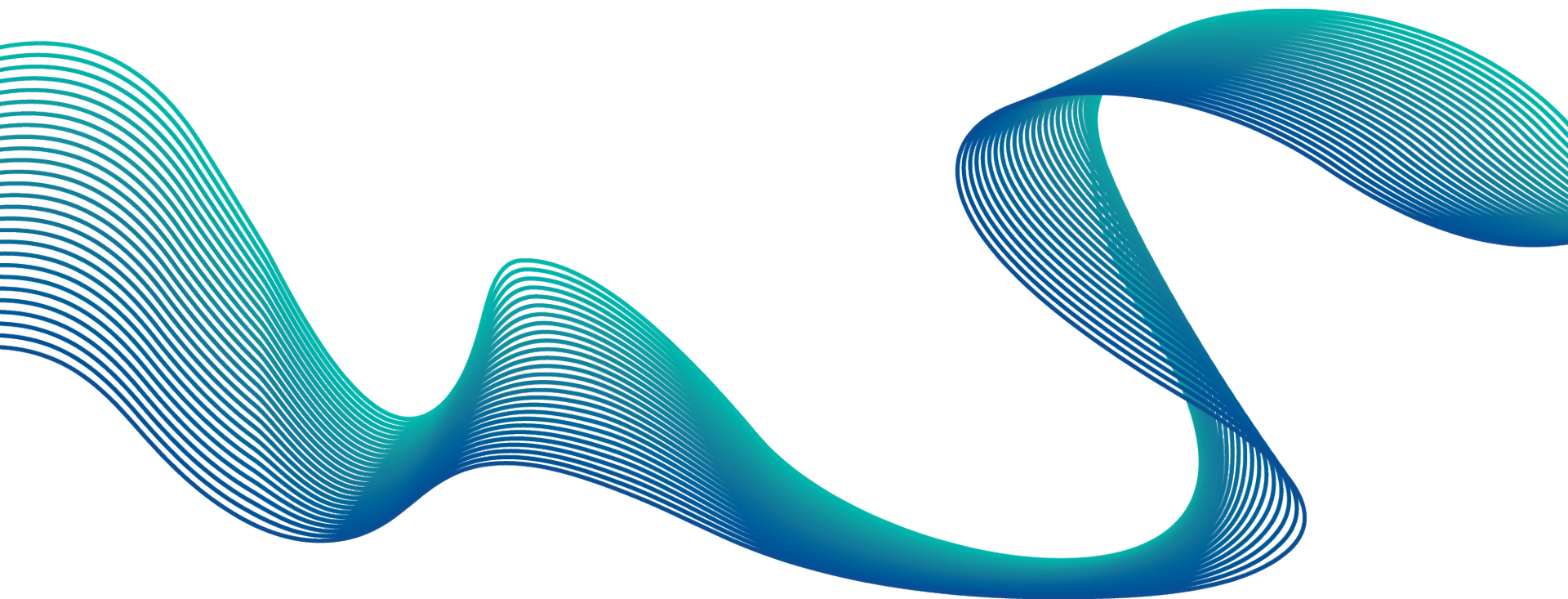




# Church Governance

February 2019



# Morning Session - Key Topics

- Mission focus
- Operational vs Strategic decisions
- UCA Rules and Regulations
- Financial Governance
- Confidentiality & Voting
- Conflicts of Interest



# Additional Online references



Sydney Presbytery

About Us

Committees

Training and Resources

What's On

News

Networks



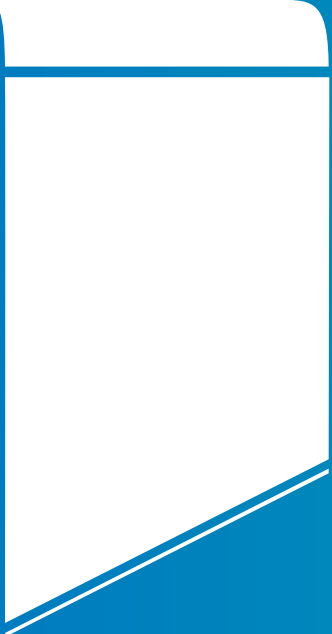
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Presbytery

# GOVERNANCE TRAINING

*for Church Councils*

**Governance  
Tools**

**Governance  
Training Resources**



**Growth, expanding budgets, property developments, and other measures of “success” matter only if they reflect positive transformation in the lives of the people touched by the Congregation’s work.**

*Governance* derives from the  
Greek verb *kubernaein*  
[*kubernáo*] (meaning *to steer*)  
..... *not doing or rowing*



Chess – why so many pieces?  
- I just need the Queen to win



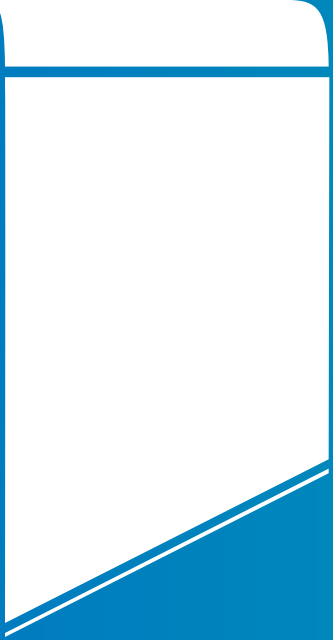
A strategy is formed and not every piece has to do everything, all the time.

Every piece has a place, role and special skill – even though they may not see a lot of action.

The pieces rely upon others to be in position when their skills are needed

Based upon Governance and Ministry Dan Hotchkiss pg Vii





# Why 'Governance'?

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# What is Governance?

**“the systems and processes put in place to steer an organisation’s operations and directions, stipulating the rights and responsibilities of the board, staff and other stakeholders to ensure it meets its mission or purpose.”**

# Why Is Good Governance Important?

## *From an Australian Law Perspective:*

The laws that govern organisations require that each organisation is accountable to its ‘owners’  
*(in the case of the Church, that is our members).*

Each organisation must have a representative body of members willing and able to fulfil fiduciary duties of care, loyalty and diligence in protection of the public interest and the good ordering of society.



# Why Is Good Governance Important?

## From a Uniting Church perspective:

“The Uniting Church recognises that responsibility for government in the Church belongs to the people of God by virtue of the gifts and tasks which God has laid upon them.

The Uniting Church therefore so organises its life that...government will be entrusted to representatives, men and women, bearing the gifts and graces with which God has endowed them for the building up of the Church.”

BoU paragraph 15



# Why Is Good Governance Important?

*From a Uniting Church perspective:*

“The Uniting Church acknowledges that Christ alone is supreme in his Church, and that he may speak to it through any of its councils. It is the task of every council to wait upon God’s Word, and to obey God’s will in the matters allocated to its oversight.” **BoU paragraph 15b**



# Why Is Good Governance Important?

*From a Uniting Church perspective:*

“The Uniting Church acknowledges that the demand of the Gospel, the response of the Church to the Gospel, and the discipline which it requires are partly expressed in the formulation by the Church of its law...but since law is received by human beings and framed by them, it is always subject to revision in order that it may better serve the Gospel.”

**BoU paragraph 17**





**“A governing body  
defines, refines, extends  
and limits the mission.”**

*Robert Schnase, Seven Levers:  
Missional Strategies for Conferences*



# Ethical Governance

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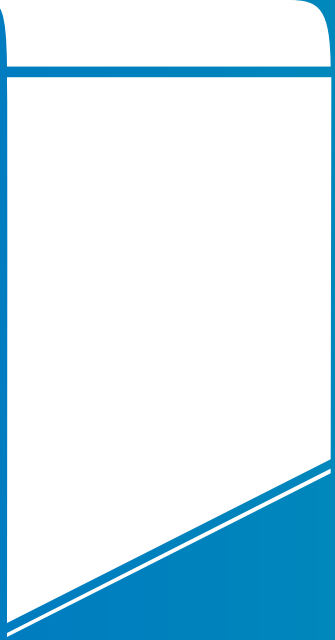
# 10 Reasons why Boards Fail

## Video Case study



# Discussion

**What governance issues  
stood out for you?**



# Governance & Mission

Pg 6

# Knowing *'Where'* is the focus



# Knowing the 'Why' behind the focus



# Knowing the 'Where' & 'Why' - Biblical

## **Parable of the Talents – Matthew 25:23 (NRSV)**

***His master said to him, 'Well done, good and trustworthy slave; you have been trustworthy in a few things, I will put you in charge of many things; enter into the joy of your master.'***

## **Pearl of Great Value - Matthew 13:45-46 (NRSV)**

***Again, the kingdom of heaven is like a merchant in search of fine pearls; on finding one pearl of great value, he went and sold all that he had and bought it.***



**Good governance begins with knowing the where and the why of the congregation's shared mission. Mission encourages generosity and commitment.**

**An organization that does not have an owned vision will tend to:**

- a. see the world through a lens of scarcity,***
- b. have members who are lethargic,***
- c. devolve into greed and self-centeredness,***
- d. be ineffective in its ministries and***
- e. be dying.***



## Revelation 3:15-16 (NRSV)

*I know your works; you are neither cold nor hot. I wish that you were either cold or hot.*

*So, because you are luke warm, and neither cold nor hot, I am about to spit you out of my mouth.*

**Read with your Council, Revelation Chapters 2 & 3  
Ask your Council**

***– what church/churches are you?***

**If you find the answer uncomfortable, developing a strong sense of shared mission is the first step to turning things around.**



# The Mission of God



Mission foci



Values

Congregation's Vision





**The main thing is to  
keep the main thing  
the main thing**

**Dr. Stephen R. Covey**

***The Seven Habits of Highly Effective People***



*As we move into the break*

# **What Are Your Congregation's Vision, Mission and Values?**

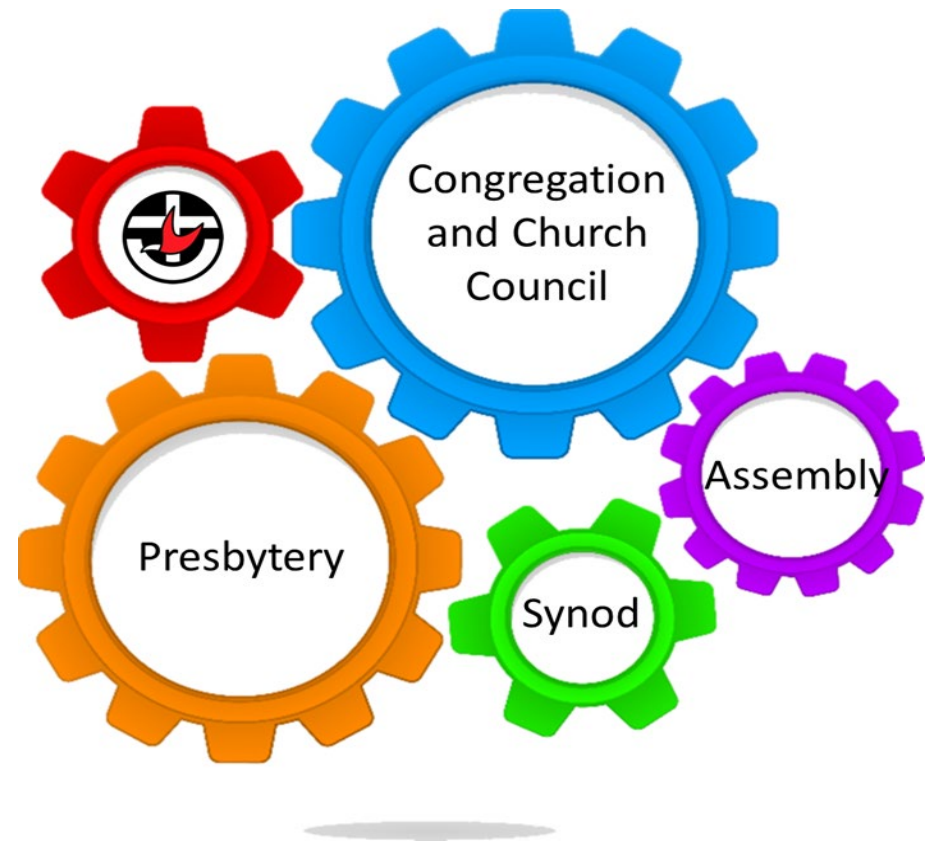


# Responsibilities of Church Councils

pg 9

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## Interconciliar Councils



**The United Church is governed by a series of inter-related councils, each of which has its set tasks and responsibilities in relation both to the Church and to the world.”**

BoU Para 15

# Interconciliar Councils

**“It is the task of every council to wait upon God’s word, and to obey God’s will in the matters allocated to its oversight.”**

BoU Para 15

**No council can tell another council what to do in its set tasks and responsibilities.**





- Hear God's Word
- Celebrate the sacraments
- Encourage one another
- Serve the world
- Issue a call for a Ministry Agent

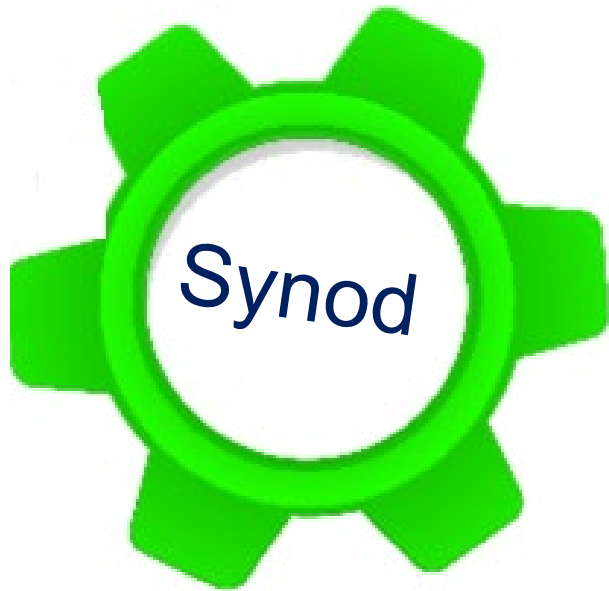
- Spiritual oversight over the Congregation
- Building the Congregation in faith and love
- Discerning & Embodying the Spirit of God
- Engaging in Spiritual Leadership
- Church Representation on Boards of related enterprises
- Oversight of Church social enterprises
- **The matter of “hats”**



- Oversight of Congregations /Groups
- Stimulate and encourage mission out of an owned vision
- Oversee placement of Ministers
- Accountability responsibilities







- Legal entity of the church –  
Property Trusts
- Inter-presbytery activities
- State-wide responsibilities
- Discipline & complaints



- Doctrine, worship and government
- Standards for theological education
- Receives Ministers from other denominations
- Affiliates with ecumenical & other bodies

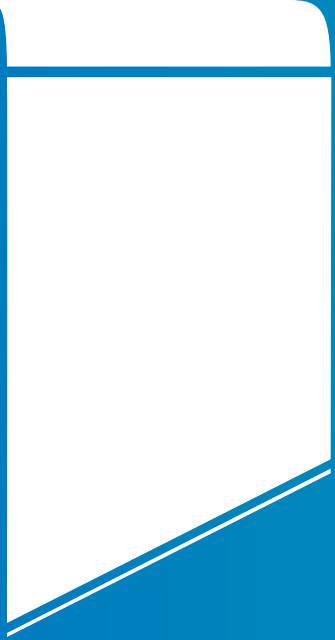
What was not mentioned previously was that the Church Council is a board of governance with particular legal, financial and practical responsibilities.

But these must be viewed against its spiritual underpinnings, and in the interests of mission.



- The structures of the Church are designed to keep mission as the Church Council's priority.
- Unless Presbytery allows otherwise, congregations must appoint Elders or 'Leaders', whose focus is on building up the congregation in faith and love.
- All elders are ex officio members of the Church Council, and Elders must comprise at least half of the Church Council's membership.
- Elders thus have a responsibility to ensure that mission is the primary focus of the Council.





# Congregation Vs Church Council Decisions

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## The Church Council is responsible for

- The finances of the Congregation
- Appointing people to paid and unpaid roles
- Managing the Congregation's property
- Approving activities carried out in the name of the Congregation
- Ensuring that the church is a safe place

### **DISCUSS:**

1) Then what is the role of the Congregation?

*From a CSO Board and or Council perspective*

2) When should the Congregation be consulted and involved in decisions of a Board or Council?

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Some thoughts:

Involve the Congregation when -

- it's important to bring the Congregation with you
- a matter is likely to be very controversial
- significant resourcing is involved, especially if that involves incurring debt





# Conflicts of Interest

Pg 21



# Conflicts of interest

- Are inevitable and are not a bad thing in and of themselves
- But must be disclosed and appropriately handled
- If not handled appropriately, can lead to perceived or actual malfeasance, to loss of confidence in the Council, and to reputational damage in the community

# Handling conflicts of interest

- Transparency
- Duty of disclosure
- Assessment by Council
- Possible actions:
  - Overlook as unimportant
  - Person excluded from relevant decisions
  - Resignation from Council



# Strategy vs Operations

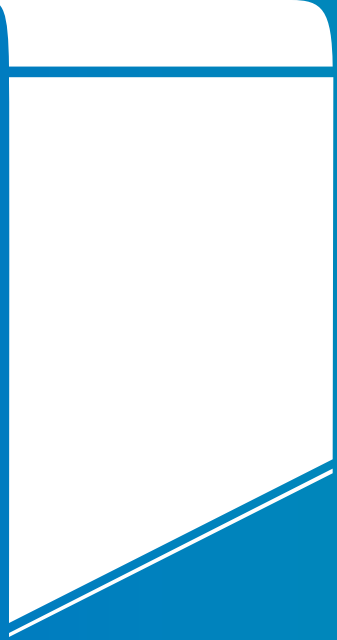
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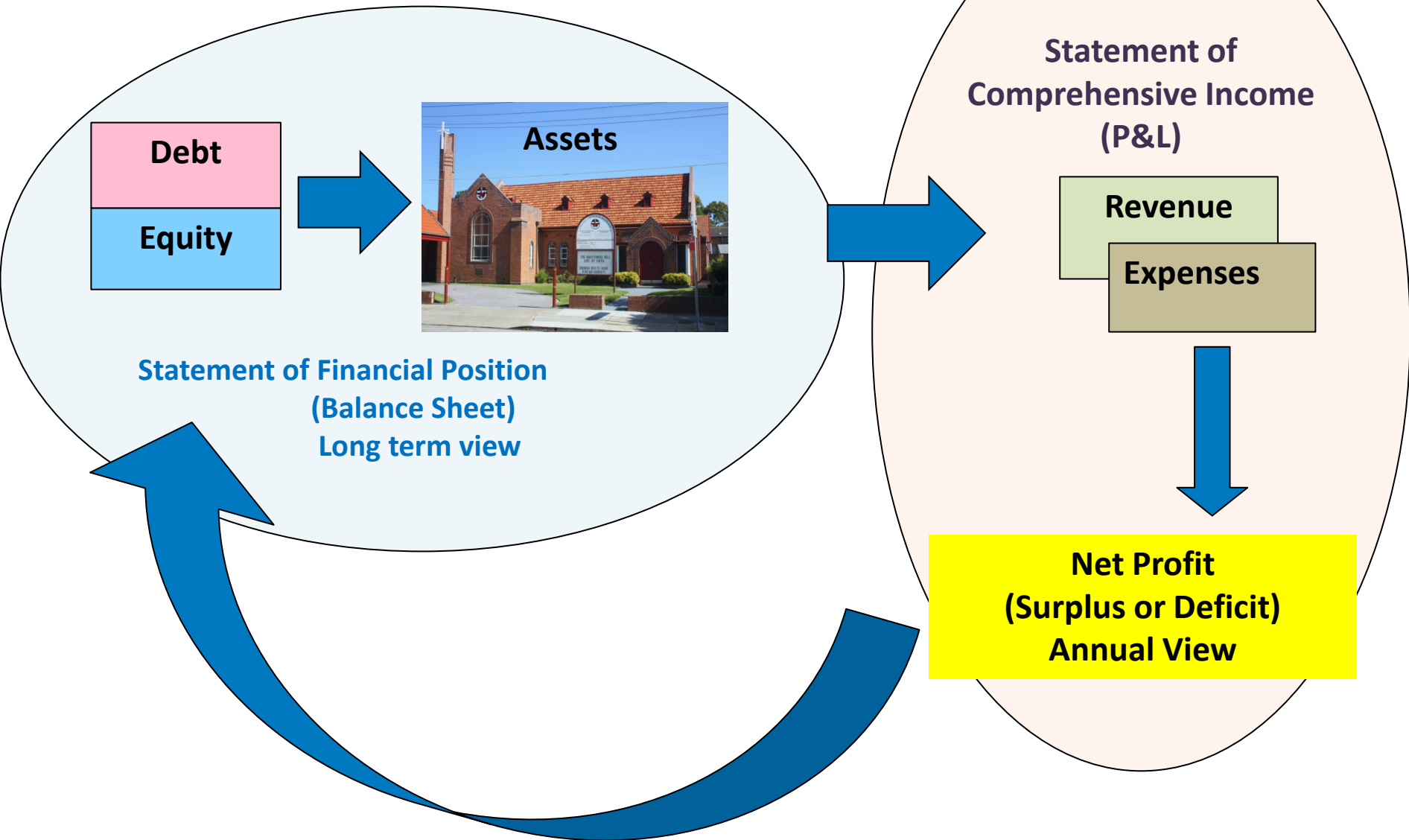
**When are you  
operating with a  
'hands on'  
approach in  
ministry, and a  
'hands shaping'  
approach in  
governance?**



# Church Finances

No Reference

# Accounting Statements



# Church Financial Reporting

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**Annual process – Draft in August / Final in October**

- **Prescribed format from Synod (AFR)**
- **Main form financial accountability**
- **Recommended to align CC's financial reporting with these high level categories for ease of compliance**





# Financial Reg References

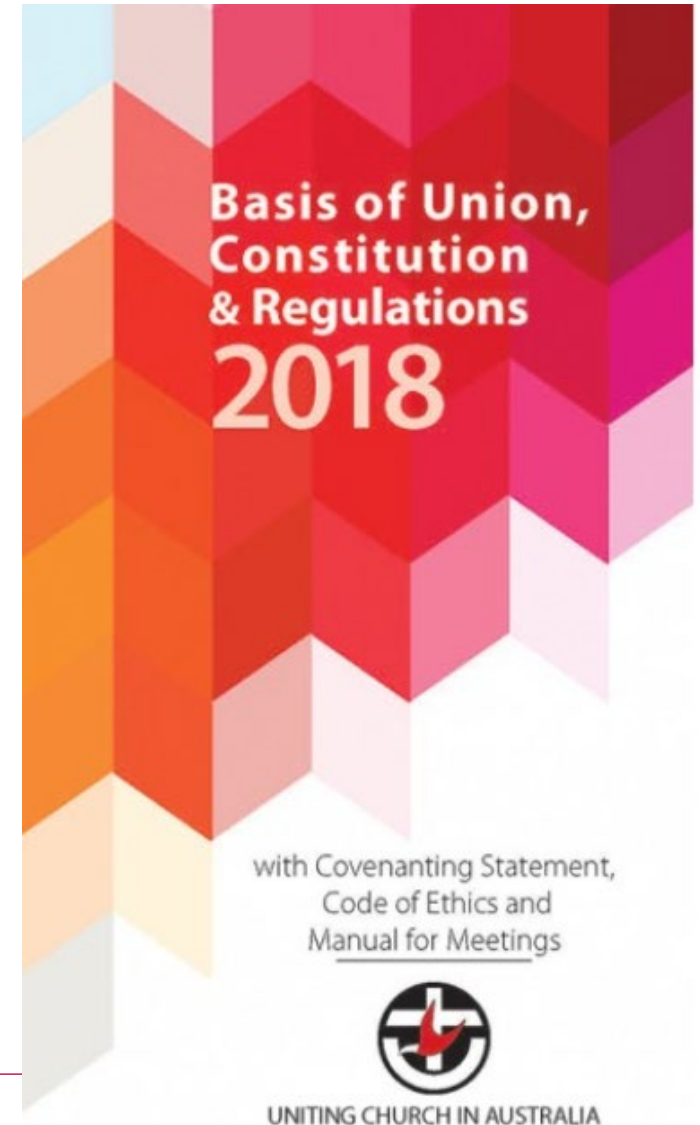
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## 3.8.7 – Accounting and Audit – Books of Accounts

- Banking Signatories
- Annual Presentation and Budgets

## 4.4.1 – Property

## 4.4.3 – Annual Property Review



# ACNC Compliance

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- Annual process (**Note 2019 extension to 31 March**)
- Extremely important as allows the tax benefits to flow to the Church
  - Offerings / Ministers Stipend etc
- Monitored by both Synod and the Presbytery
- Easy to retain – difficult to get back





# Financial Governance

# Financial Governance

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One of the most challenging components of the duties and responsibilities of a NFP

- Having a very clear mission to drive decision making, action and activity
- Creating policies that provide concise guidelines for operational activities



# Financial Governance

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- Being able to produce an annual budget to assess performance
- Knowing what type of reports to present to Church Council / Boards
- Having the ability to understand the financial reports



# Who's responsibility

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## Winston Churchill

**“I didn't know. I wasn't told. *I should have asked.*”**

- **Ask questions at meetings where FRs are presented**
- **Ask for the FR to be presented in “easy to understand format”**
- **Expect to receive answers you can understand and find acceptable**
- **Ask for a program of budget preparation so key ministries are covered**





# Solidarity

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# Confidentiality

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“to hold all information learnt by virtue of a position on a Council in confidence.”

You should not disclose information regarding Church affairs unless a public disclosure has been made by the Council.

*Such as* : financial information, staff issues, pastoral matters and future plans of the Church

# Why?

Such information is privileged.

Its disclosure can:

- **lead** to people being embarrassed or compromised
- **compromise** the Church's financial situation
- **lead** to disharmony and conflict in the congregation



# And .....

Confidentiality  
continues even after  
you have left the  
office or have ceased  
to be a member of  
Council





# Consensus Model

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# The three phases of Consensus

**1. Information Session**

**2. Deliberation Session**

**3. Decision Session**



# Discussion

1. Why do you think we use Consensus?
2. List the positives and the negatives.
3. What happens if consensus cannot be reached?





# Safe place

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# Safe Church Workshops

Topics covered include:

- Understanding key concepts such as boundaries, duty of care and vulnerability
- Strategies to protect people, including through self-protection
- Child Protection
- Appointing appropriate people to paid and unpaid roles
- Managing risk to create a safe environment





# Some vital points

A. Ensuring a safe place for all is a key responsibility of the Church Council.

- Does your Church Council understand its obligations to provide a safe environment – physical, emotional and spiritual?
- How often does your Council
  - undertake formal risk assessments?
  - formally review harmful incidents?
  - give meeting time to reviewing risk?



## B. Working with Children Checks

- Compulsory for all people (paid and unpaid) who work with children
- Your church must be registered as an employer; and you must process the check, before the person commences
- Applying is free for volunteers and lasts for 5 years



## C. Processes and Procedures

- Do you have good procedures in place for appointing, supporting and monitoring staff, paid and unpaid?
- Do you have a Safe Church officer, and do people know who it is?
- Do you have sound procedures in place for responding appropriately to any incidents that may occur?



# Perhaps it's time to act

**For Safe Church Training Workshops or Church guidance:**

## **Contact Emma Parr**

- Mobile: 0439 110 065
- [EmmaP@nswact.uca.org.au](mailto:EmmaP@nswact.uca.org.au)





**Wanting more.....**

**Careful what you ask for....**

**In the words of Robert Schnase  
The following is**

**“dangerous, edgy and provocative”**

Five Practices of Fruitful Congregations - pg. 9



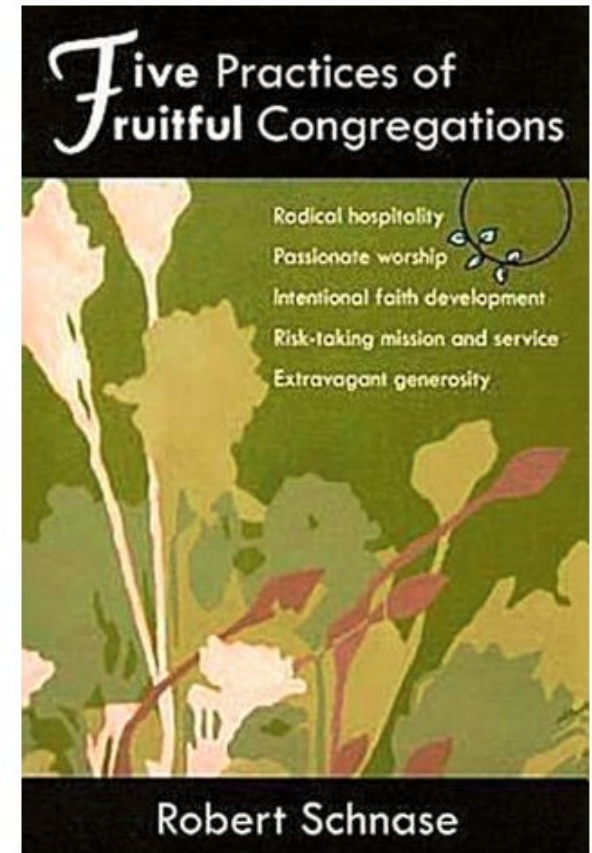
*Radical* hospitality

*Passionate* worship

*Intentional* faith development

*Risk - Taking* mission

*Extravagant* generosity



Note the strength in the adjectives !

# Excited and wanting to know what to do next...

Establish a  
Church  
planning day

Organise a  
joint event  
with a  
neighbouring  
Congregation

Spend time  
discerning key  
missional  
needs of your  
community



# Other ideas...

Contact the  
Presbytery

Commence a  
2025 plan

Engage in  
discussion  
about a new  
Congregation  
name





**If you are unclear about or struggling with any part of today's presentations or your task, ask and seek help.**

**You are all an important part of the wider Church.**

**It is not a difficult role, but it is one that you must stay on top of.**

**Have fun and God bless you**