



## Statement to ACS Congress in Support of My Candidature for Treasurer

Roger Clarke FACS  
15 December 2020

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My thanks to Congress members for permitting me to stand as a candidate for this position.

Congress has strongly supported the President's commitment to greater transparency.

Financial reporting to Congress and to the membership is central to the achievement of that outcome.

So I'll start with some observations about the most recent financial statements.

## Transparency regarding ACS Activities and Financial Information

Information primarily from the 2020 Financial Statements  
plus some from previous Financial Statements,  
Annual Information Statement, Annual Reports

- No meaningful information about ACS business-lines
- 84% of revenue in 1 line: Professional Standards Income
- 54% of expenses in 1 line: Employee Benefits Expense

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In undertaking the analysis, I've also drawn some information from prior published documents.

The first striking thing is that members are told very little about the business-lines that the Society is operating.

The second is that some very important data is aggregated into just two figures, covering 80% of the revenue and 54% of the expenses.

This isn't enough to explain to members what their Society actually does, where it earns its revenue, and what it's spent on.

### Aspects of Concern Lacking Explanation

- Employee Benefits Expense 17% ↗
- Employee-related expenses per employee:  
\$194,000 cf. similar organisations c. \$130,000
- Key Mngt Personnel 25% ↗

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I delved into formal reports, in order to extract some key information.

What I'm showing in this slide is mostly some ratios that are conventional ways to quickly get a feel for an organisation's performance.

It's immediately apparent that some key numbers have gone up very steeply during the last 12 months.

And a quick calculation on a per-employee basis uncovers a surprising disparity between the ACS and other professional associations such as the Law Council, the medical Colleges, and Engineers Aust, all of which have similar numbers of staff.

I stress that ratios like these do not provide information.

They're just ways of discovering areas in which additional information is needed, if the reader is to be able to understand what's going on.

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\$194,000 cf. similar organisations c. \$130,000
- Key Mngt Personnel 25% ↗
- Occupancy Expenses 42%? ↗  
2 years 192%? ↗ 3 years 814%? ↗  
(Unclear, obscured by complex reporting,  
and without any explanations provided)

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Another significant area of expense is that associated with the physical spaces used by the Society.

The increase in the most recent year is concerning enough, but a view back over the preceding years suggests that costs have quickly become a large multiple of what they once were.

A couple of factors would be apparent to members if they've followed developments.








And some of the obscurity this year arises from a change forced by accounting standards.

But data like this needs to be explained in the financial reports to members.

They shouldn't be left to guess what the reasons are.

And that's not least because they may jump to inappropriate conclusions, and develop a negative attitude to their own Society.

### Aspects of Concern Lacking Explanation

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- Occupancy Expenses 42%?   
2 years 192%?  3 years 814%? 
- Revenue 10% 
- Surplus 24% 

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Revenue has gone up considerably, and that's very welcome to all of us, because it should generate surplus to be applied to worthwhile purposes.

On the other hand, all of the expense categories have gone up much more steeply than revenue.

And the net result is that the surplus went down quite steeply.

Members need more and better information in order to understand what their Society is doing.

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#### Rule 8.1. Congress:

- (a) may determine **directions and policies** for the Society
- (d) provides advice to Management Committee ... on **strategic planning** and otherwise for the betterment of the Society

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But of course, it's not only the members who need such information.

The senior staff-members need financial information on an ongoing basis, to operate the business-lines and member services.

Management Committee needs somewhat different reports in order to maintain oversight and control.

And Congress needs some too. Congress is far more than an electoral college.

It cannot perform its Rule 8.1 functions in relation to directions, policies and strategic planning, unless it sustains an adequate understanding of the operations and their outcomes.

So some suitable form of reporting to Congress is necessary.

In short, the need for transparency is not being satisfied at the level of the membership as a whole, nor at the level of Congress.

### As Treasurer

- I will develop **A Reporting Framework** that addresses the needs of Congress, and of members
- **Expertise:**  
Accountancy Honours degree, Business Systems, Funds Management, Financial Reporting
- **Experience:**  
Many years as Treasurer of corporations limited by guarantee and of associations; Super Fund Trustee
- **Organisational Knowledge:**  
Longstanding member, ACS service at national and Branch level, Engagement with members, Deep Examination of annual financial statements

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So my proposal to you is that the new Treasurer needs to review existing financial reporting mechanisms, and drive their adaptation or replacement.

I have the appropriate background to ensure that a suitable reporting framework is delivered.

My original studies, all part-time, and my early years of employment, were in accounting and related areas.

And much of my professional IS / IT career related to financial data, and operational data, to support managers, executives and Boards.

I've also been Treasurer of not-for-profit organisations, and my funds management expertise extends beyond corporations to super fund management.

My involvement with ACS goes back decades, as a member, but also as a Committee member; and I can read and interpret financial reports.

### As Mngt Committee and Congress Member

I will apply my long experience as a member, as a Secretary, and as a Chair, of corporation and association Boards, with particular reference to the following:

- Risk Assessment and Management
- Governance
- Strategic Impacts of Disruptive Technologies
- Communications to, from and between members
- Collaboration and Consultation
- Constitutional Design and Drafting

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The successful candidate will of course also have responsibilities as a member of MC and Congress.

I've provided an outline of my lengthy Board experience in my Candidate's Statement, and in the CV it points to.

This includes for-profit corporations, not-for-profit corporations, and associations.

Beyond just being on Boards, I've been an association Secretary and a Company Secretary, and I've written handbooks for my successors.

I've also spent over 15 years as Board Chair, again in all three categories of organisation.

I have the necessary qualifications and expertise in commercial and legal aspects, governance, strategy, and risk management.

I'd like to briefly address the last item.

I've designed, drafted and negotiated Constitutions for both associations and not-for-profit corporations.

The interim CEO has also done so, and I'd welcome the opportunity to work with him and with other members of Management Committee.

## What makes a Professional Society?



- A Widely Recognised Body of Learning
- Special Knowledge and Skills
- Learning derived from Research, Education, Training and Deep Experience



- Ethical Standards
- High Standards of Behaviour
- Codes Enforcement
- Application of Knowledge and Exercise of Skills in the Interest of Society and the Economy



Australian Council of Professions  
<http://www.professions.com.au/about-us/what-is-a-professional>

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Many of you will remember that, back in June, the President provided me with the opportunity to address Congress in relation to constitutional reform.

I proposed that day that we need to be clear about what we, as the professional society, are all about.

I put these functions on the table at that time, and I hope that we can all have that discussion shortly.

## The Principles underlying a Professional Society Constitution

Underlying all the Other Principles:

### The Centrality of the Professional Membership



- The Society is of, and for, the Members
- Professional members are directly involved in the Society's values, strategy and priorities

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I also put the proposition that the wording of the new ACS Constitution should not be driven by a template, and nor should it be thrown together *ad hoc*.

We need to establish the principles that ACS stands for, and we need to reflect them in the Society's governing document.

I suggested in June that there's a primary principle – the Centrality of the Professional Membership.

### **The Principles underlying a Professional Society Constitution**

- (1) Embodiment of Values
- (2) Behaviour Consistent with Values
- (3) Dispersed Responsibilities, Powers, Funds
- (4) Workable Delegations
- (5) Control of the Key Constitutional Documents  
by the Professional Membership
- (6) Openness of Nomination Processes  
to the Professional Membership
- (7) Vigorous Branches, Communities of Interest
- (8) Mechanisms that Ensure Services  
across CBDs, Suburbs and Regions

Information Age, 24 June 2020

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And there are of course further principles.

But right now, Congress is taking big steps in its work to re-constitute the MC.

We have the opportunity to get the constitutional reform show back on the road.

I'd like to invest my energies, within MC and Congress, to help develop a Discussion Paper that exposes such principles as a starting-point for a consultation process.



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As Treasurer, I look forward to delivering appropriate forms of financial transparency.

And as a member of MC and Congress, I look forward to contributing to the future of the Society, particularly in relation to constitutional reform.

Thank you for your consideration of my candidature.