

## **SECTION 2: GOVERNANCE**

### **2.1 OPERATION OF THE BOARD**

#### **RATIONALE**

Good governance is fostered by clear guidelines for the operation of any organisation. This is based on the gospel value of stewardship.

#### **POLICY**

The Board of Daramalan College operates in accordance with its Constitution and protocols, its Code of Ethics for Directors and relevant corporation laws. The Board is responsible for maintaining the Missionaries of the Sacred Heart ethos and for the College's strategic planning, key policy development, risk oversight and the financial accountability for the College.

#### **APPLICATION**

1. The Principal is responsible to the Provincial to further the Objects and to work with the Board for the management and performance of the College [see Article 26), and is responsible to the Board for the execution of the Board's decisions.
2. The Board:
  - ensures that its membership includes a mix of skills appropriate to achieve the responsibilities of the Board, and provides new members with a suitable induction
  - adopts a governing style that values critical analysis and promotes deliberation
  - maintains a conflict of interest register
  - conducts a self-evaluation exercise every two years and reviews its results
  - invites to its meetings from time to time guest presenters, including members of staff and student leaders, to present on such matters that the Board considers appropriate to inform its understanding of the College's operations and issues and to aid decision-making
  - uses Committees to undertake detailed work in order to allow Board meetings to focus on strategic matters.
3. Documentation for meetings is forwarded to Directors in advance of meetings so that sound preparation for the meeting is possible.
4. The Board Committees review their Terms of Reference and work plans annually and submit these to the Board for approval.
5. The College arranges Directors and Officers Insurance Liability.

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## **SECTION 2: GOVERNANCE**

### **2.2 CODE OF ETHICS FOR BOARD MEMBERS**

#### **RATIONALE**

Board members' capacity to effectively contribute to the operation of the Board in policy, planning and decision making matters in the context of providing guidance to a Missionaries of the Sacred Heart school is enhanced through the adoption of a Code of Ethics consistent with the Missionaries of the Sacred Heart Ethos. The need for a Code of Ethics rests on the gospel values of stewardship, fairness and justice.

#### **POLICY**

The Board develops and adopts a Code of Ethics consistent with the Missionaries of the Sacred Heart ethos. Board members have an obligation, at all times, to comply with the spirit, as well as the letter of the law, and with the principles of the Code of Ethics.

#### **CODE OF ETHICS**

##### **Conduct**

It is expected that Board members:

- become more knowledgeable about the Missionaries of the Sacred Heart ethos as articulated in the Constitution of the College as the Board operates under the authority of the Missionaries of the Sacred Heart
- ensure that all Board decisions are consistent with the ethos of the College as a Catholic and a Missionaries of the Sacred Heart institution
- act with honesty, in good faith and in the best interests of the College at all times
- familiarise themselves with, and act in accordance with, their obligations under the Constitution of the College and with the Corporations Act
- use care and diligence in fulfilling the functions of their role and in exercising the powers attached to that role
- contribute to making Board decisions fairly, impartially and promptly, considering all available information, and having taken all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board
- ensure that child safety is paramount in all Board policies and decisions
- contribute in a constructive, courteous and positive way to enhance good governance and the reputation of the College and the Missionaries of the Sacred Heart
- not engage in conduct likely to discredit the College or Missionaries of the Sacred Heart ethos.

##### **Communications and Privacy**

Board members must:

- not disclose information or documents obtained as a Board member unless required to do so by law or as agreed by a decision of the Board
- respect the confidentiality of Board discussions and maintain loyalty to Board decisions even if they are not personally in full agreement with a final decision
- not make any public statement regarding the business of the Board as only the Chair or nominated delegate can speak on behalf of the Board
- respect the confidentiality and privacy of personal information about Board members and College staff
- store, and later dispose of securely, all Board materials.

### **Conflict of Interest**

Board members must:

- disclose promptly any personal or business interests which may give rise to an actual or perceived conflict of interest
- properly manage any conflict between the Board member's personal or business interests and those of the College and, in particular, must disclose any conflicts of interest as soon as they arise. This includes financial or personal interests that may arise from:
  - \* business or professional activities
  - \* membership of other organisations
  - \* employment or accountability to other people or organisations
  - \* ownership of property or other assets.
- maintain a clear separation between Board and parental responsibilities if they have a student attending the College,

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## SECTION 2: GOVERNANCE

### 2.3 STRATEGIC PLAN

#### RATIONALE

The Board of Daramalan College is responsible for overseeing the strategic planning for the College. Strategic planning delivers defined objectives and key strategies designed to achieve a set of organisational goals, an assessment of the resource allocation to meet the goals and priority objectives which have been identified as key indicators of achievement.

The purpose of the College's strategic planning is to set goals which focus on opportunities for growth and improvement and the strategies to achieve the College's mission and vision.

The purpose of this policy is to provide guidance to the Board and the College Executive about the overall planning processes that will be used.

Good governance is based on the Gospel value of stewardship.

#### POLICY

1. The College Board conducts a Strategic Planning process at least once every five years.
2. The College Board reviews performance against the Strategic Goals and Objectives at least annually.
3. The College Executive establishes Operational Plans consistent with the Board's Strategic Goals and Objectives.

#### APPLICATION

Daramalan College is required to undertake organisational planning under its charter from the Missionaries of the Sacred Heart. Consequently, Daramalan College has in place the following types of plans:

- Daramalan College Strategic Plan – this provides the framework that communicates the college's strategic intent.
- Business/Management plans – these plans are created to be consistent with the Strategic Plan.
- Departmental plans - operational plans which cover the academic, sporting and other extra-curricular dimensions of the College.
- Special purpose plans - cross-organisational processes, sub-processes or parts thereof.

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## **SECTION 2: GOVERNANCE**

### **2.4 BUDGET**

#### **RATIONALE**

The Board of Daramalan College is responsible for overseeing the Budget of the College and for ensuring that the College operates within a responsible, sustainable financial framework and in alignment with the Strategic Goals and Objectives.

In line with this responsibility, the Daramalan Board conducts a Budget planning process each year as part of its annual business planning.

Good governance is based on the Gospel value of stewardship.

#### **PURPOSE**

This policy is designed to set out the process for compiling, monitoring and reviewing Daramalan Colleges annual Budget.

#### **POLICY**

1. The Board of Daramalan College conducts a Budget planning process each year as part of its annual business planning.
2. The College operates under a Budget that is flexible in responding to unforeseen events, including possible reductions in cash flow, and therefore is monitored regularly and reviewed.

#### **APPLICATION**

The Budget process is outlined in Attachment 1 and includes a list of procedures for preparing, monitoring and reviewing the Budget as well as the personnel responsible for these roles.

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## **Attachment 1 - Budget Planning Procedures**

### **RESPONSIBILITIES**

The Board of Daramalan College has ultimate responsibility for overseeing the Budget of the college and for ensuring that the college operates within a responsible, sustainable financial framework.

It is the responsibility of the Business Manager to prepare all budgets and review budgets in consultation with the Finance, Audit and Risk Management Committee (“FARM Committee”).

The FARM Committee comprises:

- at least two non-Executive Directors
- the Principal
- the Business Manager
- the Accountant (ex-officio)

### **PROCEDURES**

#### **Preparation of the Budget**

In the second half of each year, the Accountant starts preparing the budget estimates as part of the Business Plan for the following year. The process includes:

- considering operational costs
- setting payroll costs
- estimating grant and other income
- considering capital project expenditure
- recommending fee changes.

The initial Budget estimates are based on the current expenditure projections to end of year, plus Consumer Price Increments for salaries or relevant wage increases, revisions to awards/contracts, and an agreed % increase on operating expenses such as power, telephones, etc.

The FARM Committee is provided with information about how cost increases are absorbed or lead to increases in fees.

The Business Manager/Accountant presents the draft Budget for discussion at a FARM Committee meeting. The FARM Committee accepts the estimates as presented or requests variations, within the context of the Business Plan. A detailed report denoting reasons for decisions is attached to the draft Budget for discussion.

The Business Manager/Accountant revises the draft and presents the amended draft Budget at the next available FARM Committee meeting, usually in October. Once adopted by the FARM Committee and approved by the Board, this becomes the official operating Budget for Daramalan for the following year, and all Board members and employees must work within the financial limits stated or implied by this document.

### **Monitoring and Reviewing the Budget**

The Accountant is responsible for monitoring the College's expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure.

Financial reports are prepared for each FARM Committee meeting showing the year-to-date expenditure and its variation from the budget estimates, and indicating any increases or decreases in funding. A detailed commentary is attached to Board reports detailing reasons for variations and recommendations for corrective action if required.

The Accountant indicates what effect any variations will have on the budget projections and provides this information to the Principal and the FARM Committee. The Accountant reports on any other financial matters that are related to the Business Plan.

Once adopted by the Board, the Amended Budget becomes the new operating budget for the remainder of that financial year.

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## **SECTION 2: GOVERNANCE**

### **2.5 DELEGATIONS POLICY**

#### **RATIONALE**

Daramalan College is committed to the highest standards of integrity, fairness and ethical conduct, including full compliance with all relevant legal requirements, and in turn requires that all its Board members, officers (including its Principal), managers, employees and contractors acting on its behalf meet those same standards.

Delegations are a key element in the effective governance and management of Daramalan College and provide formal authority to particular staff to commit the College and/or incur liabilities for the College. The policy applies to all members of the Board and the staff of Daramalan College who have delegated authority to act and sign documents on behalf of Daramalan College. The policy is based on the Gospel values of stewardship, integrity and service.

#### **POLICY**

1. The Board of Daramalan College is responsible for over-sighting the management of the college. Under the Corporations Act and Daramalan College's Constitution, the Board can delegate any of its functions except:

- (a) the power of delegation, and
- (b) any functions reserved to the Board under the Corporations Act.

The Board may delegate its functions to:

- a member or members of the Board
- a sub-committee of the Board
- the Principal and through the Principal to members of the staff of the college.

The Board may not delegate its power:

- to adopt the College's Strategic Plan or
- to adopt the College's business plan or
- to adopt the College's annual budget

2. The Principal is charged with the duty of promoting the interests and furthering the development of Daramalan College and is responsible for the administrative, financial and other business of the College as well as exercising general supervision of the staff of Daramalan College.



The Principal may seek the approval of the Board to delegate any function or any power or duty conferred or imposed upon them, subject to this Delegations Policy, to any member of the staff of the college, or any person or persons, or any committee of persons.

## **APPLICATION**

1. The Principal ensures a Delegations Register is available for use by staff at all levels within the College and by the Board.
2. Staff members are reminded by the Principal of their responsibilities in terms of meeting required standards of integrity, ethical behaviour and compliance annually.
3. Staff members are advised that they may not act on behalf of the college beyond their delegated responsibility in terms of expenditure, providing authorisations or speaking for the college.

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## **SECTION 2: GOVERNANCE**

### **2.6 RISK MANAGEMENT POLICY**

#### **RATIONALE**

The Board of Daramalan College has developed its Risk Management Policy so that robust governance practices are in place in order to manage effectively the broad spectrum of risks faced by the College. The Risk Management Policy is aligned to the College's Strategic Goals and Objectives and it aims to support a consistent and effective approach to Risk Management.

In line with good governance, this policy is based on the Gospel value of stewardship.

#### **POLICY**

1. Risk Management is the responsibility of the College Board and College staff.
2. The College's Risk Appetite Statement, which underpins the Risk Management Framework, is set by the College Board.
3. The College Board is committed to the principles of risk management and to incorporating these into all key areas of the College including the ethos of the Missionaries of the Sacred Heart, teaching and learning, financial management, technology, co-curricular, safety and well-being, human resources, Work Health and Safety, reputation and corporate governance.
4. The College is committed to ensuring there is a consistent and effective approach to risk management at all levels.
5. The College fosters and encourages a risk-aware culture where risk management is seen as a positive attribute of decision-making rather than a corrective measure.
6. Risks are assessed and managed in accord with the College's Risk Management Framework.

#### **APPLICATION**

1. The College Board sets the College's Risk Appetite and reviews it at least annually.
2. The College's Risk Management Framework defines how risks are assessed in line with the Risk Appetite set by the College Board.
3. Risk Registers are established and then reviewed as specified in the College's Risk Framework.

#### **REVIEW**

The Risk Management Policy is reviewed every three years, or more frequently, if required.

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