This draft document is designed to assist NSW Catholic school authorities to comply with the NSW Government’s requirement under Section 47 of the NSW Education Act which came into effect in October 2014.

CECNSW is seeking feedback from Catholic sector users as to amendments to the draft Manual which should inform any editorial process. Please provide feedback to cecnsw@cecnsw.catholic.edu.au

The Manual is not a substitute for formal legal and accounting advice to address the specific needs of any particular Catholic school authority.
Introduction

In October 2014, the Board of Studies, Teaching and Educational Standards (BOSTES) announced amendments to the requirements for the registration of NSW Catholic schools. The requirements arise from amendments to the *NSW Education Act* (Section 47) and are outlined in the BOSTES manuals:


  System authorities should note that, in addition to the requirements in Section 5.9, the BOSTES requires them to refer to Section 3.9 of the manual for individual non-government schools.

The amendments require schools and system authorities to have documented policies and procedures for proper governance covering, as set out in Section 3.9 of the BOSTES manual for individual schools, the following:

- Governance of the school;
- Conflict of interest;
- Related party transactions;
- Professional learning;
- Induction process; and
- Independent audit.

The requirements came into effect in October 2014.
These new requirements came into effect when they were announced; hence they affect all schools, including those applying for registration or the renewal of their registration in 2015. This Governance Resources Manual (the Manual) has been prepared to assist NSW Catholic schools to understand and comply with the new requirements. It consists of two parts:

- Part 1 of the Manual sets out the BOSTES requirements together with sample policies and summarises the documentation that needs to be provided. The BOSTES requirements are included in each section in *italics*.
- Part 2 of the Manual contains examples of the documentation required. This consists of sample procedures, registers, codes, frameworks, etc. Links to these documents are hyperlinked in blue and *are underlined*.

Whilst the sample documentation in the Manual is designed to assist NSW Catholic schools to comply with the BOSTES requirements, it does not remove the need for all schools to fully engage with the registration process. Each school should ensure that its governance is properly documented to reflect the individual school's own policies and procedures.
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PART 1 – REQUIREMENTS

3.9.1 RESPONSIBLE PERSONS

BOSTES GENERAL REQUIREMENTS

*Each person defined under the Education Act as a ‘responsible person’, and any other person or body exercising similar functions in relation to the school as those of a ‘responsible person’, is of good character.*

3.9.2 REFUSAL TO REGISTER

BOSTES GENERAL REQUIREMENTS

*Any refusal to register, or cancellation of registration, of the school or any other school under Sections 56 or 59 occurring during the period of five (5) years immediately before the application for registration is made, has not been largely attributable to the actions of:*

- a ‘responsible person’ for the school or proposed responsible person, or
- any other person or body exercising similar functions in relation to the management or operation of the school to those of a ‘responsible person’.

3.9.1 and 2 EXPLANATION OF REQUIREMENTS

BOSTES requires procedures by which the School can ensure that ‘responsible persons’ are of good character. Sample procedures to comply with this, which Catholic schools may wish to adapt to their own circumstances, are attached.

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1 The Education Act defines a ‘responsible person’ as:
- the proprietor of the school and, if the proprietor is a corporation, each director or person concerned in the management of the school, or
- a member of the governing body of the school, or
- the principal of the school.
BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

3.9.1

A registered non-government school must have in place processes of notification and disclosure by which it can provide assurance to the BOSTES that each person defined under the Education Act as a ‘responsible person’, and any other person or body having similar functions in relation to the management or operation of the school as those of a ‘responsible person’, is of good character. The school proprietor will be required to provide certification at the time of making an application for initial or renewed registration that the school’s own processes are conformable with these requirements.

3.9.2

A registered non-government school must have in place processes of notification and disclosure by which it can provide assurance to the BOSTES that any refusal to register, or cancellation of registration, of the school or any other school under Section 56 or 59 of the Education Act occurring during the period of five (5) years immediately before an application for registration is made, has not been largely attributable to the actions of:

- a ‘responsible person’ for the school, or
- any other person or body exercising similar functions in relation to the management or operation of the school to those of a responsible person.
<table>
<thead>
<tr>
<th>Documentation that needs to be prepared and retained by the School</th>
<th>Information to be attached to application</th>
<th>Responsible</th>
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</thead>
<tbody>
<tr>
<td>List of responsible persons (name, position, date of commencement and cessation)</td>
<td>Attach copy of list to the RANGS - Online (Form 1 or 2)</td>
<td>X</td>
</tr>
<tr>
<td>Procedure for determining and notifying BOSTES of good character</td>
<td>Attach copy of procedure (<a href="#">Sample Responsible Persons' procedure</a>)</td>
<td>X</td>
</tr>
<tr>
<td>Procedure for determining and notifying BOSTES of refusals</td>
<td>Attach copy of procedure (<a href="#">Sample Responsible Persons' procedure</a>)</td>
<td>X</td>
</tr>
</tbody>
</table>
3.9.3 PROPER GOVERNANCE

BOSTES GENERAL REQUIREMENTS

This requirement provides for policies and procedures for the proper governance of the school to be in place. The ‘responsible persons’ for a non-government school, as defined by the Education Act, are accountable for proper governance of the school and for meeting this requirement.

A school’s proprietor and, if the proprietor is a corporation, each director or person concerned in the management of the school, members of the school’s governing body, the school’s principal and any other person or body exercising a function in relation to the management of the school are considered under the Education Act to be ‘responsible persons’ for the school.

Proper governance requires the ‘responsible persons’ for a school to have in place structures, policies and procedures for governance, leadership, authority, decision-making, accountability and transparency.

In assessing a school’s compliance with this requirement, the BOSTES will have regard to whether, within the totality of the school’s policies and procedures, there are provisions for the matters specified as minimum requirements in sections 3.9.3.1 to 3.9.3.6 of the Manual.

SAMPLE POLICY

The responsible persons must have in place policies and procedures for the proper governance of the School.

3.9.3.1 POLICIES AND PROCEDURES

BOSTES GENERAL REQUIREMENTS

The ‘responsible persons’ for a non-government school, are responsible for developing and implementing policies and procedures to govern and operate the school in order to satisfy its legal obligations, manage risk, provide strategic guidance and monitor performance.
SAMPLE POLICY
The responsible persons must govern and operate the School to satisfy its legal obligations, manage risk, provide strategic guidance and monitor performance.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE
The ‘responsible persons’ for a registered non-government school must have in place and implement policies and procedures in relation to, but not limited to, the following:

- a school charter or document identifying the governance structure of the school and the respective authority, role and responsibilities of each of the school’s ‘responsible persons’ and any other person or body concerned in the management of the school

- a delegations schedule to:
  - identify the respective authority within the governance structure
  - describe the process for withdrawing a delegated authority

- a document to set out supervisory arrangements and reporting requirements for the school’s ‘responsible persons’ including any governing body and school executive

- a code of conduct for the school’s ‘responsible persons’

- maintenance of records of governance decisions and actions made by the school’s ‘responsible persons’, including minutes of formal meetings of the school’s ‘responsible persons’, on and from 1 September 2014 and retain such records for a minimum period of seven (7) years before archiving

- a document describing the school’s legal compliance process to facilitate the school’s compliance with all relevant legislation and reduce any risk of non-compliance
- a document describing the school’s risk management framework or plan for developing, implementing and reviewing risk management strategies in relation to strategic direction, governance, operation and finance and the associated risk register.

<table>
<thead>
<tr>
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<th>Responsible</th>
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</thead>
<tbody>
<tr>
<td>Example of documentation (e.g. constitution, trust deed and school/board charters)</td>
<td>Attach copy of charter or other document (<a href="#">Sample Board charter</a>)</td>
<td></td>
</tr>
<tr>
<td>Example delegation schedule</td>
<td>Attach copy of delegations schedule or other document (<a href="#">Sample delegation protocol – general</a> and <a href="#">Sample delegation protocol – specific</a>)</td>
<td></td>
</tr>
<tr>
<td>Example supervision/organisation chart</td>
<td>Attach copy of organisation chart (Chart should include School Board, its sub-committees and associated reporting lines)</td>
<td></td>
</tr>
<tr>
<td>Example of code of conduct</td>
<td>Attach copy of code (<a href="#">Sample code of conduct framework</a>)</td>
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</tr>
<tr>
<td>Board minutes</td>
<td>Attach copy of board minutes and procedure for retention</td>
<td></td>
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<tr>
<td>Example legal compliance process¹</td>
<td>Attach copy of <a href="#">Sample legal compliance framework</a></td>
<td></td>
</tr>
<tr>
<td>Example of risk management framework²</td>
<td>Attach copy of <a href="#">Sample risk management framework</a></td>
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</tbody>
</table>

¹ Although noting that schools are responsible for determining the legislative requirements with which they may need to comply, in its Appendix, BOSTES Manual sets out a non-exhaustive list.

² In its Glossary, the BOSTES manual defines risk management as “A management plan for assessing the potential for harm and taking action towards minimising the risk of harm. This may include a plan for responding to serious incidents and emergencies.”
3.9.3.2 CONFLICT OF INTEREST

BOSTES GENERAL REQUIREMENTS

Each ‘responsible person’ for a non-government school must avoid situations in which his or her personal interests or the interests of a relative or close associate may conflict either directly or indirectly with decisions made by the governing body, whether the conflict is actual, perceived or potential. Such conflicts of interests include but are not limited to related party transactions described at section 3.9.3.3.

SAMPLE POLICY

Sample School’s responsible persons must avoid situations in which personal interests or the interests of a relative or close associate may conflict either directly or indirectly with decisions made by the governing body, whether the conflict is actual, perceived or potential.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

The ‘responsible persons’ for a registered non-government school must have in place and implement policies and procedures in relation to dealing with conflict of interest with specific reference to:

- an overarching statement defining conflict of interest within the context of the school’s governance structure
- documented processes for:
  - an annual declaration by each ‘responsible person’ for the school in relation to any actual, perceived or potential conflict
  - maintaining records of the annual declaration of each ‘responsible person’ for the school on and from 1 September 2014 and retain such records for a period of seven (7) years before archiving or disposing
- requiring each ‘responsible person’ at formal meetings of the school’s ‘responsible persons’ to raise any actual, perceived or potential conflict with regard to items on the agenda for the meeting and for recording in the minutes of the meeting any conflict that is raised

- each ‘responsible person’ with a conflict of interest (including but not limited to a pecuniary interest or a related party transaction) mitigating the ensuing risk in a way that is acceptable to the other ‘responsible persons’ involved (for example, by absenting themselves from participating in any associated decision-making or advisory role).

EXPLANATION OF REQUIREMENTS

What is a conflict of interest?

All employees and other persons working for the School, such as Directors or volunteers, must act in the interest of the School. A conflict of interest arises where there is a difference between an individual’s personal interests and the best interests of the School such that an independent observer might reasonably conclude that the professional actions of that person are unduly influenced by their personal interests.

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Conflict of interest statement</td>
<td>Attach copy of statement (<a href="#">Sample conflict of interest policy</a>)</td>
<td></td>
</tr>
<tr>
<td>Conflict of interest procedures and declaration</td>
<td>Attach copy of procedures and declaration (<a href="#">Sample conflict of interest procedures</a> and <a href="#">Sample conflict of interest disclosure statement</a>)</td>
<td></td>
</tr>
</tbody>
</table>
3.9.3.3 RELATED PARTY TRANSACTIONS

BOSTES GENERAL REQUIREMENTS

A non-government school must have policies and procedures for financial management including a register of all related party transactions which is validated by an external independent auditor.

SAMPLE POLICY

The School Board and management (‘responsible persons’) must maintain a register of all related party transactions. This register must be validated by an external independent auditor.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

The ‘responsible persons’ for a registered non-government school must have in place and implement policies and procedures related to related party transactions:

- requiring each ‘responsible person’ for the school to disclose any related party transactions made on behalf of the school’s proprietor or governing body;
- maintaining a register of all related party transactions on and from 1 September 2014 and retain such records for a period of seven (7) years before archiving or disposing. The degree of materiality of the transaction will determine the degree of detail required to be included in the register;
- arranging for an external audit of the school’s register of all related party transactions on an annual basis;
- retaining a record of each external audit report of the register of all related party transactions on and from 1 September 2014 and retain such records for a period of seven (7) years before archiving; and
- notifying the BOSTES if the contract or arrangement with an external auditor is terminated by the school or external auditor prior to the expiry of the term of the contract or arrangement and the reason(s) for that termination.
EXPLANATION OF REQUIREMENTS AND EVIDENCE OF COMPLIANCE

BOSTES require a policy and procedures by which the School can ensure that related party transactions are identified and appropriately managed. Attached in Part 2 are sample procedures and register.

<table>
<thead>
<tr>
<th>Documentation that needs to be prepared and retained by the School</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Related party transactions procedures</td>
<td>Attach copy of procedure (<a href="#">Sample related party transactions procedures</a>)</td>
<td></td>
</tr>
<tr>
<td>Related party transactions register</td>
<td>Attach copy of register (<a href="#">Sample related party transactions register</a>)</td>
<td></td>
</tr>
<tr>
<td>Related party audit certificate</td>
<td>Attach copy of certificate</td>
<td></td>
</tr>
</tbody>
</table>

Note - we are still seeking clarification from BOSTES as to their requirements regarding annual audits of related party registers, including:

- What is the form of the audit opinion?
- Has the requirement/wording of any opinion been agreed with any of the accounting firms/institutes?
- Does the notification requirement mean any change of auditor?
3.9.3.4 PROFESSIONAL LEARNING FOR ‘RESPONSIBLE PERSONS’

BOSTES GENERAL REQUIREMENTS

Proper governance of a non-government school requires policies and procedures for the ongoing professional development of ‘responsible persons’ for the school to ensure that the school’s ‘responsible persons’ have relevant qualifications, skills and experience for governing the school properly.

SAMPLE POLICY

The School Board and management are responsible for the ongoing professional development of the School’s ‘responsible persons’ to ensure that they have relevant qualifications, skills and experience for governing the School properly.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

The ‘responsible persons’ for a registered non-government school must have in place and implement policies and procedures for the ongoing professional learning of the school’s ‘responsible persons’ with specific reference to:

- the mandatory completion of a minimum four hours of professional learning with regard to governance issues for all ‘responsible persons’ for the school each year delivered by a BOSTES approved training provider

- relevant professional learning for ‘responsible persons’ with responsibilities for areas of governance requiring particular qualifications, skills or expertise, for example in relation to finance, compliance, risk management and/or education, delivered by a BOSTES approved training provider
• maintaining a register of professional learning and training undertaken by each ‘responsible person’ for the school including the following details for each year:
  - name of ‘responsible person’
  - role or position of responsibility
  - professional learning (date, nature, provider and hours)

• retaining the register of professional learning on and from 1 September 2014 and retain such records for a minimum period of seven (7) years before archiving or disposing.

EXPLANATION OF REQUIREMENTS AND EVIDENCE OF COMPLIANCE

BOSTES require a procedure by which the School can ensure that responsible persons receive a minimum of 4 hours professional learning per annum. Attached in Part 2 are examples of sample procedures and register.

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Procedure required</td>
<td>Attach copy of procedure (Sample professional learning procedures)</td>
<td></td>
</tr>
<tr>
<td>Register required</td>
<td>Attach copy of register (Sample professional learning register)</td>
<td></td>
</tr>
</tbody>
</table>
3.9.3.5 INDUCTION PROCESS FOR NEW ‘RESPONSIBLE PERSONS’

BOSTES GENERAL REQUIREMENTS

Proper governance of a non-government school requires policies and procedures for the induction of new ‘responsible persons’ for the school.

SAMPLE POLICY

All new Responsible Persons will participate in an induction provided by the School Board and management within three months of their appointment.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

The ‘responsible persons’ for a registered non-government school must have in place and implement policies and procedures for the induction of new ‘responsible persons’ with specific reference to:

- an induction process for new ‘responsible persons’ including, at a minimum, the mandatory successful completion of a BOSTES approved training program by a BOSTES approved training provider in relation to proper governance prior to taking up the role of ‘responsible person’ or within three months of becoming a ‘responsible person’ for the school;

- a school-based induction program to provide each new ‘responsible person’ with a copy of the following documents:
  - a copy of all the school’s documents, policies and procedures specified at 3.9.3.1 of the Manual and any other key policy document for the school
  - the school’s most recent audited financial statements
  - recent minutes of meetings of the school’s ‘responsible persons’
• a record by the new ‘responsible person’ of receiving a copy of all of the documents specified above;

• maintaining a register of the induction process identifying the following details for each new ‘responsible person’
  - name
  - date of becoming a ‘responsible person’ for the school
  - position of responsibility
  - details of any qualifications and/or experience relevant to the particular position of responsibility
  - details of the successful completion of a BOSTES approved training program in relation to proper governance (date(s), provider, nature of training)

• retaining the register of induction on and from 1 September 2014 and retain such records for a minimum period of seven (7) years.

EXPLANATION OF REQUIREMENTS AND EVIDENCE OF COMPLIANCE

BOSTES require procedures by which the School can ensure that responsible persons are properly inducted. Attached in Part 2 are sample procedures and register.

<table>
<thead>
<tr>
<th>Documentation that needs to be prepared and retained by the School</th>
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</thead>
<tbody>
<tr>
<td>Procedure required</td>
<td>Attach copy of procedure (<a href="#">Sample induction procedures</a>)</td>
<td></td>
</tr>
<tr>
<td>Register required</td>
<td>Attach copy of register (<a href="#">Sample induction register</a>)</td>
<td></td>
</tr>
</tbody>
</table>
3.9.3.6  EXTERNAL INDEPENDENT ATTESTATION AUDIT OF ANNUAL FINANCIAL STATEMENTS

BOSTES GENERAL REQUIREMENTS

The school’s annual financial statements are to be audited and certified by an external independent auditor.

SAMPLE POLICY

The School Board and management must ensure the financial statements are audited and certified by an external independent auditor.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

The school’s proprietor is to certify or is to provide other evidence that the audit and accompanying certificate:

- have been completed by an auditor recognised by CPA Australia or the Institute of Chartered Accountants in Australia or another recognised accounting body approved by the BOSTES
- comply with any other requirements imposed by Commonwealth or NSW Government agencies providing funding to the school
- have not been completed by a person or body with whom the school has another business relationship in addition to audit services or with whom any of the responsible persons of the school has a conflict of interest.

The school’s audited and certified annual financial statements in relation to any period on and from 1 September 2014 are to be available for inspection and are to be retained for a minimum period of seven (7) years after the end of the period to which the annual financial statements refer before archiving or disposing.
Documentation that needs to be prepared and retained by the School | Information to be attached to application | Responsible
---|---|---
Audit independence procedures
Note – the AIS is still seeking clarification from BOSTES as to their requirements including whether the requirement for no other business relationship has been agreed with the accounting institutes / accounting firms? | Attach copy of procedure and certificates |  


3.9.4 BOSTES NOTIFICATION OF CERTAIN MATTERS

BOSTES GENERAL REQUIREMENTS

The Education Act requires that any person defined as a ‘responsible person’ under the Education Act (and any other person or body exercising similar functions in relation to the management and operation of the school) be of good character and be able to carry out their responsibilities in relation to the operation of the school.

BOSTES SPECIFIC REQUIREMENTS AND EVIDENCE OF COMPLIANCE

1. Specifically, the Education Act requires that the BOSTES be notified if a person defined as a ‘responsible person’ under the Education Act:

   • is convicted of an offence that is punishable by imprisonment for twelve (12) months or more; or

   • becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvency debtors, compounds with his or her creditors or makes an assignment of his or her remuneration for their benefit; or

   • if the person is a corporation – is the subject of a winding up order or has had a controller or administrator appointed.

In the above circumstances the Education Act requires that a ‘responsible person’ for the school notify the BOSTES and at least one other ‘responsible person’ of the circumstances surrounding the conviction, bankruptcy, insolvency, winding up order or appointment of the controller or administrator as soon as practicable after it occurs. Notifications in relation to (1) are subject to the BOSTES’ Privacy Management Plan. There is no notification requirement for the above if the person concerned ceases to be a ‘responsible person’.

2. The Education Act also requires the BOSTES and at least one other ‘responsible person’ to be notified if a ‘responsible person’ becomes a mentally incapacitated person and becomes:

   • a patient at an institution because of that incapacity; or

   • a protected person under the NSW Trustee and Guardian Act 2009.
Notifications in relation to (2) are subject to the BOSTES’ Privacy Management Plan. There is no notification requirement for the above if the person concerned takes leave from the position or ceases to hold the position.

3. The Education Act requires that the Minister be notified if the school moves or is sold. To comply with this requirement the proprietor and/or principal must notify the BOSTES. Specifically:

a) if a registered non-government school or part of a school proposes to move to new premises, written notice is to be given by the proprietor and/or the principal of the school to the BOSTES at least three (3) months before relocation. This particularly relates to moving premises and buildings connected with the teaching of courses of study, the amenities for teachers and students participating in those courses of study and boarding facilities provided for students by the school;

b) if the legal entity that owns a registered non-government school is sold, written notice of the sale is to be given by the purchaser to the BOSTES within seven (7) days of the completion of the sale.

For the purposes of this section of the Education Act, relocation or new premises means any site where the street address of that site is different to, or in addition to, the street address at which the school is currently registered on the Certificate of Registration.

4. The Education Act also makes provision for schools to provide returns to the BOSTES. Specifically, the proprietor or the principal of a registered non-government school must provide returns to the BOSTES concerning the requirements for registration in relation to the school in a form, and at the times, approved by the BOSTES for that purpose.

To comply with the requirements detailed in (1), (2), (3) and (4) above, such notification should be forwarded to the BOSTES.

<table>
<thead>
<tr>
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<th>Information to be attached to application</th>
<th>Responsible</th>
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</thead>
<tbody>
<tr>
<td>Procedure for notifying BOSTES of changes to ‘good character’</td>
<td>Attach copy of procedure (Responsible Persons’ procedure – see 3.9.1 &amp; 2)</td>
<td></td>
</tr>
</tbody>
</table>
3.9.1 and 2 SAMPLE RESPONSIBLE PERSONS’ PROCEDURE

Background

A key objective of the Sample School (“the School”) is that the legal requirements and liabilities of each responsible person for the School is clearly defined and understood. These standards are similar to those applying to members of other public boards and corporations.

A responsible person for the School is:

a) the proprietor of the School and, if the proprietor is a corporation, each director or person concerned in the management of the School, or
b) a member of the governing body of the School, or

c) the principal of the School.¹

Sample Procedure

At the beginning of each school year each responsible person for the School should sign a declaration that:

a) they are not a 'disqualified person' who is no longer permitted to act as a Director;

b) they are not bankrupt or insolvent;

c) any refusal to register, or cancellation of registration of the School or any other school, during the previous five years, has not been largely attributable to their actions;

d) they have not been convicted of an offence that is punishable by imprisonment for 12 months or more;

¹ This is the definition in the Education Act and the BOSTES handbook. Who the ‘Responsible Persons’ are will depend upon the School’s governance structure but it would be usual for this to comprise of the Board, the Head and any other member of staff who directly(rather than indirectly) reports to the Board.
e) they have not become mentally incapacitated and a patient at an institution because of that incapacity or a protected person under the
NSW Trustee and Guardian Act 2009;

f) they are not a ‘disqualified person’, as defined by the Child Protection (Working with Children) Act 2012, have being refused a Working
with Children Check Clearance (Clearance), had a Clearance cancelled, subjected to an interim bar or a bar from working with children or
subject to a risk assessment in accordance with the Child Protection (Working with Children) Act 2012; and

g) they will declare any personal interest or conflict of interest in relation to their position as a responsible person for the School.

Together these are the Required Matters ("Required Matters").

In the event that any responsible person cannot give the necessary declaration of the Required Matters, [the Head] shall inform BOSTES [within
14 days]

At the beginning of each School Board meeting the Chair should ask all Board members and the Head whether they have anything to declare as
a responsible person for the School in relation to the Required Matters.
SAMPLE DECLARATION TO BE SIGNED BY ALL RESPONSIBLE PERSONS

In accordance with the *Education Act 1990 (NSW)* as amended by the *Education Amendment (Not-for-profit Non-Government School Funding) Act 2014 (NSW)*, I declare that:

1. I am not a 'disqualified person' who is no longer permitted to act as a Director;

2. I am not bankrupt or insolvent;

3. Any refusal to register, or cancellation of registration of the School or any other school, during the previous five years, has not been largely attributable to my actions;

4. I have not been convicted of an offence that is punishable by imprisonment for 12 months or more;

5. I have not become mentally incapacitated and a patient at an institution because of that incapacity or a protected person under the *NSW Trustee and Guardian Act 2009*;

6. I am not a ‘disqualified person’, as defined by the *Child Protection (Working with Children) Act 2012*, I have not been refused a Working with Children Check Clearance (Clearance), or had a Clearance cancelled, or subjected to an interim bar or a bar from working with children or subject, to the best of my knowledge, a risk assessment in accordance with the *Child Protection (Working with Children) Act 2012*; and

7. I will declare any personal interest or conflict of interest in relation to my position as a responsible person for the School.

(Signed)
<table>
<thead>
<tr>
<th>Name</th>
<th>Responsible persons (3.9.1 &amp; 3.9.2)¹</th>
<th>Conflict of interest (3.9.3.2)²</th>
<th>Related parties (3.9.3.3)³</th>
<th>Professional learning (3.9.3.4)⁴</th>
<th>Induction (3.9.3.5)⁵</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director 1</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>N/A</td>
</tr>
<tr>
<td>Director 2</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
3.9.3.1 POLICIES AND PROCEDURES

SAMPLE BOARD CHARTER

Board’s Primary Duty

- to ensure that the School’s aims and ethos are carried out and implemented
- to determine strategic objectives and direction of the School

Board’s General Duties

a. supervisory role
   - manage and monitor risk and compliance
b. review progress towards achievement of short and long term goals
c. appoint Head and some senior staff e.g. Business Manager
d. review performance of appointments, contracts and remuneration packages
e. approve and monitor annual capital and operating budgets
f. receive reports from
   - Head on School operations
   - Treasurer and Business Manager on financial performance and long term financial planning
   - Board Sub-Committees (risk management & legal compliance)
g. deal with governance breaches and complaints
h. maintain a record of delegations
i. meet with leaders of students, faculty, ex students, parents and interest groups
j. monitor the level of congruence between the School's operational activities and its ethos and mission as determined by the Board

k. assess relationships between the Board and
   - management
   - community
   - stakeholders
   - regulators
   - others

l. review the Board's own performance.
The School Board is responsible for the governance and management of the School. The Board, while retaining ultimate responsibility, may delegate responsibilities to the Head, the Business Manager, sub-committees or another person or persons as it sees fit. Attached to the right to delegate, the Board has a responsibility to ensure that delegations are being carried out within the requirements of statute and common law and the School’s own policies.

The Board must ensure that adequate risk management processes and internal controls are in place. Appropriate supervision of management by the Board can be exercised through a number of mechanisms. The Board should receive operational and compliance reports from and through the Head at its regular meetings. In some cases an Audit (Compliance and Risk) Committee may be established to report to the Board in specific areas of school operations and at particular times. The Board must be aware of the requirement for it to implement an appropriate level of supervision and monitoring of the School management while not engaging at any level in the micro-management of school operations.

The day to day management of the operation of the School is, in general, delegated to the Head. This policy is based on a principle of delegation by exception. Matters not delegated to the Head or delegated jointly to the Head and, say, a Board sub-committee need to be separately identified, documented and the policy framework underlying the delegation clearly articulated.

Examples of Head and Board joint delegations may include the appointment and termination of senior positions such as the Business Manager, the Deputy Head, Head of the Junior School and the Chaplain. It may also include the representation of the School within the media. For matters delegated to the Head conditional upon executive limitation or a particular policy restriction, such as capital expenditure or student expulsion, an appropriate Delegated Authority must be completed.
SAMPLE DELEGATION PROTOCOL – SPECIFIC

NOTE: All dollar figures are indicative only and are not to be taken as establishing compliance decision points

<table>
<thead>
<tr>
<th>Item</th>
<th>Activity</th>
<th>Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>Accounts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Opening and closing bank accounts</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Authorised Signatories to bank accounts</td>
<td>- School Board members x 2</td>
</tr>
<tr>
<td></td>
<td>- Head</td>
<td>- Business Manager</td>
</tr>
<tr>
<td></td>
<td>- Business Manager</td>
<td></td>
</tr>
<tr>
<td>Cheques</td>
<td>- Cheque signing (dual)</td>
<td>- Any two authorised signatories</td>
</tr>
<tr>
<td></td>
<td>- Holder of cheques</td>
<td>- Business Manager</td>
</tr>
<tr>
<td>Credit Cards</td>
<td>- Allocation of cards</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Card Limits</td>
<td>- School Board</td>
</tr>
<tr>
<td>Online</td>
<td>- Administrator of online access</td>
<td>- Business Manager</td>
</tr>
<tr>
<td></td>
<td>- Administrator access authority &amp; limits</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Setting EFT transfer limits</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- EFT transfers to creditors</td>
<td>- Any two authorised signatories</td>
</tr>
<tr>
<td></td>
<td>- Payroll authorisation</td>
<td>- Any two authorised signatories</td>
</tr>
<tr>
<td>Loans &amp; Investments</td>
<td>- Loans to other persons</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Loans to associated organisations</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Loans to non-associated organisations</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Entering into borrowing/overdraft facilities – Temp &lt;$200k</td>
<td>- Business Manager in consultation with Finance Committee</td>
</tr>
<tr>
<td></td>
<td>- Entering into borrowing/overdraft facilities – Temp &gt;$200k</td>
<td>- Head in consultation with School Board</td>
</tr>
<tr>
<td></td>
<td>- Entering into borrowing/overdraft facilities – Long Term</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Investment of Funds – approved policy</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>- Investment placement including rate and term</td>
<td>- Business Manager</td>
</tr>
<tr>
<td>Information Technology</td>
<td>- Allocation of access</td>
<td>- IT Manager &amp; Business Manager/</td>
</tr>
<tr>
<td>Item</td>
<td>Activity</td>
<td>Authority</td>
</tr>
<tr>
<td>--------------</td>
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<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Budget</td>
<td>Approval</td>
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</tr>
<tr>
<td></td>
<td>- annual recurrent budget</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>- annual capital budget</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>- Re-allocation – up to $25k</td>
<td>Business Manager</td>
</tr>
<tr>
<td></td>
<td>- Re-allocation – $25k and over</td>
<td>Finance Committee</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>Purchase (capital expenditure)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- within budget - $100k or more</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>- within budget - &gt;$1k and &lt;$100k</td>
<td>Head &amp; Business Manager</td>
</tr>
<tr>
<td></td>
<td>- within budget - $1k or less</td>
<td>Budget account holder</td>
</tr>
<tr>
<td></td>
<td>- outside budget</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>Sale/Disposal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- $50k or more</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>- Less than $50k</td>
<td>Head &amp; Business Manager</td>
</tr>
<tr>
<td>Operating / Recurrent Expenditure within approved budget and cash flow</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- $50,000 or more</td>
<td>Head</td>
</tr>
<tr>
<td></td>
<td>- $5,000 to less than $50,000</td>
<td>Head of Campus, IT Manager, Director of Development, Director of Professional Learning</td>
</tr>
<tr>
<td></td>
<td>- $1,000 to less than $5,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Less than $1,000</td>
<td>Department Head</td>
</tr>
<tr>
<td>Fees</td>
<td>Setting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual fees</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>Discounts</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>Special fee allowances and levies</td>
<td>Head</td>
</tr>
<tr>
<td>Bad Debts</td>
<td>Write off recommendation</td>
<td>Head &amp; Business Manager</td>
</tr>
<tr>
<td></td>
<td>write off endorsed and approved</td>
<td>Finance Committee</td>
</tr>
<tr>
<td>Students</td>
<td>Scholarships</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Policy setting with regards to type, value and selection criteria</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>Awarding</td>
<td>Head / sub committee?</td>
</tr>
<tr>
<td>Bursaries / Hardship</td>
<td>Policy setting with regards to type, value and selection criteria</td>
<td>School Board</td>
</tr>
<tr>
<td></td>
<td>Awarding</td>
<td>Head / sub committee?</td>
</tr>
<tr>
<td>Prizes</td>
<td>Awarding</td>
<td>Head</td>
</tr>
<tr>
<td>Staffing</td>
<td>Employment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior Positions</td>
<td>School Board and/or Head</td>
</tr>
<tr>
<td>Item</td>
<td>Activity</td>
<td>Authority</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Employment of other staff aligned to MEA</td>
<td>- Head</td>
<td></td>
</tr>
<tr>
<td>Employment of other staff non-aligned to MEA – within budget FTE</td>
<td>- Head</td>
<td></td>
</tr>
<tr>
<td>Remuneration</td>
<td>Head</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Business Manager</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Other Senior Staff – non MEA aligned</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Other Staff – MEA aligned</td>
<td>- Head</td>
</tr>
<tr>
<td>Leasing</td>
<td>Capital assets</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Capital cost greater than $50,000 and period more than 4 years</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Amount and period less than the above</td>
<td>- Business Manager</td>
</tr>
<tr>
<td>Real Property</td>
<td>Rental agreement greater than 12 months</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Rental agreement less/equal to 12 months</td>
<td>- Business Manager</td>
</tr>
<tr>
<td>Hire of Premises</td>
<td>Associated organisations</td>
<td>- Head</td>
</tr>
<tr>
<td></td>
<td>Non Associated organisations</td>
<td>- School Board</td>
</tr>
<tr>
<td>Other</td>
<td>Honorarium or Ex Gratia Payment</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Directors’ Fees</td>
<td>- School Board</td>
</tr>
<tr>
<td></td>
<td>Contractual agreements for more than one year and greater than $50,000 per annum</td>
<td>- School Board</td>
</tr>
</tbody>
</table>

Notes:

- Delegation is on basis that approved operating budgets in various categories should not be exceeded. Any expenditure outside of budget, as noted above, should be approved by the School Board before proceeding.
- Delegation limits apply to the position even if it is being held by a person in an acting capacity.
- The delegation limits relate to the gross cost excluding GST but include trade-ins, allowances etc. The transaction should not be considered in parts or by instalments or broken into costs of individual items making up the whole.
- Established delegation limits must not be exceeded by splitting transactions.
- For purchases greater than $[ ] a minimum of two competitive quotations should be sought, for purchases greater than $[ ] a minimum of three.
SAMPLE CODE OF CONDUCT FRAMEWORK

Section 1: Introduction

To include:

- Statement of support for the Code of Conduct (“the Code”) from Chair (on behalf of Board) and Head
- Mission Statement
- Detailed values statement
- Scope and application of the Code
- Statement outlining the provision of resources to support implementation and monitoring of the Code

Section 2: Areas of Compliance

Directors and officers must:

1. Act honestly, in good faith and in the best interests of the School
2. Use care, skill and diligence in fulfilling their duties
3. Use the power of their position for a proper purpose
4. Not make improper use of information acquired by their position
5. Not allow personal interests or those of associates, to conflict with the interests of the School
6. Exercise independent judgement in decision making
7. Maintain confidentiality (see attached Sample confidentiality agreement)

Section 3: Non-compliance

To include:

- Reporting
- Investigation
- Appeal process
- Consequences
SAMPLE CONFIDENTIALITY AGREEMENT

I ___________________ (name) understand, as a member of Sample School Board (“the Board”) and in the course of undertaking my duties as a member of Board, that information may be disclosed that must be kept confidential. It is agreed that:

1. The confidential information which may be disclosed can be described and may include:
   a. Technical and business information relating to operations
   b. Existing and/or contemplated services, income, costs, surplus and margin information
   c. Finances and financial projections
   d. Clients, schools, business partnerships and/or alignments
   e. Staff, Parents, Students – past, present and future
   f. Marketing & Development plans and projections
   g. Current or future school business and facility plans and models, regardless of whether such information is designated as “Confidential Information” at the time of its disclosure.

2. Confidential information obtained from the discloser will not be shared with anyone unless required to do so by law.

I acknowledge that I have read and understand the above and voluntarily accept the duties and responsibilities as a Board member to respect such confidential matters, both during my membership of the Board and after I have ceased to be a member.

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Sample School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Signature:</td>
<td>Signature:</td>
</tr>
<tr>
<td>Date:</td>
<td>Date:</td>
</tr>
<tr>
<td>CATEGORY</td>
<td>KEY DOCS/LEGISLATION</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Constitution</td>
<td>Memo and articles</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Education Acts</td>
<td></td>
</tr>
<tr>
<td>Consumer Laws</td>
<td></td>
</tr>
<tr>
<td>Privacy</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
</tr>
<tr>
<td>WHS</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td></td>
</tr>
<tr>
<td>Discrimination</td>
<td></td>
</tr>
<tr>
<td>Industrial Relations</td>
<td></td>
</tr>
<tr>
<td>Child Protection</td>
<td></td>
</tr>
<tr>
<td>Duty of Care</td>
<td></td>
</tr>
<tr>
<td>Workers Compensation</td>
<td></td>
</tr>
<tr>
<td>Charities &amp; fundraising</td>
<td></td>
</tr>
</tbody>
</table>
## SAMPLE RISK MANAGEMENT FRAMEWORK

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>RISK AREA</th>
<th>RISK</th>
<th>RISK MITIGANTS</th>
<th>PROBABILITY / IMPACT</th>
<th>ACTIONS/ RESPONSIBILITY</th>
<th>LATEST REVIEW</th>
<th>OUTCOME</th>
<th>TRAFFFIC LIGHT (G/O/R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC</td>
<td>Strategy</td>
<td>Lack of plan or irrelevant / outdated plan</td>
<td>Prepare plan and review regularly</td>
<td>High / major</td>
<td>Board to prepare strategic plan and to review annually</td>
<td>30/6/2014</td>
<td>Revised</td>
<td>Green</td>
</tr>
<tr>
<td>GOVERNANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDUCATIONAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATIONAL</td>
<td>External threats (e.g. fire, flood, intruder)</td>
<td>Physical danger to students, staff and visitors</td>
<td>Prepare, publicise and practise responses</td>
<td>High / major</td>
<td>Director, WHS to manage and report to SME quarterly</td>
<td>30/9/2014</td>
<td>Y10 absent for last fire drill</td>
<td>Orange</td>
</tr>
<tr>
<td>FINANCIAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>LEGAL</td>
<td>COMPLIANCE</td>
<td></td>
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</tr>
</tbody>
</table>
3.9.3.2 CONFLICT OF INTEREST

SAMPLE PROCEDURES

a. Disclosure Statement

All responsible persons are required to:

complete a Conflict of Interest Disclosure Statement (Sample conflict of interest disclosure statement) at the time they take up their role with the School whether or not they have material conflicts to disclose; and

- update this Statement annually at the start of the School year; and
- where their circumstances have changed since the existing disclosure was submitted, complete an updated statement.

Other members of staff and other persons working for the School, such as volunteers, are required to complete a Conflict of Interest Disclosure Statement if they have a material conflict.

b. Register of Interests

The Disclosure Statements will be used by the [Company Secretary/Business Manager] to update the Register of Interests.

This Register will formally be tabled at every Board meeting. The School will ensure that declarations of conflict of interest are retained for at least seven years.
SAMPLE CONFLICT OF INTEREST DISCLOSURE STATEMENT

This form is to be completed by any Responsible Person who has a real or perceived conflict of interest or a potential conflict of interest in undertaking their duties. A copy of the completed and signed form is to be retained by [ ].

I, (Insert full name) ___________________________________________ of (Insert address)

____________________________________________________________________________________________________________

hereby declare I have no conflicts of interest to declare or a conflict of interest considered to be:

Nil

Conflict Real ☐ Potential ☐ Perceived ☐

Please provide a brief outline of the nature of the conflict if applicable (details may be included privately in a separate confidential envelope if appropriate).

____________________________________________________________________________________________________________

____________________________________________________________________________________________________________

____________________________________________________________________________________________________________

Please detail the arrangements proposed to resolve/manage the conflict if noted above (attach separately if appropriate).

____________________________________________________________________________________________________________

____________________________________________________________________________________________________________

____________________________________________________________________________________________________________
I, (insert full name) ……………………………………………………… hereby agree to:

- update this disclosure throughout the period of my tenure as a Responsible Person on an annual basis or until such time as the conflict ceases to exist, or at such a time a conflict arises;

- comply with any conditions or restrictions imposed by the School to manage, mitigate or eliminate any actual, potential or perceived conflict of interest and/or commitment.

Signed: ……………………………………………………… Date: …………………

REVIEW BY CHAIR OF BOARD

I, (insert full name) ……………………………………………………… have reviewed the conflict of interest disclosure (and plan) and have taken the following action in relation to this matter:

______________________________________________________________________________________________________________
______________________________________________________________________________________________________________
______________________________________________________________________________________________________________

Signature…………………………………………………… Date……………………………………
CHECKLIST TO HELP IDENTIFY CONFLICTS OF INTEREST

In assessing whether you have a conflict of interest it may be helpful to ask the following questions. The test when assessing the situation is to ask: “Could this conflict with my duties at the School?” If you answer YES to any of the questions below, you may have an actual, reasonably perceived or potential conflict of interest. (Source: ICAC1)

- Would I or anyone associated with me benefit from or be detrimentally affected by my proposed decision or action?
- Could there be benefits for me that could cast doubt on my objectivity?
- Do I have a current or previous personal, professional or financial relationship or association of any significance with an interested party?
- Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?
- Do I or a relative, friend or associate of theirs stand to gain or lose financially in some covert or unexpected way?
- Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?
- Have I contributed in a private capacity in any way to the matter my Department/the School is dealing with?
- Have I made any promises or commitments in relation to the matter?
- Have I received a benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?
- Am I a member of an association, club or professional organisation or do I have particular ties and affiliations with organisations or individuals who stand to gain or lose by my proposed decision or action?
- Could this situation have an influence on any future employment opportunities outside my current School duties?
- Could there be any other benefits or factors that could cast doubts on my objectivity?

If the answer to any of these questions is yes or if you still have any doubts about your proposed decision or action, you should seek direction from the School’s Business Manager or Head.

1 ICAC Toolkit, Managing Conflicts of Interest in the Public Sector, 2004.
3.9.3.3 RELATED PARTY TRANSACTIONS

A. SAMPLE PROCEDURES

i. Overview

The School’s procedures are that:

a. all related party transactions and payments will be conducted on an arm’s length basis to ensure that a financial benefit is not given to a related party;

b. the process surrounding those transactions must be transparent and fully documented including the maintenance and audit of a register of related party transactions; and

c. Board approval must be obtained for all related party transactions and payments recognising that the Board can delegate this approval in respect of a class of transactions and on such terms and conditions as the Board sees fit.

ii. New transactions

Where the School proposes to enter into a related party transaction, the following procedure applies:

- the relevant responsible officer must inform the [Business Manager/Head (as appropriate for your school)] about the proposed transaction, including the proposed parties and how they are related, details of the proposed transaction and where arm’s length terms may be evidenced;

- the [Business Manager/Head (as appropriate for your school)] will review the transaction, and consider external legal advice where appropriate in considering the transaction;

- the [Business Manager/Head (as appropriate for your school)] will inform and advise the Board of the proposed transaction and obtain the Board's approval for the School to undertake the transaction or approval in respect of a class of transactions;
• a register of all Board approvals in respect of related party transactions shall be maintained under the supervision of the [Company Secretary/Business Manager/Head (as appropriate for your school)] and it shall include details of the nature of the transaction, the date of the approval and any key conditions to which the approval is subject; and

• when Board approval is obtained, the transaction must proceed in accordance with any procedures and conditions outlined by the Board.

iii. Annual review

At the beginning of each year, the [Business Manager/Head (as appropriate for your school)] will write to all responsible persons as per Sample related party transactions disclosure letter.

The register of related party transactions will be updated to reflect these disclosures and submitted for audit by the School’s auditor.

iv. Retention of records

The School will ensure that records of related party transactions, including the registers and audit reports thereon, are retained for at least seven years.
B. GUIDANCE NOTES IN RESPECT OF RELATED PARTY TRANSACTIONS

Who is a related party?

For the purposes of these procedures, the following persons are considered related parties of the School:

a. all responsible persons and all members of the School's Senior Management Team, including their spouses, de facto spouses, parents and children; and
b. entities controlled by these persons.

A person or entity is also a related party of the School at a particular time if the person or entity:

- was a related party at any time within the previous 6 months; or
- the entity believes or has reasonable grounds to believe that it is likely to become a related party of the School at any time in the future.

A full definition is set out in Accounting Standard AASB 124.

What is a financial benefit?

The legal definition of the term ‘financial benefit’ is broad. A non-exhaustive list of examples includes:

a. providing finance or property to a related party;
b. buying or leasing an asset from or selling an asset to a related party;
c. supplying or receiving services from the related party;
d. issuing securities or granting options to the related party; and
e. taking up or releasing an obligation of the related party.

A financial benefit includes giving a financial benefit indirectly through an interposed entity and does not require the payment of money. For the purposes of this Policy, reasonable remuneration within parameters approved by the Board is excluded from the definition of “financial benefit”.

What makes a transaction “at arm’s length”?

A transaction is at arm’s length if the relevant parties have dealt with each other as parties normally do when they are not related, so that the outcome of their dealing is a matter of genuine bargaining, and although not necessarily technically an open market price, the terms are those that might reasonably have been agreed between arm’s length parties.
SAMPLE RELATED PARTY TRANSACTIONS DISCLOSURE LETTER

Dear <xxx>

As part of the preparation of our Annual Accounts we are required to collate information on transactions between the School and related parties. This information will potentially require disclosure in the notes to the accounts in accordance with AASB 124 and the BOSTES requirements. Related parties include directors, senior management and persons connected to them, e.g. by virtue of family relationship or business partnership. For your further information, a detailed definition of related parties is set out in AASB 124. Transactions potentially requiring disclosure include:

a. purchases, sales, leases and donations (including donations which are made in furtherance of the School's objects) of goods, property, money and other assets such as intellectual property rights to or from the related party;

b. the supply of services by the related party to the School, and the supply of services by the School to the related party. Supplying services includes providing the use of goods, property and other assets and finance arrangements such as making loans and giving guarantees and indemnities; and

c. any other payments and other benefits which are made to directors under express provisions of the governing document of a School or in fulfilment of objectives.

Please supply details of any such transactions on the pro-forma register attached at Appendix 1 [Sample related party transactions register] by <date>. If there are no such transactions, please return Appendix 1 marked "nil return".

In addition to the items disclosed at items (a) to (c) above, we are required to disclose the aggregate amount of expenses reimbursed to trustees. However, you do not need to supply this information as central records are maintained of these expenses. [Delete if not applicable].

You do not need to include amounts received by you under your contract of employment with the School. [Include where this letter is sent to employees].
## SAMPLE RELATED PARTY TRANSACTIONS REGISTER

**Name of Responsible Person:** Director 1

<table>
<thead>
<tr>
<th>Item</th>
<th>Name of transacting party (if different from above)</th>
<th>Relationship between Responsible Person and transacting party</th>
<th>Description of transaction</th>
<th>Amount of transaction and of any outstanding balances</th>
<th>Date transaction approved by School Board and basis for approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>XYZ plc</td>
<td>Director 1 is the CEO of XYZ plc</td>
<td>XYZ plc provides daily cleaning service to the School in accordance with the contract dated 20/2/2012</td>
<td>Annual contract $100,000. Payments in line with contract and fully up to date.</td>
<td>15/2/2012 The contract was awarded to XYZ following a tender process as outlined in the note to the Board papers for the 15/2/2014 meeting</td>
</tr>
<tr>
<td>2.</td>
<td>Joe Smith</td>
<td>Joe Smith is Director 1's brother</td>
<td>Joe Smith is Head of the Senior School</td>
<td>Joe Smith is employed as a Band 3 Teacher with a Leadership 4 allowance</td>
<td>15/11/2011 Joe Smith’s employment as Head of Senior School was confirmed following the review as explained in the Board minutes of the 15/11/2011 meeting</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.9.3.4 PROFESSIONAL LEARNING

SAMPLE PROCEDURES

The School’s procedures for the professional learning of responsible persons are:

1. At the commencement of each year the Board will determine which areas of professional learning are relevant to the needs, skills and experience of its responsible persons, especially in relation to compliance, risk management, finance, legal obligations, conflict of interest, related parties and education.

2. The School will approve professional learning for each responsible person that is a minimum of four hours duration annually, and delivered by a BOSTES approved training provider.

3. The [Company Secretary/Business Manager] will maintain a register of each responsible person’s professional learning annually [Sample professional learning register]. This register will record the names, role, date, nature and hours of professional learning.

4. The [Company Secretary/Business Manager] will retain the Responsible Persons’ Professional Learning Register for seven years, commencing on 1 September 2014.
# SAMPLE PROFESSIONAL LEARNING REGISTER

**Year:** 2014

<table>
<thead>
<tr>
<th>NAME</th>
<th>ROLE</th>
<th>DATE</th>
<th>NATURE OF PL</th>
<th>PROVIDER</th>
<th>HOURS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director 1</td>
<td>Chairman</td>
<td>28/2/2014</td>
<td>Governance seminar</td>
<td>CECNSW</td>
<td>5</td>
</tr>
<tr>
<td>Director 2</td>
<td>Director, chair of Marketing Sub-Committee</td>
<td>28/2/2014</td>
<td>Governance seminar</td>
<td>CECNSW</td>
<td>5</td>
</tr>
<tr>
<td>XXX</td>
<td></td>
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</tr>
</tbody>
</table>
3.9.3.5 INDUCTION

SAMPLE PROCEDURES

Sample School’s procedures for inducting each new responsible person are ensuring that each:

- completes the four one-hour on-line modules, *Introduction to School Governance*, developed by CECNSW, or a similar program delivered by a BOSTES approved provider, and approved by the School’s governing body;

- meets the Head and the Chair of the School’s governing body;

- receives a tour of the School to see its buildings, grounds and facilities;

- receives a copy of the key governance documents. These include the constitution, code of conduct, delegation schedule, legal compliance and risk management frameworks, recent minutes and audited financial statements; and

- is made aware of the primary governance responsibilities of acting in the interest of the company/School, confidentiality and conflicts of interests.

The [Company Secretary/Business Manager] will maintain a register of the induction program for each new responsible person recording their name, the date of becoming a responsible person, role, qualifications, receipt of induction documents and the date, provider and nature of BOSTES approved induction training [Sample induction register]. The [Company Secretary/Business Manager] will maintain this register for seven years from the year of induction.
<table>
<thead>
<tr>
<th>NAME</th>
<th>DATE BECAME RP</th>
<th>ROLE</th>
<th>QUALS / EXPERIENCE</th>
<th>REC'D INDUC. DOCS</th>
<th>RECORD OF INDUCTION TRAINING</th>
<th>COMPLETED INDUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director 2</td>
<td>28/1/2014</td>
<td>Director, chair of Marketing Sub-Committee</td>
<td>BBus (Marketing)</td>
<td>X</td>
<td>28/2/2014 CECNSW Governance Seminar</td>
<td></td>
</tr>
<tr>
<td>XXX</td>
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<td>XXX</td>
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