

Senses Foundation

Corporate Directorate

Annual Report 2009

Finance

Financial Performance

During 2009 the Global Financial Crisis (GFC) continued to make an impact on our investments and income. When the financial markets fell last year all of the investments were redeemed and transferred to high interest fixed-rate deposits. When the banking sector became unsteady in October 2008, the deposits were then spread evenly across the big four banks. A government guarantee was then introduced for deposits up to \$1m. Since then, falling interest rates have seen diminishing returns - the income generated by these deposits has decreased and the board has recently made a decision to reinvest \$1.8m on the financial markets while Senses Foundation retains \$2.7m in cash deposits.

Department Performance

2009 has seen a period of change in finance department: the use of volunteers has increased and then decreased, the finance team has increased to include payroll, and then decreased in both numbers and hours, and as a result the archiving and internal audits which had got off to a flying start then ground to a halt.

At the beginning of the year we streamlined the data entry for the budget input reducing the process from many days of entering and checking to a quick import requiring about a day to set up.

New look management reports were developed early in the year to assist managers of individual programs to manage their service delivery by tracking their expenses as percentages and highlighting overspending.

In September we completed the external audit and in October the audit of individual grants and of support worker wages. During the year we have seen an increase in the amount of individual grants that we are administering and in the grant requiring and external audit.

The schedule for the audit of Client Funds was implemented completely with all houses visited twice during the first part of the year. A formal process and template for the Payroll audit was developed, and audits commenced. The audit program was suspended in March as a result of organisational restructuring, however is now recommencing and will be in full operation come the start of the new financial year.

The use of volunteers has been continued this year on a somewhat ad-hoc basis depending on volunteers and the time we have to ensure appropriate supervision. The volunteers have assisted with data entry, with processing donations in Open Alms and with the audit of Client Funds.

Training undertaken during the year by the finance department includes attendance at CPA Not for Profit days, the CPA Congress, the Frontier Users Group and a superannuation update. Our Assistant Accountant has continued his CPA units studying Issues in Accounting, taken a break and has now resumed his studies.

The finance department also assisted with a number of fundraising events; processing and documenting sales, managing the cash holdings for the events and providing assistance on the day. There is a great deal of time spent reconciling payments after the event and there would appear to be some efficiency still to be made in this area.

The March restructure has seen a decrease in working hours in the finance department of 26.6 hours per week, or over 1,300 hours per year. The immediate impact was to direct the focus of our resources only on the most crucial areas - payroll and reporting, to maintain services to our staff and to our decision makers – the board and management.

In payroll we look forward to the implementation of a new rostering system which will assist managers to plan contracted support hours and make the best use of

available staff and also assist payroll with decreased processing times and increased accuracy.

In the coming year, with these efficiencies in payroll, look forward to providing increased focus to the administration and management of our programs – increasing controls and improving systems.

Information Technology

As a function the primary purpose of the Information Technology Department is to ensure stable, operational and responsive information and communication systems for Senses Foundation. This is achieved by providing advanced and cost-effective technology solutions, a robust, scalable and stable network environment, timely and quality hardware, appropriate software, operations and customer service support and the recommendations of new technology to meet the needs for the future

On the whole the primary purpose was achieved in 2008/09. However, during the year we experienced some difficulties with a couple of our Servers, in particular, the Mail and Gateway Servers due to the installation of new Back-up software, which resulted in some down time of our email and internet connections during office hours. This has now been resolved. Another issue experienced this year, which had been greater than previous period was the infection of computers with Viruses. We have since upgraded our anti virus software and increased employee's awareness on the dangers of viruses and their impact upon the operation of the Network.

Even though there were some minor issues experienced this year, there has also been a multiple of enhancement undertaken to ensure our system continue to function at its optimal level. Some of the major achievements include:

- Implemented 802.1X infrastructure and deployed wireless access point throughout the Administration Building utilising this secured authentication method.

- Replaced onsite tape backup system with a more reliable and secure Acronis offsite backup system.
- Installation of Barracuda anti-spam system to better manage the increasing number of spam.
- Installed a more powerful AVG anti-virus system which also provides website scanning.
- Upgraded SHDSL to Fibre Speedlink for faster backup as well as web access, and;
- Set up outgoing email traffic monitor to simplify local spammer identification due to virus infection.

Under the 2008/09 Business Plan our IT Networks including hardware and software were to be upgraded. However, due to the GFC and its impact upon Senses, a number of strategies were implemented. One of those strategies was to suspend our CAPEX program, which included the IT upgrade. Hence, the decision was made that in 2009/10 Senses would seek funding to assist in the upgrade which would become the primary focus of the IT Department.

Administration

The 2008/09 financial year has proved to be an eventful and challenging twelve months for administration support. It saw the resignation of our part-time Assistant in December 2008 and in March 2009 as part of the restructuring of Commercial and Corporate the remaining full-time Administration Secretary position was made redundant. This decision had major implications for all areas of the organisation.

To reduce the impact and to maintain continuity of service and reliability in administration support tasks were distributed amongst other positions, predominately within the Corporate Directorate, while other activities reverted back to there department of origin.

This current situation continues to be monitored closely to ensure that services previously provided by a dedicated department are being met.

Property

During the first half of 2008/09 the Property Department was continuing to undertake its required planned and unplanned maintenance schedules for properties covered under our Community Housing Program Head Lease with the Department of Housing and ensured the maintenance of our 11 Kitchener Ave was being met and responsive to tenant requirements. The department managed to achieve a number of CAPEX projects, which included:

- Updating fire system in a number of key areas including a tenants premises
- Installed a 365 day time lock on the main entrance doors; and
- Installed a Hearing Loop in the Board Training Rooms

In March 2009 as a consequence to the GFC and a rethink about our core activities, it was determined that to operate a Property Maintenance Department was not one of our core function and that it was no longer required. As a result the Department closed, three positions were made redundant and their essential activities were or are in the process of being contracted out. For example, Senses have been in negotiation with another not-for-profit organisation to take over the Head Leases with the Department of Housing, which should be concluded by August 2009. The benefits to our clients are significant, with a greater range of expertise and skill to utilise in the repair and maintenance of their homes and the ability while leaving Senses to focus solely on the provision of service.

Other significant events included the successful application to the Town of Victoria Park for rate exemption for our tenancy with 11 Kitchener Ave. Also, WAMMCO exercised their second Option under their lease to extend their tenancy until September 2010. As part of this process we were able to secure a 13% increase in their rent to bring them in line with current market rates.

Human Resources

Over the last twelve months, the labour markets have relaxed considerably which has seen a major influx of people looking for work. The GFC has been the primary driver

behind this change which has seen a number of industries hold off and reduce production because of weakening demand. Also, the GFC's impact upon the financial markets, especially Superannuation has seen an increase in retired or semi-retired individual either looking to re-enter the workforce or increase their commitment to help supplement their income. Overall, there has been an increased pool of talent from which to choose, which has made recruitment slightly less onerous. However, the current situation provides us with a couple of opportunities. Firstly to recruit the right people in terms of skills, qualifications and values by maintaining a robust and rigorous selection process and secondly, the opportunity is to engage and develop our current workforce. It is inevitable that the GFC will ease and markets will bounce back which will again place demands on the labour market. We as an organisation need to position ourselves in such a way that we are able to compete when this transpires.

During the year there were a number of positives. In October 2008, to assist the Senior Manager Corporate Services a part-time HR Officer was employed. The primary focus of this position was recruitment and selection but would expand to include the review of our remuneration systems, review and assist in the redesign of our Performance Management System and to develop some basic HR metrics for internal and external benchmarking. Unfortunately, as part of the restructure, this position was made redundant, which has resulted in the Senior Manager Corporate assuming responsibility for recruitment and the reviews of the systems that were meant to take place have been postponed until 2009/10.

There were many other positives over the last twelve months; these included our ongoing review of workforce issues primarily revolving around recruitment and selection, retention (engagement) and staff development. Late last financial year the Building our Workforce working party was established to foster a culture of engagement i.e. the extent to which employees commit to something or someone in the organisation, how hard they work and how long they stay as a result of that commitment. To date a number of initiatives have been come directly from this group. These have include:

- Q12 Questionnaire – the response rate was extremely high and the results were very positive on the whole, however two areas of concern were highlighted.

Firstly, recognition and praise and secondly, workplace socialization. These areas will be targeted in 2009/10.

- Introduction of the Shoprite Card for all staff –a low cost (to Senses), high return benefits (to the employee) initiative,
- Birthday Cards – a simple but effective method of engendering that personal touch. These come directly from the CEO.

Other initiatives that have been undertaken include:

- The introduced of an Employee Referral Program - The ideas behind the referral program acknowledge that friends and family are often like minded. So if they currently like working at Senses and making a real difference then their friends and family might also.
- Staff Events - Over the year we have planned a number of staff events. These have included Wednesday Drinks - these happen on the last Wednesday of each month. Other events have included “Fresh Fruit Friday” and “Muffin Monday” which take place once a month. And then there are the major annual events such as Staff Xmas Party and Melbourne Cup Luncheon.

It is extremely important that we continue to develop new initiatives and refine the ones currently established to meet our needs. These will be a major push for the Human Resource Department in conjunction with the Building our Workforce working party in 2009/10.

Training & Development

During 2008/09 staff training and development opportunities increased by over 75% compared to the last financial year. The greatest increases were seen in Clients Services, which were a direct result of pandemic training, a push towards person centred planning, manutention and more recently the special training arranged as a result of Deafblind Awareness Week. The increase in training hours can also be attributed to the increase in the number staff, especially part-time and casuals, i.e. the

more staff the more training. This is reflected in a 103% (316 hrs) increase in Orientation.

It was pleasing to witness that even though the department experienced some budgetary cuts as a result of the GFC it was able to maintain base line training and increase in critical areas such as Client Services. This highlights a greater utilisation of resources, a greater commitment and focus on staff development and flexibility in training delivery (e.g. on-site). Unfortunately there were some sacrifices; the most notable was the cancellation of the professional development days for Senior Managers and Managers.

Year	Training Sessions	Attendees	Hours Lost	Hours Cost
2006/07	81	279	1296	\$25,371
2007/08	46	107	990	\$24,382
2008/09	62	261	1740	\$34,914

Department	2007/08	2008/09	% Change
Client Services	158	844	434%
Orientation	307	623	103%
OSH	275	207	24%
Administration	6	0	(100%)
Others	203	66	(67%)

Highlights of the last year have included:

Traineeships and Scholarships

As part of our staff development program and recruitment and selection processes we encourage employees to undertake either Certificate 3 or 4 within Disability Care to assist with their development. However, this is not always possible due to financial

restrictions for both the Senses and the employee; therefore we make use of Traineeships offered by the Department of Education and Training where the employee satisfies certain criteria. This year we have:

- One staff member who has completed Certificate 4
- One staff member completing Certificate 4
- Two staff members completing Certificate 4 via the Productivity Places Program

In addition to the traineeships there are a number of employees undertaking further training on their own esteem in:

- Disability Care
- Masters in Social Work
- Master of Business Administration, and
- CPA Program

Finally this year we were fortunate to receive two scholarships from Notre Dame University to enrol in the Graduate Certificate in Not for Profit Management. The recipients were Richard Long (Manager Community Services) and Matthew Wittorff (Manager Therapy & Specialist Services).

Conferences

During the year we were able to send twenty seven employees to 9 conferences and seminars within Australia, primarily Western Australia which resulted in the equivalent of forty days attendance days. Of the 40 days, 19 related to the Living in the West 2008 Conference held at Burswood in July 2008.

Year	Conference	Attendees	Cost
2006/07	9	18	\$18,912
2007/08	14	27	\$12,097
2008/09	9	21	\$12,597

Summary of Conference Attended by Staff

Conference	Employee
Living in the West 2008	12 employees attend
Creating Value Through Participation	Fiona Kemp
Adult Learning Australia	David Canham
CPA Congress	Giorgia Johnston and Danny Gundawardana
West Australian Sport & Recreation	Richard Long and Christophe Illy
Australian Institute of Training Annual Conference	David Canham
2009 NDS National Workforce & OSH Conference	David Snape
AGOSCI 9 th Biennial Conference	Fiona Kemp

Income Generation

For a traditionally non-income generating department, Training and Development have continued to be successful in generating income through grants, scholarships and traineeships. In this financial year they generated \$41,353 which was comprised of:

Income Type	Amounts
Scholarships	\$10,500
Traineeships	\$9,664
Grants	\$21,189

E-Learning Project

In March 2009 we were successful in our grant application with Lotterywest to develop an e-learning program to assist in the delivery of three critical areas of training for Senses – Orientation, Introduction to Support Work and Policy and Procedures.

The grant is valued at \$21,189 and has a completion date of December 2009. The project is being overseen by the Manager – Training, Internal Audit & Volunteer with the assistance of a part-time Project Officer.

Volunteers

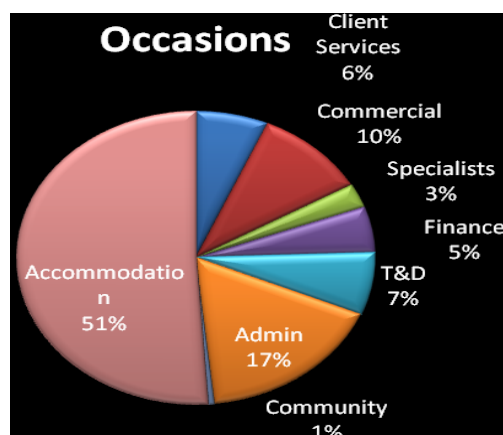
It has been a number of years since we have invested time and energy into developing our Volunteer Program. The most reliable figures to compare this financial year against is 2006/07. By comparison recognises that volunteers had increased their contribution by 446%. This increase is ridiculously high but not unexpected considering the low participation rate we started with and the time and effort put into the program by the Manager David Canham and his commitment to create partnerships with institutions such as Edith Cowan University (Community Links Program), Notre Dame University (Service Learning Placements), Swan TAFE (Field Placement Program) and Cambridge International College (Field Placement Program).

Volunteer Snap Shot

Number of Volunteers	Occasions of Service	Hours Completed	Value of Service	FTE
22	335	1,493	\$36,002	.75

These figures represented on a weekly basis:

- 6 occasions of service per week
- 28 hrs of service per week (or 4.7 hrs per occasion)



Commercial

The Commercial Division of Senses Foundation is responsible for income generation and marketing however 2008/09 has proved to be a disastrous year. With a new Senior Manager onboard whose primary focus was the generation of income from corporate sponsorship, plus an increase in resources the Division had budgeted to make a profit of over \$300k; however this has not been the case and is expected to make a significant loss. Combining the under performance of the Division with the GFC and a bleak outlook in the short to medium term the ongoing viability of the Division was not favourable. As a consequence, in March 2009 the Commercial Division was dramatically restructured to stop the bleeding and placed under the control of Corporate Services.

In 2008/09 the single biggest disappointment has been in the area of corporate sponsorship with minimal income being generated. In addition, our major events such as the AHG Senses Golf Day and ASI Golf Day failed to make budget adding to the deficit. On a brighter note the Direct Mail Appeal Program performed extremely coming in well over budget.

Going forward in 2009/10 the Commercial Division will become a department of the Corporate Directorate and be known as Fundraising and Events, its resources will be considerably smaller and income estimates will be more conservative given the current economic environment. A major shift has been the removal of a dedicated advertising budget. Through the effective use of our Media Liaison Officer and the ability to leverage off our events, Senses should still be able to maintain a presence in the community!

Events for 2009/10 will include:

- Corporate Sponsorship - smaller sponsorships
- Events – AHG Golf Day; ASI Golf Day; Bowls Day; Deafblind Awareness Week
- Direct Mail
- Bequests

- Other events – time and resources permitting

David Snape

Senior Manager, Corporate

15th July 2009