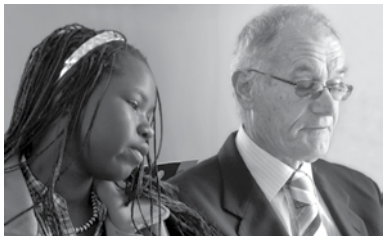
LUTHERAN CHURCH OF AUSTRALIA

GOVERNANCE FRAMEWORK

where love comes to life

WORKING DOCUMENT



LUTHERAN CHURCH OF AUSTRALIA
where love comes to life

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1 PURPOSE

This Governance Framework is for the internal governance and management of the Lutheran Church of Australia (hereafter referred to as 'the Church'). Its purpose is to ensure the districts, boards, congregations, commissions, committees, councils and auxiliaries of the Church (for the purposes of this Framework hereafter generally referred to as 'agencies' (refer Appendix 3 for a full listing) have a common understanding of how they operate and function within the foundations (refer Section 2 'Foundations') of the Church.

It also provides a framework for those Lutheran services in Australia that provide education, welfare and aged care services to develop governance documentation in accordance with the Mission and Values of the Church and in fulfilment their civil requirements.

It is expected that this framework will assist with the understanding of how the Church is responding to the need to interact with society in a manner that is keeping with the theology of the Church and the laws of the land. Its policies and procedures are a means by which the Church articulates how it approaches decision-making and subsequent action in a manner that reflects the responsibility it has before God and the state.

2 FOUNDATIONS

All actions within the Church, such as the incorporation of its Districts, Agencies and Lutheran-related services, will be consistent with its confessional basis as articulated in Article II of its Constitution which states:

> *The Church accepts 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 Church acknowledges and accepts 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, and*
> - *the Formula of Concord.*

3 PRINCIPLES

The Governance Framework is informed by key principles that reflect the Church's identity as both a fellowship of believers in Christ and an entity that is recognised by the state with certain rights and responsibilities.

- The Church is one united body, although it consists of many parts including districts, boards and agencies.
- The Church is in its essence a body of believers and therefore does not narrowly define itself by legal status.
- The Church establishes legal entities in order to operate in particular contexts and meet its obligations to the state; they are not the fundamental basis of our relationships with each other.
- The Church, through its Constitution and By-Laws, establishes that these relationships are not driven by demand or command but in the spirit of Christian fellowship.
- The Church, for the sake of good order and effective operation, has established Synod as the decision-making body of the Church. It is in this spirit of fellowship, and based on the Constitution and By-Laws, that the Districts, Boards and Agencies of the Church comply with and act in a manner consistent with the decisions of the Synod.
- The districts (through their church councils) and agencies of the Church report to General Church Council. This recognises the role of General Church Council in ensuring that the decisions of Synod, including any decisions General Church Council makes in acting as Synod between Conventions of Synod, are implemented in an effective and consistent manner across the Church.
- LCA districts, agencies and Lutheran-related services respect the principle that, in the event of any inconsistency between their strategies and policies and procedures and those of the Church, the Church strategies, policies and procedures prevail, except where legal obligations necessitate otherwise.

4 LEGAL STATUS OF THE CHURCH

The Lutheran Church of Australia Incorporated is an association incorporated under the Associations Incorporation Act 1985 of the State of South Australia.

This civil incorporation means that the Church has certain rights and obligations in civil law in addition to promoting and implementing its Objects.

The Constitution of the Church was adopted by the Closing Conventions of The Evangelical Lutheran Church of Australia Incorporated and the United Evangelical Lutheran Church in Australia Incorporated, both held in October 1966 and by the Constituting Convention of the Lutheran Church of Australia Incorporated on 29 October 1966.

Districts and various agencies and Lutheran-related services have been separately established to carry out specific functions and tasks. In some cases they have been incorporated to meet the legislative requirements of a legal agency within a given jurisdiction (refer Appendix 1 for a full listing). While distinct agencies, they promote and implement the Objects of the Church as defined by its Constitution.

5 THE OBJECTS OF THE CHURCH

The Objects of the Church are articulated in Article III of its Constitution and they outline a shared mission to take God's saving love in Christ to people. The Article states:

The Objects of the Church are to:

(a) fulfil the mission of the Christian Church in the world by proclaiming the Word of God and administering the Sacraments in accordance with the Confession of the Church laid down in the preceding Article II;

(b) unite in one body Evangelical Lutheran congregations in Australia and New Zealand for the more effective work of the Church;

(c) promote and maintain true Christian unity in the bond of peace;

(d) ensure that preaching, teaching and practice in the Church are in conformity with the Confession of the Church;

(e) provide pastors and teachers and other church workers for service in the Church and its congregations, and for this purpose to establish and maintain institutions for their training;

(f) encourage every congregation to carry out its mission to its local community;

(g) establish, develop and support new congregations where it is not possible for individual congregations to do so;

(h) support and cooperate with selected churches in other lands as they seek to carry out their mission;

(i) dialogue with other Christian church bodies;

(j) establish and maintain schools and other institutions and to foster all other means whereby the members of the congregations receive Christian education;

(k) cultivate uniformity in worship, ecclesiastical practice and customs in accord with the principles laid down in Article X. of the Formula of Concord;

(l) publish, procure, and distribute literature compatible with the Confession and principles of the Church;

(m) minister to human need in the name of Jesus Christ our Lord in the spirit of Christian love and service, and to provide institutions and agencies for this purpose; and

(n) take such action as is necessary for the protection of the congregations, pastors, teachers and other church workers in the performance of their duties and the maintenance of their rights.

6 THE CHURCH: AN OVERVIEW

6.1 Formation and Function

The Church consists of

Member congregations (Article IV of its Constitution) of baptised members who have chosen to become part of one united body and have agreed to

- voluntarily join together to establish a wider fellowship in the Faith; and
- participate in the work of the Church and to promote its Objects, especially those that congregations by themselves cannot effectively do alone.

The Church has organised itself into

Districts (Article IX of LCA Constitution), which comprise geographic regions determined by the Church, and have been established for the promotion of the Objects of the Church by its members within those defined areas, with responsibilities to

- exercise general supervision over the members of the ministry and the congregations of the Church within its area
- collaborate with the officials and boards of the Church in carrying out the work undertaken by the Church, and
- carry out such additional duties and responsibilities as are assigned to the Districts in the By-laws of the Church or by resolution of the Church.

The Church is further supported by

Boards, commissions, standing committees, auxiliaries and other bodies (broadly defined as 'Boards' in the LCA Constitution in By-Laws Article VIII. G. (1), but, as outlined in Section 1, referred to as 'agencies' for the purposes of this Framework), as well as other Lutheran-related services that may be established from time to time by the Church to carry out its Objects.

6.2 Authority and Responsibility

For the good order and effective functioning of its work an appropriate balance of responsibility and authority between the Church and its various expressions is essential.

In respect to member congregations, the jurisdiction of the Church includes the following rights (Article VI.7.):

a) to ensure faithful adherence to the Confession of the Church

b) to apply discipline when departure from the doctrine of the Church is evident

c) to enlist wholehearted cooperation in the program approved by the Church in the fulfilment of its Objects, and

d) to take action when persistent disregard of the resolutions of the Church or the District is evident;

In respect to the districts, the Church:

- defines their number and boundaries (Article IX.1.)
- shall ensure that the District Constitutions and By-Laws are in accordance with Constitution and By Laws for Districts prescribed by the By Laws of the Church Constitution, and any changes must be approved by General Synod or General Church Council (Article IX.2.)

- assigns them to carry out such additional duties and responsibilities as prescribed in the By-laws of the Church or determined by resolution of the Church (Article IX.3c.).

In respect to the boards, commissions, standing committees, auxiliaries and other bodies, the Church:

- prescribes their rights and duties (Article VIII.5. and VIII.8.)
- approves their constitutions and any changes thereto (Article VIII.1.), and
- exercises such oversight of Lutheran-related services as necessary to protect its integrity and standing, and to meet its fiduciary duties.

6.3 LCA Governance Structure

The LCA's governance structure is outlined as follows:

- The Church is ultimately 'governed' by the mission of God through Word and Sacrament, as expressed in the theological foundations outlined in Section 2.
- The Church, through the General Synod and General Church Council, is accountable to its members.
- The Church, consisting of member congregations, exercises its governance authority through the General Synod where the direction of the Church is established, as articulated in its Constitution.
- The Church is responsible for ensuring that the Constitution is upheld and its Objects pursued. For this purpose it approves policies and strategic directions that are appropriate for the particular time and place, in accordance with the laws of the land and consistent with good order and best practice (insofar as they are not in conflict with its theological foundations).
- The Church has established General Church Council, which has authority to make decisions between Conventions of Synod, as prescribed in the Constitution Article VIII.2. and in the By-Laws Section VIII. D. Its role is to ensure the good governance of the Church, including:

  (a) direct oversight of matters for which it is directly responsible as outlined in the By-Laws, which includes the administrative functions of the Church

  (b) direct oversight of advisory-related agencies (commissions, committees and auxiliaries) to ensure that hey fulfil the purpose for which have been established by the General Synod, or General Church Council itself

  (c) oversight of agencies of the Church to whom have been delegated certain governance and management roles and responsibilities but are directly accountable to General Church Council

  (d) review the work of districts, who have been delegated certain functions by the Church (Article IX), to ensure the implementation of the policies and programs of the Church and that activities are carried out in a manner consistent with its Constitution and its Objects, and

  (e) oversight of congregations in respect of those matters where authority and powers have been vested in the Church, as outlined in its Constitution.

In summary, the Church is one body, but consists of many parts each established to carry out specific functions to achieve the Objects of the Church and accountable to the Church for their implementation.

Appendix 2 (Tables 1 and 2) on pages 17,18 represents how the Church is structured in order to carry out its mission in a responsible and effective manner. It achieves this by exercising good governance in the form of appropriate policies. These are applied through efficient management practices that are consistent with the Church's theological foundations and its obligations under the laws of the land.

7 THE ROLE OF GOVERNANCE

The Church, working under its theological foundations as outlined in Section 2, is called by God to be good stewards of the gifts he provides to it.

It is also called to ensure all things are done decently and in good order.

The Church has recognised in its Constitution the importance of good governance and management in its mission task. In particular, Object (n) extends a broad responsibility to the Church to:

> *take action as is necessary for the protection of the congregations, pastors, teachers and of the church workers in the performance of their duties and the maintenance of their rights.*

This requires the Church to carry out its work in a manner that is consistent with its theological foundations and its Constitution, and applies best practice principles that at a minimum comply with its legal obligations.

The Church understands governance to encompass the following characteristics:

- a systematic approach that clearly defines authority, accountability, compliance, risk, stewardship and leadership for the purposes of effective management and control to direct the Church in the pursuit and long term sustainability of its Objects (for definitions of key terms refer Appendix 2);
- a clear understanding of the roles, responsibilities of and relationships between the Church, the districts and agencies, and a structure to ensure that the rights, responsibilities and accountabilities are understood and practised
- a clear understanding of the inter-relationships between governance (directors/council members), management, members and all those for whom it owes a duty of care, or to whom it is accountable (employees, pastors, regulators, auditors, creditors, financiers, suppliers etc)
- an agreed framework that guides the Church and its practices, which include

  (a) a common vision for mission and ministry, and

  (b) exercise of responsibility as outlined in Object (n) through
    - appropriate standards of ethics and value-based decision-making
    - support structures for effective performance (including performance assessment)
    - an agreed level of skill and experience requirements for governance bodies
    - fair and transparent staff recruitment processes, incorporating induction and ongoing training and development, and
    - accountability mechanisms, including formal reporting.

The above principles are consistent with Australian Securities and Investments Commission (ASIC) Good Governance Principles. Four of these ten principles relate directly to the key foci of the Church's Governance Framework:

Principle 1 – Lay solid foundations for management and oversight

Principle 3 – Promote ethical and responsible decision-making

Principle 7 – Recognise and manage risk

Principle 8 – Encourage enhanced performance

The Church, through General Church Council, district councils and other governance boards, recognises its role in overseeing the development and implementation of processes that reflect good governance. It also understands that these processes must be embedded into the daily operations of the Church in order to have the best opportunity to achieve its mission.

General Church Council, district councils and governance boards acknowledge that no matter how effective we believe our governance might be, it must continue to consider, review, test and change processes in order to make continued improvement.

It is for this reason that good governance and management are important goals in the Lutheran Church of Australia Strategic Direction 2013–2018 (available on the LCA website).

8 KEY GOVERNANCE PRINCIPLES

It is important that every district, agency and Lutheran-related service at each level (national, district, local) within the Church is aware of its responsibilities and to whom it is accountable for its work.

These responsibilities need to be reflected in appropriate policies, procedures and practices, guided by the principles outlined in this section. The application of these principles in the form of policies and procedures will vary according to the nature of the agency and will be commensurate with the size and complexity of its work.

8.1 Roles and responsibilities of governance bodies are clear

The roles and responsibilities of governance bodies will vary according to the context, but include

- ensuring that the agency's mission and objectives are carried out in a manner consistent with its governing instrument (eg constitution and by-laws, terms of reference)
- establishing the strategic direction of the organisation that is consistent with the above responsibility
- engaging in generative thinking to ensure that the strategic direction is consistent with the core purpose of the organisation and is driven by its underlying values
- establishing policies that are consistent with those of the Church
- ensuring compliance with the laws applicable to the type of entity it is (incorporated body, unincorporated body), where it is located and the activities it is involved in
- establishing appropriate authorities and delegations for the effective operations of the agency, and clearly distinguishing between the complementary but distinct roles and responsibilities of governance and management
- appointing senior staff or, in the case of pastors, implementing the call process
- maintaining adequate control and oversight to protect the agency and the people to whom it owes a duty of care
- ensuring Individual roles and responsibilities are clearly articulated, and
- evaluating the performance of pastors and senior staff and providing appropriate education and development.

Minimum Policy and/or Procedure Documents for Agencies of the Church

1. Constitution and By-Laws or Terms of Reference
2. Strategic/Mission Plan (refer also to Section 8 below)
3. Authorities and Delegations Policy
4. Recruitment Procedures

8.2 Governance bodies have capacity appropriate to their responsibilities

It is essential that governing bodies have the capacity to carry out their roles and responsibilities. There must be policies and practices in place that:

- outline the duties of individual members
- provide adequate induction for new members to ensure that they understand their duties and roles, are oriented to the work of the agency and are familiar with its policies and procedures
- enable board members ongoing access to relevant information and advice
- ensure an appropriate mix of skills and experience that is necessary for the board to fulfil its duties, and is consistent with the broader policies of the Church
- define the tenure of board members and have processes in place for succession
- evaluate board performance to ensure it is operating effectively
- provide for training, either on an individual or collective basis, to address issues identified through regular board assessments, and
- establish committees (standing and/or ad hoc), as may be required from time to time to support the board in carrying out its governance responsibilities.

Minimum Policy and/or Procedures Documents for Agences of the Church

1. Governance Policy
2. Induction Checklist
3. Governance Evaluation Review Procedures
4. Terms of Reference for Standing or Ad-hoc Committees of the Board

8.3 Ethical and legal integrity and responsible decision-making

Based on its theological foundations and its compliance with civil law, the Church in its strategic direction (refer *Lutheran Church of Australia Strategic Direction 2013-2018*) has adopted integrity as a core value. In acting with integrity, boards must:

- serve in a truthful, honest and open manner
- be responsible for the proper utilisation, management of resources and other assets placed in their care
- pay attention to problems raised in reports and ensure that appropriate action is taken
- take responsibility for personal decision-making
- accept and support collective decisions, unless there are reasonable grounds to dissent (eg evidence of illegality)
- respect the confidentiality of matters under board consideration, and
- ensure that decision-making is free from undue influence and conflicts of interest and that there are clear policies and procedures to address them as and when they arise.

Minimum Policy and/or Procedures Documents for Agencies of the Church

1. Code of Conduct/Guidelines for Behaviour
2. Conflict of Interest Policy (By-Laws Article VIII G.12.)

8.4 Integrity in financial matters

Governance bodies are expected to have policies and procedures that address five core criteria:

- Accounting methods are comprehensive (commensurate with the size and complexity of the agency), relevant and comply with applicable accounting rules and policies.
- Financial delegations are clear and transparent.
- Financial reports present a true and fair view of actual performance and are received on a regular basis.
- There is a regular process of financial reporting, which may include monitoring by a committee of the board.
- Accounts are independently audited by an external auditor.

Minimum Policy and/or Procedures Documents for Agencies of the Church

1. Financial Operations Policy & Procedures
2. Financial Delegations Policy

8.5 Duty of care for people

Governance bodies are expected to have policies and procedures that provide a comprehensive response to the Church's commitment and responsibility to people involved in their area of ministry, including staff, the people served, supporters, and providers of services to the agency.

This includes adherence to

- church policies and procedures, and
- government legislation.

Governance bodies will be responsible for ensuring that adequate compliance processes are in place and for regular reporting to relevant authorities.

Minimum Policy and/or Procedures Documents for Agencies of the Church

1. Occupational Health, Safety and Welfare Policy
2. Child Protection Policy
3. Safe Place Policy
4. Personnel Policy
5. Privacy Policy

8.6 Risk Management

The Church 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 Church are achieved, while mitigating the potential for harm to its members and those it seeks to serve, or loss of or damage to its assets.

Governance bodies are expected to have policies and procedures in place that include

- identification and assessment of risks
- strategies for the management of identified risks
- clear designation of responsibility for implementation of risk management strategies, and
- reporting of compliance against the risk management framework to ensure effective monitoring and control of risk, as well as ongoing review.

Minimum Policy and/or Procedures Documents for Agencies of the Church

1. Risk Management Policy and Risk Management Plan
2. Fraud Policy and Management Plan

8.7 Reporting, Communications and Compliance

The Church is committed to the principle of openness, transparency and engagement, both internally (eg individuals, congregations and agencies) and externally: to those to whom it is accountable and to whom it owes a duty of care.

Governance bodies are expected to have policies and procedures in place that

- ensure appropriate consultation and participation, both internally and externally, in the setting of strategic directions and development of policies
- monitor and evaluate performance to assess whether objectives are being achieved, standards and policies are being applied, and obligations are being met
- ensure the development of processes that are satisfactory for management and governance purposes, as well as meeting mandatory reporting requirements to other bodies (either within the Church, eg General Church Council, and externally, eg regulatory bodies), and
- adequately communicate the work of the board in order to stimulate ongoing support for its work and confidence in the manner in which it is being carried out.

Minimum Policy and/or Procedures Documents for Agencies of the Church

1. Monitoring and Evaluation Framework
2. Reporting Framework (including reporting templates)
3. Meetings Framework (meetings, conventions)
4. Communications Plan/Policy

9 STRATEGIC PLANNING FRAMEWORK

The Constitution is the core governance document for the Church and is the basis for the governing frameworks and instruments of all the Church's agencies. A central function of the Constitution is to define the Objects of the Church.

The Lutheran Church of Australia Strategic Direction 2013–2018, which incorporates high-level strategy overview, a full strategic document and detailed operational/implementation plans, complements the Constitution by articulating the Church's priorities within a given context and for a specific period of time, using its God-given gifts and resources. It provides direction for the Church and in so doing is faithful to the implementation of its Objects.

As all LCA districts, agencies and Lutheran-related services derive their legitimacy and mandate from the Constitution of the Church, they are accountable to the Church in carrying out their work in a manner consistent with the Lutheran Church of Australia Strategic Direction 2013–2018 (available on the LCA website).

10 POLICY FRAMEWORK

The Lutheran Church of Australia Strategic Direction 2013–2018 aims to ensure that the Church is doing the right things. The aim of this Governance Framework is to ensure that the Church is doing things right. It is essential that the Church and all its agencies linked to it operate in a caring and responsible manner (consistent with the foundations and values of the Church) and within the laws of the land.

It is a minimum standard; it does not proscribe agencies from establishing policies and procedures that exceed it either in content or scope.

In order to give effect to this Governance Framework, the Church expects that all districts, agencies and services will have in place a consistent approach to policy development. The key principles and processes are outlined below.

10.1 Policy Overview

The Executive Officer (CEO, Manager, Director) is responsible for presenting to the governance body for approval a high-level overview of any new or revised (if substantial changes are proposed) policy, in order to establish the brief for the Owners of the Policy .

The high-level overview will identify for each policy the proposed:

Owner	Department (eg Professional Standards, Information Technology, Finance)/board/committee/commission
Approver	Governance body, meeting/Synod
Purpose	Overall result/expectation
High-level objectives	(including reference to consistency with Church Objects and policies, as well as specific objectives: reduction of risk, consistent approach to particular issue/s, promote efficiency and effectiveness)
Audience/scope	Who this is relevant to
Visible to	Public, or internal church
Who is responsible for implementation	Name of agencies
Who should be consulted in development of policy	Name of agencies
Effective date	
Review cycle	Every year, two years, three years

10.2 Policy development principles

The policy development process will be required to meet the following criteria:

- The content must be explicit in its intent and use clear and concise language.
- The process must be consistent with the theology of the Church, and therefore will, where necessary, include input from a person with suitable theological qualifications.
- The process must be consistent with the Constitution and By-laws of the Church and other Church policies, as well as, where applicable, those of the relevant district.
- The process must be consistent with its own governance instruments, where applicable.
- The process must meet relevant legislative requirements and minimum standards of good practice.
- The process must have a well-developed implementation plan and review process that is presented to the approver with the policy document.
- The process must outline procedures for non-compliance with the policy.

10.3 Procedures

Procedures for the implementation of a specific policy are to be developed, monitored and periodically reviewed by

- each governance body for its specific environment (eg schools, aged care, community care), and
- the Church's Professional Standards Unit with the intent to provide 'model procedures' to ensure a common approach and, during implementation, to support proper application of the policy.

10.4 Policy Format

Policy documents will be developed within a standard format to ensure that there is a consistent approach to policy content across the Church. The policy framework will include:

- theological foundation
- purpose
- audience/scope (relevant to)
- objectives
- policy statement
- procedural guidances (high-level guidance that informs procedures, without being detailed procedures themselves)
- responsible person/s (for implemention and reporting)
- definitions (only terms relevant and specific to the policy)
- references (relevant legislation, code of practice, Church documents/policies)
- effective date
- review date
- document control (version, owner, approver)
- appendix / schedule of procedures by agency.

The policy development process will require adequate levels of consultation sufficient to satisfy the approving body that all relevant issues have been addressed. This may include the owner of the policy

- seeking advice regarding the subject matter of the policy from the Church's Professional Standards Unit (where it is not the owner/developer of the policy) to ensure that the policy is consistent with relevant Constitutions and By-Laws, and existing Church and/or district policies and procedures
- seeking expert advice relevant to the policy area (finance, legal, regulators)
- requesting input and feedback from other, relevant, Church agencies (as identified in the Policy Overview document) organised through the chairperson of the governance body (eg board, council, committee, commission), and
- obtaining perspectives, as relevant and practical, from the agency's staff (including volunteers) and from those who will be affected by the policy (such as those people served by the agency).

It is the responsibility of the approving governance body to formulate an opinion, or provide feedback response to the policy, to the owner.

11 APPLICATION OF GOVERNANCE FRAMEWORK

All districts and agencies of the Church are expected to operate within the Governance Framework of the Church. They must

- Identify areas where the agency has no policy or procedures in place and put in place a process (as outlined in Section 9) and timeline to develop a policy and have it approved by the board
- review existing policies and put in place a process to amend them in order to be consistent with this Governance Framework, and
- report to General Church Council through the agency's board to confirm compliance with this Governance Framework.

Following approval of this Governance Framework by General Synod, General Church Council will advise all Church agencies of the transition arrangements for compliance.

Through its Professional Standards Unit, the Church will monitor compliance, by means of an audit and review process, and will provide assistance to ensure that governing bodies are compliant.

12 Appendices

Appendix 1: Definition of Terms

Accountability – formally defining responsibilities, performance levels, objectives, standards and being held accountable to achieve; assessing performance level

Agency – for the purposes of this document an agency is defined as a board, commission, committee, council, department or tribunal of the Church; a board, committee, council or department of a district of the Church; and a member congregation or parish of the Church.

Lutheran-related services – for the purposes of this document a Lutheran-related service includes a school that is a member of the Lutheran Education system; an aged care facility, community care centre, youth camp, outdoor education centre or bookshop operating under the auspices of a Lutheran organisation.

Assurance – a process that provides a level of confidence that objectives will be achieved within acceptable level of risk and defined requirements/obligations are being achieved to the standard required; in the context of internal auditing, assurance services are an 'objective examination' of evidence for the purpose of providing independent assessment on governance, risk management control process for the Church. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Compliance – a process and framework of identifying/defining/adhering to the requirements of laws, church, community and organisational standards and codes, principles of good governance and accepted community and ethical standards. Compliance is based on twelve principles which are grouped under four headings: Commitment, Implementation, Monitoring and Measuring, and Continued Improvement.

Risk Management – the chance of something happening that will have an impact on objectives. These can be positive or negative. Risk management is the culture, processes and structures that are directed towards realising potential opportunities while managing adverse effects.

The Company Directors Manual says risk management:

> *... is about assisting businesses to achieve their objectives, through performing their activities in a manner where they understand and expose themselves to the level of risk they are prepared to accept and are capable of bearing.*

It involves an organisation defining a framework on which risk management is applied within the organisation and identifying and assessing the key risks and the potential implication for the organisation. It forms a critical component of sound governance.

Manage – in its truest form is to control, conduct, handle, direct and guide with authority; specifically:

- manage: emphasises the idea of skilful handling of people and details so as to get results;
- conduct: emphasises the idea of supervising the action of a group working together for something;
- direct: emphasises the idea of guiding the affairs or actions of a group by giving advice and instructions to be followed.

Management – is the overall process and activities of guidance, regulation, control handling, directing an organisation.

The management and operation of an organisation is carried out by the team appointed by the governance team (council, board, governance committee) to establish policies and processes to effectively manage and operate the organisation on behalf of the governance group and the organisation's members and stakeholders.

TABLE 1: Governance structure of the Lutheran Church of Australia Incorporated, as at July 2014 (for illustrative purposes only)

LUTHERAN CHURCH OF AUSTRALIA INCORPORATED

(LCA CONSTITUTION & BYLAWS)

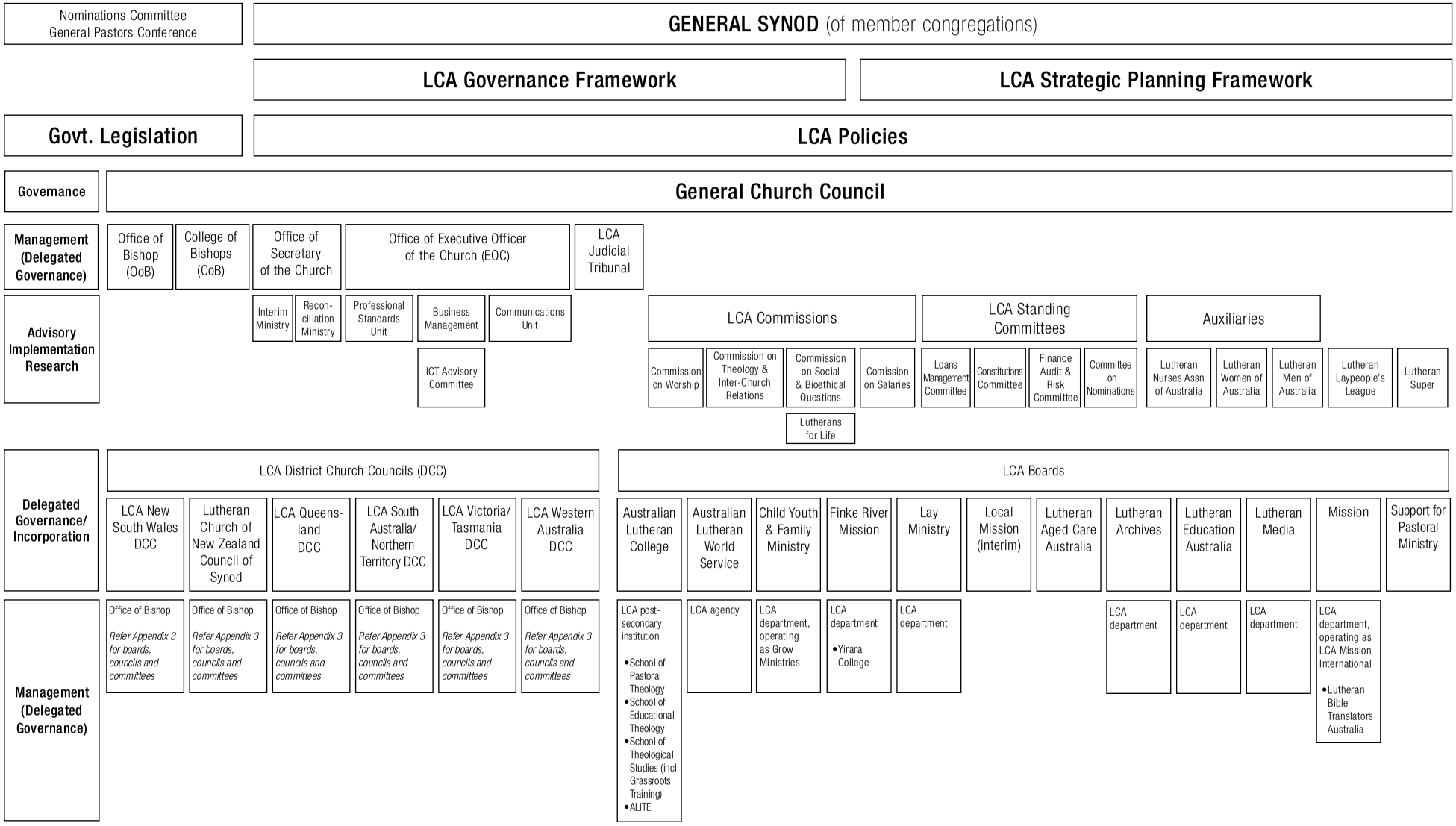
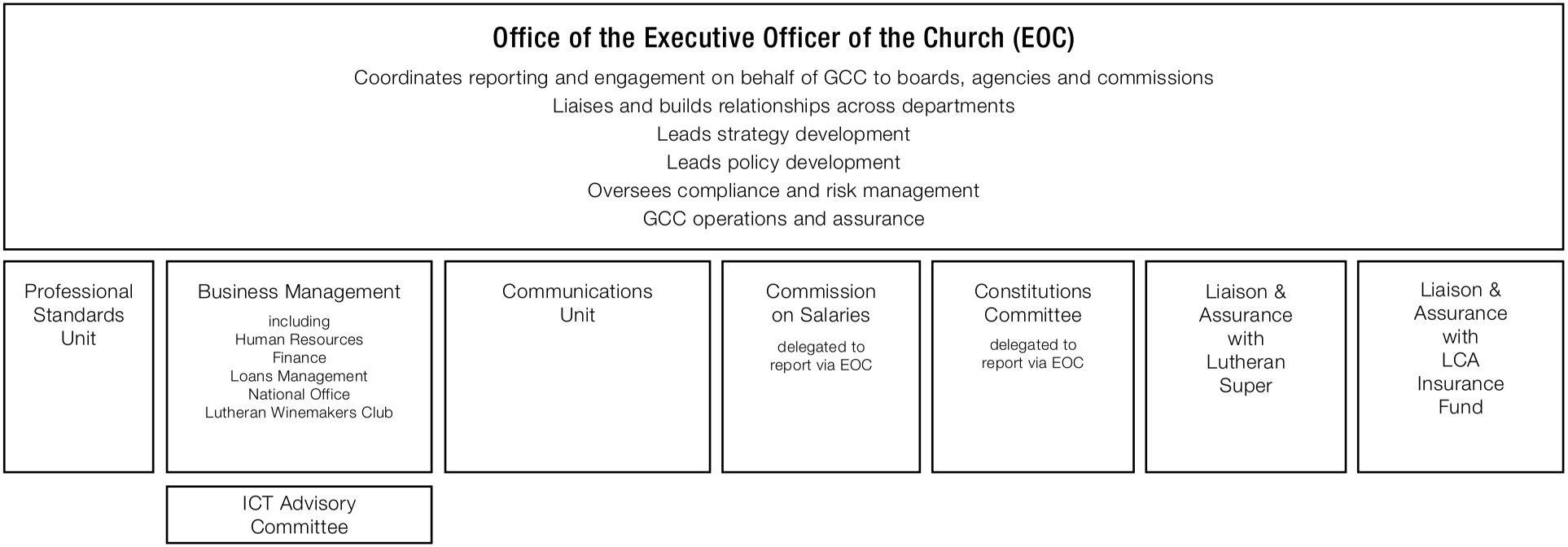


TABLE 2: Expanded detail of Office of the Executive Officer of the Church (EOC)



Appendix 3: Lutheran Church of Australia – Agencies

Lutheran Church of Australia

Name of Body	Abbrev	Reports to	Function
General Church Council	GCC	General Synod	Governance
College of Bishops	CoB	GCC	Theological and pastoral oversight
General Pastors Conference		CoB	Advisory
LCA Judicial Tribunal		GCC	Discipline & Adjudication
Board of Directors of Australian Lutheran College Ltd		GCC	Governance
Board for Australian Lutheran World Service		GCC	Governance
Board for Child Youth & Family Ministry		GCC	Governance
Board for Finke River Mission		GCC	Governance
Board for Lay Ministry		GCC	Governance
Board for Local Mission (interim)		GCC	Governance
Board for Lutheran Aged Care Australia		GCC	Advisory
Board for Lutheran Archives		GCC	Governance
Board of Directors of Lutheran Education Australia Ltd		GCC	Governance
Board for Lutheran Media		GCC	Governance
Board for Mission	BfM	GCC	Governance
Lutheran Bible Translators of Australia		BfM	Advisory
Board for Support for Pastoral Ministry		GCC	Advisory
Commission on Worship		CoB	Advisory
Commission on Theology & Inter-Church Relations		CoB	Advisory
Commission on Social & Bioethical Questions	CSBQ	CoB	Advisory
Lutherans for Life		CSBQ	Advisory
Commission on Salaries		GCC	Advisory
Loans Management Committee		GCC	Advisory
Standing Committee on Constitutions		GCC	Advisory
Finance Audit & Risk Committee		GCC	Advisory
Standing Committee on Nominations		GCC	Advisory
Information and Communication Technology Advisory Committee		EOC	Advisory
Lutheran Nurses Association of Australia		GCC	Auxiliary
Lutheran Women of Australia		GCC	Auxiliary
Lutheran Men of Australia		GCC	Auxiliary
The Lutheran Laypeople's League of Australia Inc Board of Directors		General Synod	Governance
LCA Nominees		GCC	Governance

New South Wales District

Name of Body	Abbrev	Reports to	Function
NSW District Synod	Synod		Governance
District Church Council	DCC	Synod	Governance
Nominations Committee		Synod	Advisory
Finance Advisory Committee		DCC	Advisory
Property Trust		DCC/Synod	Administrative
Council for Lutheran Education South East Region	CLESER	DCC/Synod	Governance
St Pauls College Board		DCC/Synod	Governance
Child Youth & Family Ministry Board	CYFMB	DCC/Synod	Governance
Camping Ministry Board		CYFMB/DCC	Management
Warrambui Retreat and Conference Centre Board		DCC/Synod	Governance
Lutheran Aged Care Albury Board		DCC/Synod	Governance
Gunnedah Lutheran Aged Care Board		DCC/Synod	Goverance
Lutheran Women of New South Wales		Synod	Auxiliary
Board of Schools		CLESER & Congregation	Governance (local)

Lutheran Church of New Zealand

Name of Body	Abbrev	Reports to	Function
LCNZ Synod	Synod		Governance
Council of Synod NZ	CoS	Synod	Governance
Finance Advisory Committee		CoS	Advisory
Lutheran Homes Trust Board		Congregation & CoS	Governance
Gateway Gift Trust Board		Synod	Governance
Lutheran Support Ministries Committee		CoS	Advisory
Lutheran Laymen's League of New Zealand Board of Directors		n/a	Governance
Church Workers Conference		CoS	Advisory
Salaries Advisory Committee		CoS	Advisory

Queensland District

Name of Body	Abbrev	Reports to	Function
Queensland District Synod	Synod		Governance
District Church Council	DCC	Synod	Governance
Risk Audit and Finance Committee		DCC	Advisory
Constitutions Committee		DCC	Advisory
Council for Ministry and Mission		DCC	Advisory
Council for Lutheran Community Care	LCCC	DCC	Advisory
Council for Lutheran Education Queensland	CLEQ	DCC	Advisory
Queensland Lutheran Early Childhood Services Council	QLECSC	CLEQ	Advisory
Council for Lutheran Youth of Queensland		DCC	Advisory
Nominations Committee		DCC	Advisory
Lutheran Women of Queensland		Synod	Auxiliary
Boards of schools and colleges		CLEQ	Governance (local)
Committees of early childhood centres		QLECSC Council or Congregations	Advisory
Committees of aged-care centres		LCCC	Advisory

South Australia/Northern Territory District

Name of Body	Abbrev	Reports to	Function
South Australia/Northern Territory District Synod	Synod		Governance
District Church Council	DCC	Synod	Governance
Constitutions Committee		DCC	Advisory
Nominations Committee		DCC	Advisory
Electoral Committee		DCC	Advisory
Committee on Discipline and Adjudication		DCC	Advisory
Council for Mission	CfM	DCC/Synod	Advisory
Aboriginal Ministry SA Committee		DfM	Advisory
Lutheran Community Care Council		DCC/Synod	Governance
Lutheran Aged Care Council		DCC/Synod	Advisory
Boards of aged-care centres		ACC	Governance (local)
Council for Lutheran Schools Association	LSA SA/NT	DCC/Synod	Governance
Immanuel College Council		LSA/Synod	Governance
Concordia College Council		LSA/Synod	Governance
Council for Lutheran Children Youth and Family Ministry		DCC/Synod	Advisory
Board of Lutheran Community Housing Support Unit Inc		DCC	Governance
Board of Lutheran Disability Services		DCC (under MoU)	Governance
Lutheran Women of South Australia and Northern Territory		DfM	Auxiliary
Lutheran Men of South Australia		DfM	Auxiliary
Zones		District bishop	Advisory
Boards of schools and colleges		LSA	Governance (local)
Camps and education centres (Trinity, Haven and Kedron)		Zone	Governance (local)

Victoria/Tasmania District

Name of Body	Abbrev	Reports to	Function
Victoria District Synod	Synod		Governance
District Church Council	DCC	Synod	Governance
Constitutions Committee		DCC	Advisory
District Call Committee		District bishop	Advisory
Electoral Committee		DCC	Advisory
Council for Ministry Support	CMS	DCC	Governance (subject to DCC)
Council for Lutheran Community Care		DCC	Advisory
Committee for Youth and Young Adult Ministry	CYYAM	CMS	Governance (subject to CMS)
Sunday Night at St John's Committee		CYYAM	Governance (subject to CYYAM)
South East Melbourne Regional Mission Council		CMS	Governance (subject to CMS)
Pakenham-Lakeside Mission Committee		CMS	Governance (subject to CMS)
Board of Management, Eventide Lutheran Retirement Homes		CMS	Management
Board of Management, Sunnyside Lutheran Retirement Homes		CMS	Management
Council for Lutheran Education South East Region	CLESER	DCC	Governance
Schools Assembly		CLESER	Advisory
Lutheran Women of Victoria		CMS	Auxiliary
Lutheran Men of Victoria		CMS	Auxiliary
This 'n That Committee		CMS	Management
Victorian Lutheran Camping Ministry Committee		CMS	Governance (subject to CMS)
Councils of schools and colleges		LESER	Governance (local)

Western Australia District

Name of Body	Abbrev	Reports to	Function
Western Australian Synod	Synod		Governance
District Church Council	DCC	Synod	Governance
Youth Management Committee LYWA		DCC	Governance
Board of Lutheran Homes (WA) Inc		DCC	Governance
Lutheran Women of Western Australia		Synod	Governance
Boards of schools and colleges		LSA NT/WA	Governance (local)

This is how God showed his love among us: He sent his one and only Son into the world that we might live through him … No-one has ever seen God; but if we love one another, God lives in us and his love is made complete in us [1 John 9,12]

LUTHERAN CHURCH OF AUSTRALIA
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