



LUTHERAN CHURCH OF AUSTRALIA INC.

GOVERNANCE HANDBOOK

FOR PARISHES AND CONGREGATIONS

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LUTHERAN CHURCH
OF AUSTRALIA
where love comes to life



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1. PURPOSE

The Lutheran Church of Australia (hereafter referred to as “the Church”) is committed to carrying out its mission in a responsible and effective manner through the exercising of good governance policies and practices consistent with its theological foundations and obligations to obey the laws of Australia and New Zealand.

To support this commitment , this Governance Handbook for Parishes and Congregations has been developed and approved by General Church Council. This handbook is part of a broader Governance Framework developed by the Church for the purposes of:

- documenting its commitment and approach to good governance practices;
- defining clearly the roles and responsibilities of Parish and Congregation Councils; and
- providing interested persons within the congregation/parish an insight into the structure and operations of the congregation/parish, its relationship to the wider Church, and respective authorities of the Church and Congregations/Parishes.

2. DEFINITION OF TERMS

The following frequently used terms used in the handbook are defined, as follows:

‘Congregation’ means a group of persons adhering to the Lutheran Faith who regularly meet for the administration of the Means of Grace and who have constituted themselves as an organised body by the adoption of a constitution.

‘Parish’ means a congregation or a group of congregations forming an entity which is served by one or more pastors.

‘The Church’ means the Lutheran Church of Australia Inc and consists of congregations in Australia and New Zealand voluntarily joined together to establish a wider fellowship in the Faith and to promote and do work which congregations could not undertake and do effectively alone.

The Church is divided into **‘Districts’** comprising a defined geographic area and consisting of congregations that have been accepted by the District into the roll of congregations which are members of the Lutheran Church of Australia.

3. FOUNDATIONS

The Constitution of the LCA requires that member congregations accept without reservation the Holy Scriptures of the Old and New Testaments, as a whole and in all their parts, as the divinely inspired, written and inerrant Word of God, and as the only infallible source and norm for all matters of faith, doctrine and life.

The Congregations of the LCA acknowledge and accept as true expositions of the Word of God and as its own confession all the Symbolical Books of the Evangelical Lutheran Church contained in the Book of Concord of 1580, namely:

- the three ecumenical creeds: the Apostles Creed, the Nicene Creed and the Athanasian Creed
 - the Augsburg Confession
 - the Apology of the Augsburg Confession
 - the Smalcald Articles
 - the Small Catechism of Luther
 - the Large Catechism of Luther
 - the Formula of Concord.
- (Model Constitution for Congregations: Article II. Confession)

4. THE OBJECTS OF THE CONGREGATION

The Objects of the Congregation are set out in Article IV of the Model Constitution for Congregations/Parishes and as such will:

- a. glorify the Triune God in its worship and in its work;
- b. bear witness to the Lord Jesus Christ through the proclamation of the Gospel in accordance with the Confession and practice of the Church;
- c. gather into the Congregation such persons as are, or desire to become, members of the Church for their edification through the Word and the Sacraments;
- d. help the members to dedicate their God-given spiritual, material and physical gifts to the service of their Lord;

- e. enable the members to reach out into the community in their daily lives and in their congregational activities as bearers of the Gospel;
- f. exercise discipline over its members in conformity with the Scriptures and the Confession of the Congregation;
- g. join with the Church and the District in building and extending the Kingdom of God; and
- h. acquire, dispose of or otherwise deal with real and personal property in the interest of the work of the Church and the Congregation.

The congregation/parish also undertakes to participate in the work of the Church and of the District and to promote their objects (Model Constitution Article III "Relationship to the Church" 1. (b)).

5. ROLE OF THE CHURCH COUNCIL

The model constitution and by-laws for Congregations and Parishes broadly outlines the role of the Congregational/Parish Council.

Section VII "Authority and Powers" states that officers and committees, whether elected or appointed by the congregation, shall have no authority beyond that which has been conferred on them.

In Section IX there is a requirement that Church Council shall meet once every month to consider the general welfare of the Congregation and its program of activities, as well as receive reports from standing committees and make recommendations to the Congregation.

The model By-Laws provide a general description of duties for various office holders, which reflects an expectation that good governance shall occur in the running of the congregation/parish.

In summary the role of the church council is underpinned by an understanding, consistent with the Model Constitution and By-Laws, that it acts in the best interests of the congregation/parish as a whole and is accountable for the overall direction, management and governance of the congregation/parish.

The Council's key responsibilities include to:

- a. ensure the congregation's activities work towards achievement of the objectives set out in its constitution;
- b. establish the strategy and goals of the congregation (consistent with a. and with regard to the LCA Strategic Direction 2013 – 2018);
- c. engage in creative thinking to ensure the strategic directions are consistent with the core purpose of the congregation, and driven by its underlying values;
- d. comply with the policies of the Church as published from time to time;
- e. monitor compliance with the laws and regulations applicable to the jurisdiction within which it is located and the nature of the congregation's legal status (incorporated body, unincorporated, association);
- f. establish effective controls and procedures to enable risks to be identified, assessed and managed;
- g. establish effective delegation authorities to ensure clear lines of individual and collective accountability;

- h. establish and maintain adequate and effective reporting procedures, which enable all material matters and information to be reported to the Council and congregation/parish;
- i. recommend to the congregation an annual budget, and oversee financial reporting obligations;
- j. recommend to the congregation/parish the financial, operational, human, technological and administrative requirements required to meet the congregation/parish's objectives;
- k. appoint paid staff or oversee the call process;
- l. review and assess the performance of paid staff and the pastor against appropriate indicators, as decided by the Council and/or the Church; and
- m. ensure paid staff and pastors are provided with appropriate care, and opportunities for education and development to assist them to effectively carry out their roles.

6. THE ROLE OF THE CHAIR

The role of the Chair includes:

- a. presiding over Council and Annual General Meetings of the congregation/parish;
- b. monitoring the Council's effectiveness and assess its meeting processes and actions;
- c. setting the agenda for Council meetings in consultation with the Secretary and the pastor;
- d. setting the agenda for congregational meetings with the pastor and Council;
- e. listening and supporting the pastor and/or other paid staff with frequent open communication;
- f. being available to be consulted by the pastor and/or other paid staff on significant issues between Council meetings;
- g. evaluating, with the Nominations Committee, the eligibility and suitability of potential candidates for nomination as Council members including undertaking any appropriate checks (eg police checks);
- h. encouraging constructive debate and open discussion at Board meetings;
- i. regularly reporting Council decisions to the congregation/parish;
- j. initiating and overseeing regular evaluation of the Council's performance;
- k. ensuring adequate induction for new members to ensure they understand their duties and roles, are oriented to the work of the congregation/parish, and are familiar with its policies and procedures;
- l. ensuring that all elected and appointed officers and committees effectively carry out their assigned duties;
- m. encouraging and cooperating with all office bearers;
- n. supporting the implementation of District and National policies and procedures; and
- o. communicating with District Offices matters of importance

7. THE ROLE OF THE TREASURER

The role of the treasurer includes:

- a. keeping an accurate record of receipts and payments in the form required by the Congregation and in accordance with relevant accounting standards;
- b. paying promptly all accounts authorised by the Church Council or Congregation;
- c. ensuring the salaries of pastor/s and paid staff are paid correctly as provided in LCA Salary schedules and/or relevant Awards;
- d. monitoring compliance with statutory requirements including pertaining to GST/Business Activity Statements, PAYG, Fringe Benefits Tax, Workcover and Superannuation Guarantee Contributions;
- e. remitting all monies for Church and Congregation/Parish purposes;

- f. preparing financial reports that present a true and fair view of actual performance for meetings of the Church Council and Congregation;
- g. providing reports on the financial position of the Congregation, and recommending action that may be necessary to ensure the financial well-being of the Congregation/Parish;
- h. establishing and maintaining an asset register and/or a depreciation schedule;
- i. reviewing the value of the Congregation/Parish assets in conjunction with the property committee and/or property coordinator, particularly for the purposes of insurance and replacement planning;
- j. organising annual, independent audits as required by the Church Council and in accordance with Church policy;
- k. communicating with District Office annual giving pledges to support the operations of the District and National Church; and
- l. sending to District Office a copy of the Congregations approved budget and the audited financial report for the prior year.

8. THE ROLE OF THE SECRETARY

The role of the secretary includes:

- a. keeping an accurate record of all proceedings of the Church Council and Congregation;
- b. ensuring records of the congregation are held in a safe and secure location;
- c. responsibility for periodically transferring old records to LCA Archives for safekeeping;
- d. attending to all incoming and outgoing correspondence;
- e. preparing with the Chair an agenda for meetings;
- f. maintaining a Congregation/Parish calendar which records key dates such as Annual General Meetings, contract expiry dates, property inspections, training events and registration renewals (eg police checks, blue cards)
- g. monitoring legal and statutory compliance requirements such as copyright, privacy and national employment standards
- h. ensuring other congregational committees are informed of decisions affecting their functions; and
- i. sending to the District Office a copy of the AGM book of reports.
- j.

9. ROLES AND RESPONSIBILITIES OF ALL COUNCIL MEMBERS

Council members are expected to:

- a. attend and participate in Council meetings;
- b. spend the time needed, and meet as often as necessary, to properly discharge their responsibilities;
- c. review meeting materials before Council meetings;
- d. publically support the letter and spirit of all Council meetings; and
- e. take a careful interest in the information available to them, to understand that information and apply an enquiring mind to the responsibilities placed upon them.

Council members are encouraged to ask questions, request information, and raise any issue of concern in respect to the matters under consideration. If possible, these should be raised before a meeting so that the person/s responsible for the matter is prepared to address them.

In particular, in the context of financial statements, Council members should:

- a. read and understand these financial statements;

- b. apply their knowledge to assess these financial statements;
- c. have a basic understanding of accounting matters; and
- d. apply an enquiring mind and ask appropriate questions.

While Council members are entitled to rely on the proficiency of people who report to Council, Council members must exercise independent judgement when making decisions and, where appropriate, question the information or sufficiency of the information provided to the Council.

Council duties

Council members should exercise responsible decision-making and act with integrity. In summary, Council members will:

- a. act in good faith and in the best interests of the congregation/parish;
- b. serve in a truthful, honest and open manner;
- c. accept and support collective decisions, unless there are reasonable grounds for dissent (eg evidence of illegality);
- d. respect the confidentiality of matters under consideration by the Council;
- e. ensure their decision-making is free from undue influence; and
- f. ensure decisions are not made for personal gain.

Inability to perform duties

In the event that a Congregation cannot fill all the key council positions required of it in accordance with its constitution and by-laws the congregation should contact its District Office for advice.

10. CONFLICT OF INTEREST

In recognition of (f) above, the Lutheran Church of Australia has adopted a conflict of interest policy:

If an officer or member of a board has any direct or indirect pecuniary interest in any business transaction or proposed business transaction with the board or in any other matter in which the board is concerned, and is present at a meeting of the board at which the business transaction, or other matter is being considered, the officer or member shall at the meeting, as soon as practicable after the commencement thereof, disclose such interest, and shall not remain in the room in which the meeting is being held while any such matter is either being considered or being voted on.

In order for congregations/parishes to act in accordance with this policy, the following procedures will apply:

- a. declaration of interests and duties for Council members will be a standing agenda item at each Council meeting;
- b. the Secretary will record the following matters in the Council meeting minutes:
 - i. Details of any disclosures relating to conflicts of interest made by a Council member; and
 - ii. Decisions of the Council not to disqualify a Council member (with a material or other interest) from being present while a matter is being considered, and from voting on a matter.

11. ETHICAL STANDARDS

The Church witnesses to the gospel by what it says and, by how it lives and acts. Council members are expected to lead by example in the way they conduct themselves in their roles, including to:

- a. act fairly in all they do;
- b. act in good faith and be true to his/her word;
- c. act without bias or ill-will toward others;
- d. articulate in a spirit of gentleness his/her reasons for or against a decision;
- e. comply with procedures that have been agreed by the congregation/parish;
- f. uphold the laws of local, State and Commonwealth governments;
- g. carry out Council, congregational/parish and Church decisions and policies faithfully and impartially;
- h. treat fellow Council members and the wider congregation/parish membership with proper regard and in a spirit of Christian fellowship;
- i. act responsibly in performing official duties;
- j. seek to maintain confidence in the integrity of the Council;
- k. not improperly use his/her official powers or position or allow them to be improperly used;
- l. disclose fraud, corruption and maladministration (including breaches of Church policies) of which a Council member becomes aware;
- m. exercise diligence, care and attention;
- n. ensure resources are not wasted, abused or used improperly or extravagantly; and
- o. abide by the LCA's Standards of Ethical Behaviour

12. RISK MANAGEMENT

The Congregation/Parish must manage the risks that affect its work in order to maximise the effectiveness of its mission, protect its reputation, and provide a solid foundation for its ongoing mission and ministry.

Effective risk management involves a balanced approach to assessing risk in a manner that will ensure the Objects of the Congregation are achieved, while mitigating the potential for harm to its members and those it seeks to serve, or loss and damage to its assets.

Church Councils are expected to comply with policies and procedures of the Church that have been approved to ensure the safety and well-being of the congregation/parish and its members. These include, but not limited to:

- Child Protection Policy & Child Safe;
- Volunteers Policy;
- Harassment and Abuse Policy;
- Work, Health and Safety Policy;
- LCA Complaints Handling Policy;
- ICT Policy
- Privacy Policy; and
- Prevention of Harm from a Known Sexual Offender Policy.

Compliance

The Church Council is responsible for the implementation of a compliance system.

The Church is available to assist Councils to meet their obligations through the LCA's Professional Standards Unit, District Offices and LCA Insurance.

13. COMMUNICATION AND ENGAGEMENT

The Church is committed to the principle of openness, transparency and engagement. Congregation/Parish councils will:

- a. communicate effectively and regularly with the members of the congregation/parish;
- b. give members ready access to balanced and understandable information about decisions taken by the Council; and share information provided by the District and Church for the benefit of congregational members;
- c. provide opportunities for congregational/parish members to contribute to and participate in decisions that affect the life and direction of the congregation/parish; and
- d. encourage an environment in which congregational/parish members can provide feedback and input to activities of the congregation, and raise concerns without fear of recrimination.

14. INDUCTION AND EDUCATION

The Council will establish an induction program for new members to ensure they understand their roles and responsibilities.

The Congregation/Parish will support Council members obtaining education and training in areas relevant to their service (such as the on-line Congregational Leadership Training), as well as developments in wider Church policies and procedures for which they have responsibility to enact in the congregation/parish.

15. HONORARIUMS AND COUNCIL COSTS

The service of Council members is undertaken on a voluntary basis. No honorarium is provided or reimbursement for costs to attend meetings offered.

A congregation/parish may wish to acknowledge the service of a Council member on their retirement in an appropriate way.

16. RELATIONSHIP WITH THE PASTOR

The Congregation or Parish will have called a Pastor to serve them as outlined in the call document and partner with the Congregation or Parish in achieving its mission. The council has an obligation to:

- a. support the pastor in carrying out his duties as outlined in the call document and Article VI "The Ministry" of the Model Constitution for congregations;
- b. support the pastor in the development and implementation of the mission objectives of the congregation;
- c. ensure the personal well-being of the pastor and family, including in respect to a balanced workload and the taking of leave entitlements (as provided for in LCA policies);
- d. review the pastor's work within the congregation, as outlined in the LCA's pastor review procedures;
- e. support the pastor's program of continuing education; and
- f. receive regular reports from the pastor on the conduct of his ministry.

17. RELATIONSHIP WITH THE DISTRICT AND NATIONAL OFFICE

The congregation/parish has an obligation to:

- a. send delegates to all District and National Conventions of Synod and reimburse the costs of their attendance;
- b. release pastors to attend Pastors Conference and Convention of Synod, as required;
- c. enable pastors and paid staff to contribute to the wider work of the Church, for example, by serving on District and National Boards, Working Groups and Committees; and
- d. support and implement District and LCA policies.

18. CLOSURE OF CONGREGATION

In the event the congregation/parish may not be able to fulfil its constitutional or mission obligations or is no longer a financially viable entity it may close. In such circumstances the Church Council should seek the support of their District in working through this process in a sensitive manner and in a way that meets all legal obligations and the policies of the Church.

19. OTHER DOCUMENTATION

Other information and documentation including LCA policies, doctrinal statements and LCA constitution/by laws are available either on the LCA web-site or from the District Administrator in each District.

20. REVIEW

The Governance Handbook will be reviewed by GCC at least every two years and any changes will be communicated to congregation/parish councils.

21. APPENDIX A - SUPPORT RESOURCES

Links to resources that support this Governance Handbook will be progressively added to this section.