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## DIOCESAN COUNCIL GOVERNANCE

Approved by Diocesan Council

14 June 2012

Review Due

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### PREAMBLE

Diocesan Council (“DC”) is committed to best practice standards of governance.

The ‘Corporate Governance Principles and Recommendations (2007)’ published by the ASX Corporate Governance Council serve as the guiding principles for the development of Corporate Governance policy within the Diocese. Whilst the ASX recommendations were developed for publicly listed companies and it is recognised that some of the provisions do not therefore apply to DC, they serve as the benchmark for its approach to Corporate Governance.

### 1 Lay Solid Foundations for Management and Oversight

DC has the following overall responsibilities:

- Charting the direction, strategies and financial objectives for the Diocese and monitoring the implementation of those policies, strategies and financial objectives;
- Monitoring compliance with regulatory requirements and ethical standards; and
- Assisting the Diocese fulfill and maintain its mission and carry out its vision.

Within the context of the overall responsibilities set out above and in addition to matters expressly required by law to be approved by the Trustees, DC has the following specific responsibilities:

**1.1 Specific Responsibilities of Diocesan Council Members** are set out in the Diocesan Council Statute 1888 (‘DC Statute’). DC Members are collectively required to:

- Act for and on behalf of Synod in all matters appertaining to the “temporal affairs” of the Church in the Diocese to mean and include:
  - All engagements with Clergy as to their stipends and other emoluments and conditions of service;
  - All pecuniary arrangements for extending the ministrations of religion in outlying districts or obtaining the services of additional clergy.
  - The general administration of monies accruing from Church Endowments and lands, and all other financial matters referred to it by Synod;
  - The transaction of all business rising out of the decisions of the Synod and preparatory to the meetings of Synod.
- More general responsibilities can be summarised below:
  - Constructively challenge and contribute to the development of strategy;
  - Scrutinise the performance of management, particularly in relation to meeting agreed objectives;
  - Take reasonable and proper steps to be satisfied that financial information is accurate;
  - Review and where appropriate, constructively challenge proposals presented by management; and request additional information where considerate is considered that



the information supplied by management is inadequate to support informed decision-making.

- Monitor management's performance in carrying out any strategies, meeting any objectives and observing any budgets approved by Synod, and to ensure that sufficient resources are available to management for those purposes;
- Approve and monitor financial and other reporting;
- Approve commitments more than discretionary limits that it may have from time to time delegated;
- Approve the budget, annually as delegated by Synod;
- Be satisfied that processes and plans are in place to maintain an orderly succession of appointments to the Council and an appropriate balance of skills.
- Members to inform themselves to the extent possible of the subject matter of all decisions they are called upon to make.

## **1.2 Meeting requirements as defined by relevant Statutes**

The DC Statute requires that:

- DC shall meet not less than every two months.
- A quorum of Council shall consist of 10 members including the Archbishop or the Administrator.

It is the practice of DC that each member of DC has a deliberative vote and that all questions which are not unanimous are decided by the majority of votes of those present.

## **1.3 Role DC Members and Senior Executive:**

### **1.3.1 Role of Archbishop as Chairman of DC**

- Leadership and effective performance of DC Members
- Setting the agenda for DC meetings, in consultation with the Diocesan Registrar
- Overseeing the provision of information by management to DC and ensuring the adequacy of that information.

### **1.3.2 Role of Diocesan Treasurer**

- The Perth Diocesan Trustees shall appoint The Diocesan Treasurer from amongst the Trustees
- The Diocesan Treasurer will:
  - Chair the Diocesan Budgeting Group
  - Chair the PDT Audit and Risk Committee
  - perform specific duties as prescribed by the Audit sub-committee and relevant Statutes, including the Assessment Statute 1974.
- The Diocesan Treasurer is an ex officio member of the following:
  - Diocesan Council (Diocesan Council Statute 1888).
  - Archbishop's Stipend Sub-Committee (Perth Archbishopric Statute 1978)
- Co-sign the statement by DC that is annexed to the audited financial statements before they are presented to Synod.
- Advise the Executive and Management Teams on financial matters, as required.
- Review the salary of the Diocesan Secretary and the Diocesan Registrar annually in conjunction with the Chair of the PDT.

### **1.3.3 Role of Diocesan Secretary**

- The Diocesan Secretary will provide high level organisational and strategic support to the ministry of the Archbishop and support the Archbishop and Diocesan Council in the implementation of the Diocesan Vision and Mission Plan.



- Within established policy and in accordance with delegated authority, directs and is responsible for the management of the commercial and some non-commercial assets and activities, corporate administration and management services relating to the Diocesan Trustees, Provincial Council and other bodies as may from time to time be necessary.

#### 1.3.4 Role of Diocesan Registrar/Director of Diocesan Services

- The Director Diocesan Services is responsible to the Diocesan Secretary. He or she will provide high level organisational and strategic support to the ministry of the Archbishop and support the Archbishop and Diocesan Council in the implementation of the Diocesan Vision and Mission Plan.
- Will ensure the effective and efficient management of the Diocesan Council policies, budgets, business and administrative functions. Develop implementation and manage policy, communication frameworks and processes that support the Mission Plan.

#### 1.3.5 The functions of Diocesan Council delegated to management are set out in Policy No. 9 – Delegated Authority

### 1.4 Gifts to Retiring DC Members

DC Members take on their roles as a contribution to society and to the work of the Anglican Church and are not remunerated for their time. While DC Members should not seek to be rewarded for their contribution, it is recognised that the organisations often benefit greatly from the input of DC Members, sometimes over an extended period.

It is considered appropriate for the Chairman to exercise discretion as to whether a gift to a retiring DC Member should be made. No gift is to exceed the value of \$200.

On notification of the retirement of a DC Member, the Chairman is to determine whether a gift should be made and inform the Diocesan Secretary or Registrar who will organise the purchase of any gifts to be made.

## 2 Structure to add value

### 2.1 Diocesan Council

The composition of Diocesan Council is set out in the Diocesan Council Statute 1888 as:

- the Archbishop ex officio;
- the Assistant Bishops ex officio;
- the Dean ex officio;
- the Diocesan Treasurer ex officio;
- three clerical members of synod elected by Synod;
- five lay members of synod elected by Synod;
- one clerical member of Synod and three lay members of synod appointed by DC (with knowledge of allied ministries or the ability to promote, plan and implement the mission of the Diocese);
- one clerical member of Synod and one lay member of Synod appointed by DC (with knowledge of issues that impact the mission of the Diocese in rural and regional areas of the Diocese).

The Statute also provides that:

- the Diocesan Registrar, Diocesan Secretary and the Chancellor may attend and speak but not vote at all meetings of DC.
- any other person may by invitation of DC attend and speak but not vote at meetings of DC.
- any member of Synod may attend meetings of DC and may be invited by the Chairman to speak except in relation to any matter of a confidential nature.



## 2.2 Committees

DC may establish Committees to advise it or assist it to carry out its responsibilities. The members of such Committees may be persons who are not DC members. Power delegated to such Committee is to be strictly defined and such Committees are to report to DC as required by DC.

2.2.1 DC has established the following Committees and appointed all members for the term of each Synod (3 years):

### **Architectural Advisory Committee (AAC)**

The role of the AAC is primarily to serve parishes by giving caring and careful advice to parishes, the Diocesan Property Manager and the Diocesan Council about building projects that require professional and or liturgical input and to advise DC on relevant matters of policy.

### **Budgeting Group**

Set up by Diocesan Council in March 1990 to prepare recommendations for Council on long-term planning and strategies together with funding sources, to assist Council when considering future budgets.

### **Legislation Committee**

Appointed by Diocesan Council to assist with the drafting and preparation of legislation for Synod.

### **Nominations and Governance Committee**

Established in 2002 to identify and search for suitable candidates to fill vacancies on boards that require positions appointed by Diocesan Council.

### **Parish Development Committee – Church Sites Fund**

Established by Resolution of Diocesan Council in November 2004 to make recommendation on land acquisition and sale relating to church sites. This Committee consists of the Diocesan Secretary and the Territorial Archdeacons.

### **Policy Committee**

Established by Resolution of DC in 2009 to review and monitor Policies of DC from time to time.

## 3 Promote ethical and responsible decision-making

The following Code of Conduct for DC members is based on the Diocese's core beliefs and principles and the Code of Conduct (as amended) of the Australian Institute of Company Directors and the following principles:

- Promote a culture with DC members that promotes strategic thinking, robust discussion, and questioning (where appropriate) of management reports.
- Encourage staff at all levels to raise issues without fear of retribution.
- Staff at all levels to be treated with due respect irrespective of their successes and failures.
- The Archbishop to be responsible for reporting and investigating reports of unethical behavior in relation to DC membership.
- Maintain independence of DC Members
  - DC members should be independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment.
  - If a DC member becomes aware of any information, facts or circumstances which will or may affect their independence they must immediately disclose all relevant details to the Diocesan Registrar or Archbishop.
  - Policy 33 addresses in detail aspects of conflict of interest in relation to DC members.



### **3.1 Code of Conduct:**

DC members and senior staff:

- Must act honestly, in good faith and in the best interests of the Diocese.
- Must use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- Must use the powers of office for a proper purpose, in the best interests of the Diocese.
- Must recognise that their primary responsibility is to the Diocese but should, where appropriate, have regard for the interests of Worshipping Communities, and other Diocesan groups and organisations.
- Must not make improper use of information acquired as a DC member.
- Must not take improper advantage of their position.
- Must properly manage any conflict with the interests of the Diocese.
- Must be independent in judgment and actions and take all reasonable steps to be satisfied as to the soundness of all their decisions.
- Must keep confidential information received during the exercise of their duties. Such information is to remain the property of the Diocese from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that Diocese, or the person or organisation from whom the information is provided, or is required by law.
- Should not engage in conduct likely to bring discredit upon the organisation.
- Have an obligation, always, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

## **4 Respect the rights of interested parties**

DC have built into the Code of Conduct (in 3.1 above), processes and appropriate disciplines such that the interests of interested parties are considered always. The actions of DC collectively, and of DC members individually, should aim to achieve outcomes in the best interests of all interested parties.

The rights of interested parties will be effectively exercised by DC through the provision of financial and activity reports, and external auditor's reports, at the annual Diocesan Synod. Synod members will be encouraged to participate actively in relevant discussion. Appropriate information will also be available on the Diocesan website.

Diocesan Statutes and Policies will be accessible on the website to clergy and office holders of all Worshipping Communities.

## **5 Recognise and manage risk**

DC is committed to the management of risks throughout its operations to protect parishioners, its employees, assets and reputation. DC has implemented a risk management framework, which is designed to identify the sources of risk, quantify the impact, and control or reduce the risk through practical and cost-effective control measures.

This framework includes a management system which requires awareness and action from all employees. In addition, DC use risk-financing techniques, including insurance, to reduce the financial impact of any controllable or catastrophic losses. The Diocese carries sufficient insurance for the size and nature of its operation. Adequate insurance is also obtained for the protection of DC members as detailed below.

### **5.1 Management Responsibilities**

Management is responsible for:



- committing to the process and communicating that commitment to clergy, lay volunteers and employees;
- establishing an appropriate framework in which effective decisions and actions can be taken and review annually;
- utilizes external specialist as required;
- establishing, maintaining and operating an appropriate framework of organisational controls to ensure that policies and procedures (process) are implemented and followed;
- establishing a risk-aware culture, which reflects the risk policy and philosophy of the Diocese; and

## **5.2 Responsibilities of clergy, lay volunteers and employed staff**

All clergy, lay volunteers and staff are responsible for:

- the adherence to the quality Risk Management Policy;
- communicating potential and actual risks and suggesting required actions.

## **5.3 Relevant Diocesan Council Policies**

**Diocesan Council Policy 39** – Risk Management sets out the processes and reporting arrangements established by Diocesan Council to assure themselves that all risks are identified, analysed, managed and reviewed so that the long-term interests of the Diocese is protected and exposure to risk is minimised and controlled.

**Diocesan Council Policy 45** – Screening of Church workers outlines the requirements for various Church Workers in the Diocese in relation to Police Clearances and Working with Children Checks. These background checks assist with providing Safe Ministry and good corporate governance.

## **5.4 DC Members and Insurance Cover**

5.4.1 The following insurance policies are in place and provide cover to DC Members for any claims made against them in the course of their duties. This is a summary only and cover is subject to the terms, conditions and exclusions of the policy documents:

- Directors & Officer's Liability
- Professional Indemnity
- Statutory Liability
- Public Liability
- Employment Practices Liability

5.4.2 Professional Indemnity policy protects the Diocese and DC Members against any claim made for breach of professional duty because of any negligent act, error or omission.

5.4.3 The Director's and Officer's Liability policy provides cover in respect of the personal legal liability of DC Members for their errors, misstatements or breaches of duty committed in good faith in their official positions.

5.4.4 Statutory Liability Policy provides cover for fines arising out the breaches of some State and Commonwealth legislation.

5.4.5 Public Liability provides protection for claims where the Diocese is legally liable for personal injury to or damage to property of third parties.

5.4.6 Employment Practices Liability indemnifies employers in respect of claims for breaches of employment practices legislation.

## **6 Encourage enhanced performance**

## **DIOCESAN COUNCIL POLICY 46**



Diocesan Council has adopted a strategic plan (mission plan), short- and long-term performance objectives and budgets such that the Diocese has clear directions and executive management has appropriate performance targets.

### **7 Remunerate fairly and responsibly**

Clergy remuneration is reviewed regularly by the Provincial Stipends Committee. Diocesan Council fixes the minimum stipends and allowances for clergy based on the recommendations of the Committee annually.

The Senior Stipends Committee meets as required to consider the basis of remuneration of the Archbishop.

The Diocesan Secretary and the Diocesan Registrar's remuneration is reviewed by the Diocesan Treasurer and Chairman of The Perth Diocesan Trustees annually.

The Perth Diocesan Trustees is responsible for the recruitment and selection, remuneration and performance management of the Diocesan Secretary.

The terms of employment of other lay staff are set out in Diocesan Policy No. 1 – Personnel Policy and Practices – Lay Employees. Remuneration of these staff, unless linked to a particular award, will be reviewed annually by the Diocesan Secretary and increases approved as part of the budget process.

Superannuation for lay employees is paid in line with government legislation.

### **8 Recognise the legitimate interests of Diocesan groups and organisations**

The annual Synod is a major forum where interested parties of the Diocese can be provided with information on the activities and financial performance of all Diocesan organisations.

A Code of Statutes will be made available to all clergy licensed to a Worshipping Community. Diocesan Policies will be accessible on the website to clergy and office holders of all Worshipping Communities.