

# AM Institute Publications & Other Resources

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## AP 1 - Director's Companion Booklet (8th Edition, January 2010)

An essential tool for every credit union / building society director providing an introduction to the mutual ADI 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, Mutual Banking Code of Practice and the National Consumer Credit Code.

### 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 AMInstitute's Corporate Governance I Training Course.

## AP 2 -Financial Management I & II for Mutual ADI Directors - Version 2010

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. Credit Union & Building Society

#### 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. Credit Union & Building Society Financial

#### Management II

- Financial Management Reporting
- Internal Control
- Board Audit Committees
- APS - 510 Governance - Board Committee Requirements
- The Credit Union ADI 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 AMInstitute in mutual ADI financial management for directors viz Financial Management I Training Course and The Financial Management II Training Course within the AMInstitute Diploma Course.

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### **AP 3 - Board Audit Committee Manual - Version 5, 2010**

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) Audit Committees .

### **AP 4 - The Mutual ADI Directors' Compliance Manual - Version 2010**

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 / building societies 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 AMInstitute, 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. From 2009 Norman Waterhouse Lawyers were replaced by Langes+.

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 about the contents of the manual or refer to the AMInstitute website.

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## **AP 5 - Strategic Marketing for Credit Union / Building Society 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 mutual ADI context. Major topics covered include: -

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 AMInstitute Diploma Course.

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

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

Given that around 80% of a organisations 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 / building society'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                   | 8 – The Board's Role in Setting Lending Policy                             |
| 2 – Elements of Credit Risk                  | 9 – The Board's Role in Monitoring the Performance of the Loans Portfolio  |
| 3 – The Role of the Financial Institution    | 10 – Finance / Mutual ADI Industry Benchmarks & Key Performance Indicators |
| 4 – Lessons Learnt from Past Failures        | 11 – The Effect on Lending of the Unique Credit Union Philosophy           |
| 5 – Prudential Standards that Affect Lending |  |
| 6 – Principles of Lending                    |  |
| 7 – Portfolio Management                     |  |

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

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## **AP 7 - Mutual ADI Corporate Governance Manual - Version 5 - January 2010**

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.

AMInstitute believes this manual can and will play an important role in helping credit unions 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 AMInstitute Diploma Course.

## **AP 8 - Mutual ADI Corporate Governance Research Report**

The Australasian Mutuals Institute commissioned Dattner Grant Pty Ltd to conduct specific research during July 2007 about the standards and approaches to corporate governance being taken by the mutual ADI sector.

The Institute sought to provide analysis and insight into the range of methods employed to address the numerous governance issues to arise in recent years and to determine examples of emerging good practice in this area.

The outcome of this research is a 50 page report detailing the results of the research including a wonderful insight into some of the key drivers and challenges that underpin governance in mutual ADIs.

The report also includes a CD containing some 660 pages of sample documents provided by mutual ADIs that provides some excellent benchmarking for good practice in governance across a wide array of governance issues.

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### **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 AMInstitute'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 3 - Conversations Between Chairmen by Henry Bosch AO**

A brief easy to read book written by Henry Bosch who skillfully 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.

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

This is a joint publication from: -

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

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.

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## **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
- Director and Board Performance
- Board Succession

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

## **OR 10 - 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.

## **OR 14 - How to Identify & Manage Conflicts of Interest**

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.

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### AM Institute PUBLICATIONS AND OTHER RESOURCES

Please Supply: -

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<i>AM Institute Publications</i>	Price	No. of Copies	TOTAL
AP 1 - Directors' Companion Booklet	\$44.00		
AP 2 - Financial Management I & II Manual	\$66.00		
AP 3 - Board Audit Committee Manual	\$66.00		
AP 4 - Compliance Manual <input type="checkbox"/> Hardcopy <input type="checkbox"/> CD	\$550.00		
- Special Discount price (3 or more copies)	\$495.00		
AP 5 - Strategic Marketing Manual	\$77.00		
AP 6 - Credit Risk Management Manual	\$66.00		
AP 7 - Corporate Governance Manual	\$66.00		
AP 8 - Mutual ADI Corporate Governance Research Report	Discounts may apply please contact AM Institute.		
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OR 1 - Financial Statements Demystified	\$50.00		
OR 3 - Conversations Between Chairmen	\$33.00		
OR 8 - Audit Committees - A Guide to Good Practice	\$27.50		
OR 9 - The Twenty - First Century Board	\$38.50		
OR 10 - The Right CEO	\$60.50		
OR 14 - How to Identify & Manage Conflicts of Interest	\$22.00		
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**Disclaimer:** AM Institute strives to deliver the most up-to-date resource material and as such will always supply you with the most recent version available. This occasionally necessitates a nominal increase in pricing of which we will advise you.



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