

Glebe Administration Board

Governance Statement

As at May 2012

Introduction

Glebe Administration Board (GAB) is constituted by the *Glebe Administration Ordinance 1930* (the 1930 Ordinance) and is incorporated under the *Anglican Church of Australia (Bodies Corporate) Act 1938*.

GAB is the trustee and manager of the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984*. As trustee and manager, GAB must invest the property vested in it in accordance with the general objective specified in clause 2 of the 1930 Ordinance, namely, to preserve the real value of the property and provide a reasonable income there from.

GAB is also the trustee of the property held on the trusts set out in the *St Andrew's House Ordinance 1975*. Management and control of St Andrew's House is vested in St Andrew's House Corporation under clause 1 of that ordinance but, as trustee, GAB exercises certain functions on behalf of the Corporation at the express request of the Corporation.

This statement reflects GAB's governance framework, policies and procedures.

Governance

GAB's approach to governance is based on a set of values and behaviours that underpin everyday activities, ensure transparency and fair dealing, and protect the interests of the Synod of the Diocese of Sydney (Synod) and its Standing Committee (the Standing Committee).

This approach includes a commitment to the highest standards of governance, which GAB sees as fundamental to the sustainability of the organisation.

In developing this statement, GAB has used as a template the revised "Corporate Governance Principles and Recommendations", published in August 2007 by the ASX Corporate Governance Council (ASXCGC). While GAB is not a company it recognises that the principles and recommendations of the ASXCGC are useful guides to determine and administer GAB's governance practices.

Principle 1 – Clear roles and responsibilities

The respective roles and responsibilities of the board, its Audit Committee, and management are as follows –

Roles and responsibilities of GAB

GAB is primarily accountable to the Synod and the Standing Committee for its performance. The principal roles and responsibilities of GAB are –

- to ensure that it fulfils the responsibilities imposed on it by the law, and by the Synod ordinances, and
- to comply with all relevant policy decisions of the Synod or the Standing Committee, made from time to time, (providing these are not in conflict with ordinances or the law), and
- to provide strategic direction to the managers of the Diocesan Endowment, and
- to evaluate the performance of the Board and individual members, and
- to advise the Standing Committee of the mix of skills, experience and the Christian commitment desired in persons considered for appointment to GAB, and
- to maintain appropriate financial records and accounts for each trust of which it is trustee, and

Roles and responsibilities of GAB (con't)
<ul style="list-style-type: none"> • to appoint the external auditors and maintain a dialogue with them, and • to ensure an appropriate risk management strategy and framework and that their effectiveness is monitored, and • to ensure proper systems of internal governance, including delegated authorities, and monitoring resources available to executives.
Roles and responsibilities of the Audit Committee
GAB has an Audit Committee to assist it in fulfilling its roles and responsibilities. The charter of the Audit Committee is reviewed periodically by GAB.
Roles and responsibilities of management
GAB has delegated to the Chief Executive Officer of Sydney Diocesan Secretariat (CEO), and through the CEO to other senior executives, responsibility for the day to day management of the trusts of which GAB is trustee and manager. The scope of that delegated authority is set out in delegation authorities, which are reviewed periodically by GAB.

Principle 2 – Structure the Board appropriately

GAB is to be of an appropriate size and be comprised of members with appropriate skills and commitment to adequately discharge its responsibilities and duties.

Board membership
<p>Under clause 3(1) of the 1930 Ordinance the members of GAB are those persons who, from time to time, are members of Sydney Diocesan Secretariat (SDS). The members of SDS are appointed by the Standing Committee of the Synod under the <i>Sydney Diocesan Secretariat Ordinance 1973</i>.</p> <p>Under the <i>Sydney Diocesan Secretariat Ordinance 1973</i> the number of members of SDS (and hence of GAB) is to be not less than 8 and not more than 10.</p> <p>No member of SDS (and hence GAB) is an employee of SDS or GAB.</p> <p>The names of each member, together with information about their qualifications and experience, are set out in the annual report of GAB.</p>
Member's Independence
<p>Each member of GAB 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.</p> <p>Each member is expected to disclose any business or other relationship which they may have with GAB.</p> <p>The independence of a member is assessed on appointment and as part of the annual review.</p>
The selection of the Chairman
<p>GAB elects one of its members to be Chairman of the Board, for a term of 3 years.</p> <p>The Chairman's role includes –</p> <ul style="list-style-type: none"> • providing effective leadership to GAB in relation to all board matters, and • convening regular GAB meetings throughout the year, and ensuring that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual members, and • guiding the agenda and conduct of all Board meetings, and • overseeing board succession, and • promoting constructive and respectful relations between GAB and management.

Meetings of GAB
<p>GAB meets every second month during the year (March, May, July, September and December) and at other times when required.</p> <p>Each year GAB reviews the strategic direction of GAB. Reviews of specific matters of strategic importance are undertaken during the course of the year.</p> <p>The CEO attends all GAB meetings. Other senior executives attend when invited.</p> <p>At each meeting, there is the opportunity for GAB to discuss matters in the absence of the CEO and other staff members.</p>
Nomination and appointment of new members
<p>GAB makes recommendations to the Standing Committee about the preferred skills and experience of candidates to fill vacancies in the office of member and make recommendations about potential candidates.</p> <p>The Standing Committee may appoint, as a member, a person other than a potential candidate recommended by GAB.</p> <p>New members receive a letter of appointment, which sets out the expectations of the role, conditions of appointment, including expected term of appointment.</p>
Terms of office and retirement and re-election of members
<p>A member of GAB holds office for a term of 3 years.</p> <p>Eligible members may offer themselves for re-election by the Standing Committee. GAB also makes recommendations concerning the re-election of any members by the Standing Committee.</p>
Education of members
<p>On appointment, all members receive a letter of appointment which sets out the expectations of the roles and conditions of appointment. Members are also offered an induction program to familiarise them with matters relating to the business, strategy and any current issues before GAB.</p> <p>The induction program includes meetings with the Chairman, CEO, the chairman of each of the Audit committee and senior executives, as appropriate.</p>
Member access to information and advice
<p>All members have unrestricted access to records and information of GAB and receive regular detailed financial and operational reports from management.</p> <p>Each member also enters into an access and indemnity agreement ensuring 7 years access to Board documents after their retirement as a member.</p> <p>The members of GAB collectively, and each member individually, may seek independent professional advice, at GAB's expense, to help them carry out their responsibilities. The Chairman's prior approval is required, but will not be unreasonably withheld.</p>
Review of Board Performance
<p>GAB undertakes ongoing self-assessment as well as an annual performance review of its activities, its committees and individual members.</p>
Audit Committee and membership
<p>Members of the Audit Committee are chosen on the basis of relevant skills and experience. The Audit Committee has the flexibility to augment the skills and experience by appointing non-Board members, subject to GAB approval.</p> <p>The performance of the Audit Committee is reviewed as part of the Board's overall performance review.</p>

Principle 3 – Promote ethical and responsible conduct

GAB promotes ethical and responsible conduct.

Corporate Values	
GAB has adopted the following values statement.	
SERVICE + DILIGENCE + INTEGRITY = EXCELLENCE	
Service = <i>meeting other's needs</i>	<i>Philippians 2:4 and Mark 10:45</i>
When we act in service we...	
<ul style="list-style-type: none">• Act in a respectful and courteous manner at all times,• Demonstrate care and concern for others,• Recognise and respond to the needs of internal and external customer,• Deliver effective products and services,• Are equally accessible and responsive to all customers,• Establish realistic expectations with customers,• Are open to giving and receiving feedback.	
Diligence = <i>sustainable, dependable and effective performance</i>	<i>Colossians 3:23 and Proverbs 21:5</i>
When we act diligently we...	
<ul style="list-style-type: none">• Work effectively to further the mission and purpose of the organisation,• Analyse issues and research options for action,• Take financial, customer and risk factors into consideration when dealing with issues,• Make rational judgments and take calculated risks based on relevant information,• Plan and undertake tasks effectively having regard to available resources,• Appropriately balance short and long term goals and priorities,• Consistently deliver to a defined standard and strive for excellence.	
Integrity = <i>being trustworthy, responsible and honest</i>	<i>Ephesians 4:25</i>
When we show integrity we...	
<ul style="list-style-type: none">• Act in a truthful, honest and open manner,• Take responsibility for personal choices and events,• Communicate problems and shortcomings willingly and completely,• Remain self-controlled in the face of set-backs or pressure,• Do not gossip but act to help and support others,• Make decisions free from undue influence and conflict of interest.	
Conflicts of Interest	
GAB has a conflict of interest policy to provide guidelines for recognising and managing potential conflicts of interest –	
<ul style="list-style-type: none">• all members are required to disclose any actual or potential conflict of interest upon appointment and are required to keep those disclosures to GAB up-to-date, and• any member with a material personal interest in a matter may not participate in discussion or vote on that matter, unless GAB resolves otherwise, and• employees of SDS are not permitted to participate in activities which involve a conflict with their duties and responsibilities or which are prejudicial to GAB.	

Principle 4 – Integrity in financial reporting

Approach to financial reporting

GAB's approach to financial reporting reflects 3 core principles –

- its financial reports present a true and fair view, and
- its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies, and
- its external auditor is independent.

The Audit Committee reviews and assesses any significant estimates and judgments in financial reports and the processes used to monitor and comply with laws, regulations and other reporting requirements.

The role of the external auditor is to provide an independent opinion that the financial reports are true and fair and comply with applicable regulations.

The external auditor has access to the minutes and papers of GAB and its committee.

The external auditor submits an annual declaration of independence to GAB.

Any advisory services by the external auditor are detailed in the notes to the annual financial statements.

The external auditor attends all meetings of the Audit Committee at which a report is presented by the auditor about management, monitoring of financial risks, significant and unusual transactions, any correspondence with regulators and asset valuations.

The Audit Committee may meet with the external auditors without management being present.

The relatively small size of GAB does not feasibly support an internal audit division. GAB management has instituted strong internal controls and appropriate division of duties. The accounting controls monitor for breaches of authority.

GAB's compliance software requires positive confirmation of actions by management in key risk areas.

Compliance is monitored by the Board Secretary.

Principle 5 – Effective communications with the Archbishop, Synod and Standing Committee

Effective communications with the Archbishop, Synod and Standing Committee

In accordance with its obligations under *the* 1930 Ordinance GAB will –

- cause notice of each meeting to be given to the Archbishop, and
- cause a copy of the minutes of each meeting to be sent to the Archbishop, and
- report to the Standing Committee from time to time as to its proceedings and table at each meeting of the Standing Committee a copy of the minutes of all meetings of GAB held since the last meeting, and
- provide the Standing Committee with such information regarding the affairs of GAB as the Standing Committee may require from time to time, and
- answer any question on any matter relating to the affairs of GAB asked by any member of the Standing Committee and which has been referred to GAB by the Diocesan Secretary.

GAB will also comply with the provisions of the *Accounts, Audits & Annual Reports Ordinance 1995*.

The full annual report, as submitted to Synod, is placed on the web site as soon as it is approved for release to the Standing Committee by GAB.

Principle 6 – Identify and manage risk

GAB will identify and effectively manage risk.

Approach to risk management
<p>GAB regards managing the risk that affects its business as a fundamental activity, as it influences its performance, reputation and future success.</p> <p>Effective risk management involves achieving an integrated and balanced approach to risk and reward, and assists us in achieving our objectives of optimizing financial growth and mitigating potential loss or damage.</p>
Risk management roles and responsibilities
<p>GAB approves the organisation’s risk identification and management strategy and periodically reviews that strategy.</p> <p>The CEO and other senior executives are responsible for implementing the risk management framework, systems, controls and procedures for identifying risk and management of risks adopted from time to time by GAB.</p>
Compliance Reporting
<p>GAB monitors its compliance with key risk matters, by requiring periodic confirmation certificates from management.</p> <p>The compliance coverage and depth of review is reviewed in response to changing circumstances.</p> <p>Compliance reporting is the responsibility of the Board Secretary.</p>
CEO and CFO assurance
<p>GAB receives a letter of representation, signed by both the CEO and the Chief Financial Officer of SDS assuring GAB that in all material respects –</p> <ul style="list-style-type: none">• the financial records have been properly maintained to correctly record and explain its transactions, and• the financial statements and notes required comply with the accounting standards, and• the financial statements and notes give a true and fair view of the financial position and of the performance of the organisation, and• that internal controls and risk management systems are sound, and continue to run in an efficient manner, and• that proper retention processes are in place to ensure these records are recoverable and useable for a period of seven years.
Corporate Policies, Guidelines and Procedures
<p>GAB has developed, or is in the course of developing, a range of policies, guidelines and procedures.</p>
Key Requirement
<p><i>Lay Solid Foundations</i></p> <ul style="list-style-type: none">• Delegations of Authority• Audit Committee Charter• Investment Policy• Capital Allocation Policy• Liquidity Risk Management Policy• Credit Risk Management Policy• Governance Policy• Board Composition Policy• Induction program for new members• Risk management framework

<i>Board Structure</i>
<ul style="list-style-type: none"> • Annual report insert re experience, skills period in office • Independence – annual assessment • Board progressive review of strategic matters • Member nomination process • Board performance review
<i>Ethical Behaviour</i>
<ul style="list-style-type: none"> • Code of Conduct / Values statement • Conflicts of Interest policy • Grievance policy • Privacy policy
<i>Financial reporting</i>
<ul style="list-style-type: none"> • Independent auditor • Meeting with Auditor • Internal audit • Experience of Audit Committee members
<i>Disclosures</i>
<ul style="list-style-type: none"> • Material matters
<i>Stakeholder interests</i>
<ul style="list-style-type: none"> • Annual report on web site
<i>Risk management</i>
<ul style="list-style-type: none"> • Risk Management strategy • Risk tolerance • Committee roles • Retention policies

Principle 7 – Remunerate fairly and responsibly

The members of GAB are not remunerated.