

## **MCSA CONFERENCE 2014 REPORT**

17 - 21 September 2014

Natal Coastal District

Mr Anthony Tibbit, Lay General Treasurer  
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I bring greetings from the MCO in Bruma, Johannesburg and greet you all in the name of our Lord Jesus Christ.

### **Reflection**

This year I would like to spend a bit of time reflecting on the past 10 years or so and then look at some of the challenges that lie ahead. My initial appointment as Financial Administrator of the MCO back in 1996 and my subsequent appointment as Lay General Treasurer from 2006 has meant that I have been privileged to be a part of the ongoing story of the MCSA for nearly 20 years and so I would like to highlight some of the good, the bad and the not so good.

#### **The Good.**

The financial wellbeing of the Church needs to be split into 2 categories; its financial strength and its financial compliance. The first part, its financial strength, is sound and growing. Looking at the MCO financials which reflects the Connexional financial position we can see the continuing healthy growth of the Church. MCO Total Assets have grown from 33 Million in 2003 to 146 million at the end of 2013. The Pension Fund has grown from R370 million to R1.3 billion over the same 10 year period. Total funds under MCO management now amount to R1.8 billion.

These are significant numbers and important in the life of the Church as the strong financial base gives it the ability to continue administering its own Pension and Provident Funds within compliance requirements and with administrative cost savings in place. It also enhances its ability to be relevant in mission and the following illustrate this.

We have been able to grant pension fund increases averaging over 10% per annum over the past 10 years. This should not, however, be taken as the norm as markets change. We improved the spouses pension benefit

from 60% to 75%, we pay a pension plus lump sum benefit close to our combined target of 120% of average stipend for 40 years of service and we have underwritten pension benefits paid to clergy going supernumerary to the extent of R30 million. In addition we have sufficient reserves to cover a significant market correction.

The establishment of the Church Reserve in 2006 enabled the Church to match, rand for rand, donations totaling R30 million for the building of the Seth Mokitimi Methodist Seminary at a cost of R60 million. One cannot estimate the value of this iconic building in money terms. Not only is it magnificent - but it also speaks to the commitment of Methodist people to spread the Gospel by training Clergy and Laity in the best possible way. My special privilege was being present at the 60 odd site meetings and then attending the official opening of the Seminary on 4<sup>th</sup> September 2010. I believe that the Seminary is a key factor in the continued relevance of the MCSA going forward and no one should underestimate its potential for good.

In addition the Church has been able to provide excellent accommodation for her probationers and staff at SMMS.

By way of mission the Church has been enabled to establish a Justice and Service Desk, a Child Desk, fund its part in the World Methodist Conference here in Durban, hold a Heritage Indaba which cemented the importance of Methodist Heritage in Southern Africa. The Church has also been able to re-establish its mission in Mocambique and it is significant that the Church has been able to assist with peace negotiations within that country. We also planned to build a base for mission outreach in the form of a lodge on Inhaca Island or at Chidenguela further up the coast. This was put on hold but the dream is still alive and we will pursue Inhaca which I believe is the origin of Methodism in Mocambique.

I am pleased to advise Conference that its desire to house the MCO in one building has now been accomplished. With effect from September 2014 all the Units of the Church are together at the MCO building in Bruma, Johannesburg. We celebrate this and know that it will have a significant impact on managing the Church effectively.

Other notable matters include the establishment of the Stipend Augmentation Fund, the Pula Fund , Audit Committees and more recently the provision of R1 million as seed money for church planting.

It has been an exciting and demanding time of growth, stability and outreach.

The Bad and the not so good.

Can I say most of this in the constructive sense.

1) The Pension Fund saga has been a frustrating, time consuming sideshow. Despite 2 favourable rulings by the Pension Fund Adjudicator the Complainant still demands an arbitration which is aimed at undermining the sound decisions of the Trustees and Church. I have given the details to CE and we will await an arbitration hearing.

2) The Church wars within itself and this results in unnecessary legal costs. We really need to get over ourselves and resolve issues without legal intervention. After all it's not about us – it's about the Kingdom.

3) I alluded to financial compliance earlier. I have to say that there is a strong sense that many Clergy avoid, or pretend to be ignorant, or simply won't comply with financial requirements and standards unless it has to do with stipend. It seems that too few of our Ministers are good at this. Mission and finance go hand in hand. One cannot work without the other and so I ask that Clergy begin to take seriously their lack of interest or training in financial matters and obtain proficiency in this area. Training must be rigorous at Seminary. Those who ignore this aspect of ministry will inhibit the church forever.

4) To those appointed to wealthy Societies I caution you not to 'chase the money' as has been the case. I am uncomfortable with a few of the packages being paid to Ministers as they are excessive. Stipend increases should be in line with the recommendations from MCO. In many cases Circuit arrears can be attributed to high additional stipends being paid to the ministers which are not in line with their circumstances or station.

5) Much of the finance and administration is attended to by the Laity. To the Laity I ask you please to maintain the high standards that are required of you in the work place when dealing with church matters. Somehow standards slip when doing Church work which is really surprising. A factor is the frequency of change in that each term is for 3 years only. Handover and training is a vital element and this aspect needs urgent attention.

6) The Church owns R6 billion worth of property, a lot of which is being wasted for lack of care and maintenance. Until the Church gets a hold on the importance of this vast asset this resource will be completely wasted.

Let me now go on with the normal report to Conference.

### **Viability of Circuits, Arrears and non-submission of 2012 Form 4C's**

Please refer to the MCO Conference Book for the full report.

December 2012 arrears	December 2013 arrears	20 <sup>th</sup> April 2014
R2.9 Million	R2.7 Million	R4.1 Million

If we take late payments into account this arrear figure drops by half. Circuits are paying late but they are generally controlling the 'less than 2 month' category.

217 Circuits were up to date with payments but 123 Circuits are in arrear of which 22 Circuits are more than 2 months in arrear amounting to R1 277 873 This is too high and needs attention by the DEC's. 5 Districts have more than 40% of their Circuits in arrear. This needs robust discussion at Bishop's meetings.

All 4c's and 4s's must be submitted to the Finance Unit by the District Treasurer. The instruction is that 2 (two) copies are to be sent to the District Treasurer who retains one copy for the District and submits one original to the Finance Unit **by 15<sup>th</sup> June annually** (2 weeks after Synod). It is their responsibility to ensure that this happens.

### **Reports for approval and adoption**

The 2013 audited Annual Financial Statements for the MCO, the Methodist Millennium Resource Fund, the MCO Order of Business for 2015 together with

the Arrear Reports, the Unit Budgets, Reports on the Pension Funds, amendments and all other relevant reports are attached to the MCO Report to Conference 2014 for reference and adoption.

### **Insurance and Medical matters.**

Last year I highlighted the fact that our Church properties are underinsured. Having obtained samples of valuations from around the Connexion we addressed this matter by increasing the insured values of all property by one third. Premium increases have, however, been limited as the Church has absorbed the increase by adjusting the rate charged. This should have a favourable outcome on claims where they occur.

On the Medical Aid front I need to advise that the Church's Medical Committee has given approval to move our medical aid to a new provider if negotiations are successful. We will keep the Membership fully advised should the change occur. Please rest assured that benefits will be protected. The possible transfer date is 1<sup>st</sup> January 2015.

Again I ask that we continue to be courteous to all our service providers.

### **Succession Planning**

Last year I advised that I plan to retire at the end of 2014 having seen the move of the MCO to Johannesburg through. Well the move has happened and I am excited to announce that my successor has been found in the person of Mrs Thini Ngonyama. She is well qualified to take over from me and I wish her well as she moves into the position of Lay General Treasurer/CFO. I believe that it will be the first time that the Church has had two ladies as General Treasurers and with Mrs Joanne Trytsman as Director of the Finance Unit we wish these esteemed ladies God's blessing, strength and wisdom as they take the Church forward. I will work alongside Thini and Joanne for the first half of next year as a hand over process.

Well I started out here in Durban as Treasurer of Musgrave Road and then District Treasurer of the Natal Coastal District in 1992 and it is satisfying that my last Conference with the Church is in the Natal Coastal District. Thank you for the trust you have placed in me and for giving me the opportunity to serve the Methodist Church and our Lord Jesus. Thank you to all - and especially to my retiring colleague and friend Rev Vido Nyobole. Thank you for the tremendous walk we have had together. I wish to thank the Presiding Bishop for giving me his

ear and trusting me the way he has.

I also want to pay tribute and acknowledge the Members of the Investment and Advisory Committee, the Medical Committee and Pharos, our Insurance Brokers Marsh, our auditors BDO, the Trustees, the MCO Executive and the Woodside Village Board, the team at the Seminary, our Bishops and the Unit Directors for their commitment to the wellbeing of the MCSA. These together with many others have made my work at the MCO both interesting and very varied. Special thanks must go to my wonderful wife who has prayed, protected and encouraged me throughout this ministry.

To the old and the new staff of the Finance Unit of the MCO I want to pay special tribute. Thank you for the years of dedication and support and especially for the team we have become. We have made the move to Johannesburg and I thank you all for the harmonious way in which it has been done. Thank you and God bless.