

PRODUCTS & OTHER RESOURCES

for

Credit Union and Mutual Building Society Directors & Executives

Australasian Mutuals Institute offers a continually developing range of products and resources to meet the needs of a highly diverse membership base and to support their commitment to professional training and education. These products fall into two broad categories consisting of books and manuals specifically commissioned by Australasian Mutuals Institute for credit union and mutual building society directors and executives (*Australasian Mutuals Institute Publications*) and books, manuals, guides developed by other identities for the broader director and executive market (*Other Resources*)

Australasian Mutuals Institute Publications

- AP 1** - Director's Companion Booklet - **7th Edition, January 2007**
- AP 2** - Financial Management I & II for Mutual ADI Directors – **Version 2009**
- AP 3** - Board Audit Committee Manual – Kendalls LMJ/BDO Kendalls - **Version 4, March 2008**
- AP 4** - The Mutual ADI Directors' Compliance Manual - **Version 2009**
- AP 5** - Strategic Marketing for Credit Union Directors – **Version 2, September 2003**
- AP 6** - Credit Risk Management Manual for Mutual ADI Directors' – **Version 3: 2008**
- AP 7** - Mutual ADI Corporate Governance Manual – **Version 4, December 2006**

Other Resources

- OR 1** - Financial Statements Demystified (Fourth Edition - 2006) by David Hey - Cunningham
- OR 2** - Conversations with a New Director by Henry Bosch AO
- OR 3** - Conversations Between Chairmen by Henry Bosch AO
- OR 5** - Boardrooms That Work: A guide to board dynamics by Margot Cairnes
- OR 6** - Board, Director and CEO Evaluation by Geoffrey Kiel & Others
- OR 7** - Running Board Meetings by Patrick Dunn
- OR 8** - Audit Committees - A Guide to Good Practice - 3rd Edition : 2008
- OR 9** - The Twenty - First Century Board by Ann-Maree Moodie
- OR 10** - The Right CEO by Frederick W. Wackerle
- OR 11** - How to Review & Assess the Value of Board Subcommittees by Geoff De Lacy
- OR 12** - How to Implement a Board Performance Management System by Geoff & Anne De Lacy
- OR 13** - How to Design & Implement a Board Induction Program by Geoff De Lacy
- OR 14** - How to Identify & Manage Conflicts of Interest by Jane Walton & Kerrie Henderson

This brochure provides an overview of the contents for each of these products along with an order form which can be either mailed or faxed to the Australasian Mutuals Institute Office in Burwood for a fast response to your order.

Information is also available on the Products page in the Australasian Mutuals Institute Webpage www.aminstitute.org.au

AP 1 - Director's Companion Booklet (7th Edition, January 2007)

An essential tool for every credit union director providing an introduction to the credit union movement and its approach to corporate governance in a plain english format. In three chapters it covers: -

1. The Credit Union & Building Society Movements in Australia and New Zealand

An overview of credit unions and building societies, the Australian and New Zealand governance system, co-operative support organisations, history, values and ethics.

2. The Regulation of Mutual ADIs

Covering the Financial Sector Reform, the Banking Act, Mutuality, Prudential Regulation Legal Structure, Corporations Act requirements including FSR, AML/CTF, Financial Sector Regulation.

3. Corporate Governance Roles

Covering Directors Duties, Financial Reporting, Roles of Board, Chairman, Chief Executive, Committees, Board/Management relations, performance assessment, Board Composition, Induction and Fitness and Propriety.

The Director's Companion Booklet is the resource for Australasian Mutuals Institute's Corporate Governance I Training Course.

AP 2 - Financial Management I & II for Mutual ADI Directors - Version 2009

This manual is written in two sections to serve the needs of mutual ADI directors with or without a general background in financial management. The manual works alongside the book Financial Statements Demystified and provides a mutual ADI specific version of financial management for directors. It covers: -

1. Financial Management I

Running An Enterprise
The Basics of Financial Statements
The Rules
Case Study of Alba Manufacturing Ltd
Assets
Liabilities
Equity – Shareholder Funds
Profit and Loss
Cash Flow

2. Financial Management II

Financial Management Reporting
Internal Control
Board Audit Committees
APS - 510 Governance - Board Committee Requirements
The Credit Union Equation
Financial Performance Ratios
Capital Adequacy Ratio
Liquidity Ratio
Operating Cost Ratio
Non Interest Income Ratio
Profitability Ratios
Credit Quality or Delinquency Ratio
Interest Margin
Fixed Assets Ratio
Primary Objects or Loans to Assets Ratio
Statistics on all Mutual ADIs
Warning Signals

The manual supports the two training courses offered by Australasian Mutuals Institute in mutual ADI financial management for directors viz Financial Management I Training Course and Financial Management II Training Course within the CUNA Mutual ADI Directors' Diploma Course.

AP 3 - Board Audit Committee Manual - Version 4: 2008

The manual provides valuable guidance to the Board Audit Committee members and to the remaining directors on the board who rely on the work of the Committee.

The Manual has been adapted to the specific requirements of the mutual ADI Board Audit Committee and is linked to and incorporates the best practice guide published by the Institute of Internal Auditors (Refer to OR8). It covers:-

- Role of the Audit Committee
- Role of the Directors
- Role of Directors in Accounting and Control
- Role of Directors in the Audit Process
- Role of the External Auditor
- Role of the Internal Auditor
- Appendices include many valuable tools and guides
- Best Practice Guide (3rd Edition 2008)

AP 4 - The Mutual ADI Directors' Compliance Manual - Version 2009

The original Credit Union Directors' Compliance Manual was first launched in 1997 through a joint venture between AICUD, Cuscal Compliance and CPD Group and together with the annual update service has proven a highly valued resource for credit unions, their directors and executives ever since.

The manual covers all aspects of compliance for credit unions and their officers and presents the information in a plain english format to enhance the directors' understanding of the compliance issues and obligations.

From 2007 through a similar joint venture between Australasian Mutuals Institute, Norman Waterhouse Lawyers and Thomson Legal the reformatted manual has been targeted at the broader mutual ADI sector and will be revised annually around November each year to maintain critical relevance and currency.

The Manual consists of five broad ranging sections: -

- Corporate Regulation
- Prudential Regulation
- Regulation of Financial Products & Services
- Employment, Health and Safety
- Taxation

The manual is offered in either hardcopy or CD format. See separate brochure for more details contents about the manual or refer to the Australasian Mutuals Institute website.

AP 5 - Strategic Marketing for Credit Union Directors - Version 2, September 2003

This manual was specially commissioned by AICUD and developed by John and Chris Levis, Directors of Australian Commercial Marketing Pty Ltd to provide the key resource for the Strategic Planning & Marketing Module (2006) in the ***CUNA Mutual ADI Directors' Diploma Course***.

The Manual is focused on the strategic end of the business combining the theory and commercial practice across the disciplines of strategic planning, strategic management and strategic marketing or in the credit union context. Major topics covered include: -

- Introduction to Strategy and Strategic Thinking
- Strategic Planning - A Framework
- Defining Strategic Direction
- Strategic Intelligence
- Strategic Path
- Strategic Plan – Blueprint
- Strategic Surveillance
- Strategic Marketing

The manual can play an invaluable role in assisting credit union and building society boards to make a more valuable contribution to the strategic direction of their mutual ADI. It also serves as the key resource for the Strategic Planning & Marketing Module within the Australasian Mutuals Institute Diploma Course.

AP 6 – Credit Risk Management Manual for Mutual ADI Directors
- Version 3: 2008

Given that around 80% of a mutual ADI's assets at any one time are held in the form of loans outstanding a credit union/building society board must have a sound understanding of the principles of lending, the credit union's lending policies and the disciplines of effective credit risk management.

The manual provides a comprehensive cover of this crucially important subject and is pitched specifically at the director rather than the operational level of lending and credit risk management. It covers: -

- 1 – Credit Risk Management
- 2 – Elements of Credit Risk
- 3 – The Role of the Financial Institution
- 4 – Lessons Learnt from Past Failures
- 5 – Prudential Standards that Affect Lending
- 6 – Principles of Lending
- 7 – Portfolio Management
- 8 – The Board's Role in Setting Lending Policy
- 9 – The Board's Role in Monitoring the Performance of the Loans Portfolio
- 10 – Finance / Credit Union / Building Society Industry Benchmarks & Key Performance Indicators
- 11 – The Effect on Lending of the Unique mutual ADI Philosophy

The Manual is a valuable resource for credit union and building society directors focusing on this core business activity and also serves as the key resource for the Lending & Credit Risk Management Module within the Australasian Mutuals Institute Diploma Course.

AP 7 - Mutual ADI Corporate Governance Manual - Version 4, December 2006

A key objective of the legislative and prudential framework evolving from the Wallis Committee has been for ADI's to enhance their respective corporate governance systems and processes in line with the higher community expectations of the day.

AMI believes this manual can and will play an important role in helping credit unions and building societies and building societies to develop their respective corporate governance framework, systems and processes to the highest possible standards.

The Mutual ADI Corporate Governance Manual provides a detailed model for credit unions and building societies to tailor a corporate governance framework, system and processes appropriate to the need of the particular mutual ADI as determined by its Board and Management.

The central tenet of the model is the unique mutual philosophy that has a powerful influence upon the remaining four components of the corporate governance framework:-

- Governance Responsibilities
- Governance Structure
- Governance Processes
- Performance Assessment

Each of the five chapters include extensive detailed information on the key elements of good corporate governance involved and provide prompts where credit union and building society boards should tailor the manual to meet their specific needs.

The model can be applied to any credit union or building society and then developed and tailored to meet its needs at a particular point of time in the credit union or building society's evolution as determined by the Board and Management.

This manual serves as the key resource for the Corporate Governance II Module within the Australasian Mutuals Institute Diploma Course

OR 1 - Financial Statements Demystified (Fourth Edition - 2006) by David Hey-Cunningham

This book is recommended reading for all mutual ADI directors. It has been selected as one of the two text books for Australasian Mutuals Institute's two training courses in financial management for mutual ADI directors.

It provides the essential base knowledge for mutual ADI directors on accounting principles, how to read and interpret financial statements and reports and how to pinpoint where the risks might be.

The Fourth Edition - 2006 incorporates the impact of the Australian Equivalents of the International Financial Reporting System.

OR 2 - Conversations With a New Director by Henry Bosch AO

Another easy to read book written by Henry Bosch but this time pitched at the **New Director** canvassing the issues that need to be considered by anyone taking on the onerous role of a credit union director.

Definitely recommended reading for new directors and for Chairman who have a responsibility for inducting new directors.

OR 3 - Conversations Between Chairmen by Henry Bosch AO

A brief easy to read book written by Henry Bosch who skilfully covers a range of issues that **Chairman** are likely to confront in their unique role within the Board of Directors. Recommended reading for all current and aspiring Chairmen and for Chief Executives.

OR5 - BoardRooms That Work : A guide to board dynamics by Margot Cairnes

Directors and senior executives rely on the integrity of the information they receive from their companies. They need to know that this information honestly represents the facts and is free from bias. If this information is flawed for any reason, there can be severe consequences for the company's financial structure and for the reputation of its directors and executives. This book published by AICD, explores the effect that behavioural dynamics have upon effective decision making in the boardroom, in board committees and by senior executives.

OR6 - Board, Director and CEO Evaluation by Geoffrey Kiel & Others

Corporate governance demands an increased focus on the leadership role of the board, the CEO and the directors and the call for these to be more accountable for their own performance is a growing global trend. Board, Director and CEO Evaluation helps to implement the recommendations for evaluation that have been included in almost every recent major corporate governance review or report.

OR7 - Running Board Meetings by Patrick Dunn

Written in a lively and easy to read style, Patrick Dunn's practical guide provides step by step advice on every aspect for running board meetings. Packed with useful tips and techniques, he shows how to ensure that:

- you are always well prepared
- every board meeting runs smoothly
- necessary procedures are followed
- the board's decisions are always acted upon

OR 8 – Best Practice Guide – Audit Committees (Third Edition: 2008)

This is a joint publication from: -

- Auditing & Assurance Standards Board
- Institute of Internal Auditors – Australia
- Australian Institute of Company Directors

The Guide reflects developments and best practices identified in Australia and Overseas and is designed primarily for listed corporate entities. However it also provides sound guidance to all other entities with the proviso that not all elements of best practice will be practical for these other entities.

OR 9 – The Twenty - First Century Board by Ann - Maree Moodie

This book sets out to paint a *vision for the future* in terms of how boards function, operate and contribute towards the future direction and performance of the modern Australian company.

The author conducted extensive qualitative research with a significant number of Australian company directors and then structured this blueprint for the future around three key board components: -

- Selection of Directors
- Board Succession
- Director and Board Performance

The blueprint for change is both significant and challenging for all boards to contemplate.

OR10 - The Right CEO by Frederick W.Wackerle

Written by Frederick Wackerle - one of the country's foremost executive search consultants - ***The Right CEO*** identifies the fatal flaws in the current CEO selection process and offers a plan for remedying it. Using real-life examples, Wackerle offers a clear understanding of why organisations fail to select the right CEO. He includes solid suggestions for finding and selecting a CEO successor who is right for an organisation and also gives CEO candidates candid information they need to evaluate the right or wrong opportunity.

OR11 - How to Review & Assess the Value of Board Subcommittees by Geoff De Lacy

Provides the reader with a solid overview of the board subcommittee concept and the value added to the Board by a well constructed subcommittee system. Also provides a framework for managing the workload of the Board through an approach to mitigate risk, through allowing full examination of critical issues affecting organisational performance.

OR12 - How to Implement a Board Performance Management System by Geoff & Anne De Lacy

The documentation and processes outlined in this guide, although initially targeted at small and medium enterprises, are useful for companies of all sizes. The basic concepts of the guide have been used by AICD's NSW Council with strong success, and the authors work extensively with boards at all levels

OR13 - How to Design and Implement a Board Induction Program - Geoff De Lacy

This program deals with the reasons, benefits and risks of implementing or not implementing an induction program, and the theory behind such a program. With examples, charts, and other useful information, this guide will help your organisation design and implement a board induction program.

OR14 - How to Identify and to Manage Conflicts of Interest - Jane Walton and Kerrie Henderson

This publication provides directors with a concise, straightforward aid to directors' thinking: practical assistance for a practical job. There is information about the different ways of thinking about conflicts of interest and the problems that they can present, and some tools to help directors clarify their own positions.