



Submission to:	ACS Congress
Submission/ Report Title:	Financial Transparency Working Group Progress report
Meeting Date/ Agenda Item:	TBC
Purpose:	<input type="checkbox"/> Approval/Endorsement <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Information

Sponsor: Ian Oppermann

Project Manager: Jo Dalvean, Convenor Financial Transparency Working Group

Recommendation(s): That Congress notes the outcomes listed in this report

Discussion: Congress endorsed 8 Recommendations submitted by the Financial Transparency Working Group on 15 April 2021. The ACS President requested that the Working Group reconvene to review the outcomes and report to Congress. This paper is an overview of progress against each recommendation.

Critical Date(s): None.

Consultation(s): This paper was prepared by the Financial Transparency Working Group

Active Members:

- Jo Dalvean, MC member and Victorian Branch Chair
- Arnold Wong, National Treasurer
- Roger Clarke, Canberra Branch Secretary
- Beau Tydd, Business Assurance Committee member and Queensland Branch Chair

The Active members are supported by the President, CEO and CFO as Advisors. The group has no authority or executive powers. It will disband at the direction of the President, but no later than 31 December 2021.

Project Completion/ Post Implementation Review A further report will be submitted to the next Congress in November 2021

Attachments:	<i>Financial Transparency Working Group REPORT TO CONGRESS (April 2021)</i>
Submission Prepared by:	Jo Dalvean, Financial Transparency Working Group Convenor



Financial Transparency Working Group Outcomes Report

For Information: Congress is requested to note the progress listed in this report

Background:

In February 2021, following direction by Congress in 2020 to improve trust by increasing the amount of financial information and corporate information shared with Congress and with members, the ACS President invited four Congress members to form a Financial Transparency Working Group with an aim to present recommendations that increase financial transparency. The role of the Financial Transparency Working Group is to propose, debate and refine the practice of financial information disclosure to Congress, and to the membership.

In April 2021, Congress endorsed eight Recommendations from the Working Group that meet the objectives of improving information disclosure. For reference, the Financial Transparency Working Group Report to Congress in April 2021 is provided in the meeting papers.

Update

The Working Group is pleased to report that progress can be reported against these recommendations. Since April Congress, additional reporting has become available, with the intent of creating greater transparency. While the endorsed recommendations were expected to be operational, some will require oversight by Management Committee - for approval to release information at an agreed level and format, and for the ability to engage ACS staff if these recommendations create workload implications for staff.

Outcomes against each of the recommendations are listed below.

Outcomes against Recommendations:

R1. Congress members be provided with copies of the existing monthly financial report to Management Committee, commencing with the April 2021 report.

Achieved. Reports for Management Committee are available to Congress, with thanks to the CEO and CFO.

R2. The existing report format be reconsidered during the second half of 2021, with a view to implementing refinements to the granularity of the line-items to reflect current operations.

In Progress, with additional reporting information available to this Congress. Discussions are underway to determine additional steps to achieving an appropriate level of granularity.



R3. A Members' Report be published after each financial year ends, explaining in 1-2 pages the Society's activities, where the money comes from and where it goes to, outlining significant developments, and identifying and explaining salient features of the financial statements.

In Progress, with an aim of providing a statement annually after the conclusion of the audit. The Annual General Meeting is an appropriate forum for communications to members and can accompany financial statements. The Working Group is keen to continue to work to determine an appropriate level of information.

R4. Congress members be provided concrete information regarding the projected annual financial figures for each of the ADMA and ACS Labs Divisions, including adequately granular data on revenue-items and expense-items, and showing each Division's Contribution Margin.

and

R5. Congress members be provided updates on the ADMA and ACS Labs Divisions' performance against the original business case, investment quantum and KPIs.

In progress, with additional details available at this Congress. The Working Group is keen to continue to work to determine an appropriate level of information. Congress is invited to provide feedback to the Working Group about the level of detail required.

R6. Not-for-Profit Governance Principle 7 of the Australian Institute of Company Directors (AICD) regarding Accountability and Transparency be adopted and implemented.

and

R7. AICD Principle 7 be interpreted as requiring that all reasonable questions are be responded to, reasonably promptly, answering the questions, with relevant factual information rather than generalities. The purposes are to inform the enquirer and/or members generally, and to avoid disappointing the enquirer or aggravating any concerns that may underlie the enquiry.

Recommendations 6 and 7 have seen no progress to date. In order to implement, the ACS must make amendments to relevant practices to ensure that the ACS has a framework for accepting and managing questions from members.

The Working Group will prepare a paper for consideration by the Management Committee with a request for a framework to be developed.

R8. Congress be provided with information delivering answers to the following questions.

- 1(a) What was the cost to purchase ADMA?**
- 1(b) What were the assets that were acquired, and the basis of their valuation?**
- 2(a) Was any due diligence done on the purchase of River City Labs?**
- 2(b) What did that due diligence reveal?**
- 3(a) What did it cost the ACS to join the Davos Economic Forum?**
- 3(b) What benefits did it bring the ACS?**



Due to the lack of framework for the ACS to compile and release responses to questions, there has been no progress to date. With an aim of providing suitable responses, and closing off this particular set of questions, the Working Group will co-create responses with input from ACS staff. The responses are likely to be more than a single sentence or figure, and may run to several paragraphs. The Annual General Meeting is an appropriate forum to release these responses, as it a major communication channel to members. We will work to this deadline where feasible.