

## **GOVERNANCE CHARTERS FOR PRESBYTERIES, CONGREGATIONS, SESSIONS AND COMMITTEES OF MANAGEMENT**

*Whoever wants to become great among you must be your servant, and whoever wants to be first must be your slave.*

*Matthew 20: 26 – 27*

*Everything should be done in a fitting and orderly way.*

*1 Corinthians 14: 40*

Governance has to do with exercising shared or collective ownership in a responsible way, and governance charters are written statements of how governance should be exercised in particular situations.

It is appropriate that there should be a formal listing of governance charters in the Presbyterian Church in NSW at this time. The consequences of failures of commercial companies to exercise proper governance are receiving wide publicity in Australia and overseas. Our 2001 Assembly, acting on a recommendation of the Report by PricewaterhouseCoopers into the Operations of our Property Trust, has requested the development and adoption of Governance Charters within our church.

**These are the governance charters as they are to apply within Presbyteries, Congregations, Sessions and Committees of Management within the Presbyterian Church in NSW.**

**The Code of our Church includes Standing Laws that apply to the Congregation (Section 1), the Committee of Management (Section 2), the Session (Section 3) and the Presbytery (Section 4). These governance charters in no way supersede or override the provisions of The Code. They are to be read alongside them.**

### **SHARED ELEMENTS OF GOVERNANCE**

Some elements of governance are general in nature, in that they apply in all situations where a formally constituted group of people are appointed with responsibilities relating to the ownership of a business or operation. In the Presbyterian Church the owners are those who have an ownership interest in the operations (the Trustees, who own all the church's property), and the members of our congregations, for whose benefit the operations are conducted. Linking the two are presbyteries, sessions and committees of management. It is their task to carry out their duties towards both parties responsibly and effectively.

Fundamental to the concept of governance is an understanding of the distinction between "directors" on the one hand and "managers" or "executive agents" on the other. In our context, our directors are the members of presbyteries, sessions and committees of management. Their task is to direct and monitor – to establish policies, to set goals, to plan, to measure performance against the plan, and if necessary to order corrective action. A director's task is not to perform duties – they are the responsibility of managers or executive agents.

As members of presbyteries and congregations it is not unusual for us to act sometimes as directors and sometimes as managers. As directors (eg as members of a session or a committee), we may participate in making a decision that a certain action should be taken. We may then agree to accept responsibility for carrying out the action. At that point we cease to be directors - we move from governing to executing. In such situations we must take care to know what is appropriate to each role and what role we are fulfilling at any given time.

Here are **the specific requirements of governance**:

1. Within the Presbyterian Church of Australia governance is not concentrated solely at the top in the Assembly, but it is also decentralised, so that decision making is returned to a local level. Within the limits of the powers given to our particular bodies, and without overriding the governance policies contained in this document, we may determine our own local forms of governance and our own policies.
2. We must at all times act in ways that are lawful, ethical and prudent, and within the rules, procedures and practices of the Presbyterian Church.
3. As members of a governing body, our prime commitment during its meetings must be to that body, and our decisions must always be in its interests. We must not see ourselves as partisan representatives of any other groups with which we may be associated, or use our positions to advocate their causes.
4. We must avoid conflict of interest with respect to our responsibilities:

- a. There must be no self-dealing or any conduct or private business or personal services between us and the body on which we serve except as laid down in procedures, in order to assure openness, competitive opportunity and equal access to inside information.
  - b. When the Committee is to decide upon an issue about which we as members may have unavoidable personal conflicts of interest, then we shall absent ourselves without comment not only from the vote but also from the deliberation.
5. We must work as a team, and our decisions should be collective decisions, not those of individual members within the group. Once our committee has made a decision then we must all publicly support that decision. If we disagree strongly with it, then we must consider resigning from the committee. (Note that this does not preclude appeals and complaints as provided for in The Code).
6. We should place our emphasis on leadership rather than on administrative detail. This will involve us in planning, in setting goals or objectives, in measuring our performance against these objectives, and if necessary correcting our performance or correcting our plan.
7. We must maintain open communication, both within our own group and with outsiders, always in a spirit of courtesy and love.
8. Within the framework of our responsibility to be Christ's ambassadors, subject to our adherence to our Supreme and Subordinate Standards, we must in order to encourage a diversity of views ensure that there is no harassment or unreasonable discrimination within our group. We will seek to create an atmosphere where members can be confident in expressing their genuine opinions, and we will not unreasonably discourage cultural diversity.
9. We must ensure that there is no harassment or, within the framework of 8 above, discrimination.
10. We must maintain confidentiality in relation to any discussions within a closed court, and with respect to any information that has been privately communicated to us.
11. We should impose on ourselves the disciplines that are necessary to ensure that we fulfil our governing role excellently. These include attending all Committee and Sub Committee meetings of which we are members, being informed and subscribing to the Committee's mission, policies and services, reviewing the agenda and supporting materials prior to Committee and Sub Committee meetings, systematically gathering information that monitors the organisation's performance, serving on Sub Committees and offering to take on special tasks. (If we are ministers or elders, then our ordination vows require this commitment from us.) If we find ourselves unable to meet these conditions, we should consider resigning from our position.
12. We should see to it that new members are given adequate training and support so that they are equipped to fulfil their roles, and that all our members maintain and improve their own skills and understandings.
13. If we are filling a managerial role, we should make sure that at least one other person is familiar with the issues and processes for which we are responsible.
14. We must strive to maintain a balance between our work commitments, including those relating to our membership of our committee, and our personal lives.
15. We may not attempt to exercise individual authority unless such authority has been specifically assigned to us:
  - a. Our interaction with public, press or other entities must recognise the same limitation and the inability of any Committee member to speak for the Committee except to repeat explicitly stated Committee decisions.
  - b. We will have no regard for individual judgements on the performance of employees or others associated with the Committee.
16. If our governing body appoints a sub-committee for a specific purpose, its task is to assist the governing body to do its job. Neither it nor its members should speak or act for the governing body unless they have formal authority to do so with regard to

that specific purpose. Nor should Sub Committees give direction to staff unless specifically empowered to do so.

17. Our convener or chairperson must recognise that, in that role, his or her task is to see that the body makes only decisions that fall within its responsibilities, and that while he/she has the accepted powers of the position, that position alone does not give an individual authority to make decisions on matters that are the responsibility of the body, or to supervise or direct any “manager”.
18. Only the decisions of a governing body acting as a body are binding unless in rare circumstances that authority has been delegated to a person or subordinate group. If there are subordinate staff in a facility, or a congregation then they are accountable to and take instructions from their seniors and not the governing body.

**GOVERNANCE WITHIN PRESBYTERIES**

Presbyteries are unusual in their area of governance. In practice their Clerks act as executive officers when they implement presbyterial decisions, and they need to recognise this distinct role.

Presbyteries are subject to all the shared elements of governance as outlined above. Additionally,

1. Presbyteries have responsibilities upwards to the Assembly and downwards to sessions and congregations and their individual members.
2. Presbyteries are the links between the Assembly and individual sessions and congregations, and good communications are an essential element of their operations. They should extend to discussions, decisions, reporting and consulting.
3. Presbyteries should determine their goals, establish strategies to achieve them, and review their progress from time to time.

**GOVERNANCE WITHIN CONGREGATIONS**

The Code states that a minister is responsible to the presbytery for the discharge of all duties of his office. It also states that it belongs to the minister alone to conduct public worship and administer the sacraments and that for the manner in which these functions are discharged he is accountable to the presbytery.

Members of congregations who are concerned about some aspect of the way in which their minister conducts himself or discharges his duties should understand that if personal endeavours on the footing of friendship fail to put matters right then they should take the matter up with the Presbytery Clerk. This arrangement is part of the Presbyterian system of government and is for good reason, but it is a departure from what might be perceived as a relationship between a group and its executive officer.

**GOVERNANCE WITHIN SESSIONS**

Sessions are subject to all the shared elements of governance as outlined above. Additionally,

1. The Code states that the minister of a pastoral charge is moderator of the session and that he presides over it. When a session is acting within its defined responsibilities, then the minister has no special power arising from his position. At the same time he is in some respects the session’s executive officer. There are good reasons for our arrangement, but it does mean that both elders and their minister need to recognise which of the two roles the minister is acting in at any point in time, and to act appropriately.
2. If we are properly to discharge our responsibilities as session members, then in our meetings we should be close to, but not too close to, our minister. We should seek to balance proper deference with recognition of our equality within the court.
3. We should recognise our accountability to our congregation, and we should keep its members informed of our activities.
4. We should determine our goals, establish strategies to achieve them, and review their progress from time to time.

The table that follows, which is based on material in a publication “Board Matters”, is useful in illustrating the differences between sessions and their ministers.

Ministers are paid	Session members are volunteers
Ministers are fully occupied by the task of ministry	Session members are part time – being members of Session is not their only occu-

	pation
Ministers are singularly committed to the church. It is their calling.	Session members have other commitments – paid jobs, positions on other committees
Ministers are individuals	Sessions are corporate
Ministers can make decisions alone	Sessions make group decisions
Ministers are trained for service in ministry	Board members may not be experts in the service area
Ministers' responsibilities are limited and immediate	Sessions have the ultimate responsibility for the congregation

#### **GOVERNANCE WITHIN COMMITTEES OF MANAGEMENT**

Committees of Management are subject to all the shared elements of governance as outlined above. Additionally,

1. It is desirable for us to conform to the accepted management practice of separating the role of chairperson from that of chief executive officer. Accordingly, wherever it is reasonably possible, the minister should exercise his Code-permitted (2.10) prerogative of requesting that another member of the committee be appointed as its chairperson.
2. We should establish responsible financial budgets on an annual basis, we should review progress against the budgets at least quarterly, and we should produce a financial report annually and comply with audit requirements.
3. We should determine our goals, establish strategies to achieve them, and review their progress from time to time.
4. As good stewards of our congregation's property, we should maintain a high level of asset protection.
5. We should regularly review occupational health, safety and rehabilitation provisions and ensure that our premises meet with requirements. We are committed to meeting our obligations under legislation and therefore we should ensure that we are aware of and conform to all requirements, and we should seek to identify and minimise risks and report accidents.
6. We should ensure that all paid employees receive compensation and benefits equivalent to appropriate award conditions.
7. We should ensure that all paid employees have a clear understanding of their conditions of employment, that appropriate contracts are established, that payments are made as agreed, and that duties are clearly documented and reviewed.
8. We should recognise our accountability to our congregation, and we should keep its members informed of our activities.

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