Issues that arise are:

1. Interpretation

2. Where are we now?

3. What are some of the things we need to do?

4. Areas which require advocacy?
S 47 (b) each responsible person for the school, and any other person or body having similar functions in relation to the school as those of such a responsible person, is of good character

"responsible person" for a school means:

- (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.
(b1) policies and procedures for the proper governance of the school are in place

(c) any refusal to register, or cancellation of registration, of the school or any other school under section 56 or 59 occurring during the period of 5 years immediately before the application for registration is made has not been largely attributable to the actions of a responsible person or proposed responsible person for the school, or any other person or body having similar functions in relation to the management or operation of the school to those of a responsible person
Who are the “responsible persons” in your College?

The definition includes: any other person or body having similar functions in relation to the school as those of such a responsible person.

Who are “related parties”?

No one set of circumstances applies to every circumstances of each Catholic Independent School
WHERE ARE WE NOW?

- Governance of the School;
- Conflict of interest;
- Related party transactions;
- Professional learning;
- Induction process; and
- Independent audit.
Standard 1: Purposes and not-for-profit nature

Charities must be not-for-profit and work towards their charitable purpose. They must be able to demonstrate this and provide information about their purposes to the public.
Standard 2: Accountability to members

Charities that have members must take reasonable steps to be accountable to their members and provide them with adequate opportunity to raise concerns about how the charity is governed.
Standard 3: Compliance with Australian laws

Charities must not commit a serious offence (such as fraud) under any Australian law or breach a law that may result in a penalty of 60 penalty units (currently $10,200) or more.
Standard 4: Suitability of responsible persons

Charities must take reasonable steps to:

- be satisfied that its responsible persons (such as board or committee members or trustees) are not disqualified from managing a corporation under the Corporations Act 2001 (Cth) or disqualified from being a responsible person of a registered charity by the ACNC Commissioner, and
- remove any responsible person who does not meet these requirements.
Standard 5: Duties of responsible persons

Charities must take reasonable steps to make sure that responsible persons are subject to, understand and carry out the duties set out in this standard.
- Who are our responsible persons - each College will need to determine this and perhaps take advice.
- Is each responsible person of “good character”. BOSTES provides guidance on how to establish “good character”.
- We can list the responsible persons after we determine who is in the category for the purposes of the Act/regulations.
- We can provide the relevant details of the ‘responsible person’ e.g. name, position, date of commencement and cessation.
- We can notify BOSTES of good character.
- We can notify BOSTES of refusals to register as a result of a responsible person.
- Able to satisfy legal obligations, manage risk, provide strategic guidance and monitor performance.

GOVERNANCE – RESPONSIBLE PERSON


Structures,
Policies and procedures for governance,
Leadership,
Authority,
Decision-making,
Accountability
Transparency.

PROPER GOVERNANCE
- Company, PJP or document identifying the governance structure of the school and the respective authority, role and responsibilities of each of the school’s ‘responsible persons’
- Documentation for any other person or body concerned in the management of the school
- A delegations policy and schedule to:
  - for those in the governance structure
  - describe the process for withdrawing a delegated authority
- 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.
CONFLICT OF INTEREST

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

- 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).

Current processes - board meetings
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. 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.
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.

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

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: e.g.
  - 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;

- retaining the register of induction on and from 1 September 2014 and retain such records for a minimum period of seven (7) years.
The school’s annual financial statements are to be audited and certified by an external independent auditor.

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.
Governance of the School; constitution, trust deed, delegation schedule, supervision/organisation chart, code of conduct, Board minutes, legal compliance process, risk management framework, notifying BOSTES of changes to ‘good character.’

- Conflict of interest; statement, procedures and declaration
- Related party transactions; procedures, register and audit certificate
- Professional learning; register and procedures
- Induction process; and
- Independent audit. policy and procedures

These policies and procedures when documented are attached to the application to register the School/College.

WHAT DO WE NEED TO HAVE/DO?
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.

Avoid duplication.