**NATIONAL ELT ACCREDITATION SCHEME LIMITED (NEAS)**

**ABN: 29 003 980 667**

**MINUTES OF THE MEETING OF THE FINANCE, AUDIT AND INVESTMENT COMMITTEE (FAIC)**

**HELD VIA VIDEOCONFERENCE, ON THURSDAY 23 SEPTEMBER 2021, AT 3.00PM**

**PRESENT**

Mr David Yoo (Chair)

Ms Tanya Buchanan

**IN ATTENDANCE**

Dr Patrick Pheasant, Chief Executive Officer

Mr Stuart McDonnell, NEAS Accountant

Ms Jacky Ronan, Communications Officer (minutes)

**APOLOGIES**

None.

**QUORUM**

The Chair confirmed that a quorum was present.

**CONFLICTS OF INTEREST**

None.

**COMMITTEE MEETING MINUTES**

The minutes from the previous meeting on 18 March 2021 were approved by Tanya Buchanan and seconded by David Yoo.

**ITEMS 2A-2C: NEAS CONSTITUTION, FAIC CHARTER AND FAIC MEMBERSHIP**

The CEO advised that he had reviewed the NEAS Constitution and advised that the FAIC can be run through the Board, however best practice indicates that there is independence for such a committee from a governance perspective (according to the Australian Institute of Company Directors).

The FAIC discussed the committee’s main responsibilities as being to sign off on the audit, the annual budget and oversee the investment portfolio. The agreed action items for the running of future FAIC meetings were as follows.

ACTION: CEO to send draft set of financials to David Yoo and Tanya Buchanan 21 days prior to any NEAS Board meetings.

ACTION: When the FAIC is required to meet in future, whether it be for sign off or any other incident, the FAIC meeting will be added onto the end of a scheduled NEAS Board meeting. NEAS Board members will be invited to stay to attend the FAIC meeting.

ACTION: At the next iteration of the FAIC charter, CEO to include a statement that the FAIC is independent.

The FAIC agreed to meet to sign off on the auditor’s report after the Board meeting on 14 October.

ACTION: CEO to send the FAIC charter to Tanya and David for sign off (version from April 2021).

Regarding membership of the FAIC from January 2022, the committee agreed to call for membership nominations from the Board after the next Board meeting on 14 October.

**ITEM 3ai: BALANCE SHEET AUGUST 2021**

The Chair noted a 61% jump in trade debtors. The accountant confirmed lots of payment plans have been issued but not many payments have been made. The CEO flagged that a more assertive approach will be given towards bad debtors from January 2022, after which some kind of confidence in the market occurs.

For operational purposes, the FAIC agreed its best to keep all bad debts on the books to keep track of them. However, if the bad debts all stay, the balance sheet should be adjusted accordingly and the adjusted account line item for 25k should be 60k.

ACTION: CEO and accountant to ensure the totals on the aged receivables and the balance sheet match. Separate into two areas, one line for provision for other debts and one line for trade debtor’s adjustment (to 60k), two combined totals 70k.

ACTION: CEO to present to NEAS Board a proposal about how to mitigate risk of increasing bad debtors.

**ITEM 3aii: PROFIT AND LOSS AUGUST 2021**

A member of the committee queried the low amount of international fees. The CEO confirmed there are several new international members in the pipeline which are being pursued by the Operations Manager.

ACTION: CEO to add running commentary column to P&L document for the FAIC meetings.

The FAIC noted and accepted the report.

**ITEM 3aiii: CASHFLOW SUMMARY AUGUST 2021**

The Chair requested a YTD report. The CEO advised that this is included in paper 3av – Revised FY2021 Outlook with Expanded Cashflow Analysis Report.

The FAIC commended the CEO and accountant for the excellent financial reports.

The Chair recommended that the rest of the financial reports be taken as read. The committee agreed.

The FAIC agreed that all financial reports are to be recommended to the Board.

**ITEM 3biii – JBWERE REPORT**

ACTION: CEO to ask JBWere Account Manager if the 6.1% investment return is under or over the industry benchmark. CEO to invite her to speak at next NEAS Board meeting.

**ITEM 3ci – AUDITOR DRAFT FINACIAL REPORT**

It was discussed that last year, a series of changes around narrative were requested by the Board for the auditor’s report.

ACTION: CEO to review the auditor’s report and ensure narrative is consistent with previous year.

**ITEM 3cii – ANNUAL REPORT**

The committee discussed the target audience for the annual report. Changes should be made to direct the information specifically to the target audience.

ACTION: Communications Officer to insert paragraph at the top of conference and events page indicating that NEAS attends events to represent our members and advocate for quality in ELT.

ACTION: Communications Officer to unhinge the annual report from the financial report and make them separate documents. Also consider adding a summary of the financial highlights in the annual report (if not in 2021, for 2022).

**CLOSE**

The meeting concluded at 4.20pm.

**NEXT MEETING**

14 October 2021.