

Board Meeting

MINUTES

Date: **Thursday 2nd March 2017**

Time: **6. 00 pm**

Venue: **CERES, Learning Centre Rm,1-2 Lee St, Brunswick East VIC**

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Meeting Commenced: 6.10

1 Election Of Chair

Chairperson Elected: Denise Banville

Minute Keeper: Denise Banville & Coral Larke

2 Attendance

David Cruise, Ian Hales, Peter Cruise, Corrine Arrismans, Fulvio, Darrell Reid, Malcolm Mathews, Don Royal, Emma Bennett, Andrew Wilkinson, Simon Byers, Richard Woodgate, Angela Neat, Kathy Ernst, Peter Tippet, Trevor Pitt, Aaron Slipperee, Kate Sarah Shaperio, Troy Reid, Carol Larke, David Mc Donald, Andrew Wilkinson, Walter Padovani, Simon Byers, Walter Padovani, Bruce Pinney, Shardae, Reed, Kylie Bayens, Mark Rasmussen, Corinne Armstrong.

Online: Robin Mac Pherson, Marty Schwartz, Taisha, Jenni T, Peter Hall, Kristin Joy, Lars, Guy Wildey, Lynne Kennedy, Scouse,

Apologies: None

Quorum Confirmed: Yes

3 Confirmation of Previous Meeting Minutes

Minutes of the previous Board Meeting held were not read out.

4 Correspondence

Bendigo bank pin numbers arrived.

No bills.

4 Key decisions made outside monthly meetings

We authorised a budget for work on the Rodeo.

5 Presentation & Recommendations to the Board

.Bree Nurse

Bree Nurse Introduction

Bree introduced herself and asked that we would please listen and take notes.

Bree expressed thanks to directors for their input over the last over the last 3 weeks.

She is impressed with the current procedures we are trying to get into place.

She understand not everyone is an accountant or business manager

She is giving advise for DTE as a whole. Bree referred to her diagram on the whiteboard.

DTE's Perpetuity – BREE has the interests of DTE as a whole

THE ROLE OF DIRECTORS

The 7 Directors are the umbrella over the organisation and they need to be efficient, effective & reasonable.

The organisation is going through growing pains. We need more processes. She sees some people with fingers in all the different pies.

Consensus decisions are reasonable. 4/7. She sees factions in the organisation. All seven directors have their own minds. All impartial. Directors need to be reasonable and impartial. The 4 out of 7 decision-making process makes a decision reasonable.

Directors need to oversee but not micromanage the other committees. We need to task the committees, not micromanage

DIRECTORS & FINANCE COMMITTEE ROLES

Bree gave an example of inefficiency: The decision making process over the weekend regarding a member gaining urgent access to funds for a project.

7 directors at the weekend gave input and it was impossible to be across it all. Bree agreed with the new process but felt that we got bogged down in rules.

4/7 directors agreed to moving the funds. The finance committee is therefore expected to follow the board. However, this did not happen.

When you have the 4/7 agreed, there's no need to follow the details and get bogged down in the rules. Then, the amount to be paid was questioned: "do they need the whole budget now?" Bree had to interject. She's not sure if it's even been processed yet. (It isn't) Currently only 3 out of 7 directors can go into Xero and create the transaction. She's expecting us to be more effective and efficient.

4 out of 7 expected that it was reasonable to move the funds. After the decision was made, the finance committee should have accepted it.

Bree said she has to advise us what is best for DTE. Let go of the history. Trust? Bree has seen defensiveness in emails. We don't need the history, emotion and old facts. We need transactions happening. Bree cannot micromanage us!

Bree is answerable to the Board, and would like us to have some trust that she will check up on receipts. She will follow up on anything that is pertinent to the Board. She will ask if she wants anything brought up at meetings.

Bree stated that the FC are to do the everyday "runnings". Therefore, she can work with the FC at that level. We will have big bills if people keep ringing her.

Bree wants efficient emails that are straight to the point, with motions. Not the history and opinions of why it is or is not right. We need to be more choosy. Be professional. Be more respectful.

7 Directors need to work with the FC on the processes, and what each process is to achieve. As directors you then task this to the FC and let them do their job.

Regarding Directors being on the Finance Committee

It is difficult when directors are on Finance Committees. They have a right to object. But they need to follow the decisions made by the Board.

Bree does not want 3 directors on the FC. It is a risk management issue. It is open to abuse since director's transactions are involved, with directors authorising payments - we need a clear separation of roles. It is not good for DTE, and not good for the director either. It opens the director up to investigation. Bree has asked for our trust and faith to close these sorts of loopholes.

ACCOUNTS ACCESS, Xero SUBSCRIPTION, STORAGE, DIRECTORS EXPENSES, BUDGETS IN XERO, OPE, CASH HANDLING

Bree outlined that:

1. She needs access to the **bank accounts**, for viewing.
2. She wants subscription to **Xero** to be either in her name or Michael Hills.

It is not appropriate for people with lack of knowledge in accounting systems. Bree is happy for people to learn Xero. She will teach them but if they are not up to the task she will say so.

The subscriber holds the control and can delete people out of there for example. She wants to draw the line in the sand as an accountant. Messing in the previous financial year is a headache. Changing permissions. The subscriber could sabotage or hold the organisation to ransom.

She proposed that all directors should have read only access, unless they are on the FC and they are capable of the job they are expected to do.

3. **Storage** of physical information. We need to make sure everyone has access to what they need to do their jobs. Not one single director should have single access of these source documents. If they are spread, this limits the risks. This also applies to domains, internet access etc. Another director should have the rights too. This will also help with the perception that people are holding things to themselves.
4. **Director expenses**. Think about what is reasonable. What your expending has to be directly related with the task/job. Ask is it reasonable to expect OPE. \$2000 into expense card not reasonable? It is reasonable for directors travel expenses to fly down here?

Bree advises that directors should be expected to put in a budget for expenses, like everybody else. This is expected for the next financial year going forward. Put in that process now to apply going forward. Examples, there may be variance for people. An example given was telephone expenses - some have pre paid phones, some are on plans etc.

5. **Budgets in xero**. We can have them in trade debtors. Bree will present reports that we can question. Most organisations have 20% variance. Needs to be reasonable. We need to have contingency plans.
6. Bree questions **the back log of out of pocket expenses** and if it is pertinent now, Bree assured us that it will be dealt with.

Motion: That BREE has access to all the bank accounts.

Moved: Kate Seconded: Mark.

No objections. Agreed by consensus.

Motion: That we give Subscription of Xero to Bree.

Moved: Don. Seconded: David.

Kate objected.

There was discussion and it was agreed by consensus that we give subscription of Xero to either Bree or Michael Hill.

David suggested that we vote on our preference. Directors agreed to the vote.

5 directors voted in favour of Bree Nurse. (Don, Mark, Denise, Marty, David)

2 directors voted in favour of Michael Hill (Troy and Kate)

It was carried by majority, that the subscription would go to Bree Nurse.

7. Cash handling

If there is any cash involved, Brees suggested that we have at least two people to take cash and count the money and this must be done in a timely manner.

Questions to Bree

Mark: With director expenses, for those who live far away, and for others we need a quick turnaround on repayments. We need clear direction on procedures for this. Reporting software has to reflect the bank accounts.

Bree: Xero will be our way of monitoring expenditure and she will reconcile Xero information with bank accounts. Xero needs to be reconciled with the bank accounts.

Ian: Who should be contacting you?

Bree: The 7 directors. The directors will give directives. The Finance Committee can contact on a needs basis.

When you ring an auditor/ accountant, you can't ask for advice without asking permission from directors. It is a cost. She will ask the directors what is relevant.

Fulvio: You don't want to see more directors on the Finance Committee. I was going to propose that Denise go on the FC. What do you do in the situation where the best person for the job might be a director? The available pool of people is small.

Bree: If a director are making entries into your file, then they should not also have authority over the bank accounts. A director needs to make a choice: Do you want to authorise transactions or make entries into the file? It can't be both.

Mark: If we can't use the people who are currently experienced in Xero, will you be running training for people?

Bree: Yes, we need to spread the load on the FC. You have a duty of care to your volunteers.

Richard: So, you wont have direct involvement with the receipts?

Bree: I'm happy for volunteers to enter the receipts. But she has staff who can assist our volunteers when necessary.

6 Report on Debit Card Usage

Steve P

Steve Poynton read excerpts from his report on directors debit card usage based on data in Xero.

Motion: The recommendation from this report is that the director's debit card be suspended until all of the outstanding issues are resolved and outstanding amounts repaid to DTE.

Moved Don Royal. **Seconded** David Cruise. After debate Don Royal withdrew the motion. Troy objected. Mark asked that the report go to the Finance Committee and also stated that the report needs to be analysed.

Ian called for it to go to the Finance Committee.

Corinne expressed concerned that a member of the FC had bypassed the FC by bringing this report directly to the Board.

Fulvio expressed concern that the most important person in the room would have his spending capacity taken away.

Kate expressed concern that the motion is even on the table.

Marty: The Finance Committee can look at this and report back in a week. I don't see what the problem is in suspending the card for a week while the FC does that. Essentially, he was dragged over the coals for the last couple of weeks and answered any question that was asked of him.

Fulvio: It's not the right way to do things, in either case.

Mark I can't see what it's going to achieve.

Denise The ICT budget is currently being spent on things other than ICT.

Mark That's an accusation.

Denise Look in Xero and you will see that's a fact.

Mark So why isn't the Finance Committee looking into that?

Denise I don't know.

David Why don't people on the Finance Committee like Fulvio already know about this?

Is the competence of our Finance Committee in question?

Denise advised that she had a full conversation with a member of the Finance Committee about receipts being reconciled for petrol that is being taken from the ICT budget and she wonders why some people are not willing to question why this is occurring.

Malcolm suggested that this will not be a problem once we have advances on cards specifically for directors expenses.

Denise: Every other director pays for 'out of pocket expenses' out of their own pocket, and not out of a budget that is given for something else.

Kate suggested that it is not misappropriation since the money is spent on DTE stuff.

Denise said that there had been \$2188 of personal spending on items such as Netflix, Audible books, cash withdrawals and car tyres.

Marty: That is the terminology of misappropriation, when funds allocated for one project are wrongfully and without permission is spent on something else.

David said that he would like Don and him to withdraw the motion. He believes that the Finance Committee is clearly derelict especially when a member of the Finance Committee brings a whole lot of data along and the Finance Committee is saying it's wrong, without even reading it. David suggested that this report be dealt with seriously, that everybody considers it and gets on with it. David said they (David and Don) withdraw the previous motion.

Simon suggested that the amount of money on the debit card is not going to be misspent within the next week.

Fulvio stated that there is \$5721 currently on Troy's card.

David indicated that he objects to debit cards for director expenses and wants directors to be reimbursed for 'out of pocket' expenses. He believes it's a breach of our rules.

Steve moved that he passes all of the information and data to Bree and that Bree does a report based on that. It was requested that this should take no longer than a week.

Passed by consensus.

Corinne asked that we prioritise the rest of the items on the agenda.

Lynne Kennedy sent a report to directors about disputes with council regarding legal advice regarding risks and she put forward motions. Lynne was concerned with public access to such information. It was decided to postpone this until directors have read the report and given it more consideration. Not everybody had read the report in detail. Lynne Kennedy suggested an online meeting with directors by Sunday 5th March.

8 Trybooking Ticketing Account

Troy R.

Motion That the Board authorise instruction to Trybooking locking the banking configuration of DTE Trybooking account, that all seven directors sign these instructions to provided Trybooking a register of all director signatures, so they can validate any future instructions for the Board with a minimum of three directors signatures, consistent with our banking signatory arrangements.

Moved Troy. **Seconded** Kate. **Passed by consensus.** (5 directors still present)

Motion That Robin MacPherson (cooperative member #1760) be granted full access to DTE Trybooking account. **Moved** Troy. **Seconded** Kate. **Passed by consensus.**

Next Meeting Confirmed: Thursday 9th March.

Meeting Closed: 8.30 pm