

Sydney Diocesan Services

Board Charter

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Purpose

This Board Charter sets out the authority, responsibilities, membership and operation of the Board of Sydney Diocesan Services (**SDS**), including -

- the role of the Board and management,
- matters specifically reserved for Board decision-making, and
- the Board's operating protocols.

Background

SDS is constituted by the *Sydney Diocesan Services Ordinance 2017 (SDS Ordinance)* and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

Under the SDS Ordinance, the purpose of SDS is to advance the purposes of the Anglican Church of Australia in the Diocese of Sydney through the regulation of the central administration of the affairs of the Diocese.

The principal organisations served by SDS are the Synod of the Diocese of Sydney (**Synod**) and its Standing Committee (**Standing Committee**) and their subcommittees, parishes, Glebe Administration Board, Sydney Anglican Loans, Anglican Church Property Trust Diocese of Sydney, St Andrew's House Corporation, Anglican Church Growth Corporation, Endowment of the See Corporation, Safe Ministry Board, and Sydney Anglican (National Redress Scheme) Corporation.

As SDS was initially constituted as a corporate entity for the Standing Committee,¹ part of its central administrative role involves entering into contracts and acting as a corporate member of organisations on behalf of the Standing Committee.

In developing this Charter, SDS has considered² –

- the governance standards applying to charities registered with the Australian Charities and Not for-profits Commission (**ACNC**), and
- the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (**ASXCGC**), and
- the Australian Institute of Company Directors' (**AICD**) Not-for-Profit Governance Principles, and
- the Governance Policy for Diocesan Organisations as amended by the Synod from time to time.

Roles and Responsibilities of the Board

The role of the members of SDS, acting collectively as a Board (**the Board**), is to ensure that SDS fulfils its purpose in a manner consistent with the fulfilment of its obligations.

The Board is responsible for –

- providing leadership and setting the strategic objectives of SDS,
- overseeing management's implementation of SDS' strategic objectives and its performance generally,

¹ Constituted by ordinance as Sydney Diocesan Secretariat on 30 July 1973, incorporated on 17 May 1974. The name change to Sydney Diocesan Services took effect on 18 February 2019.

² SDS is registered with the ACNC as a charity for the advancement of religion. Whilst the ACNC Governance Standards do not apply to SDS as it is a Basic Religious Charity, SDS nonetheless seeks to comply with the Standards. Similarly, whilst SDS is not a listed entity it recognises that the Corporate Governance Principles and Recommendations of the ASXCGC reflect a contemporary view of appropriate corporate governance standards which are helpful to SDS in formulating its governance rules and practices.

- monitoring the financial performance and operations of SDS, including approval of the annual financial statements,
- approving operating budgets and major capital expenditure,
- overseeing the integrity of SDS' accounting and corporate reporting systems, including the external audit,
- overseeing SDS' process for making timely and balanced disclosure of information to its stakeholders,
- ensuring that SDS has in place an appropriate risk management framework and setting the risk appetite within which the members expect SDS to operate,
- appointing the Chief Executive Officer in accordance with the SDS Ordinance,
- delegating appropriate powers to the Chief Executive Officer (**CEO**) in accordance with the SDS Ordinance to ensure the effective and efficient day-to-day management of the business and monitoring the exercise of these powers,
- overseeing the remuneration, development and succession planning for the CEO and senior management, and monitoring the appropriateness of people management systems,
- monitoring the effectiveness of SDS' governance practices,
- establishing and determining the powers and functions of the committees of the Board,
- overseeing the effectiveness of SDS' work health and safety systems for employees, contractors, customers and the community,
- setting, reviewing, and monitoring SDS' values and culture, and
- acting to protect and enhance the reputation of SDS.

Responsibilities of members

In undertaking their responsibilities, each member must –

- exercise the care and diligence that a reasonable individual would exercise as a member,
- act in good faith in the best interests of SDS and to further its purpose,
- act with objectivity, collegiality and respect, in accordance with SDS' values,
- prepare well for meetings,
- not misuse their position as a member,
- not misuse information obtained in the performance of their duties as a member,
- promptly disclose at a meeting of members, any actual conflict of interest they have as a member and any circumstances which might reasonably be perceived as a conflict of interest,
- not participate in discussions, or vote on any matter in which an actual or perceived conflict of interest arises without the approval of the other members,
- ensure the financial affairs of SDS are managed in a responsible manner, and
- not allow SDS to operate while insolvent.

Relationship to the Archbishop

Under the SDS Ordinance, the Archbishop is the President of SDS.

The President may attend any meeting of SDS and may address SDS on any pastoral or policy issue concerning the Anglican Church of Australia as it applies to SDS, including the appointment of the CEO.

If the President requests, the Secretary will send him a copy of the agenda for the meeting of SDS referred to in the request.

The President is not a member of SDS, and so is not entitled to vote on any question of proposal being considered by SDS.

Relationship to the Standing Committee

SDS is accountable to the Standing Committee and, through the Standing Committee, to the Synod; being the governing body of the Diocese of Sydney for whom SDS was initially constituted to support and to whom SDS has particular responsibility.

In accordance with its obligations under the SDS Ordinance, SDS will –

- report to the Standing Committee from time to time about its affairs and is to cause minutes of its meetings to be tabled at a meeting of the Standing Committee at least once every quarter,
- provide the Standing Committee with such information regarding the affairs of SDS as the Standing Committee may require from time to time, and
- answer any question on any matter relating to the affairs of SDS asked by any member of the Standing Committee and which has been referred to SDS by the Secretary of the Standing Committee.

SDS has agreed that the reports to the Standing Committee be based on the latest management reports, subject to the reports being circulated to SDS members in advance of being provided to the Standing Committee. The CEO's non-financial reports are also made available to members.

Board Size and Composition

Membership of SDS

Under the SDS Ordinance, the Board of SDS consists of nine members elected by the Standing Committee and one member appointed by the Archbishop.

The name of each member, together with information about their qualifications and experience, is set out in the annual report of SDS.

At least two members are to be ordained clergy licensed in the Diocese of Sydney or persons with at least a three year degree from Moore Theological College or another college that is endorsed by the Archbishop.

Appointment of Members

It is intended that the Board comprise members with a broad range of skills, diversity, expertise and experience from a range of backgrounds.

SDS advises the Standing Committee about the preferred skills and experience of candidates to fill vacancies in the office of member.

The Standing Committee may appoint a person as a member notwithstanding the person has not been recommended by SDS to the Standing Committee as a potential candidate.

Independence of members

No member of SDS is an employee of SDS.

Each member of SDS is to be free from any business or other relationship that could interfere with the exercise of their unfettered and independent judgment as a member.

Each member is expected to disclose any business or other relationship which they may have with SDS.

SDS will maintain records of applicable eligibility criteria for board membership and conflicts of interest disclosed by members of SDS.

Statement of Personal Faith

Every member must sign the Statement of Personal Faith in the form required from time to time by the Synod's Governance Policy for Diocesan Organisations and deliver it to the Secretary within 28 days of their appointment or election.

Term of office

A member of SDS holds office for a term of up to three years.

Eligible members may offer themselves for re-election by the Standing Committee. SDS makes recommendations concerning the re-election of any members by the Standing Committee. A person is not eligible to be re-elected or re-appointed as a member if such re-election or re-appointment would result in that person being a member of SDS for a continuous period of 14 years or more.

Role of the Chair

The role of the Chair is to provide leadership to the Board, including for the efficient organisation and conduct of the Board's business.

The Chair will be elected by the Board members by consensus. If a vote is required, the vote will be by secret ballot. The election is to be for a term which ends on the first to occur of –

- the date the Chair ceases to be a member,
- the date (if any) set out in the resolution making the appointment,
- the third anniversary of the appointment, and
- the date on which the appointment is revoked by the Board.

The Chair is eligible for re-appointment for further terms (up to a total period of nine years).

The Chair is responsible for:

- providing leadership for the Board and chairing all Board meetings,
- ensuring the effectiveness of Board meetings,
- facilitating the relationship and communication between the Board and management through the CEO,
- together with the CEO, establishing an annual Board calendar which ensures that the Board undertakes all its key responsibilities throughout the year,
- establishing the agenda for Board meetings in consultation with the CEO,
- overseeing regular and effective evaluations of the Board's performance,
- overseeing the induction and continuing education programs for the Board, and
- exercising such specific and express powers as delegated by the Board from time to time.

Role of the Secretary

The members are to appoint a person to be Secretary of the Board.

The Secretary is responsible for advising the Board on governance matters and ensuring there is a system of corporate governance and compliance in place for SDS.

The Secretary provides advice to members on matters including, but not limited to, risk management, corporate ethics, governance, and compliance.

Except in relation to administrative matters, the Secretary will ensure the Chair is informed of any advice given to individual Board members.

The Secretary works in conjunction with the Chair to manage the smooth functioning of the Board by managing Board processes and ensuring Board meetings are properly convened and held and appropriate records are maintained. In particular, the Secretary is responsible for maintaining appropriate records, registers and minute books.

Board and Management Interface

The CEO is responsible to the Board for –

- the implementation of the strategy, policies and decisions of the Board,
- operating within the risk appetite approved by the Board, and
- providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

Communication between the Board and management will usually be through the CEO. The Chair may seek clarification regarding information provided to the Board, or about SDS generally, from the CEO or directly from the appropriate senior manager (advising the CEO). Other Board members should raise queries with the Chair in the first instance.

The Board will act as a whole in commissioning work from management, and instructing the CEO. Urgent matters arising between meetings will be considered by the Chair and CEO to determine how the matter will be handled.

The SDS Executive Team and other managers authorised by the CEO will be given access to the agenda and minutes of SDS (after approval of those documents by the Chair). Certain items may be withheld from management at the discretion of the Chair.

Board Committees & Delegation of Authority

The Board may from time to time establish Committees to assist it in carrying out its responsibilities. Current standing Committees established by the Board are:

- Audit, Finance and Risk, and
- Nomination and Remuneration.

The Board will approve a written charter for each of its standing committees, which will set out its role and responsibilities, composition, structure, and membership requirements. The performance of these Committees will be reviewed as part of the annual performance review undertaken by members.

The Board may establish ad hoc committees from time to time to consider matters of strategic importance, or to exercise the delegated authority of the Board. Any Committee must be chaired by a member of SDS and report the exercise of its delegated functions to the next board meeting.

Delegation of authority

The Board has delegated to the CEO, and through the CEO to other staff of SDS, responsibility for the day to day management of the business of SDS. The scope of that delegated authority, and the limits on that authority, is documented and reviewed periodically by the Board.

A Power of Attorney for SDS will be approved to facilitate the signing of legal documentation between meetings of SDS.

Powers reserved for the Board

Matters which are specifically reserved for the Board (and cannot be delegated) are –

- appointment and removal of the Chair of the Board,

- appointment and removal of the Chief Executive Officer,
- establishment of Board Committees, their membership, Charters and delegated authorities,
- review of corporate governance principles, policies and related public documents,
- approval of all Delegation of Authority policies and procedures, and Powers of Attorney,
- any changes to the authority delegated to the Chief Executive Officer by the Board,
- approval of SDS' annual budget,
- approval of expenditure in excess of the monetary authority levels delegated to management,
- the remuneration of the Chief Executive Officer, and
- any other specific matters nominated by the Board from time to time.

Conduct of Board Meetings

The Board of SDS meets as required but will usually meet five times each year, on Wednesday evenings commencing at 5 pm. Members are expected to attend for the full meeting. Attendance can be via electronic means by prior arrangement with the Secretary.

The CEO and Secretary attend all meetings. The Chair, on the recommendation of the CEO, determines which other staff members or external consultants will be present at a meeting.

Members may ask questions of any staff member present at a meeting, acknowledging that it may be preferable to communicate such an enquiry to the CEO prior to the meeting.

At each meeting, there is the opportunity for members of SDS to discuss matters in-camera, in the absence of the CEO and other staff members.

The agenda for each meeting will be drafted by the CEO and agreed with the Chair prior to despatch to members.

The agenda and papers for each meeting will be provided to members at least four business days before the meeting. Papers will be provided electronically unless a member has requested a hard copy from the Secretary.

Members can raise issues for inclusion on the agenda by raising the issue at a prior meeting, or by contacting the Chair two weeks before a scheduled meeting. No supplementary matters can be raised at a meeting unless urgency is agreed by a majority of members present.

Decisions of the members will generally be by consensus. The Chair may, at their discretion, or on the request of any two members, put a matter to a vote.

The Chair will have authority to determine a vote, close discussion on a matter, or adjourn a meeting in the interests of the smooth running of the meeting.

Minutes of a meeting will be available to members three business days after approval by the Chair, and confirmed at the next meeting.

Induction and development

Induction of members

On appointment, a member will be invited to participate in an induction program to familiarise them with matters relating to the governance and strategy of SDS and any current issues before the Board. SDS has a Member Induction Procedure which describes the induction program.

Learning & Development

SDS supports the appropriate development of its members, and expects that they will undertake ongoing learning and development which is relevant to their role as a member. SDS has a Member Learning & Development Policy which describes how SDS will provide support to members in undertaking learning and development.

Conflicts of Interest

Conflicts of interest

SDS's *Conflict of Interest Policy* provides guidelines for recognising and managing conflicts of interest of members. It specifically requires that –

- all members are required to disclose any actual, potential or perceived conflict of interest upon appointment and are required to keep those disclosures to SDS up to date, and
- once the conflict has been appropriately disclosed, the members who do not have a conflict of interest in the matter are to decide whether or not the matter is a conflict of interest for the purposes of this policy, and if so, whether the conflicted member should be precluded from –
 - voting on the matter,
 - participating in any discussion, and/or
 - being present in the room during consideration of the matter..

Access to information and advice

The members of SDS collectively, and each member individually, may seek independent professional advice, at SDS's expense, to help them carry out their responsibilities. The Chair's prior approval is required, but will not be unreasonably withheld.

SDS and each member may enter into a Deed of Indemnity, Access and Confidentiality.

Performance Assessment

The Board, through the Nomination and Remuneration Committee, will review the performance of members retiring by rotation and seeking re-election, the results of which will be reported to the Standing Committee via the Chair.

A performance review will be conducted periodically to identify gaps in the governance framework and opportunities for development. This will involve:

- a self-assessment performance review annually, and
- an external review (such as by an independent governance consultant) every three years, commencing from 2020.

Board Charter Administration

The Board will review the Charter at least annually to ensure its relevance and effectiveness. The Charter is available to members on the Secure Portal.