

43/10 Governance Policy for Diocesan Organisations

(A progress report from the Standing Committee.)

Introduction

1. At its session last year, the Synod passed resolution 47/10 as follows –

“Synod, noting the report on Diocesan Corporate Governance – and the draft Diocesan Corporate Governance Policy attached to the report –

 - (a) refers the draft policy to the Standing Committee to be revised in a manner which reflects the in-principle decisions made by the Synod in 2010 concerning the draft policy, and
 - (b) requests that a copy of the revised form of draft policy together with any explanatory report be sent to each member of the Synod and to the board of each diocesan organisation for comments back to the Diocesan Secretary by 31 March 2011 (or such later time as the Diocesan Secretary permits), and
 - (c) requests that a further revised form of the policy be brought back to the Synod in 2011 incorporating, as appropriate, comments made by Synod members and the boards of diocesan organisations, and the work of the Archbishop's Strategic Commission on Structure, Funding and Governance, and
 - (d) requests that draft guidelines on the role and functioning of boards of diocesan organisations also be brought to the Synod in 2011.”
2. At its meeting on 28 March 2011, the Standing Committee –
 - (a) agreed to a revised draft of the policy following the Synod in 2010,
 - (b) requested that the revised draft be sent to Synod members, the boards of diocesan organisations and the Archbishop's Strategic Commission for comment by 6 June 2011, and
 - (c) requested that the Governance Committee bring a further revised form of the policy to the Standing Committee incorporating, as appropriate, changes made in response to any comments.
3. The Governance Committee circulated the revised draft for comment on 7 April 2011. In response, 22 submissions were received from Synod members, diocesan organisations and the Archbishop's Strategic Commission. In addition two submissions were received from affiliated non-diocesan bodies. Many of the submissions are lengthy and contain a number of substantive comments about the draft policy that will need to be carefully considered in preparing the next draft of the policy.
4. In view of the number and substantive nature of submissions and the likely focus on the recommendations of the Archbishop's Strategic Commission leading up to and during the Synod in 2011, the Standing Committee –
 - (a) encouraged the Governance Committee to continue its work in preparing a final draft of the policy for the Synod, and
 - (b) determined that a brief progress report should be provided to the Synod this year rather than a final draft of the policy.

Comments on submissions

5. The Governance Committee is grateful for the time taken by Synod members, diocesan organisations, diocesan schools and others in providing comments in response to the revised draft of the policy. The comments in the submissions are both considered and constructive and will assist greatly in the preparation of a final draft of the policy for consideration by the Synod in 2012.
6. While comments were made on most aspects of the revised draft, it is clear that certain matters attracted more attention than others. Particular issues that have been raised in the submissions for further consideration include –

General

- Whether the provisions of the revised draft should be more descriptive and less prescriptive of desirable governance outcomes and, in particular, whether there should be a greater focus on governing principles and less of a focus on the standards?
- Whether sufficient attention has been given to “stakeholder” as opposed to “shareholder” models of corporate governance in framing the provisions of the revised draft and, in particular, how should the interests of the Synod in diocesan organisations and schools be balanced with the interests of other stakeholders?
- Whether the losses experienced by the Glebe Administration Board which triggered a governance review for that organisation are an appropriate justification for reviewing and potentially altering the governance arrangements for other diocesan organisations and schools?

Board size and composition

- Whether it is necessary and/or desirable to prescribe an optimal range in the size of membership of diocesan boards given the diversity of the organisations governed by such boards?
- Whether it is necessary and/or desirable to prescribe a minimum number of clergy on diocesan boards in order to maintain the theological integrity of the board given the increased level of theological training and understanding etc among lay people?

- Whether gender or other issues of diversity should be expressly included in the standards for membership of diocesan boards and whether a board's progress in achieving membership diversity should be included in their annual report to the Synod?
- Whether it is desirable to prescribe a limit on the number of alumni appointed members on the boards of new diocesan schools?

Election, appointment and term of office of board members

- Whether alumni appointed members on the boards of diocesan schools should be permitted to sign a statement of support for the Christian ethos of the school as an alternative to signing a statement of personal faith?
- Whether the statement of personal faith proposed in the draft policy is too theologically narrow and therefore has the potential of reducing the pool of persons eligible to be appointed by the Synod (and others) to diocesan boards?
- Whether and how the need for board renewal should be balanced with the retention of board members with longer-term corporate memory etc.?
- How the views of diocesan boards about the skills and experience needed on the board should be accommodated in the processes by which persons are nominated for election by the Synod to the board?
- Whether a précis should be required for all nominees in Synod elections rather than just nominees for election to diocesan organisations which are bodies corporate?
- Whether the church attended by a person nominated for election by the Synod to a diocesan board is relevant to their election?

Chair of the board

- Whether it would be preferable to provide for the periodic review of the chair of a diocesan board rather than prescribe a maximum tenure of the chair?

Duties, powers, authorities and limits

- Whether the revised draft should address the general duties and responsibilities that a board member has to the corporation at law (eg. duty of care and diligence, duty to act in the best interests, duty not to improperly use their position for personal gain etc)?
- Whether it is appropriate to involve the Synod and Standing Committee in mandating the borrowing limits and types of investments for diocesan organisations and schools?

Reporting to Synod

- Whether it is desirable to make annual reports of diocesan organisations and schools available to Synod members and, if so, on what basis?

Archbishop

- Whether the Archbishop exercising the role of "Visitor" to a diocesan organisation is a suitable alternative to his membership of the board of some organisations and, if so, what is the nature of this role?

7. The above is not intended to be a comprehensive list of all the matters raised in the submissions.
8. The Governance Committee will continue its work in reviewing the submissions with a view to preparing a final draft of the policy for consideration by the Synod in 2012.
9. Members of the Synod and diocesan organisations and schools are invited to make any further comments about the governance policy to the Diocesan Secretary.

For and on behalf of the Standing Committee

ROBERT WICKS
Diocesan Secretary

21 September 2011