="list-style-type: none"> <li>• Full name of Incorporated Association; and</li> <li>• Any unique identification number issued to the incorporated association upon its incorporation.</li> </ul> <p>Where it has been determined under an assessment that the ML/TF risk posed by the provision of a designated service to an association is medium or high</p>	<b>Documents which may be used for the purposes of verifying the information collected from the customer:</b> <p><b>(Documentation may be Original, Certified Copy or Certified Extract):</b></p> <ul style="list-style-type: none"> <li>• information provided by the Australian Securities and Investments Commission (<a href="http://www.asic.gov.au">www.asic.gov.au</a>) or by the State, Territory or overseas body</li> </ul>	<b>Retain a record of how the customer's identity was verified i.e.</b> <ul style="list-style-type: none"> <li>• a copy of the actual document received</li> </ul> <p>Records of how a customer was identified and verified must be retained in a retrievable format.</p>

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<p>upon incorporation by the State, Territory or overseas body responsible for the incorporation of the association;</p> <ul style="list-style-type: none"> <li>• Full name of Chairman, Secretary and Treasurer or equivalent officer in each case of the association.</li> </ul> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to an incorporated association is medium or high, or there are any discrepancies in the information provided by the trustee, AFSA may at its discretion collect additional pieces of information about the customer. This may include:</p> <ul style="list-style-type: none"> <li>the State or Territory in which the association was incorporated;</li> <li>the date upon which the association was incorporated;</li> <li>the objects of the association;</li> <li>a certified copy or certified extract of the rules of the association;</li> <li>in respect of any member – the information required to be collected from an individual under the reporting entity's Customer Identification Program in respect of</li> </ul>	<p>collected in respect of that customer, it may be necessary to verify some or all of the additional KYC information that has been collected. The AML/CTF Compliance Officer will determine what additional KYC information will be verified in respect of that customer.</p>	<p>for the incorporation of the association;</p> <ul style="list-style-type: none"> <li>• Constitution of the Association; or</li> <li>• Rules of the Association; or</li> <li>• Minutes of meeting of the association where officer bearers are appointed;</li> <li>• Certificate of incorporation; or</li> <li>• other reliable and independent documents relating to the association or from reliable and independent electronic data.</li> </ul>	
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<p>individuals; and the full business name, if any, of the association.</p> <p>The AML/CTF Compliance Officer will determine what and how additional KYC information will be collected in respect of that customer.</p>			
<p>For <b>beneficial owners</b> of incorporated associations, follow the procedure set out at section 8.8 of Part B.</p>			

## 10.7 Unincorporated Association

Where a new customer notifies AFSA that it is an unincorporated association, it is necessary for AFSA to be reasonably satisfied that:

- a) the association exists; and
- b) the name of any members of the governing committee (however described) of the association have been provided.

Collect	Verify	Applicable documentation	Retain
<b>Conversation with customer or completion of an application form to collect the following about each Association:</b> <ul style="list-style-type: none"> <li>• Full name of association;</li> <li>• Full address of the association's principal place of administration (if any);</li> <li>• Full name of Chairman, Secretary and Treasurer or equivalent in each case of the association; and</li> <li>• in respect of one member – information required to be collected from an individual under the applicable customer identification procedure with</li> </ul>	<b>Through obtaining separate documentation from the customer verify the following about each Association:</b> <ul style="list-style-type: none"> <li>• Full name of Unincorporated Association;</li> <li>• Information about the member in accordance with the applicable customer identification procedure with respect to individuals set out in section 10.1.</li> </ul> <p>Where it has been determined under an assessment that the ML/TF risk posed by the provision of a designated service to an association is medium or high and additional KYC information has been</p>	<b>Documents which may be used for the purposes of verifying the information collected from the customer:</b> <p><b>(Documentation may be Original, Certified Copy or Certified Extract):</b></p> <ul style="list-style-type: none"> <li>• Constitution of the Association; or</li> <li>• Rules of the Association; or</li> <li>• Minutes of meeting of the association where officer bearers are appointed; or</li> </ul>	<b>Retain a record of how the customer's identity was verified i.e.</b> <ul style="list-style-type: none"> <li>• a copy of the actual document received; or</li> </ul> <p>Records of how a customer was identified and verified must be retained in a retrievable format.</p>



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<p>respect to individuals set out in section 10.1.</p> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to an unincorporated association is medium or high, or there are any discrepancies in the information provided by the trustee, AFSA may at its discretion collect additional pieces of information about the customer. This may include:</p> <ul style="list-style-type: none"> <li>the objects of the association;</li> <li>a certified copy or certified extract of the rules of the association; and</li> <li>the full business name, if any, of the association.</li> </ul> <p>The AML/CTF Compliance Officer will determine what and how additional KYC information will be collected in respect of that customer.</p>	<p>respect of that customer, it may be necessary to verify some or all of the additional KYC information that has been collected. The AML/CTF Compliance Officer will determine what additional KYC information will be verified in respect of that customer.</p>	<p>independent documents relating to the association or from reliable and independent electronic data; and</p> <ul style="list-style-type: none"> <li>• information about the member in accordance with the applicable customer identification procedure with respect to individuals in the applicable identification procedure in section 10.1.</li> </ul>	
<p>For <b>beneficial owners</b> of unincorporated associations, follow the procedure set out at section 8.8 of Part B.</p>			

## 10.8 Registered Co-operative

Where a new customer notifies AFSA that it is a registered co-operative, it is necessary for the AFSA employee responsible to be reasonably satisfied that:

- a) the co-operative exists;
- b) the names of the Chairman, Secretary or equivalent officer in each case of the co-operative have been provided.

Collect	Verify	Applicable documentation	Retain
<b>Conversation with customer or completion of an application form to collect the following about the Registered Co-operative:</b> <ul style="list-style-type: none"> <li>Full name of Co-operative;</li> <li>Full address of: <ul style="list-style-type: none"> <li>Registered office; or</li> <li>Principal place of operations; or</li> <li>Residential address of the co-operative's Secretary or (if there is no such person) the co-operative's President or Treasurer;</li> </ul> </li> </ul>	<b>Through obtaining separate documentation from the customer verify the following about the Registered Co-operative:</b> <ul style="list-style-type: none"> <li>Full name of Co-operative; and</li> <li>Unique identifying number issued to the co-operative by the State, Territory or overseas body responsible for the registration of the co-operative.</li> </ul> <p>Where it has been determined under an assessment that the ML/TF risk posed by the provision of a designated service to an association is medium or high and additional KYC information has been</p>	<b>Documents which may be used for the purposes of verifying the information collected from the customer:</b> <p><b>(Documentation may be Original, Certified Copy or Certified Extract):</b></p> <ul style="list-style-type: none"> <li>information provided by the Australian Securities and Investments Commission (<a href="http://www.asic.gov.au">www.asic.gov.au</a>) or by the State, Territory or overseas body</li> </ul>	<b>Retain a record of how the customer's identity was verified i.e.</b> <ul style="list-style-type: none"> <li>a copy of the actual document received; or</li> </ul> <p>Records of how a customer was identified and verified must be retained in a retrievable</p>

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<ul style="list-style-type: none"> <li>• Unique identifying number issued to the co-operative by the State, Territory or overseas body responsible for the registration of the co-operative;</li> <li>• Full name of Chairman, Secretary and Treasurer or equivalent officer in each case of the co-operative;</li> </ul> <p>Where AFSA determines that the ML/TF risk posed by the provision of a designated service to a registered co-operative is medium or high, or there are any discrepancies in the information provided by the trustee, AFSA may at its discretion collect additional pieces of information about the customer. This may include:</p> <ul style="list-style-type: none"> <li>in respect of any member – the information required to be collected from an individual under section 10.1;</li> <li>the full business name, if any, of the co-operative;</li> <li>the State, Territory or country in which the co-operative is registered;</li> <li>the date upon which the co-operative was registered;</li> <li>the objects of the co-operative;</li> <li>a certified copy or certified extract of the</li> </ul>	<p>collected in respect of that customer, it may be necessary to verify some or all if the additional KYC information that has been collected. The AML/CTF Compliance Officer will determine what additional KYC information will be verified in respect of that customer.</p>	<p>responsible for the registration of the co-operative;</p> <ul style="list-style-type: none"> <li>• any register maintained by the co-operative;</li> <li>• any minutes of the meeting of the co-operative;</li> <li>• other reliable and independent documents relating to the co-operative; or</li> <li>• reliable and independent electronic data.</li> </ul>	
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<p>rules of the co-operative.</p> <p>The AML/CTF Compliance Officer will determine what and how additional KYC information will be collected in respect of that customer.</p>			
<p>For <b>beneficial owners</b> of registered co-operatives, follow the procedure set out at section 8.8 of Part B.</p>			

## 11.0 Part B, Appendix G - Approved Certifiers

The AML/CTF Rules states a certified copy means a document that has been certified as a true copy of an original document by one of the following persons:

- A person who, under a law in force in a State or Territory, is currently licensed or registered to practise in an occupation listed in [Part 1 of Schedule 2 of the Statutory Declarations Regulations 2018](#);
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);
- A person listed in Part 2 of Schedule 2 of the Statutory Declarations Regulations 2018. For the purposes of the AML/CTF Rules, where Part 2 uses the term '5 or more years of continuous service', this should be read as '2 or more years of continuous service';
- An officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more years of continuous service with one or more licensees;
- An officer with, or a credit representative of, a holder of an Australian credit licence, having 2 or more years of continuous service with one or more licensees;
- A person in a foreign country who is authorised by law in that jurisdiction to administer oaths or affirmations or to authenticate documents.

## 12.0 Appendix H - Glossary

*For the purpose of this AML/CTF Program the following definitions apply:*

**Agents** - are third party individuals defined either by their representation of AFSA's customers or AFSA itself. Agents of customers can be appointed to act on behalf of a customer in dealing with AFSA. These agents must be identified as per the AFSA's customer identification procedures. Agents of AFSA on the other hand offer designated services owned by AFSA. Associated regulatory obligations from these designated services remain with the AFSA. These agents can include financial planners/advisers, mortgage brokers, non-bank financial institutions and agent banks.

**Anti-Money Laundering (AML)** - is the international movement designed to prevent the laundering of illicitly sourced funds. Regulated internationally by the Financial Action Task Force (FATF), AUSTRAC regulates and enforces AML compliance in Australia.

**AML/CTF Program** - is a practical guide for how AFSA and its employees can effectively meet its/their AML/CTF obligations under Australian law. The AML/CTF Program is a legislative requirement consisting of Part A, which outlines how AFSA identifies, mitigates and manages its AML/CTF obligations, and Part B, which outlines customer identification standards for AFSA.

**Australian Transaction, Reports and Analysis Centre (AUSTRAC)** - is the Australian Government's AML/CTF regulator and Financial Intelligence Unit (FIU).

**Beneficial Owner** - is a natural person who owns one or more share holdings totalling 25 per cent or more of the issued capital of a customer or the person on whose behalf a transaction is being conducted.

**Counter Terrorism Financing** - is the international movement designed to prevent the spread of the financing of terrorist activity. Regulated internationally by the Financial Action Task Force (FATF), AUSTRAC regulates and enforces AML compliance in Australia.

**Countermeasures** - are regulatory instruments designed by AUSTRAC to protect the Australian financial system from terrorism financing and money laundering risks emanating from Prescribed Foreign Countries. Enhanced Customer Due Diligence (ECDD) must be undertaken for customers that are subject to Countermeasures.

**Customer** - is either an individual or non-individual to whom the AFSA provides a designated service. Customers must be identified as per customer identification procedures outlined in this AML/CTF Program, and must be subject to Ongoing Customer Due Diligence (OCDD).

**Customer Identification Program (CIP)** – means the Customer Identification Program carried out in accordance with Part B of this AML/CTF Program.

**Designated Service** - is a service provided that may be financial service, bullion service, gambling service, and/or a prescribed service. In providing a designated service you are



considered a Reporting Entity and thus caught by the AML/CTF Act.

**Employee Due Diligence (EDD)** - is the process of conducting due diligence on employees of AFSA. This is conducted prior to beginning employment with AFSA or when promoted to a position where it is possible to exploit ML/TF conditions.

**Enhanced Customer Due Diligence (ECDD)** - is the process of conducting further due diligence on customers that have been identified as being high risk. ECDD must include the clarification and update of original Know Your Customer (KYC) information held, and the collection and verification of additional KYC information. This must include investigation into the customer's financial position, source of wealth, transaction history, and beneficial ownership details of funds used by the customer (if applicable).

**Individual Customer** - is a natural person, rather than a legal entity (non-individual customer).

**Know Your Customer (KYC)** - is the process of collection, verification and retention when identifying a new customer. AFSA's risk based approach to KYC constitutes the core process for identifying customers of AFSA when the customer relationship is established and through processes such as ECDD and OCDD.

**Natural Person** - is an individual, rather than a legal entity (non-individual customer).

**Non-individual Customer** - is a legal entity, which includes (but not limited to): Sole Trader, Companies, Trusts, Partnerships, incorporated associations, unincorporated associations, registered co-operatives, government body and foreign entities.

**Ongoing Customer Due Diligence (OCDD)** - is the primary process of undertaking operational AML/CTF activities within AFSA. OCDD consists of KYC, TM and ECDD; which together facilitate AFSA maintaining a proactive approach to identifying, mitigating and managing ML/TF activity. All three of these obligations are required to be met in maintaining a compliant AML/CTF Program.

**Pre-Commencement Customer** - is a customer of AFSA that established their relationship with AFSA prior to 12 December 2007. These customers must be re-identified in the event that a SMR arises concerning them. Pre-commencement customers are also subject to OCDD.

**Prescribed Foreign Country** – means the Democratic People's Republic of Korea and Iran or any country as defined from time to time in the *Anti-Money Laundering and Counter-Terrorism Financing (Prescribed Foreign Countries) Regulations 2018* (Cth).

**Post-Commencement Customer** - is a customer of AFSA that established their relationship with AFSA on or after 12 December 2007. These customers are subjected to standard customer identification processes that include KYC at relationship establishment and OCDD.

**Politically Exposed Person (PEP)** - is a natural person who is, or has previously been, entrusted with prominent public functions in a foreign country or in Australia. Immediate family members and close associates of PEPs are also considered PEPs themselves.

**Primary Photographic Identification** - is considered a reliable and independent

source of identification. Primary Photographic Identification includes driver's licences, passports, proof of age cards and national identity cards. Documents must be in English or translated by an

accredited translator. A combination of two primary identification sources or one primary and one secondary identification sources are required to be provided in meeting customer identification procedure requirements.

**Primary Non-Photographic Identification** - is considered a reliable and independent source of identification. Primary Non-Photographic Identification includes birth certificates, citizenship certificates, and concession cards issued by Centrelink. Documents must be in English or translated by an accredited translator. A combination of two primary identification sources, or one primary and one secondary identification sources are required to be provided in meeting customer identification procedure requirements.

**Reporting Entity (RE)** - is an individual or entity that undertakes activities, which under the AML/CTF Act are considered designated services. REs are required to be registered with AUSTRAC and must submit a Suspicious Matter Report (SMR), Threshold Transaction Report (TTR), International Funds Transfer Instructions (IFTI), AML/CTF Compliance Report, Cross Border Movement Physical Currency (CBM-PC) and Cross Border Movement Bearer Negotiable Instruments (CBM-BNI) reports to AUSTRAC when applicable.

**Risk Based Approach** - is how AFSA meets its AML/CTF obligations under Australian law. As opposed to a rules based prescriptive approach, the risk based approach facilitated by AUSTRAC requires AFSA to make risk assessments of its customers (including beneficial ownership), products, channels, and jurisdictions it deals with. In undertaking this approach AFSA is able to allocate its resources into the areas it deems to carry the most AML/CTF risk. This approach is subject to regulatory scrutiny from AUSTRAC on an ongoing basis.

**Suspicious Matter Reporting (SMR)** - is required to be submitted to AUSTRAC for any type of suspicious activity involving a customer. SMRs are required to be submitted to AUSTRAC within 72 business hours of forming suspicion. SMRs relating to suspicions of terrorism financing must be submitted within 24 hours. The AML/CTF Compliance Officer is responsible for investigating and submitting SMRs to AUSTRAC.

**AML/CTF Compliance Report** - is a self-assessment of AFSA's compliance with the AML/CTF Act, regulations and the AML/CTF Rules during a specified reporting period. This is usually undertaken on an annual basis.

**Secondary Identification Document** - is considered a reliable and independent source of identification. Secondary Identification Documents can include utility bills, tax assessments and student identity cards. Documents must be in English or translated by an accredited translator. Secondary identity documents must be accompanied by at least one primary identification document in meeting customer identification requirements.

**Tipping Off** - is the action of informing a customer that a suspicious matter has arisen once an SMR has been submitted to AUSTRAC. If a suspicious matter has been identified, SMR reporting obligations apply immediately. AFSA employees must not discuss any suspicious matters with any customer.

**Transaction Monitoring (TM)** - is the process through which AFSA can identify suspicious and unusual customer transaction activity. AFSA's risk based approach to TM utilises the Phoenix tool in assessing transactions involving high risk products, high risk customers and high risk jurisdictions. Scenarios are also implemented to identify activity that does not necessarily relate to high risk considerations.

**Verifying Officer (VO)** - is a person appointed by a non-individual customer of AFSA to verify their agents. VOs must be employees, agents or contractors of the non-individual customer. VOs must be identified as per the AFSA customer identification procedure. When identifying customers, VOs must make a record of all matters, with their employers required to retain these records.



**BOARD MEETING DATE:**

19/08/2020

**No 9      Matters for noting and status updates**

**Item: b**

**Title: Anglican Diocese of Grafton – Advice on Termination of AIRS Membership and appointment of Arthur J Gallagher & Co.**

**No of Pages. 3 incl Header**



# THE ANGLICAN DIOCESE OF GRAFTON

**Chris Nelson Registrar**

PO Box 4  
GRAFTON  
NSW 2460  
02 6642 4122  
[registrar@graftondiocese.org.au](mailto:registrar@graftondiocese.org.au)

Friday, 12 June 2020

Mr Ken Spackman  
Chair  
Anglican Insurance and Risk Management Services  
Suite 5, L5, 55 Swanston Street  
Melbourne VIC 3000

## **Advice on Termination of AIRS Membership**

Dear Ken,

Thank you for your time on the telephone the other day. As per our telephone conversation, I need to advise you that the Bishop-in-Council of the Anglican Diocese of Grafton has resolved to terminate its membership of Anglican Insurance and Risk Services effective 31 October 2020.

This decision means that the Anglican Diocese of Grafton will not be participating with AIRS in the renewal of insurance terms that would commence on 1 November 2020.

The Anglican Diocese of Grafton have appointed Inscon to assist it with the selection of an insurance broker for the insurance program from 1 November 2020.

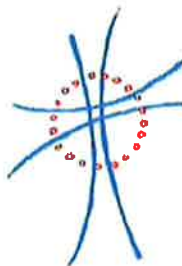
It is with sadness that I advise of this termination. The journey with ANIP and AIRS has generally been a good one for the Diocese of Grafton but it is now appropriate that the Diocese of Grafton seek new arrangements.

I wish AIRS well in providing risk and insurance services for the majority of the Dioceses of the Anglican Church of Australia.

Yours sincerely,

**Chris Nelson**  
**Registrar/General Manager**  
**Anglican Diocese of Grafton**

cc: Mr Neil Bull, Manager, Anglican Insurance and Risk Services





# THE ANGLICAN DIOCESE OF GRAFTON

**Chris Nelson Registrar**

PO Box 4

GRAFTON

NSW 2460

02 6642 4122

[registrar@graftondiocese.org.au](mailto:registrar@graftondiocese.org.au)

Friday, 31 July 2020

To Whom It May Concern,

## **Letter of Appointment**

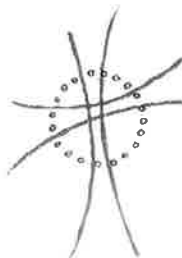
Effective from Friday 31 July 2020 we hereby appoint Arthur J Gallagher & Co to manage our insurance broking and account management requirements.

We authorise our current insurer(s) to provide Arthur J Gallagher & Co with all information they request regarding our insurances and claims history in respect to our entire program, i.e. all classes of insurance.

This appointment replaces any existing arrangement in place between us and any other insurance intermediary formerly appointed to advise on or arrange or negotiate our insurance requirements as described above.

Yours faithfully,

**Chris Nelson**  
**Registrar/General Manager**  
**Anglican Diocese of Grafton**







**BOARD MEETING DATE:**

19/08/2020

**No 10 Correspondence**

**In:**

**3 August 2020 – ‘Insurance Arrangements’ from Chris Nelson Anglican Diocese of Grafton.**

**No of Pages. 3 incl Header**



# THE ANGLICAN DIOCESE OF GRAFTON

Chris Nelson Registrar

PO Box 4

GRAFTON

NSW 2460

02 6642 4122

[registrar@graftondiocese.org.au](mailto:registrar@graftondiocese.org.au)

Monday, 3 August 2020

## Diocesan Insurance

Dear colleagues,

Many of you may know that following the renewal of the Diocese's insurance terms in November 2019, the Bishop-in-Council commissioned a review of the Diocese's insurance arrangements. That review recommended that the Diocese leave the national scheme Anglican Insurance and Risk Services (AIRS) because this arrangement was not considered the most suitable for the Diocese's needs.

Bishop-in-Council accepted the recommendation to exit the AIRS program and authorised commencement of a process to select an insurance broker for the Diocese's program.

I can announce that as of 31 July 2020, Arthur J Gallagher & Co (Gallagher) is the broker for the Diocese's insurance program.

What does this mean for your organisation or parish as part of the Diocesan insurance program?

Firstly, it means that Gallagher is now our interface between the Diocese and its insurance providers. Any interaction with AIRS and Marsh as the broker for AIRS now ceases. This interface with Gallagher will go through Ms Jenny Brock who is the Insurance Officer for the Diocese (02 6642 4122; [insurance@graftondiocese.org.au](mailto:insurance@graftondiocese.org.au))

At this stage there is no change to the Diocese's insurance policies. They will continue to operate to 31 October 2020 as arranged.

There will now be an intensive program between the Diocese's representatives and Gallagher to prepare for the insurance cover that will operate from 1 November 2020. Some of you may be contacted for data to support the insurance renewal or consulted on the cover that will be sought. If you are contacted, your prompt response will be appreciated because the renewal program is very tight.

Finally, to achieve the best possible insurance renewal, we will be strongly considering a change of insurance provider. Because of this possible change, it will be in our best interests to have no delays in advising the outgoing insurer of any possible or active claims. A delay into the new insurance year may cause difficulties in getting a particular claim addressed.

To reduce the possibility of slow, late or forgotten claims, it is important for each organisation and parish to check for potential claims in October before the existing insurance cover expires. In that review, it will be important to check:

- All property, especially infrequently used property, for storm or malicious damage,
- Any accidents or incidents involving volunteers, clients or visitors, and

- Any complaint against a decision or action by an official, manager or governance body

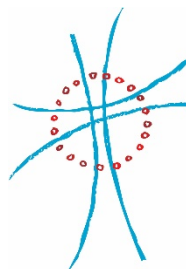
It is important to report these incidents even if it doesn't seem likely that an insurance claim would eventuate. Reporting of these incidents to Ms Jenny Brock will mean that we have a good and timely record if a claim does eventuate and therefore a better chance for the claim to be accepted and processed expediently.

We look forward to a good long term relationship with Gallagher and positive results for the whole Diocese when our insurances are renewed later this year.

Yours faithfully,



**Chris Nelson**  
**Registrar/General Manager**  
**Anglican Diocese of Grafton**





**BOARD MEETING DATE:**

19/08/2020

**No 10 Correspondence**

**Out:**

**23 June 2020 – AFGD Board Resolutions for Bishop-in-Council**

**No of Pages. 2 incl Header**

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**AFGD Board Resolutions for Bishop-in-Council**

1 message

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**Annette Dent** <office@afgd.com.au>  
To: Chris Nelson <chris.nelson@graftondiocese.org.au>  
Cc: David Ford <fordie@mac.com>

23 June 2020 at 16:21

Hi Chris

At the AFGD Board Meeting held on 11th June 2020, the following two resolutions were finalised.

*"That the AFGD Board request permission from Bishop-in-Council that Clause 220.8 is not activated and reviewed in December 2021 due to the AFGD Board exploring strategic options."*

*"That the AFGD Board request permission from Bishop-in-Council to amend Clause 221.1 to 'The AFGD Board shall meet a minimum of 6 times per calendar year'."*

Could you please include these resolutions in the papers for the next Bishop-in-Council meeting?.

Kind regards  
Annette

Annette Dent  
Office Admin / Customer Service  
Anglican Funds Grafton Diocese  
Level 1, 50 Victoria Street GRAFTON NSW 2460  
PO Box 4 GRAFTON NSW 2460  
FreeCall 1800 810 919 (NSW Only)  
Ph: 02 6642 4480 Fax: 02 6643 2391



Visit [www.anglicanfundsgraftondiocese.com.au](http://www.anglicanfundsgraftondiocese.com.au) for details on our Investment Products,  
Saver and Term Investment Accounts - currently paying up to 1.55% pa

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Thank you.*