

Treasurer's Report on the Financial Activities of PARSA in 2015-2016



Presented at the PARSA Annual General Meeting on 27 May 2016
Venue

Report prepared by:

Defu Wan

Treasurer

Postgraduate and Research Students' Association

parsa.treasurer@anu.edu.au

PARSA Finances in 2015-2016

1. Overview

Financial performance of the year to date as at April 30 continues to compare favourably with the budget forecast, with a year to date surplus of \$812250 compared to a budget surplus of \$273061.59. The association has excellent indications of solvency with working capital of \$1,554,438.58, cash reserves of \$2,043k.

An independent firm PKF Chartered Accountants Australia was contracted to assist the association with its audit and financial statement preparation. The report showed that the association has met all of its compliance obligations for the last financial year 2015. The auditing process is finished within the required deadline.

Management and operation of the association's financial system is led by the CPA qualified Financial Controller and the PARSA financial committee, chaired by the Treasurer. There are significant improvements in internal control, cost-saving and financial strategic support.

2. Financial Performance

Year to date PARSA financial performance shows a surplus of \$812250, which compares favourably to the budget allocation for the period. While income is identical with the budget, expenditure is below budget, and the net outcome is favourable to budget. The main contributors of this favourable variance are:

- 1, the environmental portfolio has implemented several cost-saving program delivery initiatives which reduced the cost of guest speakers to a great extent;
- 2, the international portfolio has established strong connections with ANU national clubs and societies and is able to organise events as a co-sponsor;
- 3, the major event under the indigenous portfolio "the Cultural Immersion Trip" has been moved from April to May;
- 4, leadership and collaboration is spent according to the initiatives and projects of Vice-Chancellor Leadership candidates;
- 5, tighter monitor and control are implemented to curb office and administration spending;

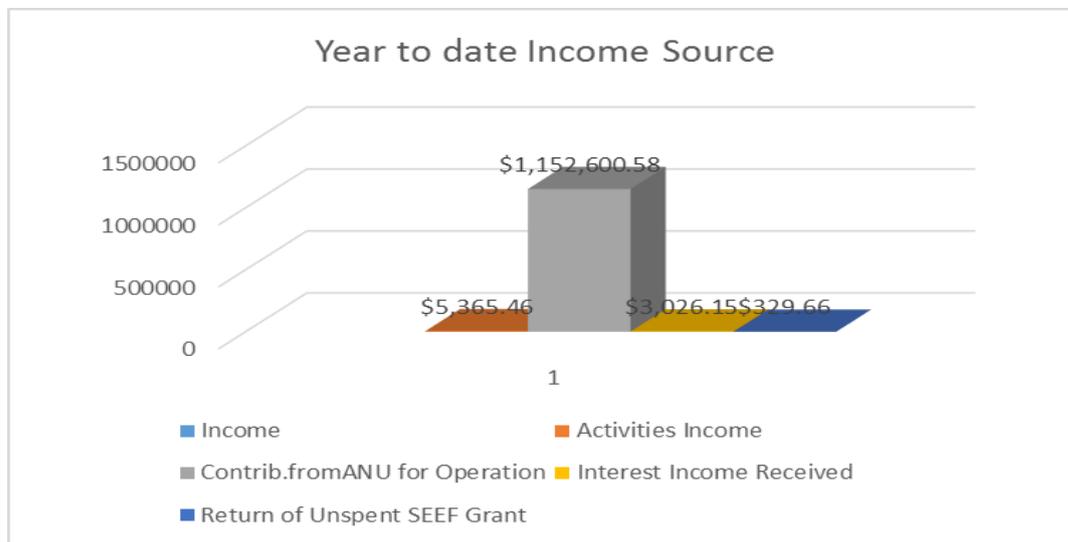
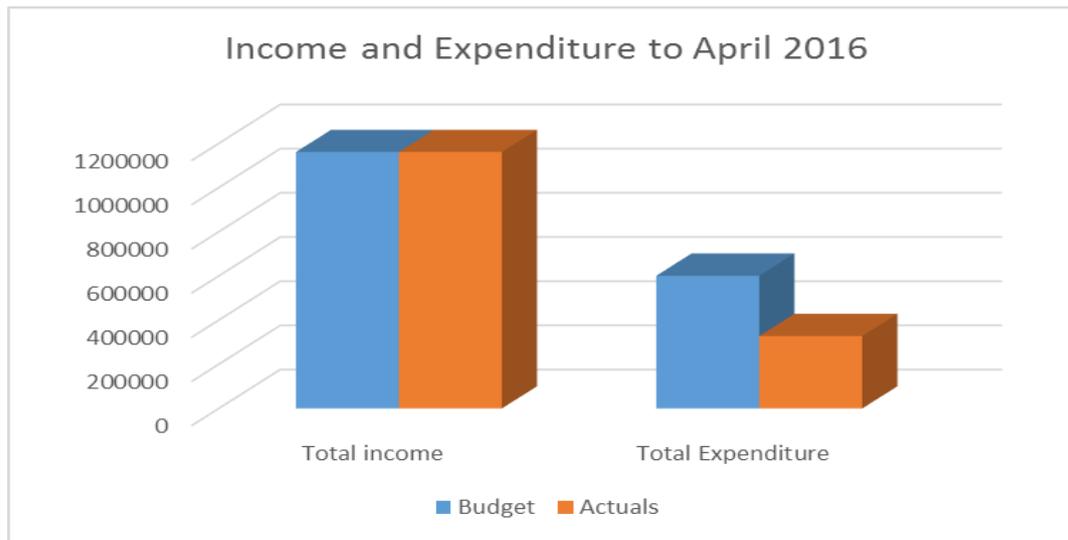


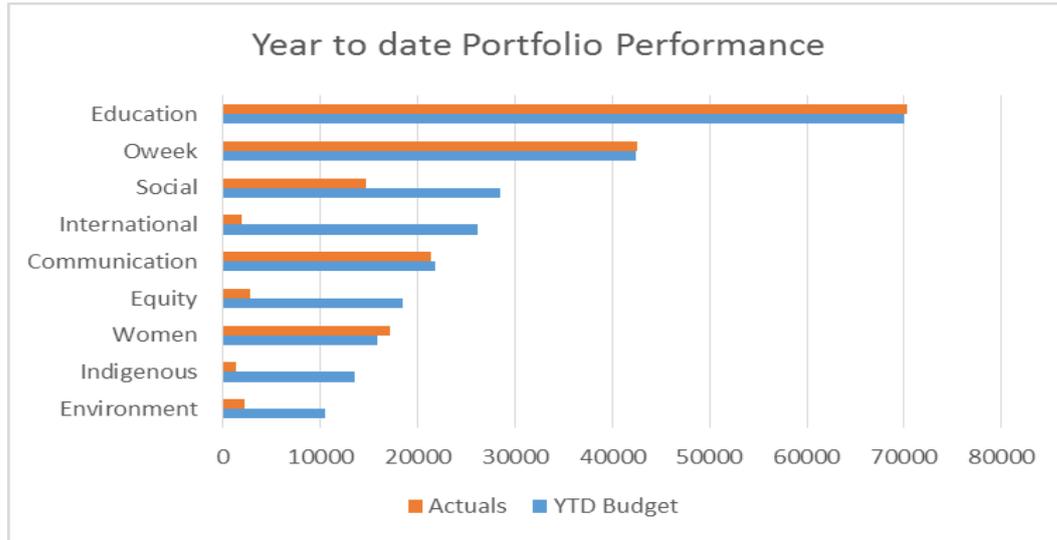
6, competitive quotations and reduction in alcohol consumption largely contribute to the savings in the social (cultural and engagement) portfolio.

7, The SEEF budget for 2016 is \$250,000. Up until April only \$21,000 has been expensed.

All other portfolios, including education, women, O-week have all met their budgets with slight deficit due to the popular demands among the post-graduate students' community.

The breakdown of income and expenditure as at April 30 are shown below:

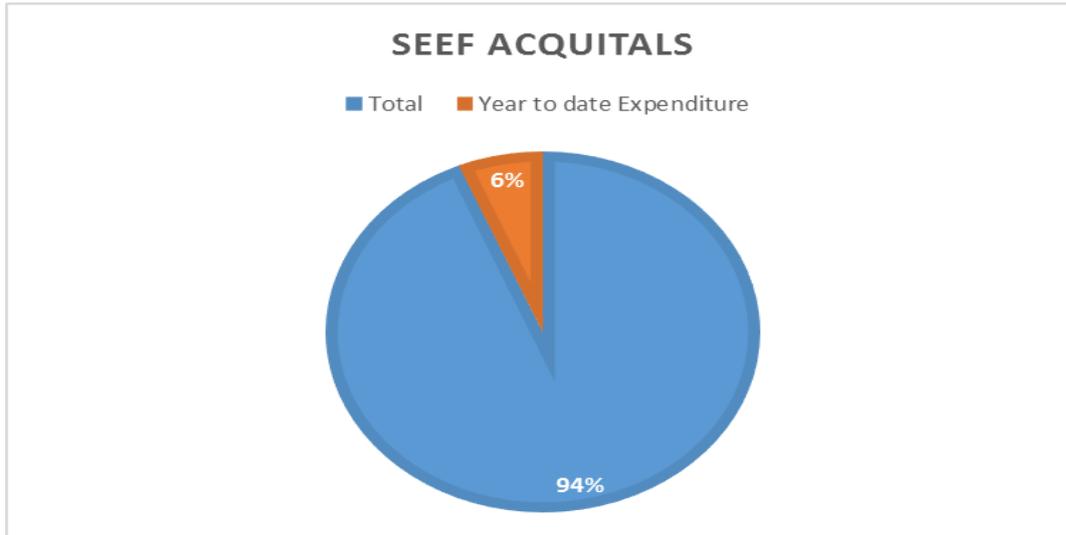




Year to date Cost Centre Performance as at April 30

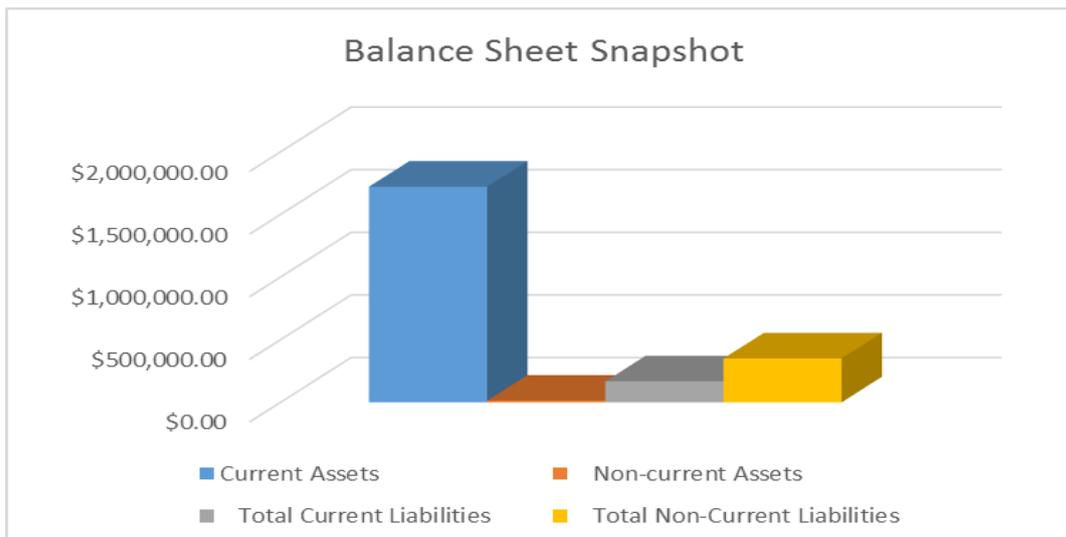
Budget Category	YTD Budget	Actuals	Balance	Percentage
Financial Assistance	7500	5764	1735	77%
Environment	10500	2261	8238	22%
College	12250	5808	6441	47%
Indigenous	13525	1363	12161	10%
Women	15875	17203	-1328	108%
Equity	18500	2846	15653	15%
Communication	21800	21389	410	98%
International	26200	1960	24239	7%
Social	28500	14645	13854	51%
Admin	55328	2954	52373	5%
Leadership & Collaborations	37500	0	37500	0%
Oweek	42500	42607	-107	100%
Honoraria	54080.5	9832	44247	18%
Education	70000	70321	-321	100%
Staff	187012	129048	57963	69%

The Student Extracurricular Enrichment Fund (SEEF) is managed under an independent system along with the University leadership. 100% of SEEF fund \$250,000 has been received. The expenditure is subject to the SEEF committee's decisions.



3. Financial Position

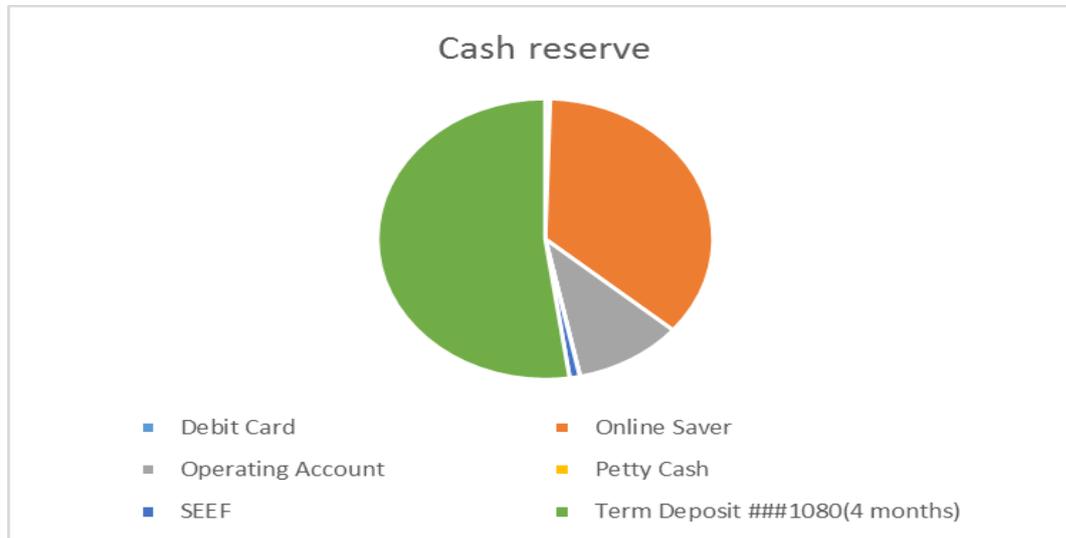
The association's financial position as at April 30 remains strong; the balance sheet is highly liquid, with cash being the most significant component of the asset portfolio. The association has net assets of \$1525703, working capital of \$1855363 and its current ratio is 10.5:1, which is an excellent result and is a good indicator of solvency. The high current ratio contributes to the fact that 70% SSAF income has been received in advance, which should be treated as an advanced liability for students' service and advocacy in the future. It is also a good indicator that the association has adequate resource to meet all of its obligations and stay solvent, and there is sufficient cash held to meet operational needs.





4. Cash Flow

There have been net cash inflows for the financial year to April 30 with cash holdings increasing by \$1161k for the year to date, with cash holding of \$2043k. Cash holdings as at April 30 are as follow:



The remainder of the year will see net outflows of cash, with the final major cash inflows of the final instalment of SSAF funding, which is \$360,741, expected up to the end of the financial year.

Current cash holdings are sufficient to meet operating expenditure until the end of the year.

Currently one term deposit of \$900,000 is invested for 120 days from February and is earning interest 2.8%, per annum. The old term deposit matured on Feb 15 with \$4081.66 interest revenue.

5. Financial Management Update

In 2015-2016, the PARSA financial committee, chaired by the Treasurer with the guidance of CPA qualified Financial controller, regarded solid internal control, cost effectiveness and PARSA strategic implementation as its top priorities.

The chart of accounts was recreated by the Treasurer and the Financial Controller to be aligned with the PARSA SSAF funding bid and the PARSA annual budget.

After taking measures to implement all the recommendations from the EY review, PARSA implemented an internal online Purchase Authorization System, which provides a real-time update of all the purchase and procurement requests to all the Post-graduate student representatives, to further consolidate internal control.

The financial committee, chaired by the Treasurer, has decided to implement stricter standards in compensating Post-graduate student representatives for their loss of income when engaging in students' advocacy and assistance. In 2016, a new policy was implemented to make it compulsory for officers to submit logbooks indicating their PARSA-related work hours to the executive committee and the PRC to be compensated in the system of honoraria.

Third, the Treasurer began to incorporate strategic management accounting tools to support organisational goals and the day-to-day operations of PARSA. The PARSA financial dashboard was developed to provide timely update of the financial performance of each portfolio, and inform the officers about the financial position of their budget, and further align PARSA strategies and organizational goal with its financial operations.

6. Audit

The 2015 audit of PARSA's financial operations and position was conducted by independent firm PKF Chartered Accountants Australia. This report indicated that PARSA is compliant with all appropriate guidelines and legislation and was in a sound position to meet all of its obligations over the coming 12 months. The auditing report and the financial statement are attached in another file.

7. Treasurer's Role

The PARSA Treasurer continues the traditional obligations handed over by the last Treasurer to be responsible for overseeing all PARSA finances and sits on several PARSA and ANU level committees. At PARSA, the Treasurer chairs the PARSA Finance Committee and is a member of the PARSA Staffing Committee that oversees all staff-related issues. At university level, the Treasurer sits on the ANU Finance Committee, GAC (Grants and Affiliation Committee) and the SEEF (Student Extracurricular Enrichment Fund) Committee. Along with the Financial Controller, the Treasurer is responsible in ensuring the timely payment of all Staff and operational expenses, disbursement of SEEF funds and the prudent management of all PARSA's banking and financial procedures.

As the chair of the PARSA Financial Committee, the PARSA Treasurer is responsible for overseeing the financial obligations of the Association, providing financial strategy, producing Year to date Expenditure Report in the SSAF funding agreement to the University and remuneration report to the executive committee.

Profit & Loss

ANU Postgraduate and Research Students' Association Incorporated 1 January 2016 to 30 April 2016

30 Apr 16

Income	
Activities Income	5,365
Contrib.fromANU for Operation	1,152,601
Interest Income Received	3,026
Return of Unspent SEEF Grant	330
Total Income	1,161,322
Gross Profit	1,161,322
Less Operating Expenses	
Account Keeping Fees	131
Accounting Costs	108
Advertising	3,558
Associated Meeting Expenses	205
Communications Portfolio	17,832
Computer / Printer Repair	550
Conference Travel	53
Education Portfolio	26,321
Education Portfolio - Academic Colleges	4,618
Education Portfolio - Bootcamp	44,000
Environmental Portfolio	2,261
Equity Portfolio	2,846
Executive honoraria	9,833
Financial Assistance - Emergency Grant Scheme	5,765
Indigenous Portfolio	1,364
International Portfolio	1,961
Internet Charges	57
Legal Costs	262
Meetings	393
Office Expenses	124
Other Staff Expenses	(591)
PARSA Website	16
Printing	298
Professional Development	350
Repairs and Maintenance	385
SEEF Acquittals	21,063
Social Portfolio - Bush Week	800
Social Portfolio - College Events	1,190
Social Portfolio - Day Trip & Tours	11,675
Social Portfolio - End of Semester events	-
Social Portfolio - Networking	2,171
Social Portfolio - O Week	42,608
Staff Amenities	21
Stationery	370



Profit & Loss

	30 Apr 16
Superannuation Expense	16,659
Transaction Charges	3
Wages & Salaries	109,510
Women's Portfolio	17,204
Workers' Compensation	3,099
Total Operating Expenses	349,072
Net Profit	812,250



Balance Sheet

ANU Postgraduate and Research Students' Association Incorporated As at 30 April 2016

30 Apr 2016

Assets

Bank	
Debit Card	8,579
Online Saver	616,231
Operating Account	471,245
Petty Cash	250
SEEF	46,962
Term Deposit ###1080(4 months)	900,000
Total Bank	2,043,268
Current Assets	
ATO Integrated Client Account	111
EG Grant Float - Emergency	1,000
Sundry Debtor	750
Total Current Assets	1,861
Fixed Assets	
Furniture, Fixtures & Fittings	22,679
Furniture, Fixtures & Fittings - Accum Deprec	(8,763)
Total Fixed Assets	13,916
Total Assets	2,059,045

Liabilities

Current Liabilities	
GST	91,551
Rounding	-
Trade Creditor - Audit Adjst	(4,274)
Trade Creditors	102,490
Total Current Liabilities	189,766
Non-Current Liabilities	
Annual Leave Provision	20,603
Payroll PAYG Payable to ATO	14,354
Provision for Student space works - Capital	250,000
Superannuation Payable	5,784
Suspense	(20,250)
Unearned Income - Operating	73,086
Total Non-Current Liabilities	343,576
Total Liabilities	533,342
Net Assets	1,525,703

Equity

Current Year Earnings	812,250
Retained Earnings	713,453



Balance Sheet

ANU Postgraduate and Research Students' Association Incorporated As at 30 April 2016

30 Apr 2016

Assets

Bank	
Debit Card	8,579
Online Saver	616,231
Operating Account	471,245
Petty Cash	250
SEEF	46,962
Term Deposit ###1080(4 months)	900,000
Total Bank	2,043,268
Current Assets	
ATO Integrated Client Account	111
EG Grant Float - Emergency	1,000
Sundry Debtor	750
Total Current Assets	1,861
Fixed Assets	
Furniture, Fixtures & Fittings	22,679
Furniture, Fixtures & Fittings - Accum Deprec	(8,763)
Total Fixed Assets	13,916
Total Assets	2,059,045

Liabilities

Current Liabilities	
GST	91,551
Rounding	-
Trade Creditor - Audit Adjst	(4,274)
Trade Creditors	102,490
Total Current Liabilities	189,766
Non-Current Liabilities	
Annual Leave Provision	20,603
Payroll PAYG Payable to ATO	14,354
Provision for Student space works - Capital	250,000
Superannuation Payable	5,784
Suspense	(20,250)
Unearned Income - Operating	73,086
Total Non-Current Liabilities	343,576
Total Liabilities	533,342
Net Assets	1,525,703

Equity

Current Year Earnings	812,250
Retained Earnings	713,453