

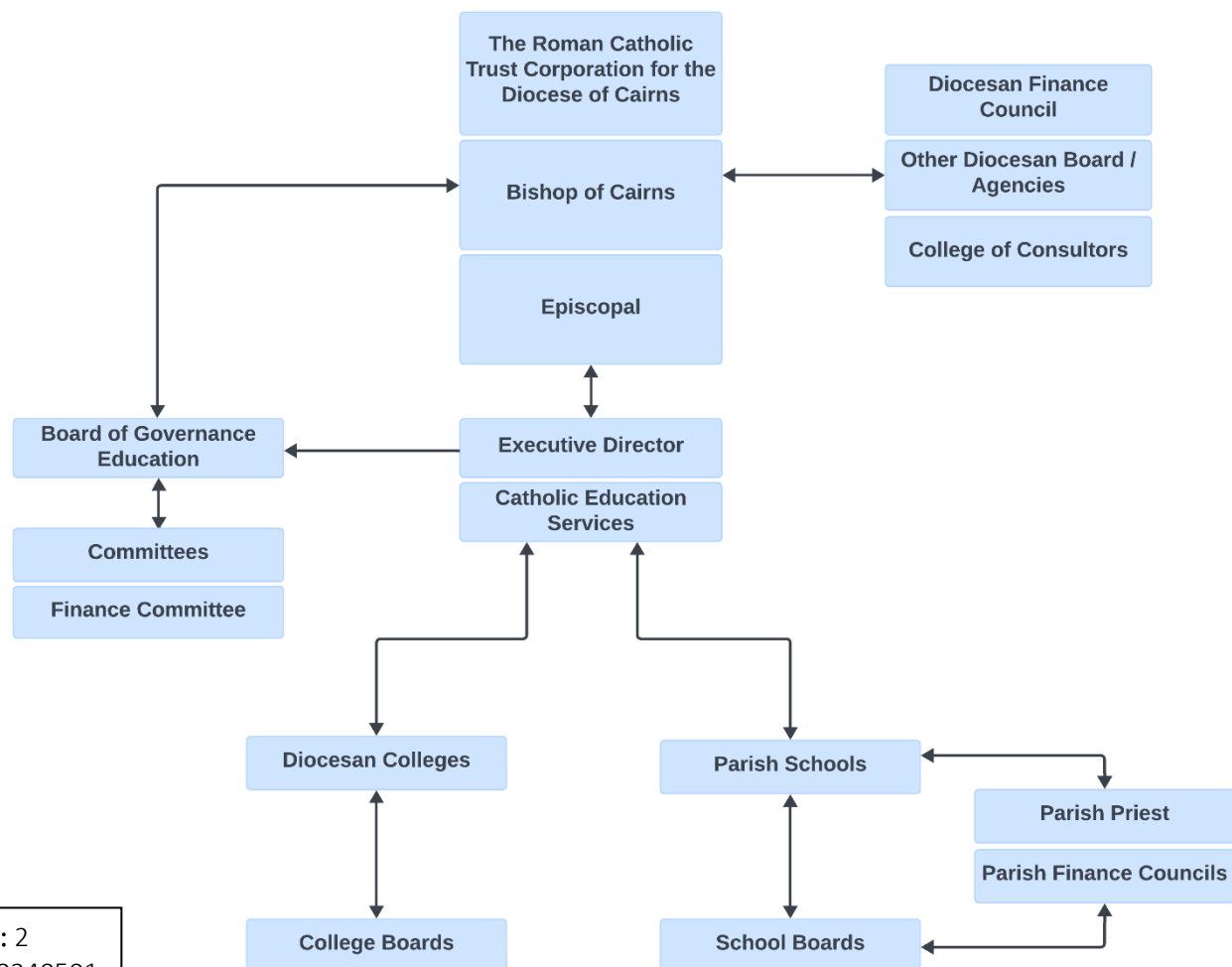


Governance of Catholic schools in the Diocese of Cairns

The governing body overseeing schools in Catholic Education Diocese of Cairns (CEDC) is the Roman Catholic Trust Corporation (RCTC) for the Diocese of Cairns, with the Bishop of Cairns serving as its sole trustee. The Bishop of Cairns is supported by the Episcopal Vicar for Education, who can canonically perform the same administrative functions as the Bishop, excluding some matters reserved by or mandated for the Bishop. Parish Priests serve 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 the Executive Director of CEDC. At a school level, the above delegations also apply to the operation of college and parish school boards.

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



Bishop of Cairns/Episcopal Vicar for Education

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 an Episcopal Vicar (Canon 473.2), a role which encompasses the administrative business of the Division and ensures those that belong to the Division fulfil the offices entrusted to them. This arrangement enables the Bishop to concentrate on his teaching and leading in worship while the Vicar is responsible for the administration of the Division.

The work of the Church is directed towards furthering the reign of God in the Diocese of Cairns. Therefore, it is necessary for the various agencies of the Church to collaborate in their roles. Additionally, there is 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 relevance 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 CEDC 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">▪ Diocesan or parish provided property rental/lease agreements are tested against market rates.▪ Agreements for Diocesan or parish services are at actual cost (provided these are at no more than reasonable market value).▪ Related party transactions are identified and approved by the Board of Governance Education.



<p>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.</p>	<ul style="list-style-type: none"> ▪ With the exception of ex officios, those who serve on non-education Diocesan agencies are not eligible to serve on the Board of Governance Education or its committees. ▪ The Board of Governance Education, school and college boards apply a conflict of interest policy requiring the registration of conflicts and the declaration of conflicts at meetings. ▪ Other Diocesan agencies do not have a role within the governance structure of education i.e. there are no Diocesan intermediaries between the Bishop and the Board of Governance Education and the Executive Director of CEDC.
<p>All funds arising from school operations are used solely for the purpose of advancing school philosophy and aims.</p>	<ul style="list-style-type: none"> ▪ The budgetary and financial management processes are managed entirely within the CEDC and school governance structure.

In the application of this governance model, the Bishop receives the advice and recommendations of the Board of Governance Education and the CEDC Executive Director and then may seek the advice of other Diocesan agencies or staff. 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 Education or the CEDC 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, CEDC offices 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.

Board of Governance Education

The Board of Governance Education (the Board) operates under a Charter approved by the Bishop of Cairns. Article 1 of the Charter identifies its purpose:

- 1.1. *The Diocesan Education Board of Governance (the “EBG”) is a governing body within The Roman Catholic Trust Corporation for the Diocese of Cairns (the “Diocese”), established by the authority of the Bishop of Cairns (the “Bishop”) for the service of the Church and the Catholic Education community in the Diocese.*
- 1.2. *EBG serves as an advisory body in relation to education matters, and plays an important role in the Diocesan governance by providing independent advice to the Bishop and his delegates and assisting him to meet his duties and obligations.*
- 1.3. *Each activity, division and governing body within the Diocese, including EBG, is part of a missionary outreach of the Church with its charitable purpose and stewardship driving all our activities.*
- 1.4. *This Charter is the key governing document which sets out EBG’s objectives, responsibilities and Administration to ensure good governance, compliance and to safeguard our values and mission.*



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 the Board is independent of executive management and is directly accountable to the Bishop of Cairns or his delegate. Whilst the Board works in cooperation with other Diocesan agencies, the Board must ensure they act in an objective, impartial manner, free from any actual or perceived bias or conflict of interest that is not in the best interests of schools within CEDC (DEBG Charter 4.5).
- The general criteria for membership and attendance requirements (outlined in 6.1 of the Charter).
- 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 one permanent committee that reports to it. The Finance Committee provides detailed oversight of the budgets for CES, parish schools, system schools, and colleges and makes recommendations to the Board regarding budget endorsements.

Executive Director and Catholic Education Diocese of Cairns

The professional requirements and organisational complexities within CEDC require the appointment of a delegate to act on behalf of the Bishop. This delegation is assigned to the person holding the position of Executive Director. This delegation and the associated responsibilities enable administrative relationships to form between Catholic Education Services (CES), Diocesan colleges, parish schools and agencies. CES, under the delegated authority of its Executive Director, acts as the executive arm of the RCTC with respect to all school education matters.

While the details 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, establish and monitor high-quality learning and teaching within schools and colleges.
3. To develop and monitor Strategic and Annual plans for CEDC.
4. To provide Human Resources support to schools, colleges and CES.
5. To coordinate communication and collaboration within and beyond Catholic education.
6. To provide oversight of the financial and physical resources of schools, colleges and CES.



7. To develop and maintain communication, decision making and associated management systems.
8. To act for and on behalf of the Diocese in all matters related to the employment of education staff.
9. To support the professional development of all staff within CEDC.
10. To represent and advocate for CEDC.
11. To be accountable to the Bishop, Vicar for Education and Board of Governance Education through seeking authorisation, consulting and informing on matters of CEDC.

School and college governance

At parish school and college levels, governance is assisted through the operation of parish school boards and college boards, respectively. Both types of boards operate under charters approved by the Bishop on the advice of the Board of Governance Education. The charters identify an advisory role similar to that of the Board of Governance Education that operates at a local level. The intent is for all schools and colleges to have operational boards.

For the college boards, appointments are made by the Board of Governance Education 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 Education for endorsement.
- In the case of parish school boards, the endorsement of the Parish Finance Council to present to the Parish Priest for approval.

Common accountability measures across all education boards

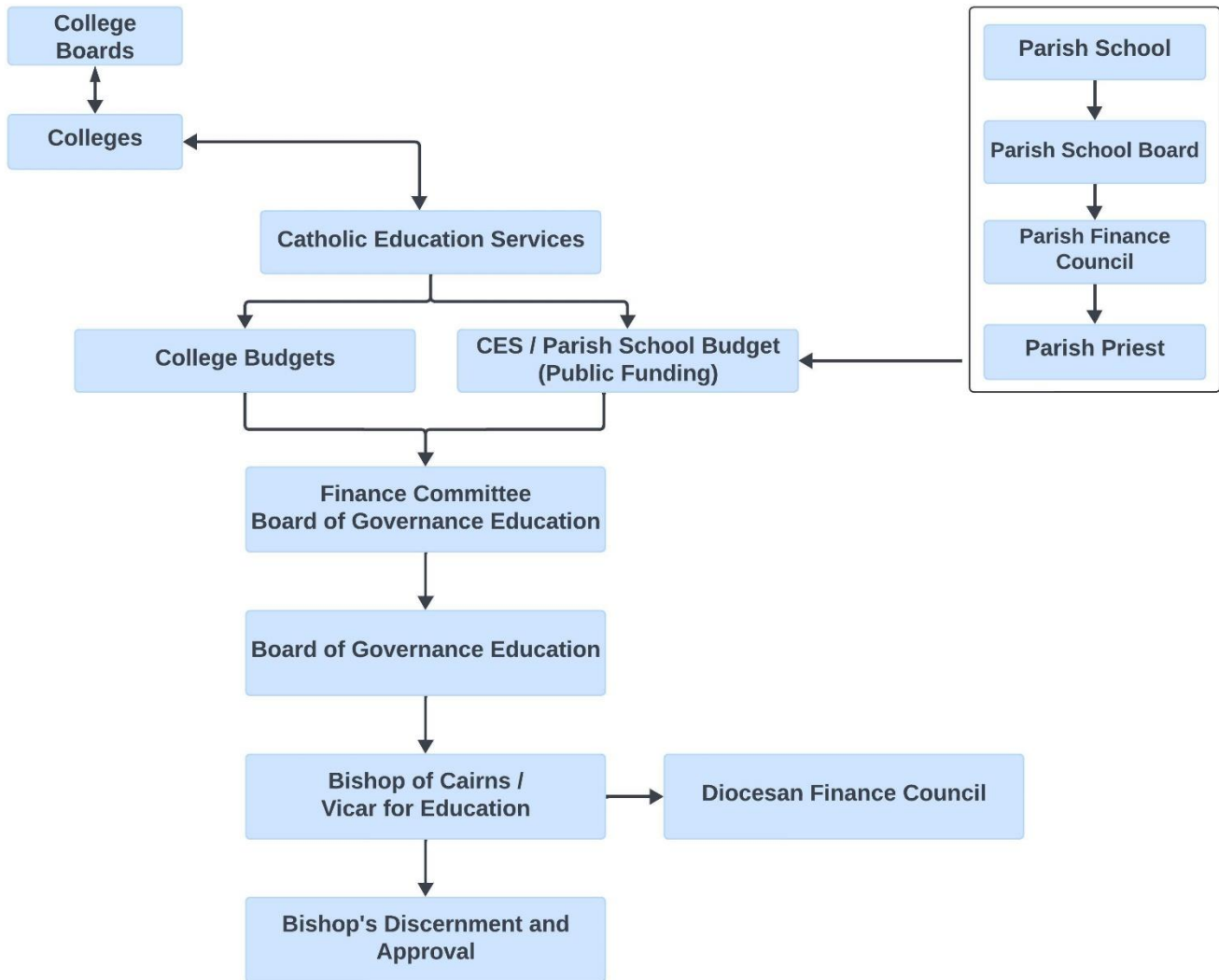
The following are accountability features applied to both the Board of Governance Education and its committees, school and college boards:

- Verification and suitability checks for all nominations.
- Formation and professional development for board members.
- Charters 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 processes. The approval process is presented graphically in the following flowchart:



Points to note:

For Parish Schools:

- Local income from tuition fees, levies, charges and other income 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 recurrent grants) for Parish schools is included in the system and CES budget, which is presented to the Board of Governance Education via a recommendation from the Board's Finance Committee.

For Diocesan Colleges

- 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 Education via the Board's Finance Committee.

For both Parish schools and Diocesan Colleges

- Once the Board of Governance Education has endorsed both the Parish School and College 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 obligated 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 Education 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/Vicar for Education

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 Vicar for Education.

