New South Wales Nurses and Midwives’ Association

Finance Policy

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Reviewed:

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Approved by: Brett Holmes
General Secretary
INTRODUCTION

The New South Wales Nurses and Midwives’ Association (hereinafter referred to as "the Association") is an industrial organisation of employees registered under the provisions of the Industrial Relations Act 1996 [NSW].

The objects of the Association (see Rule 3. Objects) are to further the industrial and professional interests of members, to provide a means for co-operative action to further such interests, and to co-operate with other like organisations with similar aims.

The Association recognises the importance of sound financial management in order to ensure transparency and accountability, and to manage financial risks and any potential conflicts of interests. The financial obligations of the Association are determined by:

- The Rules of the Association;
- The provisions of the Industrial Relations Act 1996 [NSW];
- State and Commonwealth legislation relating to taxation;
- Australian Accounting Standards; and
- The New South Wales Nurses and Midwives’ Association Employment Enterprise Agreement.

Whilst the Association is not generally bound by the provisions of the Fair Work (Registered Organisations) Act 2009, the 2013 Annual Conference incorporated the Model Rules relating to Financial Management issued under that Act into its Rules [see Rule 16A and Schedule 1 – Special Financial and Management Rules (Annexure 1)].

For the purpose of this policy “office” and “officer” have the meanings as defined by Schedule 1- Special Financial and Management Rules i.e.

“office” shall mean only the positions of members of Council as set out in Rule 27(a) of the Rules of the Association.

“officer” means any person who holds an office as defined above.
AIM and SCOPE

This Finance Policy expresses the Association’s commitment to protect the contributions of members and to encourage best practice in relation to financial management.

It aims to ensure that:

- The Association’s finances are managed according to principles of good governance by implementing internal control frameworks;
- The Association’s financial reporting systems are robust, efficient and accurate to provide timely and relevant information to support sound decision making; and
- Financial reports are regularly provided to Executive, Council and internal management of the Association.

This policy is relevant to all members and employees who are involved in the approval, recording, management and use of the Association’s finances. It:

- Should be read in conjunction with the Association’s Governance Principles;
- Is based on the principle that integrity in financial reporting is safeguarded by transparency, accountability and disclosure;
- is underpinned by more detailed procedures and processes that describe the day-to-day activities and controls that give effect to, and ensure compliance with, the policy principles.

ROLES AND RESPONSIBILITIES

Role of the Executive

The Executive of the Association is generally responsible for the financial management of the Association [Rule 29(b)(i)]. All members of Executive (other than the General Secretary and Assistant General Secretary) are authorised, together with the General Secretary, to sign cheques and authorise payments of funds by electronic funds transfer. The Executive shall meet at least once every two months and its Terms of Reference are attached at Annexure 1.

Role of the Council

Ultimately, however, it is the responsibility of Council to ensure that funds are spent in accordance with the rules of the Association and to safeguard the
interests of members of the Association (Rule 28. General Duties and Powers of Council).

It is Council who is responsible for:

- the passing of the accounts [Rule 27(i)(iv)];
- the appointment of auditors [Rule 16(a)];
- confirming, by resolution, that the annual audited financial statements show a true and fair view of the financial affairs of the Association;
- the appointment of committees as may be deemed necessary [Rule 28(k)]; and
- the appointment of Officers, members and employees (as appropriate) to external committees.

**Role of the General Secretary**

The General Secretary is directly and personally responsible for the day-to-day financial management, administration and business of the Association including;

- paying without delay all monies received by the Association into a bank or other financial institution [Rule 34(b)(xii)]; and
- authorising expenditure of Association funds for the objects and purposes set out in the Rules, provided that he/she shall report such expenditure to the next meeting of Council [Rule 34(b)(xiv)].

**Delegated Powers**

The General Secretary is empowered to delegate any of his/her powers or duties to the Assistant General Secretary [Rule 35(a)] or, with the approval of the Executive, to other employees of the Association [Rule 34(a)(iii)].

Executive has approved the delegation of powers by the General Secretary as follows:

**Assistant General Secretary**

- In accordance with Rule 35(a)

**Association Managers**

- Employee relations matters including:
  - Performance appraisal
  - Staff training
  - Workload management
Leave rostering and approval
Health and safety

Team Budget
- Planning
- Approval of expenditure as per Council approval
- Monitoring of approved budget

Portfolio matters on a day-to-day basis

Financial Controller

In addition to delegated powers of Team Co-ordinators (see below):

- Day-to-day management of the finance and accounting affairs of the Association
- Preparation of financial reports to management on a monthly basis
- Preparation and management of the annual audit
- Preparation of an annual budget
- Monitoring and analysis of variations on budget on a monthly basis
- Ensuring internal controls are operating efficiently and effectively in line with the policies and procedures

Team Co-ordinators

Subject to direction/approval of Team Manager

- Employee relations matters including:
  - Performance appraisal
  - Staff training
  - Workload management
  - Leave rostering and approval
  - Health and safety
- Team Budget
  - Planning
  - Approval of expenditure as per Council approval
  - Monitoring of approved budget
- Portfolio matters on a day-to-day basis

FINANCIAL PLANNING AND MANAGEMENT

To ensure the broad aims of this Policy (see Aims and Scope) are met, the Association will adopt and maintain a robust system of financial planning and management. As a matter of policy therefore, the Association shall:
• Plan annual and monthly expenditure through the development of an annual budget;
• Maintain financial records in accordance with legislative and best practice requirements;
• Provide monthly financial reports to Executive, Council and managers;
• Engage an external auditor to conduct an annual audit;
• Provide an audited annual Summary of Financial Statements to all members; and
• Notify all members of the availability of a full copy of the audited Financial Statements.

Budgets

Budgets are important tools for ensuring that there will be sufficient funds for the Association to be able to perform its work, and to ensure that expenditure is within means. The operational budget projects estimated income and expenditure for the general running of the Association each year, including campaigns, advertising and other major expenses. The capital budget projects expenditure on capital items or purchases such as motor vehicles, equipment and buildings.

The Annual Budget

The Association’s financial year runs from 1 January to 31 December each year. A budget for the next financial year shall be presented to Executive and Council at the last meeting of the financial year. The budget will include:

• A description of each budget line;
• Matters influencing the result of each budget line;
• Budget for the current year indicating anticipated variances based on projected income/expenditure to the end of the year;
• Budget for the next financial year;
• Cash Flow projections for the next financial year;
• Assumptions underlying planned income and expenditure where relevant; and
• Capital expenditure projections for the next five years.

Once the budget is adopted by Council it becomes the key tool against which actual income and expenditure can be compared to ensure that the Association is financially on track.
Income Management

The principal source of income for the Association is by way of membership fees as set by Council and approved by Annual Conference.

Membership records and income are maintained by the Membership Department under the supervision of the Manager Administrative Services. This includes issuing of accounts, generation of electronic files to effect authorised deductions from members’ credit cards or bank accounts, processing of payments, allocating payments to individual membership records and generally maintaining all membership details.

In accordance with the Rules of the Association, membership fees may be paid annually, quarterly, monthly or fortnightly by way of:

- Direct payments by cheque, credit card or electronic means;
- On-line payments via the Association’s website;
- Deductions from credit cards or bank accounts;
- Payroll deductions.

All monies received are deposited into an Association bank account on a regular basis and contributions are allocated to the membership database. Membership will provide the Finance Department with a listing of membership contribution income on a regular basis for reconciliation to the bank accounts, identification and rectification of any variances, and input into the accounting general ledger.

Banking and payables policy

All Association funds will be deposited into accounts in the name of the New South Wales Nurses and Midwives’ Association. The Association accounts will be opened by the General Secretary and President, and only members of Executive shall be signatories to the accounts.

The General Secretary will be responsible for Association bank accounts, with day-to-day operations being delegated to the Financial Controller.

Payments, including cheques and payments by electronic means, can only be authorised by:

- the General Secretary (or the Assistant General Secretary); and
- one other member of Executive (other than the General Secretary or Assistant General Secretary).
The General Secretary and Assistant General Secretary cannot, under the Association’s Rules, jointly authorise any payment by the Association.

**Financial Record Keeping**

The Finance Office shall maintain the financial records of the Association including:

- detailed budget allocations;
- detailed records of receipts, disbursements, membership contributions and all other income;
- hard copy and/or secure electronic copies where a system is automated, of all financial records;
- the formal documents that represent transactions of the office, i.e. income statement, balance sheet, cashflow statement, statement of retained earnings, and transactional records.

All records must be retained in accordance with the Association’s Records Disposal Schedule and for a minimum time of at least seven years.

**Monthly Financial Reports**

Monthly reports to the Executive and Council track income and expenditure against the budget and identify variances. Any large variances must be investigated and explained to Executive and Council.

Capital expenditure is also compared to the budget and any variations noted and reported on a regular basis.

All financial reporting will be managed by the Financial Controller and overseen by the General Secretary and the Manager, Projects and Compliance.

Monthly management accounts are to be presented to the Executive and the Council at each meeting. These reports will include:

- Commentaries on the financial reports for the period for both Core Operations and NursePower, including noting major variations from budget, any extraordinary items of expenditure and month and year-to-date comparisons of membership income with the previous financial year;
- Profit and Loss statements for the period for both Core Operations and NursePower, with variance against budget on a monthly and year-to-date basis;
- Balance Sheet as at the reporting date;
- Suppliers Payments report for the period; and
- Donations report for the year-to-date;
- Monthly corporate credit card expense summary; and
- Monthly travel report.

The monthly management accounts and reports will be endorsed by Council by way of resolution.

Monthly financial reports detailing monthly and year-to-date performances against budget for their portfolio areas shall also be provided to Managers.

**Annual Financial Reports**

The Association shall prepare annual financial statements that must be audited in accordance with the Industrial Relations Act 1991 [as continued by section 282(3) of the Industrial Relations Act 1996].

In accordance with Rule 16 and the provisions of the Industrial Relations Act 1991, the Council of the Association appoints a suitably qualified auditor who, at least once each year, shall audit the books and accounts of the Association and make a report on his/her findings. The auditor shall have full access to all of the books and documents of the Association and shall, in his/her report, draw the attention of the Association to any deficiencies or to other matters which he/she may think proper.

The Association is committed to the independent auditing of the accounts, financial transparency and continual improvement in financial management. The General Secretary will recommend to the Council a change in audit firm or audit partner at least every 5 years.

**Preparation of Annual Financial Statements**

The finance office is responsible for the preparation of the Association’s annual financial report. The process is managed by the Financial Controller and overseen by the General Secretary and the Manager, Projects and Compliance.

The annual financial reports and all necessary records and documents are made available to the Association's auditors who will conduct an annual audit in accordance with an audit plan approved by the Executive of the Association. A critical part of each audit is to test the internal controls and processes of the Association in relation to financial matters.
The auditor shall have unhindered access to all relevant books and documents and the full co-operation of all Association Officers and employees.

At the end of the process the Auditor shall supply the Executive and Council of the Association with a “management letter” detailing any weaknesses or deficiencies or other issues identified during the audit, including testing of the Association’s internal controls and processes. The letter shall also include “management’s response” that will outline steps to be taken, or already taken, to address issues raised.

**Approval of Financial Reports**

Following finalisation of the audit of annual financial reports:

- The Auditor shall meet with the Executive and Council in the absence of the General Secretary and Assistant General Secretary to discuss the audit and the financial report and to answer any questions that may arise;
- The full report, formally titled “Annual Financial Statements” is then presented to the full Executive and the Council for approval;
- Once approved by way of formal resolution of Council, the accounts are signed by the General Secretary and President and returned to the auditors for their final sign off;
- Subject to the audit plan, the Annual Financial Statements shall be normally presented to the April Executive and Council meetings but, in any case, no later than the May Executive and Council meetings.

**Distribution of Financial Reports**

In accordance with the provisions of the Industrial Relations Act:

- An audited “Summary of Financial Statements” shall be published in the Association’s journal, the Lamp, which is distributed to all members;
- Members shall be advised that a full copy of the audited Financial Statements are available upon written request to the General Secretary;
- Although not a requirement of the Industrial Relations Act, members shall also be advised that a full copy of the audited Financial Statements are available on the Association’s website;
- A copy of the audited Summary of Financial Statements, along with a declaration of Loans, Grants and Donations, shall be forwarded to the New South Wales Industrial Registrar;
Subject to any enquiries from members, Council will reconsider and re-endorse the audited Financial Statements at a meeting not earlier than one month after the publication of the Financial Statements;

A full copy of the audited Financial Statements shall then be forwarded to the New South Wales Industrial Registrar.

Presentation of Audited Financial Statements at Annual Conference

The audited Financial Statements shall be presented to the Annual Conference of the Association by the Auditor who shall answer any queries raised by Conference in relation to them.

PROCUREMENT of GOODS and SERVICES

The Association is committed to making the best use of members’ fees by ensuring that the procurement of goods and services represents high quality and good value for the Association.

The Association’s annual budget, considered and approved by Council prior to the beginning of the Association’s financial year (1 January to 31 December) is the authorising document for all Association expenditure, although extraordinary operational and capital expenditure may arise from time-to-time. No purchases can be made outside of budget without the approval of the Council of the Association as per Rule 34(b)(xiii).

The budget is divided into three parts:

- Core Operations, covering normal operating expenditure of the Association;
- NursePower, covering planned income and expenditure relating to the NursePower fund established by Annual Conference; and
- Capital Expenditure.

Staff Purchases

All Association purchases for goods and services must be made with the following principles in mind:

- Value for money considering both the cost and quality of the purchase;
- Avoidance of conflict of interest and, where a conflict may arise, or may be seen to arise, managing that actual or perceived conflict;
- Transparency of transaction including, but not limited to, declaration of related parties and related party transactions;
• Appropriate authorisation is obtained prior to purchase;
• Appropriate authorisation is obtained prior to payment; and
• Full records are retained by the Finance Office.

Authority for purchases

The General Secretary is authorised to approve all expenditure within the Council approved budget but all expenditure must:

• Only be made upon receipt of a tax invoice;
• Be checked against budget and/or quotes by the responsible employee;
• Approved by the relevant manager;
• Referred to the Finance Office for processing i.e. preparation of EFT payments or cheques;
• Forwarded to the General Secretary (or Assistant General Secretary) and one other member of Executive (excluding the General Secretary and Assistant General Secretary) for authorisation; and
• Reported by the General Secretary to the next Council meeting.

Notwithstanding the above:

• NursePower expenditure can only be approved by the General Secretary or Assistant General Secretary; and

• Executive and Council approval must be made for the following expenditure (even where it may have been generally considered within budget):
  
  o Loans, grants and donations to members, political parties, charities or other community groups;
  o Special levies raised by organisations to which the Association is affiliated;
  o Campaign expenditure where the total spend for a specific campaign is in excess of $100,000;
  o Capital works programmes in excess of $50,000;
  o Purchases of motor vehicles in excess of the approved motor fleet complement approved by Council; and
  o Overseas travel.

The Finance Office must ensure that original supporting documentation and records of payment will be kept in accordance with the Association’s Information and Records Management protocols.
Suppliers

To ensure value for money and to aid transparency of transactions the Association must assess all suppliers on an ongoing basis.

Suppliers to the Association fall broadly into the following categories:

- Those supplying day-to-day goods such as office consumables where no contract for supply is in place and where preferred suppliers may be used;
- Those supplying day-to-day services such as cleaning, building and telephony services where contracts are in place (see also Contract Management below). These services should be put to tender at the end of each contract or at least every five years;
- Those supplying capital items such as motor vehicles and computer hardware where no contract is in place and where preferred suppliers may be used;
- Those providing professional services such as audit, insurance broking, investment advice, audio visual for Annual Conference, delegate group accommodation, delegate travel, media services, Lamp production etc. These services should be put to tender at the end of each contract or at least every five years;
- Suppliers of IT software where licence fees are paid for continued use of software. These services must be put to tender prior to selection.

Selection of Preferred Suppliers for Regular Purchases

Preferred suppliers may be used for regular purchases on the basis that:

- An approved list of preferred suppliers is maintained and reviewed annually;
- A comparative review of value for money from the suppliers must occur at least every two years by obtaining at least three quotations (where possible) for each type of purchase;
- The General Secretary, upon the recommendation of the relevant Manager, will approve the regular suppliers in accordance with the above purchasing principles.

Professional Services
All professional services (e.g. audit, insurance brokerage, investment advisors) shall be reviewed annually and considered for tender at least every five years.

All Other Suppliers

The process for selecting suppliers for purchases that are not regular is determined by the amount of the contract to be entered into, in particular:

- Tenders are used for the purchase of goods or services, where there are a range of suppliers to choose from and the annual spend is over $150,000.
- Three quotations are required for the purchase of goods or services not on the regular suppliers list and with annual spend between $20,000-$150,000.
- Two quotations are required for the purchase of goods or services not on the regular supplier list with annual spend less than $20,000.

Where there are good reasons for not applying a tender process or seeking three quotations (for example, not enough suppliers to warrant a formal tender process or the importance of using labour-aligned companies for research purposes), the reasons must be noted in writing and approved by the Executive.

Only someone with the delegated authority to approve purchases of the given amount can decide which supplier to choose in the above process. Decisions should be made in accordance with the Purchasing Principles.

Contract Management

Contract Negotiation and Execution

All supply contracts shall be reviewed annually and put out to tender at least every five years. A minimum of three quotes shall be obtained and the tender will be reviewed by the relevant Manager and the Financial Controller prior to a recommendation being put to the General Secretary for approval.

For significant contracts it may be appropriate to obtain external, commercial legal advice, though all contracts should be reviewed carefully for matters such as cancellation periods, ownership of work and intellectual property, additional costs that may be incurred and rights to terminate the contract.
Executive and Council must approve contracts that are outside of budget, relate to major capital expenditure, NursePower expenditure or are in excess of $150,000.

The General Secretary shall execute all contracts on behalf of the Association.

Executive and Council shall be advised of all contracts entered into by the Association.

A contracts database shall be maintained by Finance Office as the central repository to capture the Association’s contractual obligations.

**Contract Monitoring**

A contract manager shall be designated for each contract, and will be responsible for ongoing monitoring of supplier performance in accordance with the supply of the good/service for quality and outcomes received.

**Contract Review**

Prior to completion of any contract, a review shall be undertaken to ensure that the contractual obligations have been met. This shall occur before the final payment is made for the delivery of services. The review must be documented and note that all the requirements of the contract have been fulfilled and provide evidence of the provision of services.

**INVESTMENTS**

The Association shall appoint an investment advisor in accordance with this policy. The role of the advisor will be to consider the Association’s risk profile and then make recommendations in relation to investment.

The range of investments may include, but are not limited to cash, shares, property or infrastructure.

The General Secretary shall make recommendations to Executive and Council after considering:

- The return on investments;
- Risks associated with the investment;
- Term of investment;
- Financial institution; and
- Amount of investment.
Council approved investments are to be implemented and monitored by the Finance Office and reported to the Council on a monthly basis.

Rollovers are effected by Finance Office upon approval and authorisation by the General Secretary.

ASSETS

The Association requires a variety of assets for the delivery of services to members, including land, buildings, furniture and fittings, computer equipment and motor vehicles.

The Association shall:

- Maintain a register of all assets;
- Maintain a regular programme of inspection and maintenance;
- Maintain a programme for replacement of assets;
- Maintain adequate insurance cover for all assets;
- Depreciate assets in accordance with accounting standards and audit advice.

Employees allocated any Association vehicle or equipment will be responsible for using these assets safely in a manner that ensures accordance with policy and procedure. Employees who carelessly damage an Association asset through act or omission may be required to replace that asset at their own cost.

Motor Vehicles and Equipment Provided to Staff

The Association may allocate motor vehicles for the purpose of providing services to its members. Employees may be allocated personal use of vehicles at the direction of the General Secretary. The motor vehicles at all times remain the property of, and under the control of, the Association.

All Association employees who use an Association vehicle must:

- Maintain a valid driver’s licence;
- Complete an Employee Driver Declaration form prior to driving an Association vehicle and annually thereafter;
- Immediately notify the Association of any licence cancellation and any condition that may affect his or her ability to use an Association vehicle;
- Observe all road rules and abide by all relevant legislation;
- Take personal responsibility for any traffic infringements or fines, paying same promptly;
• Drive in a safe and courteous manner;
• Report any accidents, incidents or emergencies as soon as practicable after they occur;
• Maintain a log book as per the ATO requirements related to FBT guidelines and keep original tax invoices relating to the use of the vehicle;
• Reimburse the Association for fuel expenses for all personal use, including travel to-and-from work; and
• Maintain the vehicle in a clean and safe condition.

Office iPads and iPhones

A variety of electronic equipment, including iphones and ipads, are allocated to some Officers and employees to enable them to conduct Association business. Employees shall adhere to the following conditions on terms of the use of such Association equipment:

• The equipment is primarily for business purposes although reasonable, incidental personal use is permissible;
• The equipment remains the property of the Association;
• All equipment should be kept in good condition and not be misused;
• Use must be in accordance with relevant laws including those relating to privacy, copyright, work health and safety and road traffic laws;
• Security features (e.g. use of PIN codes) must be used on iPhones and iPads to protect all work related information;
• The Association shall maintain the ability to remotely change the PIN codes of, and/or erase, Association iPhones and iPads reported lost, stolen or misused;
• Finance Office, IT and the relevant Manager must be notified of loss or theft of the device and it must be reported to the service provider as soon as possible.

Credit cards

Corporate credit cards in the name of the New South Wales Nurses and Midwives’ Association will be issued to Officers and employees approved by the General Secretary and the Council. They are for use to purchase goods and services where it is not practical to pay by cheque or EFT.

The Association recognises that credit cards are a potential source of fraud and to minimise risk:
• Credit card limits must be set on all cards as approved by the Council on the recommendation of the General Secretary. A limit of $35,000 shall be applied to any individual when aggregating limits of all Association credit cards, excepting the American Express Travel Card, held in their name;

• Cash advance function will be disabled for all cards at the point of issue;

• All persons issued with a corporate credit card must sign the Credit Card User policy to acknowledge the terms of use;

• All persons issued with a corporate credit card must immediately notify the credit card provider of loss or theft and inform the Finance Office as soon as is practicable;

• The Finance Office shall:
  o maintain a register of all corporate credit cards; and
  o monitor use on a weekly basis; and
  o identify unusual/irregular payments; and
  o seek an explanation from the relevant employee; and
  o immediately notify the credit card provider to cancel the card if a payment cannot be verified.

Association credit cards are only to be used for legitimate business purposes. They are not to be used for any personal or non-business related expenditure in any circumstances.

In any case where it is found that a cardholder has misused their card for personal purposes, whether intentionally or accidentally, they must notify their manager and the Finance Office and reimburse the Association immediately. Deliberate misuse of a corporate credit card will result in disciplinary action and may result in dismissal.

All expenses incurred on an Association corporate credit card must be:

• Supported by tax invoices;
• Confirmed by the relevant employee on a monthly basis;
• Checked and provisionally approved by the employee’s Manager (approved by the President in the case of the General Secretary);
• Finally approved by:
The President, in the case of the General Secretary;
- The General Secretary, in the case of Councillors;
- the Assistant General Secretary in all other cases; and
- Summarised and made available to Executive in an electronic format on a monthly basis. The full details of credit card expenditure will be made available to members of Executive upon request.

The Finance Office will provide a summary listing of all credit card expenditure to the General Secretary on a monthly basis.

**Business Expense Reimbursements**

The Association will reimburse employees for ordinary, necessary and reasonable expenses directly related to Association business.

Requests for reimbursement of business expenses must be made using the Association’s Expense Reconciliation Form. Tax invoices and receipts must accompany all claims before approval for reimbursement will be granted. The relevant manager will approve the request and reimbursement will be made in the earliest possible payroll run.

**Travel-Related Expenditure**

Any member, Officer or employee of the Association is entitled to be compensated for actual costs incurred for travel, accommodation and meals that are associated with a pre-approved overnight stay away from her or his home when on Association-related business.

The compensation for costs associated with an overnight stay can be made in one, or a combination of: (i) by submitting a claim for payment in accordance with the Business Expense Reimbursement Procedure, (ii) by using an Association-issued credit card in accordance with the Corporate Credit Card Procedure or (iii) the Association has paid directly for the reasonable cost associated with accommodation and/or meal expenses.

**Dining & entertainment expenses**

It is recognised that from time to time it may be appropriate for Officers and employees to incur dining or entertainment expenses associated with conducting work related business. The Association will pay or reimburse the cost of business meals when they are directly related or associated with the active conduct of Association business, and when prior approval has been granted. The amount must be reasonable, publicly defensible and not open to perceptions of
excessiveness. In addition a tax invoice must be obtained for any expenses incurred.

Fringe Benefits Tax (FBT) is payable by the Association on the taxable value of fringe benefits provided by way of meal/dining to Officers and employees. In order to minimise the Association’s tax liability, all entertainment costs must specify the number of employees, associates and Association members.

EMPLOYEE BENEFITS

Employee benefits, including salaries, workers compensation and leave accruals, are budgeted within Core Operations. They constitute the largest single component of the Association’s expenditure and as such are allocated a major line within budget. As such it is policy of the Association that:

- The Council of the Association shall set the terms and conditions of employment, including salaries, of the Association’s employees. Any changes to these must be endorsed by the Council of the Association;
- Council shall approve the employment of staff, including their classification (with the exception of the General Secretary and Assistant General Secretary who are elected under the Rules of the Association);
- Council shall delegate to the General Secretary the approval of any alteration to an employee’s classification or salary arising from a regrade under the terms of the Agreement;
- The General Secretary shall be provided with a monthly staff and wages report;
- All salaries shall be budgeted;
- Allowances, leave and expenses shall be approved by the General Secretary or the nominated manager, with the exception of allowances, leave and expenses for the General Secretary which shall be approved by the President.

INSURANCES

The Association is committed to maintain appropriate insurances to:

- mitigate any risk arising from business activity or losses; and
- provide member benefit insurances such as Professional Indemnity and Journey Accident cover.

Relevant business insurance policies may include, but are not limited to:

- Corporate travel;
• Industrial special risk;
• Public liability;
• Association liability;
• Motor fleet vehicle;
• Workers compensation;
• Machinery and computer break down.

All insurance policies shall be reviewed on an annual basis.

DISCLOSURES

Related Party Transactions

The Association recognises that related-party transactions can give rise to actual or perceived conflicts of interest. In accordance with the Rules, such transactions must be identified and disclosed.

Officers of the Association shall disclose to Council any material personal interest that an officer, a relative of an officer, or a business associate of an officer, has or acquires that relates to the affairs of the Association. The disclosure shall be made in writing and as soon as is practicable after becoming a member of Council and/or acquiring the interest. The General Secretary shall keep a register of all such disclosures.

The above shall also apply to Association employees who may have oversight or delegated authority in relation to Association expenditure.

The above disclosures to Council shall be disclosed by Council to members:

• In writing;
• In relation to each financial year; and
• Within six months of the end of the financial year.

The disclosure to members may be by way of inclusion in the audited annual Financial Statements or by other means as Council may determine.

Remuneration and Non-Cash Benefits

The Association recognises that non-salary related payments to officers and employees can give rise to actual or perceived conflicts of interest. In accordance with the Rules, principles of good governance and transparency, such payments must be identified and disclosed.
Each person holding an office in the Association, or an employee, shall disclose to the Council any remuneration or non-cash benefit paid to them if:

- They hold an office on boards or organisations because they were nominated by the Association or hold the position because they are an office holder/employee of the Association;
- They receive payments by other third parties in relation to their Association duties.

The General Secretary shall keep a register of all such payments, honoraria and remuneration attached to appointments.

**Gifts to Officers & Employees**

The Association recognises that gifts to officers and employees (or related parties of officers and employees) can give rise to actual or perceived conflicts of interest. In accordance with the Rules, principles of good governance and transparency, such gifts must be identified and disclosed.

Gifts are defined as any items of value, including cash, gift certificates, goods and services, entertainment and invitations to sporting or social events. They may be offered by members, employers, suppliers/contractors or other third parties. A gift is acceptable if it is offered on the understanding that it places no obligation on the Officer or employee and it is not offered as a payment for services.

In no circumstances should an officer or employee accept any gift of cash. If such a gift is offered it must be immediately reported to the President, in the case of an Officer, or an Association Manager, in the case of an employee. Any such offers must be reported in writing to the next Council meeting by the General Secretary.

All gifts must be disclosed to an employee’s direct line manager. Generally, those under a value of $100 may be retained, subject to their manager’s approval, by the employee. Gifts of a value of $100 or above should generally be kept for the benefit of the Association or staff: this will be assessed on a case-by-case basis.

All offers of gifts relating to entertainment or hospitality must be approved by the President/General Secretary, in the case of an Officer, or by the employee’s direct manager, prior to acceptance.

As a matter of course Officers and employees should discourage members from providing gifts, although judgement should be used so as not to offend a member’s well-meaning intention.
An Officer or employee must decline any gift where he/she believes that the purpose of the gift is to secure some benefit or influence a decision, or that acceptance of the gift would, or would be seen to, undermine the integrity or impartiality of the Association. Any such circumstance must be immediately reported, in writing, to:

- an Association Manager, in the case of an employee;
- the President/General Secretary, in the case of an officer; and
- the next Council meeting.

The General Secretary, President or Council shall consider reporting any such gifts or offers of inducement to the appropriate authorities.

**Management of Conflicts of Interest**

Actual or perceived conflicts of interest can arise in a variety of circumstances e.g. related party transactions, acceptance of gifts. At all times they must be managed on the basis that the action of an Officer or employee will not undermine the integrity of the Association or compromise the interests of members. They therefore must be:

- Identified by the individual and, if uncertain, discussed with the relevant authority;
- Declared to Council where required;
- Registered, where appropriate; and
- Disclosed to the membership in accordance with the Rules of the Association.

In the case of related-party transactions, the Executive will consider each transaction having regard to:

- The benefits to the Association of the transaction;
- The commercial reasonableness of the terms of the transaction;
- The importance and relevance of the transaction to the Association;
- The extent of the related party’s interest in the transaction;
- The actual or apparent conflict of interest of the related party.

With the exception of providing all material information concerning the related-party transaction to the Executive/Council, no person shall participate in discussion, evaluation or approval of any transaction to which he or she is a related party. This extends to absenting themselves from meetings where the related-party transaction is being considered.
**BREACH of POLICY**

Failure to comply with this policy, or of the associated procedures, could result in disciplinary action, suspension, removal from Office (Rule 14) and termination of employment (dismissal).

Depending on the circumstances it could also lead to the termination of vendor contracts and agreements (e.g. in the case of related party transactions) and civil and/or criminal prosecution.

**REVIEW of POLICY**

The Finance Policy is to be reviewed on a regular basis and in any case no less frequently than once every four years. It can be amended by a resolution passed by a majority of all members of the Council.

**PUBLICATION of POLICY**

A copy of this policy will be made available to members on the Association’s website.