From: Joseph Orland <joseph.orland@telstra.com>

Sent: Saturday, **June 22, 2024** 5:14 PM

**To: '**RDA (NSW) Centres ' <Centres@rdansw.org.au>; **'Life Members' <lifemember@rdansw.org.au>**

Cc: 'RDA (NSW) State Office' <stateoffice@rdansw.org.au>; 'RDA (NSW) Board' <board@rdansw.org.au>

Subject: Response to Motion for removal as director

 Hello everyone.

 A Motion has been moved that I be removed as a Director of RDA (NSW).  I have a right of reply and therefore will respond to the following Motion which has been moved:

***Motion -***

***THIS MEETING RESOLVES TO REMOVE JOSEPH ORLAND AS A DIRECTOR OF THE COMPANY.***

***THE RATIONIONALE FOR THIS RESOLUTION IS A STRONG SENSEOF LACK OF TRANSPARENCY IN WHICH THE ROLE OF FINANCE OFFICER WAS CONDUCTED.***

***EXAMPLES ARE:***

***\* THE PROCESS UNDER WHICHTHE GOLDEN EAGLE FUNDS WERE WITHHELD IN SPITE OF THE BOARDS MAJORITY DECISION TO RELEASE THE FUNDS***

***\* ANNUAL FINANCIAL REPORTS***

 Response to Motion to remove Director

The item on the agenda for the SGM is to have me removed as a director.  The Motion is based on the supposed lack of transparency in which the role of the Finance Officer was conducted, principally on the basis of:

·      The manner in which the Golden Eagle funds were dealt with and the supposed refusal for the funds to be released; and

·      The Annual Financial Reports.

Before I make comments in relation to this Motion, I need to explain the way that matters are dealt with if I am required to undertake a task:

·       I formulate a proposal;

·       As all directors are responsible for the operations of RDA (NSW), I send the proposal to all of the directors for comment and/or decision;

·       It is only if the majority of directors agree with the proposal that the proposal is acted upon or put to the Centres as may be applicable.

 1.       **The distribution of the RDA (NSW) funds to Centres from the Golden Eagle race**

As this has been dealt with by payment of the funds to the Centres, it is no longer an issue, but I will make the following comments to clear up a few misunderstandings:

**·       I never said that the funds could not be distributed.  What half of the directors (including myself) did say was that the distribution needed to be made in a manner that did not breach the Constitution.**

**·       The original method proposed was simply to make a payment to all Centres.  This method would be a breach of Clause 6.2 of the RDA (NSW) Constitution.**

**·       I and other Directors suggested that Clause 6.5 was the appropriate method that should be used as Clause 6.2 strictly prohibited the distribution in the manner that was proposed.  Effectively, the same result could be achieved using Clause 6.5, but it would be done in a way that complied with the Constitution.**

**·       The Board was divided, with half of the Directors insisting that the distribution be made under Clause  6.5 of the RDA (NSW) Constitution while half insisted that the distribution be made in a manner that was prohibited by Clause 6.2.**

**·       Therefore, the delay was because the Board could not come to a decision, NOT because of me or anyone else refusing to release the funds.**

**·       Because of the divided views of the Directors, legal advice was sought and the decision of the solicitors was that Clause 6.2 of the RDA (NSW) Constitution strictly prohibited the particular proposed method of distribution and that any distribution could only be made under Clause 6.5.**

**·       The distribution was eventually made against the decision of half of the Board and against the advice of the RDA (NSW) solicitors as it was not made in a manner that satisfied Clause 6.5.**

***For the record, Clause 6.2 states:***

***6.2.   No portion of the income and property of the Company may be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever to any Member.***

**In this context “Member” is defined by the Constitution as being an RDA (NSW) Centre and “Company” is RDA (NSW).**

2.       The role of the RDA (NSW) Finance Officer and the Annual Financial Reports

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·      The main role of the RDA (NSW) Finance Officer is to ensure that accounts are put up for payment and, with the assistance of the Finance Committee, manage and monitor the finances of RDA (NSW).

·      All of the payments for entry and the writing up of the accounts is made by a professional bookkeeper who has been employed by RDA (NSW) for this purpose well before I became a director.

·      The auditor of the RDA (NSW) accounts has held that role for many years before I became a director.

·      Both the bookkeeper and auditor are independent of RDA (NSW).

·      RDA (NSW) and each of the RDA (NSW) Centres are required to, and are responsible for, submitting detailed financial and operating reports to the ACNC.  In all years since I became director up until last year I performed this role for the Centres to help Centres and to ensure that they did not lose their charity status for failure to submit their reports to the ACNC.  Olwen has continued this process on becoming the new Finance Officer.

·      I often receive questions from Centres asking for assistance or advice in relation to various matters including such things as interpretation of their Centre Constitution, various procedures that need to be complied with and general matters relating to Centre operations.

·      I assist and advise Centres and/or Centre volunteers where legal action is taken against a Centre or a volunteer of that Centre.

·      I am the contact person on the Board for solicitors where legal action is being taken against RDA (NSW).  This saves RDA (NSW) substantial amounts of funds by not having to always go to refer matters to an external solicitor.  On major matters, however, external legal assistance is utilised and I am the contact.

·      One of the first things that I did when I became the Finance Officer was to remove substantial expenditures from Centres and to have those expenses paid by RDA (NSW).

·      These expenditures that were previously required to be met by Centres but are now paid for by RDA (NSW) included:

§  All costs associated with a Centre audit for their Centre, with that audit conducted by RDA (NSW) Assessors;

§  These costs that the Centres used to have to pay included such things as payment, by the Centre concerned, for travel, accommodation and meals for the Assessors who were required to:

·      conduct the Audit that needed to be done of their Centre, and

·      assess Centre Coaches, Assistant Coaches and Trainees;

§  These charges often represented a substantial cost, mainly for the country Centres where these costs were by far the greatest in view of the distances involved for the Assessors;

·      Centres used to be responsible for the payment of all of the expenses for their Coaches’ training.

·      Since coming onto the Board, I have successfully lobbied for the Board to allow for RDA (NSW) to pay Coach training expenses (including travel and accommodation costs and meals while away from home).  This saves Centres from having to pay for the training of their Coaches, with the country-based Centres benefitting much more that the Sydney-based Coaches in view of the distances involved.

·      In addition to my normal duties as a director, I took it upon myself to review Centre leases as they came up for renewal.

·      These leases are those which are issued by solicitors of the owners of the land on which the Centre is located (these included Federal, State & Local Government owners as well as private owners).  This meant that Centres no longer had to pay for legal advice or work in relation to the renewal of their Centre’s leases.  This saves Centres which were not able to obtain a pro bono solicitor the cost of having to pay to engage an external solicitor.

·      Payments need to be approved by two directors, however, all directors are responsible for the management of RDA (NSW).  Therefore, when I became the Finance Officer I immediately started the policy that all directors need to be aware of, and approve, all payments and expenditures, not just two directors as had previously been the case (which is the minimum requirement under the Constitution).

·      When invoices were referred to me for payment, the process is as follows:

I check them for accuracy and, if all is in order, they are referred to the bookkeeper for payment.

The RDA (NSW) bookkeeper enters the invoices for payment.

I compare the entries made by the bookkeeper for accuracy and then send the invoices to all directors for their information and approval.

It is only after all directors approve the payments that the final approval for payment is made.

 ·      Other than me putting in extra security procedures in order to protect RDA (NSW) and the RDA (NSW) funds, there has not been any change in the longstanding process that has existed since before I became the Finance Officer, but it has only been recently that a small group from some Centres has started complaining about the process, even though it is much more secure than it used to be.

·      No evidence has been provided of any wrongdoing or error by me in the process.

·      If Centres have any questions about the accounts, they could ask and full explanations and information would be given, as I did both last year and this year when questions were asked and full details were supplied in response to questions from two Centres.

·      The main role of the Finance Committee is to advise on the investment of the funds of RDA (NSW), with most of those investments being held by way of either term deposits or shares.

·      Term deposits are rolled over in order to obtain the best interest rate available with advice being sought from the Finance Committee.

·      RDA (NSW) has a share portfolio made up of good quality shares.  Because RDA (NSW) is not a share trader, the shares are retained to earn franked dividends.

·      As RDA (NSW) is non-taxable, the company benefits from the franking credits that are attached to the shares, increasing the net direct return to RDA (NSW).

·      Share-trading can be risky and attempts are made to minimise the risk to RDA (NSW) funds.

·      It is important to note that attacks on me had been made by some Centre volunteers even before I became a director and those persons are continuing their actions against me and have repeatedly refused to provide reasons.

**Regards,**

**Joseph Orland.**

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Centres mailing list

Centres@rdansw.org.au

<http://rdansw.org.au/mailman/listinfo/centres_rdansw.org.au>

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