



PARSA
ANU *postgraduate &*
research students'
association

TREASURER'S REPORT 2016/17

Presented at the PARSA AGM
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Introduction

This report provides a snapshot of PARSA's activities since our last AGM in May 2016. Please note that PARSA's financial year runs as by calendar year, January – December.

The Treasurer from the last AGM until August 2016 was Defu Wan. Juemin Shi replaced him following the Annual Election; she stepped down from the role after graduating in December 2016. Alyssa Shaw (also President at the time) performed the duties of the role from mid-December until the March 2017 by-election, which was when I was elected and took on the role of Treasurer.

Overview

Management and operation of the Association's financial system is overseen by the Treasurer, President and Executive-team members, along with the CPA-qualified Financial Controller and General Manager.

In the past year, there were significant improvements in the implementation of internal controls. New cost-saving measures were also implemented.

PARSA's financial performance of the year-to-date as of April 30, 2017 continues to compare favourably with the budget forecast, with a year-to-date surplus of \$846,149. The Association has excellent indications of solvency with net working capital of \$795,459, and cash reserves of \$1,208,488.

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 its compliance obligations for the last financial year (Jan-Dec 2016). The auditing process is presented at this AGM for review.

Financial Performance

Year-to-date PARSA financial performance shows a surplus of \$846,149, which compares favorably 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.

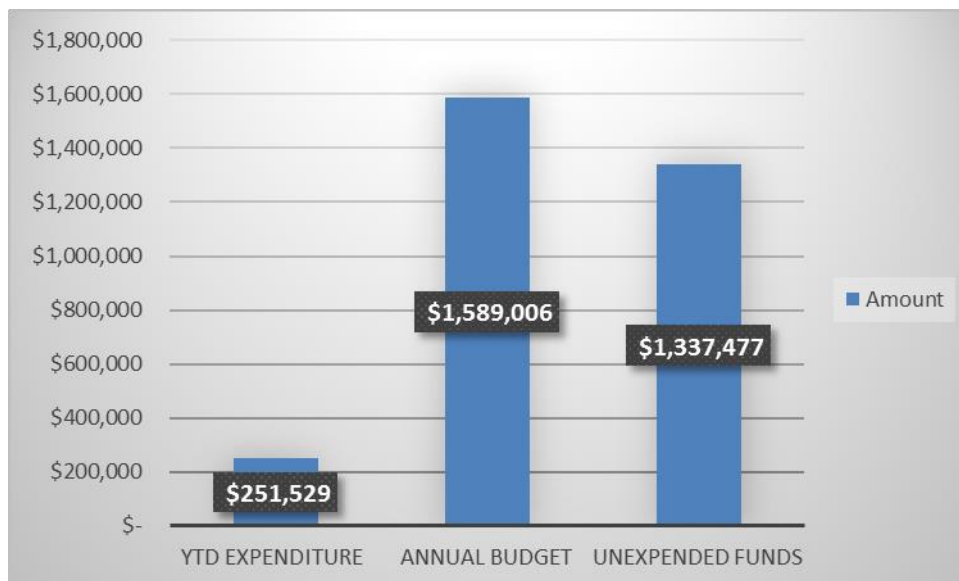
There were a number of changes made in the past 12 months to PARSA's financial systems, procedures and oversight mechanisms, most significant of which was the hiring of a PARSA-employed Financial Controller (previously the role had been shared between PARSA, ANUSA and Woroni). This dedicated support has brought greater stability and oversight to the organization's finances.

New reviews, initiatives and procedures that have been implemented since the last AGM include:

- **Budget codes:** New reporting budget codes, introduced for 2017, that will provide more accurate, timely and relevant reporting.
- **Insurance Review:** To avoid financial and reputation risk, PARSA conducted an Insurance gap assessment to ensure PARSA's events, staff and operations are covered appropriately for Insurances. Executive and management reviewed existing insurance coverage provided under ANU and confirmed appropriate level of insurance.

- **Procedures:** The turnover of staff and officers after the last AGM did not affect the application of appropriate segregation of duties. The new team continued to apply the previous Treasurer's purchase order authorisation process. New initiatives included the electronic filing of invoice and approvals, which is now stored with each transaction within Xero accounting software.
- **Audit:** Improvement in the audit relationship has resulted in greater auditor engagement, focused advice and restored value compared to the previous year, as demonstrated through a \$2,150 reduction in audit fees compared to the prior year. A review and change in how PARSA captures and records source documentation resulted in 100% of auditors requested documents provided in a timely manner.
- **GST:** A greater level of documentation has also added value to PARSA's cashflow via the capture of GST credits, which will continue to provide additional cash inflow in the vicinity of \$15k per annum, (particularly through the capture of GST credits from SEEF grants). The administration and financial control of SEEF grants is also a key focus area for management that will continue into 2017.
- **Human Resources:** Following the implementation of the Enterprise Agreement in September 2016, staff records and entitlements including superannuation and leave were reviewed, updated and subject to additional controls including the use of a secure audit trail folder, the introduction of TOIL spreadsheet for overtime leave and timely authorisation procedures that ensure staff are paid in accordance with the agreed timeframes of the Enterprise Agreement (which was approved in September 2016).

Income and expenditure as on 30 April 2017



Budget and Portfolio spend as of 30 April 2017

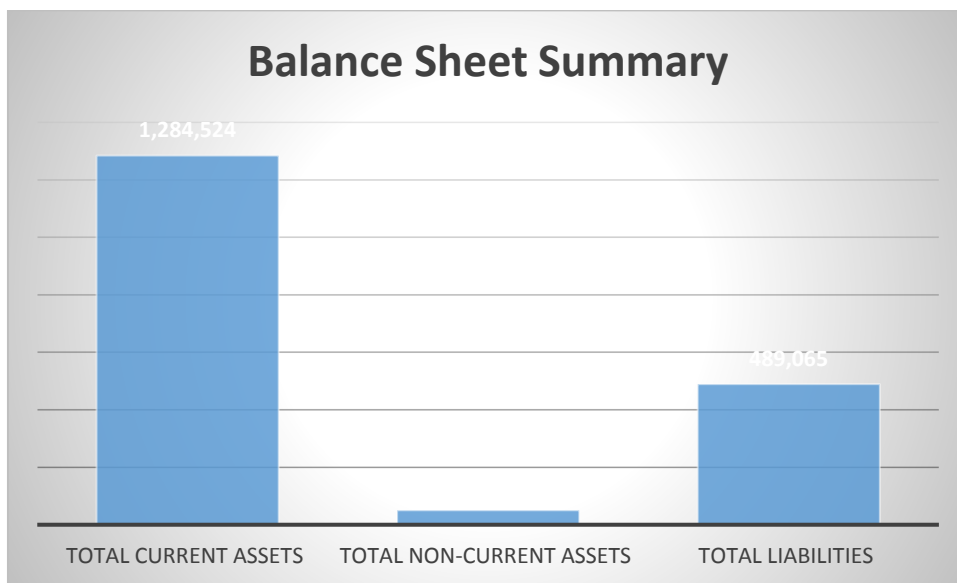
Budget Lines	Budget	YTD Expenditure	Unexpended Funds
Administration	75,850	11,423	64,427
International	50,000	0	50,000
Orientation	65,000	31,451	33,549
Building Internal Capacity	37,667	8,320	29,347
Communication	44,000	14,809	29,191
Community Building	35,000	1,234	33,766
Education	106,833	0	106,833
Environment	18,000	0	18,000
Equity	30,000	0	30,000
Financial Assistance	17,000	3,715	13,285
Indigenous Australian	20,000	0	20,000
PARSA / ANUSA Joint Bids	95,523	379	95,144
Social & Cultural Engagement	50,000	4,766	45,234
Honoraria	179,000	20,178	158,822
Women	30,000	6,868	23,132
SEEF*	250,000	25,877	224,123
Salaries and Wages & Other Employee-related Expenses	485,133	122,509	362,624
Total	\$ 1,589,006	\$ 251,529	\$ 1,337,477

*Processing of payments made through the Student Extracurricular Enrichment Fund (SEEF) is managed by PARSA but overseen by a panel chaired by ANU staff from Division of Student Life and a committee made up of representatives from the Dean of Students Office, ANU Sport, Woroni, PARSA and ANUSA. All expenditures of SEEF funds are subject to the SEEF committee's decisions.

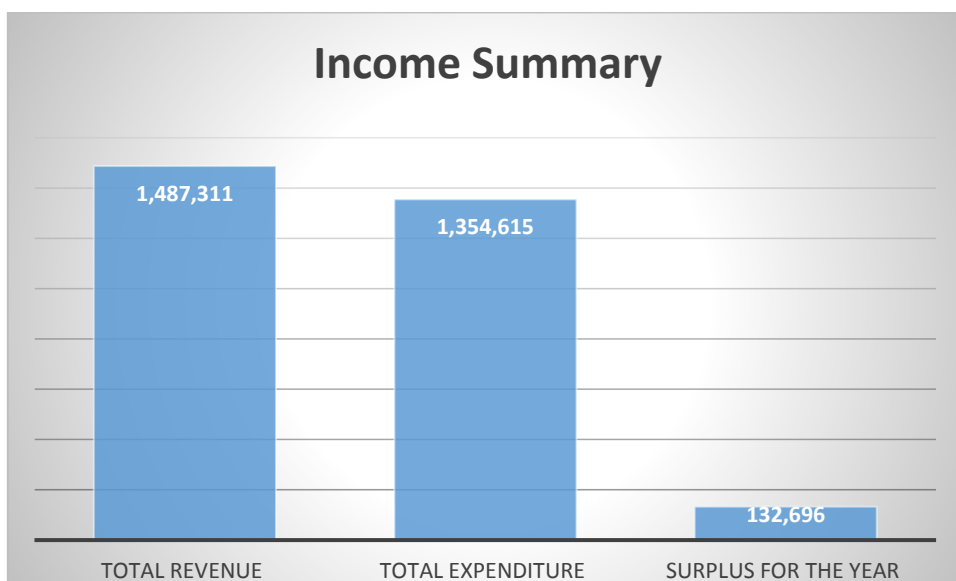
Financial Position

The Association's financial position as of December 31, 2016 remains strong; the balance sheet shows highly liquidity, with cash being the most significant component of the asset portfolio. The Association has net assets of \$846,149 and net working capital of \$795,459, which is an excellent result and is a good indicator of solvency. 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.

Summary of Balance Sheet



Summary of Income



Financial Management Update

In 2016-2017, PARSA prioritised strengthening its internal financial controls while maintaining optimal efficiency and cost effectiveness.

Financial controls

After taking measures to implement all the recommendations from the EY review in 2015-2016, PARSA continued to use systems set up in early 2016 such as purchase order authorizations, which provided a real-time update of all the purchase and procurement requests to the PARSA Treasurer and President. The additional controls of only staff uploading payments for processing, and of two executive members authorised to approve the payment processing, was requirement of two-person authorisation of every payment out of our bank account, was maintained as well.

Sustainability

A number of efforts are being taken by the current Executive team to ensure long-term sustainability of PARSA. A priority during 2017 is to explore external revenue sources. PARSA as an organization that needs to grow with time, and to support this we are looking for possible sponsorships and partnerships with other organizations, with the eventual hope to grow our current reserves in the future.

Honoraria

The Executive has recently decided to implement stricter standards in compensating postgraduate student representatives for their loss of income when engaging in students' advocacy and assistance. This replaces the previous team's policy of submitting logbooks indicating their PARSA-related work. Instead of logbooks, Officers are required to submit monthly reports with an overview of their key activities, progress and hours spend on each project. The hours and projects are reviewed by the President and a recommendation for payment is decided by the Executive team. There are ongoing discussions at Executive and with Officers as to standard expectations regarding Officer work, with future guidelines to be developed collaboratively ahead of the new PRC being elected.

Going forward

The objective for 2017 is to build on the current work and provide the Treasurer and officers with the ability to better manage and engage in the financial planning and cost control of their portfolio areas.

Audit

The 2016 audit of PARSA's financial operations and position was again 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 available at this AGM and online at parsa.anu.edu.au.

Treasurer's Role

The Treasurer, along with the Executive and Senior Staff, is responsible for 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.

In the past year, the Treasurer(s) have continued the traditional responsibilities for overseeing all of PARSA finances, and sitting on several PARSA and ANU-level committees.

At the association level, the Treasurer chairs the Finance Committee and is a member of the PARSA Executive, which provides general oversight regarding staff-related issues. As the chair of the PARSA Financial Committee, the PARSA Treasurer is responsible for overseeing the financial obligations of the Association, providing leadership around financial strategy, ensuring the timely production and submission of SSAF-related reports, and other report to the executive committee and PRC as requested.

External to PARSA, the Treasurer sits on the Joint Student Associations Finance Committee, GAC (Grants and Affiliation Committee) and the SEEF (Student Extracurricular Enrichment Fund) Committee.

Going forward, the Treasurer's role is increasingly prioritising more strategic areas of PARSA's finances, such as diversified revenue streams and investment options.