

# Governance of Catholic schools in the Diocese of Cairns



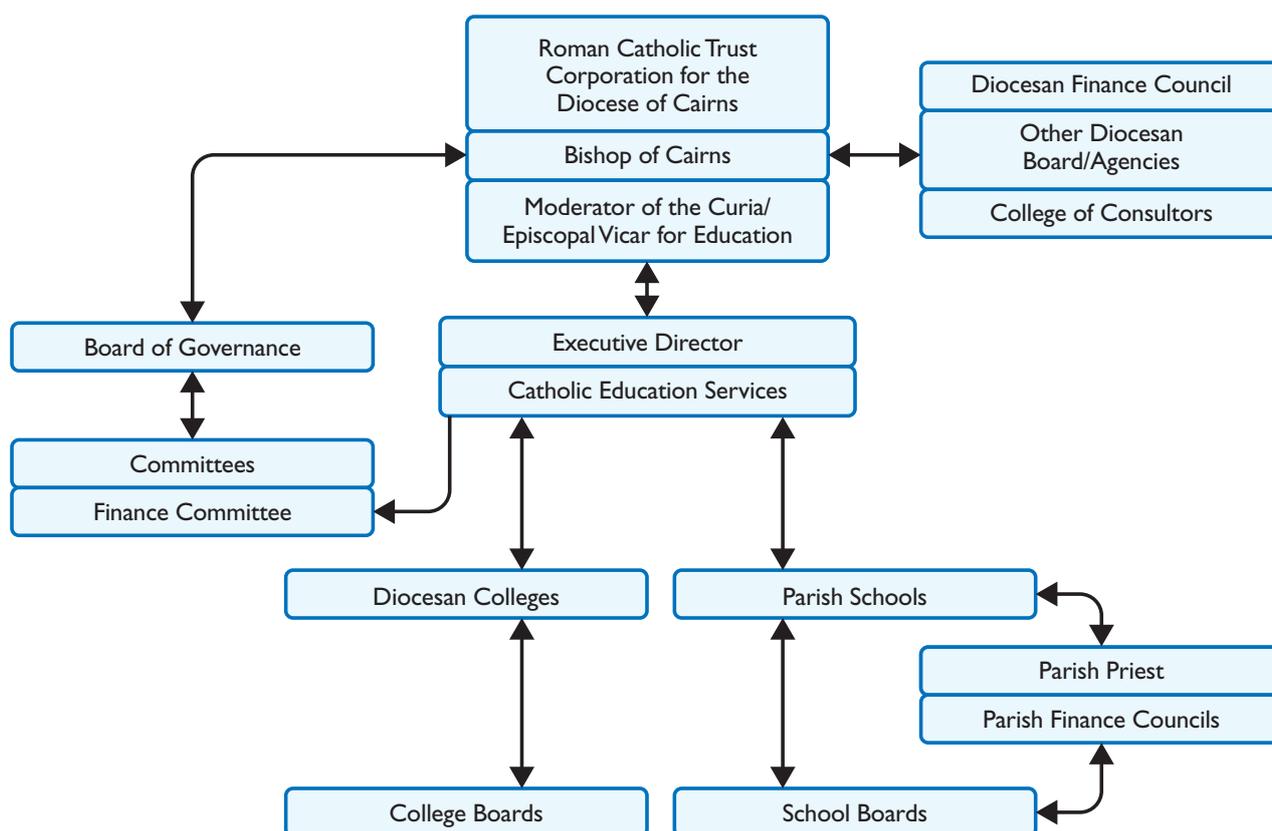
**Catholic Education**  
Diocese of Cairns

*Learning with Faith and Vision*

The governing body for Catholic schools in the Diocese of Cairns is the Roman Catholic Trust Corporation (RCTC) for the Diocese of Cairns whose sole trustee is the Bishop of Cairns. The Bishop of Cairns is assisted in the role through the appointment of the Episcopal Vicar for Education, whose position canonically can perform the same administrative functions as the Bishop except for some matters reserved by, or mandated for, the Bishop. In addition, Parish Priests have a role as local canonical administrators of the RCTC in the governance of parish schools.

While the RCTC performs a broad role in the life of the local Church across a number of parishes, agencies, boards and committees, the governance of education is exercised through a discrete set of delegations from the RCTC to ensure the effective, transparent and accountable governance of schools. The two key delegations are to the Board of Governance Education and to the Executive Director of Catholic Education Services (CES). At a school level the above delegations apply to the operation of college and parish school boards.

The relationship and reporting arrangements are shown on the following chart:



## Bishop of Cairns/Moderator of the Curia

The Bishop's governance of the Diocese involves the exercise of legislative, executive and judicial powers (Canon 391.1). Part of the Bishop's role is achieved through the appointment of a Moderator of the Curia (Canon 473.2), a role which encompasses the administrative business of the curia and ensuring those that belong to the curia fulfil the offices entrusted to them. The general intent is that the Bishop is freed to concentrate on his teaching and leading in worship while the Moderator is responsible for the administration of the curia.

The work of the Church is directed towards furthering the reign of God in the Diocese of Cairns, therefore there is a necessity for the various agencies of the Church to be collaborative in their roles. But there is also a need, expressed in Commonwealth and Queensland legislation (Australian Education Act s75(3), the Australian Education Regulation s26, s29 (2), the Queensland Education (Accreditation of Non-State Schools) Act ss7, 8, 10; and Regulation s6) for transparency and accountability in education governance especially in the area of public funding for schools.

In particular, the following requirements of relevant legislation guide practice and administrative arrangements:

- schools are not operated for profit
- the governing body is not a party to prohibited arrangements in relation to the operation of its schools
- there is no direct or indirect connection between the governing body and another entity that could reasonably be expected to compromise the independence of the governing body when making financial decisions
- all government funding is used only for the purposes for which the funds have been granted.

The Queensland Catholic Schools Not-For-Profit Guidelines set out in detail how school governing bodies ensure that their financial arrangements and relations with other entities are managed in a way that conforms to legislative and regulatory requirements. Of particular relevancy are the obligations concerning related party transactions and the correct structuring of relations between Catholic schools and other Church entities.

It is noted the requirements for funding accountability are not inconsistent with the provisions of Canon Law (Canon 1267.3) concerning goods that have been received by the church. The “intention of donors” requires processes to demonstrate that funds have been used for the purpose for which they were given. While the intent of this law applies to donations and gifts received by the Church, for Catholic Education accountability purposes its underlying principle is extended to contractual obligations such as public funding and funds received by way of tuition fees and levies from families.

The governance outcome then, is a nexus between the collaborative good works of the Church and its agencies, and the need for accountability, particularly in the area of public funding. This is achieved by ensuring that:

Requirement	This is achieved by ensuring:
Contractual and administrative arrangements are characterised by arm’s length dealing	<ul style="list-style-type: none"> <li>• Diocesan or parish provided property rental/lease agreements are tested against market rates.</li> <li>• Agreements for diocesan or parish services are at actual cost (provided these are at no more than reasonable market value).</li> <li>• Related party transactions are identified and approved by the Board of Governance</li> </ul>
There are no direct or indirect connections between the governing body and any other entity that could reasonably be expected to compromise the independence of the governing body when making financial decisions	<ul style="list-style-type: none"> <li>• With the exception of ex officios, those who serve on non-education diocesan agencies are not eligible to serve on the Board of Governance or its committees.</li> <li>• The Board of Governance and school and college boards apply a conflict of interest policy requiring the registration of conflicts and the declaration of conflicts at meetings.</li> <li>• Other diocesan agencies do not have a role within the governance structure of education ie there are no diocesan intermediaries between the Bishop and the Board of Governance and the Executive Director of CES.</li> </ul>
All funds arising from school operations are used solely for the purpose of advancing school philosophy and aims	<ul style="list-style-type: none"> <li>• The budgetary and financial management processes are managed entirely within the CES and school governance structure</li> </ul>



In the application of this governance model the Bishop receives the advice and recommendations of the Board of Governance and the CES Executive Director, and then may seek the advice of other diocesan agencies or staff, and in the case of the Diocesan Finance Council, the Bishop is obliged to seek its advice, and sometimes its consent, on matters of financial management. The Bishop's judgement is required when such advice conflicts with the recommendations of the Board of Governance or the CES Executive Director. In matters affecting the allocation of public funds the judgment may not necessarily concur with the advice of his education advisors but it must reflect an outcome consistent with the intent of that funding. Where such judgement is required it will be documented consistent with system accountability.

As part of the RCTC's overall diocesan structure, Cairns Catholic Education and schools may engage with other diocesan and church entities for the purposes of support, shared services or other operational matters. This may include shared or fee for service arrangements in areas including payroll, information technology, facilities services, banking and insurance. Relevant diocesan or Church entities may include the Diocesan Development Fund, Diocesan Financial Council and business enterprises such as Catholic Church Insurance Ltd.

## **Board of Governance Education**

The Board of Governance operates under a Constitution approved by the Bishop of Cairns. Section 4.1 of the Constitution identifies its mission:

*The Board, in accordance with the authority entrusted to it by the Bishop, is to assist the Bishop, the Diocese of Cairns ('the Diocese') and Catholic Education Services ('CES') to fulfil the mission of Catholic schools in the Diocese in accordance with the Code of Canon Law, applicable Commonwealth and State laws and agreements, treaty obligations (as ratified by the Holy See), Diocesan and Catholic Education policies, and the broader expectations of the community, particularly those families engaged with Catholic schools. However the Board's first role is to act as a source of advice and counsel to the Bishop in the execution of his duties relating to Catholic schools in the Diocese.*

The Board has a decision making role in policy and strategic planning areas and an advisory role in other areas including

- Faith and formation
- Student outcomes and wellbeing
- Financial management including budget endorsements
- Staffing
- Risk management and compliance
- Community and partnerships
- Inclusive practices

The Board's integrity and capacity to provide independent advice to the Bishop is achieved through:

- Ensuring that while the Board works on cooperation with other diocesan agencies its direct report is to the Bishop of Cairns and that it is independent of agencies or entities that influence or have the potential to influence outcomes not in the best interests of schools in the Diocese (BoG Constitution s4.7). While the RCTC is a single legal entity with a number of operational divisions, the practical intent of this clause is that the other divisions do not have a real or potential conflict of interest in their capacity, or their perceived capacity, to influence outcomes that are not in the best interests of schools.
- Persons sitting on the Board or its committees, other than ex officios (Bishop and Episcopal Vicar) shall not be members of other diocesan boards or committees (s7.3.5), nor can school, CES or diocesan staff be members of the Board (s7.2.4). The general criteria for membership are outlined in s7 of the Board Constitution.
- Board members being aware of its own code of conduct provisions including its conflict of interest policy which is managed through a register of interests and a declaration of conflicts recorded in each meeting record.



The Board has three permanent committees that report to it – Finance, Education, and Identity and Outreach. The Finance Committee provides detailed oversight of the budgets for CES and system schools, and colleges, and makes recommendations to the Board regarding budget endorsements.

## **Executive Director and Catholic Education Services**

The professional needs and organisational complexity within Catholic Education necessitate the appointment, by the Bishop as Trustee of the RCTC for the Diocese of Cairns, of a delegate to act on his behalf. This delegation is made to the person holding the position of Executive Director. It is out of this delegation, and the responsibilities associated with it, that the administrative relationships between Catholic Education Services (CES), diocesan and parish schools, and agencies take shape. Catholic Education Services under the delegated authority of its Executive Director acts as the executive arm of the RCTC in respect of all school education matters.

While the detail of these relationships will vary from time to time, the following current delegated responsibilities by the Bishop (as the Trustee for the RCTC) to the Executive Director generally apply:

1. To develop, establish and model the distinctive Catholic Identity within schools and colleges
2. To develop and monitor Strategic and Annual plans for Catholic Education
3. To provide Human Resources support to schools, colleges and CES
4. To coordinate communication and collaboration within and beyond Catholic education
5. To provide oversight of the financial and physical resources of schools, colleges and CES
6. To develop and maintain communication, decision making and associated management systems
7. To act for and on behalf of the RCTC in all matters related to employment of education staff
8. To support the professional development of all staff within Catholic Education
9. To represent and advocate for Catholic Education
10. To be accountable to the Bishop, Vicar for Education and Board of Governance through seeking authorisation, consulting and informing on matters of Catholic Education within the Diocese (in the event of discord the primary accountability is to the Bishop as Trustee of the RCTC)
11. To be the responsible person for matters relating to child protection under ss366 and 366A of the Education (General Provisions) Act.

## **School and college governance**

At parish school and college (direct-funded) levels, governance is assisted through the operation of parish school boards and college boards respectively. Both types of boards operate under constitutions approved by the Bishop on the advice of the Board of Governance. The constitutions identify an advisory role similar to that of the Board of Governance but operate at a local level. Not all schools and colleges have operational boards but the management intent is for all schools to have boards.

For the college boards appointments are made by the Board of Governance on the advice of the existing board or college leadership. At a parish school level appointments are made by the Parish Priest in partnership with the school Principal.

School and college boards prepare and recommend their respective school budgets, in alignment with CES guidelines, processes and templates, for:

- In the case of college boards, referral to CES and the Board of Governance Finance Committee for review, and then to the Board of Governance for endorsement.
- In the case of parish school boards, for the endorsement of the Parish Finance Council to present to the Parish Priest for approval.

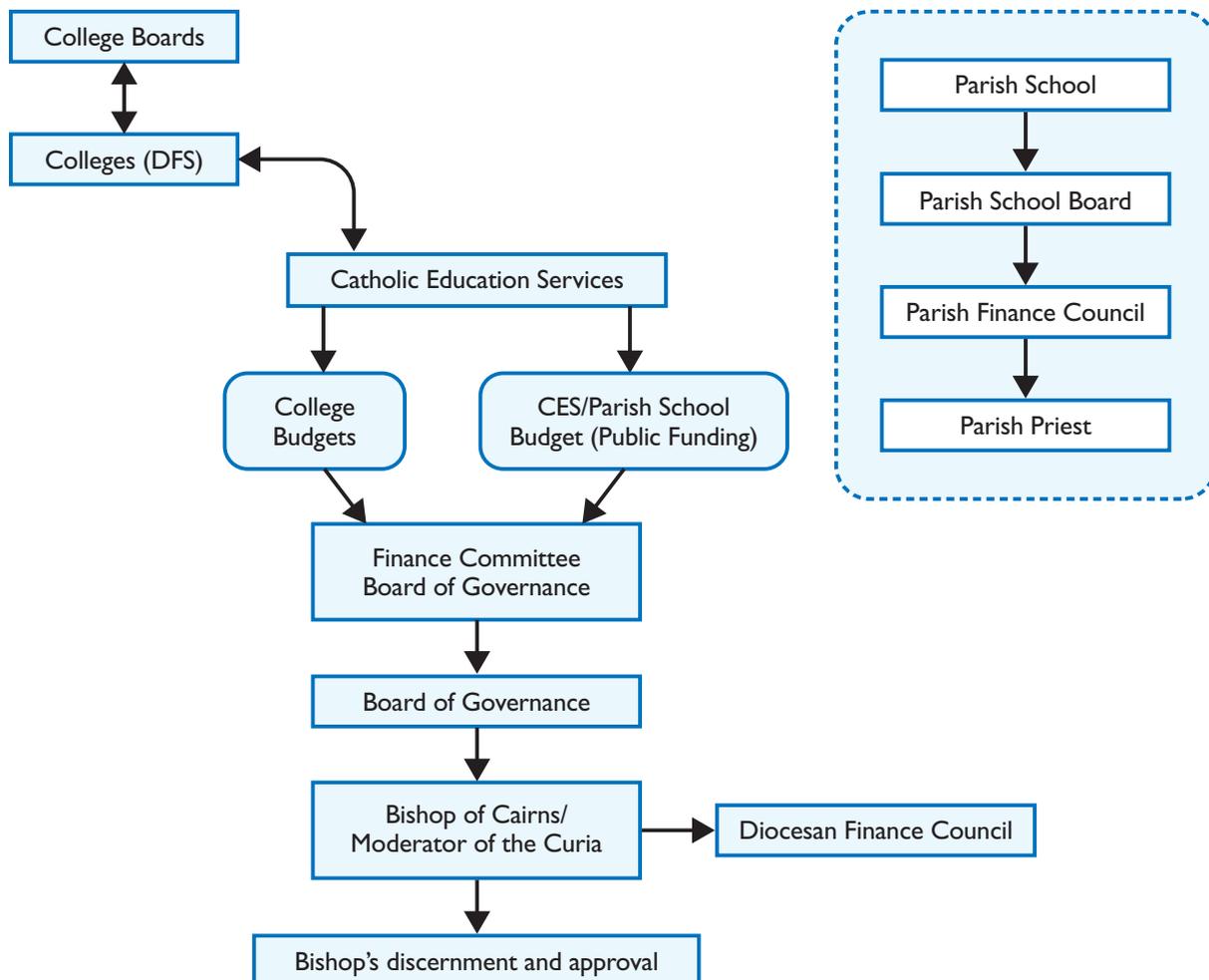
## Common accountability measures across all education boards

The following are accountability features applied to both the Board of Governance and its committees, and school and college boards:

- Verification and suitability checks for all nominations
- Formation and professional development for board members
- Constitutions as working documents that clearly outline roles and responsibilities
- Policies for conflict of interest, backed by registers of interest and declarations of interest at board meetings

## Budget approval processes

The following processes apply to the approval and monitoring of system and school budgets and are incorporated in this document to demonstrate the independence, transparency and accountability of the budget process. Budget processes at school and college levels will align with Board-approved CES processes. The approval process presented graphically in the following flowchart:





## Points to note:

### For Parish Schools:

- Local income from tuition fees, levies and charges is budgeted and managed at a school level. The local school budget is presented to the Parish Finance Council for its recommendation to the Parish Priest for approval.
- Any disagreement between the Parish Finance Council and the school leadership will be resolved by the Parish Priest having due regard for the intention of donors and contractual obligations including fees and levies received from families).
- Public funding (State and Commonwealth) for Parish schools is included in the CES/system budget which is presented to the Board of Governance via a recommendation from the Board's Finance Committee.

### For Colleges (Direct Funded Schools)

- The budget from both local income and public funding is incorporated in a college budget which is presented to the College Board before being presented to the Board of Governance via the Board's Finance Committee.

### For both Parish schools and Direct-Funded Schools (Colleges)

- Once the Board of Governance has endorsed both the CES/Parish Schools and Direct Funded Schools (colleges) budgets, the budgets are referred to the Bishop of Cairns for his approval.
- Under Canon Law (Book V on the Temporal Goods of the Church) the Bishop is then obliged to seek the advice of his Diocesan Finance Council as the budgets presented are acts of administration of major importance (Canon 1277).
- Any disagreement between the advice of the Board of Governance and the Diocesan Finance Council will be resolved by the Bishop, with the further advice of the College of Consultors, having due regard for the intention of donors and contractual obligations (both public funding and fees and levies received from families).

### Role of the Bishop of Cairns/Moderator of the Curia

While the Bishop of Cairns has final approval and accountability for school and college budgets, the administration of the budget process will be managed by the Moderator of the Curia.