



## NASFUND CONTRIBUTORS SAVINGS & LOANS SOCIETY MINUTES OF BOARD MEETING NO.15 OF 2009

**DATE** : Thursday 22<sup>nd</sup> January 2009 & Tuesday 27<sup>th</sup> January 2009  
**TIME** : 10.30 am  
**VENUE** : NASFUND Board Room

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### 1. MEETING OPENED

The Chairman Mr. Ian Tarutia opened the Meeting at 10.45 am.

#### 1.1 Members Present:

: Ian Tarutia : Chairman  
: William Lamur : Director

#### 1.2 Apologies:

: Melchior Togolo : Director  
: Ellenor Iutiko : Director

#### 1.3 Attending:

: Erastus Kamburi : Secretary  
: Dilly Tarua : Manager NCSL

### 2. QUORUM

The Chairman having noted the apologies from the two Directors advised that the Meeting did not have the quorum to convene.

### 3. ADJOURNEMENT OF MEETING

Pursuant to Clause 17(9), the Chairman adjourned the Meeting to Thursday 29<sup>th</sup> January 2009 at 10:30 am at the NASFUND Board Room.

## NCSL BOARD MEETING NO.15 OF 2009 RE-CONVENED ON TUESDAY 27<sup>th</sup> JANUARY 2009

### 1. MEETING OPENED

The Chairman Mr. Ian Tarutia opened the meeting at 10. 40 am.

#### 1.2 Members Present:

: Ian Tarutia : Chairman  
: William Lamur : Director  
: Ellenor Iutiko : Director  
Mel Togolo : Director

#### 1.4 Apologies: NIL

#### 1.5 Attending:

: Erastus Kamburi : Secretary  
: Dilly Tarua : Manager NCSL

The Chairman welcomed Mel Togolo to his first meeting as a NCSL Director.

## **2. DISCLOSURE OF CONFLICT OF INTEREST**

Nil.

## **3. MINUTES OF 14<sup>th</sup> MEETING OF 16<sup>th</sup> October 2008.**

It was **resolved to accept the Minutes as presented.**

Moved by Ellenor Iutiko. Seconded by William Lamur. All in favour

## **4. MATTERS ARISING FROM THE MINUTES.**

### **4.1 Recruitment of General Manager & Assistant Accountant**

The Chairman informed an assistant accountant had already been appointed and would commence work in the second week of February. The Chairman also informed that the recruitment of a general manager was sourced to Pacifica HR and they would commence advertising in the papers on Friday 30<sup>th</sup> January 2009.

### **4.2 Expiry of Aon Administration Agreement**

The Chairman informed that three potential suppliers of a MIS system were invited to tender for the provision of a suitable system. They were

- (a) Aon Consulting
- (b) Pacific Wealth / Sterling Systems
- (c) Fern Software

Tenders will close on 31<sup>st</sup> January 2009. The Board would be asked to convene a meeting in the third week of February to consider the submissions.

### **4.3 Board Fees**

Management informed Bank of PNG had been approached to provide details of what other societies were paying directors. BPNG have not responded to date but stated range of meeting sitting fees for the industry was between K100 to K350 range per director. Management will continue to follow up with BPNG.

### **4.4 New NCSL Director**

The Board was informed that the NASFUND Board was in the process of appointing a director to replace Reg Monagi. The appointee would then take up his /her place on the NCSL Board once their appointment to the NASFUND Board and NASFUND Audit & Remuneration Committee was confirmed.

## **5. MANAGERS REPORT.**

5.1 The Chairman invited Dilly Tarua to present the Managers report. Dilly provided the following highlights as follows:-

- Gross assets of the Society as at 31st December 2008 stood at K 46, 905,326 (2007 – K 35,750,398).
- NAV of the Society as at 31<sup>st</sup> December = K 6,523,581 (2007 – K 5,785,654).
- Net Profit for period ending 31st December = K 1,972,226 (2007 – K 2,758,869).
- Total Membership as at 31st December is 37, 295. New Members joined YTD= 10,974
- Management was now in the process of finalizing the 2008 annual accounts.

5.2 The Board **resolved** to:

- **Accept the Managers Report as presented.**

Moved by William Lamur. Seconded by Mel Togolo. All in favour.

## 6. BUDGET 2009

6.2 The Chairman informed that the Budget 2009 papers had been previously circulated by Management to Board Members. The Board noted the following highlights of the 2009 Budget:

- 2009 Budgeted expenses of K 1.620 million – an increase of over 60 % from 2008 expenses. The increases were attributed to appropriations for pending recruitment of a general manager, assistant accountant and increased funding for marketing and advertising.
- Projected income of K 1.817 million. This excluded unrealised gains on shares & property valuation.
- Projected net profit of K 197,190
- Staff levels increase from 14 to 16 full time staff.
- Membership base estimated to increase from 29,000 to 45,000 members.
- Aon Admin fees which constitutes 43 % of expenses remains static.

6.3 Capital Expenditure Budget for possible replacement of S2000 MIS System is K 740,000 or US\$ 266,350.

6.4 After much deliberation and discussion the Board **resolved** to:

- **Approve the 2009 budget as presented.**

Moved by William Lamur. Seconded by Mel Togolo. All in favour.

## 7. BONUS PAYMENTS FOR STAFF

7.1 The Board **resolved** to:-

- **Ratify the Chairman's approval of Bonus Payments totaling K 15,446.00 paid to staff in December 2008 for their individual efforts and performance in 2008.**

Moved by William Lamur. Seconded by Ellenor Iutiko. All in favour.

## 8. BPNG IN SITE EXAMINATION REPORT

8.1 The Board noted the recommendations of the BPNG On Site Examination Report dated the 28<sup>th</sup> December 2008 and **resolved** to:

- **Approve the following Action Plan Timetable tabled by management.**

Issue	Action	Who	When
1. Management Information System	Identify and purchase a suitable S & L MIS	Board & Management	28 February 2009
2. Permanent management & key staff	Identify and appoint a suitable CEO / General Manager and Chief Accountant.	Board & Management	Accountant – 31 January 2009. GM – March 2009
3. Capital Adequacy	Draft a Capital Management Plan setting out internal capital limits, regulatory cap requirements & strategies	Dilly Tarua / Assistant Finance Accountant	March 2008

	to raise additional capital		
4. Lending Policy	Revisit Lending Policy to include DLA, Provisions for Bad debts, DLM processes, standard loan repayment schedule and include 1:2 loan policy.	Bernard Geita / Tarcy Bupalau	20 February 2009
5. Supervisory Committee	Appointment of a Supervisory Committee	Board	28 February 2009
6. Liquidity & Investment Register	Draft a liquidity management policy	Dilly Tarua / Ian Tarutia	28 February 2009.
7. Policies & Procedures Manual.	Put in place written policies for IT, HR, Outsourcing, Fraud, Training, Investments & Insurance	Ian Tarutia / Dilly Tarua / Erastus Kamburi	28 February 2008
8. Timeliness of statutory reporting	Quarterly Reports to BPNG to be submitted on time.	Dilly Tarua	By 31 <sup>st</sup> of each quarter month.
9. Audit Reports	Corrective actions recommended by external auditors to be conveyed to BPNG. Copies of previous audit reports & management letters to be provided to BPNG.	Dilly Tarua / Assistant Finance Accountant	Annually.

Moved by Ian Tarutia. Seconded by William Lamur. All in favour.

## 9. BPNG / SAVINGS & LOAN INDUSTRY MEETING

The Board noted that the Chairman's report on meetings with the Bank of Papua New Guinea as part of the Banks regular meetings with Savings & Loan Industry representatives.

## 10. ANY OTHER BUSINESS

### 10.1 Investment Management

Chairman informed the meeting that National Capital Ltd was interested in providing investment management services for NCSL. It was resolved that the matter be discussed at the next board meeting.

## 11. DATE OF NEXT MEETING

The tentative date of the next meeting was set at Thursday 27<sup>th</sup> February 2009

## 12. CLOSE OF MEETING

There being no further business the Chairman closed the meeting at 11.55 am

### **SIGNED AS A TRUE AND CORRECT RECORD OF THE MEETING:**

.....  
Ian Tarutia  
**CHAIRMAN**

.....  
Erastus B. Kamburi  
**SECRETARY**