

# **Bower Board Meeting Minutes**

**Tuesday 18 June 2013**

**The Bower eco-library  
6.40pm – 10.00pm**

**Meeting started:** 6.40pm

**Present:** Oliver Bradshaw (arrived 7.55pm), Amanda Buckland, Bruce Diekman, David Harris, Thuy Le (left 9.15pm), Robin Mead, Wolfgang Spranz

**In Attendance:** Steve Clarke, Acting GM

**Members present** (from 8.00 to 10.00pm):  
Liam Bellamy, Mary Pianka, John Samuel

**Minutes:** Amanda Buckland, Bruce Diekman

## **1. Welcome**

BD acted as chair until RM arrived at 6.50pm.

## **2. Minutes May 21 meeting - matters arising**

107 workshop - AB to include actual TAFE costs for last grant period in her presentation to next board meeting.

BD noted corrections to minutes and to send final copy to Steve for publication.

## **3. Operations Report**

3.1 Five new members approved, three renewing members noted.

3.2 WHS: Workcover inspection resulted in two directives: that aisles be kept to requisite width and that handrail be installed asap on front step – organised for tomorrow 19 June.

3.3 Staff matters:

3.3.1 One staff member resigned with one month's notice to travel. Existing staff and volunteers will be checked for availability for replacement shifts and need for advertisement determined.

3.3.2 One staff member to take a month's sick leave in July due to work related stress. One reason for the staff member's leave relates to an unsubstantiated allegation by a member which has been investigated and proven unfounded. A'g GM to follow-up and contact member.

The board stressed that unsubstantiated allegations will not be tolerated and are not appropriate in a cooperative environment.

A series of actions have been taken to assist the truck driver and improve related communication between staff. The truck driver is now accompanied by an offsider on Tuesdays. Management trying to find an offsider for Monday and Wednesday.

The collections/deliveries booking procedure and sheet are being revised and improved to minimize errors and ensure vital information is captured.

A'g GM to meet with S&M coordinator on Friday 21 June to discuss, document and review staff concerns to date.

#### **4. Financial Report**

A professional accountant (bookkeeper) has been hired from mid-May to sort and get on top of the Bower's financial systems. He provided the board with a detailed report of his activities to date, including:

- Outstanding invoices paid and entered into MYOB.
- Bank reconciliations completed to 31 March.
- Outstanding December and March BAS statements to be lodged this week. Late lodgment may accrue penalties and interest, BAS agent and ATO have been advised.
- Superannuation has been brought up to date and will be lodged this quarter.

David Harris formally resigned as Treasurer. Reports from DH to the previous board (his September 2012 notes on the Auditor's queries and his Acting Manager's Report of August 2012) as well as his 2012 Treasurer's report to last year's AGM were tabled to be given to the accountant. The new accountant (David Mansfield) has been appointed as our authorised contact with the ATO. Once the new Co-op Manager is appointed he/she will take on this role.

Proposed: DH      Accepted: RM

**Action:** DH to locate letter to be signed by the Board to approve this role with ATO. Accountant and Acting GM to draft financial procedures, including job codes to properly track income and expense streams. Profit and Loss statement for this financial year ending to be provided to the July board meeting.

## 5. Correspondence

Board discussed process of receiving correspondence at the Bower in light of recent letters from Fair Trading that were not received and letter from several members that was hand delivered, but not brought to the attention of relevant staff for almost 2 weeks. If letters are hand delivered, staff must note this in a receipt book, provide a receipt to the deliverer and attach a note with delivery date on the letter for the General Manager's or relevant staff's attention. All staff need to be made aware of the importance of all following proper process re: correspondence in the future.

## 6. Delegation to Board Meeting, 8.00-10.00pm

**A delegation** of three members, Liam Bellamy, Mary Pianka and John Samuel, representing a larger group of members, were invited to the June board meeting to discuss their recent correspondence to the board proposing a Special General Meeting and the issues that correspondence addressed. The correspondence, received by the board on 4 June, was signed by 11 members stating concerns with elements of board governance, operations and financial management. The board replied to the group on 4 June and again on 10 June, when representatives from the group were invited to state their concerns to the board.

JS outlined the group's concerns – board has been in place 6 months and some serious issues need to be raised.

- Concerns re: governance, role of full time GM, reflected back onto staff. The group recognise actions taken by board to address these, e.g. process of recruiting the new Co-operative Manager.
- Financial issues: concern over delay in transfer of signatories to bank accounts. Resulted in negative impact on staff – paid late 3 or 4 times.
- Staff confronted on shop floor, board member was on Bower premises at the time. Board member knows persons who allegedly accosted staff member.
- Has led to concerns about board support for staff.

What do we as a group of interested members do about it? How are we going to ensure the organisation is run better in the future?

The group are concerned about the management of these issues by the current board but wonder if it is productive to have a Special General Meeting (as proposed in their letter) so close to the next AGM.

Importance of the accounts being ready and the need for a good governance environment recognised.

The Acting GM elected to respond first: he believes many of these issues are operational and therefore the responsibility of the GM. Whilst the Board recognises the importance of the role and responsibility of the GM position, responsibility also falls on the Board.

### **Late payments to Staff**

Management needs to establish a clear statement of pay day expectation to provide clarity for all.

Pay was late once by 3 to 4 days, another time one day late. This resulted from having only 2 signatories on the account and those people being uncontactable. The board acknowledge this mistake – it was assumed signatories had been transferred and paperwork completed. When this was brought to the board's attention the board acted promptly to resolve the matter.

The issue has been rectified with additional signatories now added (4 in total), making this issue less likely to occur in the future. Board supplied all relevant information to NAB 6 weeks ago. The issues why NAB has still not removed old signatories is not clear but has been followed up.

The board apologized to staff in writing and also acknowledged the support offered by previous board members JB and MC.

### **Incident with customer and staff**

A'g GM took immediate action, he spoke to customer and staff concerned, he wrote to the customer, the incident which occurred outside the shop in March was documented and immediate action was taken. SC confirmed that customer was not acting on behalf of anyone else, nor intending harm. A board member arrived after the incident had taken place and was not aware of the details of the confrontation, but could see distress would have been caused. He reported to the Acting GM after he became associated with the incident.

It is ongoing Bower board policy that it is the GM's role to manage staff issues.

RM: This situation reflects a bigger picture. Unfortunately there has too often been an accusatory and vitriolic environment, breeding mistrust, allegations and suspicion.

### **Appointment of a full-time GM**

The new board concentrated on completing the Ethics Framework and establishing working groups to help create a flatter co-operative structure that would better support a new GM and all staff. The board reviewed management roles in other cooperatives and welcomed staff input with a view to make the position full-time with a higher salary to attract the best

applicants. The ensuing position description for a Co-operative Manager was taken to a staff meeting – feedback was for a full-time GM role. The board also had to review the financial implications of this decision. All of this took time.

The recruitment process was initiated in May. Six of the 20 applicants were short-listed for interview. The board engaged an independent HR consultant to assist with the interview and selection process. We are following our own Ethics Framework and best practice processes. The first interviews were held on June 15. They will go to second round and then offers will be made. Should it all go to plan, the board expects to have an appointment by the next meeting on 16 July.

### **Ethics Framework**

The draft Ethics Framework launched at the members meeting on 23 March has been finalized. The delegation asked why the final version was not on the website. The A'g GM promised to publish it on the website asap.

### **Financial situation**

The board has employed an accountant and his assistant. They are working 5 days a week to fix the bookkeeping system that has languished far too long under the previous board's term as well. The accountant has provided a progress report to the board via the Acting GM. He has been busy reviewing all accounts, has reconciled up to 31 March, will very soon lodge the outstanding December and March BAS statements and super and has been contacted the ATO about this.

The accountant is on track to complete a full end of financial year reconciliation by 30 July. The Acting GM has been informed that the auditor will need an estimated 5 days to complete his end of year audit.

Everyone is keen to establish identifiable income and expense job stream codes to best manage our diverse income and payments. An update to our MYOB software has been recommended. Liam suggested using Zero. RM invited Liam to get involved in the process. A new cash register was also mooted by the delegation. The board has already looked into this and earmarked a budget of \$1,500 for the purpose. The A'g GM stated that the question of integration with our systems is paramount.

### **Board quorums**

SC responded to the question about low board quorums. Only on one occasion (April 23) did the new board have a minimum quorum of 4. The March 19 meeting was attended by 5 board members. All other meetings have been attended by 6 or 7 board members (the full complement). In addition several extra board meetings have been deemed necessary to deal with the amount of business at hand.

### **Board minutes**

Another question from the delegation was whether the board minutes kept in the office were different to what was published on the Bower's website. Board

minutes should now all be on-line up to and including April. May minutes were signed off earlier tonight.

This misunderstanding has arisen from the fact that new member details are not published but form part of the operations report delivered by the A'g GM which is provided as an attachment to the hard copy minutes kept in the office. The fact is that the board appropriately takes the time to prepare them for website publication, bearing in mind accuracy and privacy concerns. This usually requires 10 minutes at the start of the subsequent meeting to ratify the previous meeting's minutes. It has not been possible to make them Internet ready any quicker.

Board members are aware of the 2-week turnaround stipulation in the Bower's Rules. The only way this could be achieved at present is for a draft copy to be placed in the office minutes folder within 2 weeks of a board meeting. Per the Bower rules ratification of board minutes at subsequent meetings is allowed. *It is further noted that the core model rules for trading co-operatives on the Fair Trading website specifies 28 days for board minutes to be recorded.*

### **We all share common ground**

All board members are committed to the Bower and its future stability and success. The deficiencies that have occurred are acknowledged and the board has resolved to move forward and work together in a spirit of co-operation and collaboration for the success of the Bower.

The board is as always open to being approached directly, either in writing or at meetings to address genuine concerns that are unable to be dealt with by staff at management level in the first instance.

### **Proposal to bring AGM forward**

The board proposes to bring AGM forward to early September. This is very doable and ultimately relies on the timely completion of the financial audit. The process of engaging the auditor has already commenced.

It is important to allow members sufficient notice of the AGM and for there not to be membership issues and disputes as happened last year. Plenty of notice to members for renewals and/or an extension of membership until the AGM will be necessary.

The delegation advised they would take this meeting's discussions back to their group and advise the board of any feedback or continuing concerns.

We all acknowledged the need to work together to promote a spirit of co-operation and trust to nurture the Bower, the staff and members.

**Meeting closed 10.00pm**

**NEXT BOARD MEETING: TUESDAY 16 JULY, 6.30pm the Bower eco-library**