



#realunitingchurch

Report from

Finance Investment and Property (FIP) Board

Context

The Finance Investment and Property Board (FIP Board) has a range of responsibilities set out in the Regulations and By-laws:

- Perform the functions of the Synod Property Board under Regulation 4.2.1
- Exercise oversight of the activities of the financial transactions and investments body (UCIS/Treasury) under Regulation 3.7.4.6
- Exercise oversight of strategic resource plans, audit and risk management for the Synod under Regulation 4.2.1 (h).

Members during the last term were:

- Ralph Collins (chairperson)
- Ian Busch
- Hayden Gaffel
- Rev Linda Hamill
- Allan Hanson
- Howard Morrison
- Rev David Baker – moderator (ex officio)
- Rev Heather den Houting – general secretary (ex officio)
- Peter Cranna – Synod property officer (ex officio).

Report

The key achievements over the last term include:

1. Developed and approved Synod-wide policies:
 - a. Synod Property and Other Delegations Policy (including the UnitingCare Queensland (UCQ) Delegations framework as a schedule).
 - b. Synod Documents Execution Policy.

These new policies streamline the delegations framework for UCQ and align to the revised UCQ Constitution.

2. Approved the delegations matrix for the Synod office which was then attached to the Synod Property and Other Delegations Policy as a new schedule.
3. Approved a revised Synod-wide Treasury Policy. This policy allows investment into equities through selected managed funds that comply with the Synod Ethical Investment Policy. Some Synod funds will be invested in 2017/18, and this fund may be made available to other church bodies at some future stage, after recognising the short-term risk that these investments introduce. Over the long term (7+ years) these investments are expected to generate higher than cash returns.
4. Authorisation letters issued to CEO, CFO and Director–Governance at UCQ under the provisions of the Synod Documents Execution Policy. These letters streamline processes for signing standard documents.
5. Based on cash flow forecasts, reduced the external debt facility to \$5m for 2016/17, saving over \$300,000 in fees.
6. Provided Standing Committee with a five-year trend analysis on all aspects of the statutory financial statements (including the Synod office, presbytery funding), including detail on the allocation to equity reserves.
7. Continued the rebuild of the Synod Reserve Fund – the emergency fund for the Synod. This is a 10-year strategy, monitored by the FIP Board.
8. Finalised a Stewardship Fee Agreement with UCQ and determined the figure of \$8.8m payable to the Synod office under the agreement for 2017/18. The stewardship fee replaces the margins on the finances managed through the Synod office. Stewardship Fee Agreements/other funding methodologies will be discussed with church bodies over the next term to discern suitability.
9. Created a sensitive matters equity reserve with an initial allocation of \$5m in 2017/18. This was a risk-based assessment after consideration of current claims.
10. Monitored the progress to obtain a Development Approval from the Sunshine Coast Regional Council for the Alexandra Park Conference Centre site. This is a multi-option project undertaken to protect the value of the site and determine the best future use to benefit the Synod. Options are expected to be developed, analysed and presented to Synod Standing Committee during the next Synodial term.
11. Throughout the term, approved property transactions received from church bodies across the Synod.

12. Monitored the work of the Synod Audit Risk and Oversight Committee (SAROC):
- a. SAROC encouraged the development of a Synod-wide and a Synod office risk framework and register. These activities are underway.
 - b. The external financial audit for the Synod office has been put to tender in conjunction with UCQ and Wesley Mission Queensland (WMQ). Outcomes unknown at the date of this report.
13. Audited financial statements for the Synod office are due to be signed on 20 October 2017. Copies can be made available to interested people at Synod in Session after the FIP Board presentation has been delivered. Please contact Peter Cranna.

Challenges/risks as we progress

Good stewardship of church assets and funds is a primary focus of the FIP Board. The FIP Board demonstrates this by:

- Seeking investments that balance the risk/return equation and increase revenue into the church
- Making available (within its power and responsibilities) funds that are used to grow the mission of the church.

Challenges and priorities for the FIP Board are to:

- Develop a property strategy that ensures property is used for missional purposes and to increase the sustainability of the church
- Revise and renew policies to meet the missional and sustainability objectives of the church today
- Address situations with church bodies where the debt/growth ratio needs to be actively managed over the long term
- Build on the Stewardship Fee Agreement with UCQ and develop models with other church bodies to help fund the Synod office.

Proposal

It is proposed that the 33rd Synod receive this report.

Contact for report questions:

Name: Ralph Collins
Position: Chairperson – Finance Investment and Property Board
Email: finprop@ucaqld.com.au Phone: 07 3377 9865