



CORPORATE GOVERNANCE POLICY

Responsible officer	Dean & CEO
Contact	CEO@actheology.edu.au
Approved by	Board of Directors
Responsible Body	Board of Directors
Initial Approval date	13 November 2023
Initial Effective date	13 November 2023
Review date	November 2026
Superseded documents	None
Related documents	<i>ACT Constitution, Code of Conduct, Conflict of Interests Policy and Procedure, FRAC Terms of Reference, Whistleblower Policy</i>
Related HE Standards	6.1, 6.2

1. PURPOSE

This policy, together with associated documents, describes ACT's approach to corporate governance, in keeping with the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards, the Constitution, the Higher Education Standards Framework and other applicable requirements.

2. DEFINITIONS

The following definitions apply for the purpose of this Policy:

ACT is the *Australian College of Theology Limited*.

ACT website is the website for the ACT at www.actheology.edu.au

Academic Board is the Academic Board of the **ACT**.

Affiliated College is an institution approved to offer an accredited higher education award of the **ACT**.

Board is the Board of Directors of the **ACT**.

CEO is the Chief Executive Officer and Dean of the **ACT**.

Constitution means the constitution of the **ACT**.

Finance, Risk, Audit & Compliance Committee or **FRAC** oversees financial management, audit, risk management and compliance for the **ACT**.

3. SCOPE

This policy relates to all aspects of ACT corporate governance.

4. POLICY STATEMENT

The ACT's approach to governance is based on a set of values and behaviours that:



- ensure compliance with the ACNC Governance Standards, the Constitution, the Higher Education Standards Framework and other applicable requirements, and
- underpin everyday activities, ensure transparency and fair dealing, and protect the interests of the ACT and its stakeholders.

This approach includes a commitment to the highest standards of governance, which the ACT sees as fundamental to the sustainability of the organisation.

5. PRINCIPLES

5.1 Background

- 5.1.1 The ACT was constituted on 2 October 1891 by a Determination of the General Synod of the Church of England in Australia and Tasmania. It was incorporated in 1995 under the Associations Incorporation Act 1984 (NSW) and registered with the Australian Securities and Investments Commission (ASIC) pursuant to the provisions of the Corporations Act 2001 (Cth) as a company limited by guarantee in September 2007.
- 5.1.2 In the early 1960's the ACT was approved to award degrees by the NSW Government and in 2002 was approved as a higher education provider under the Higher Education Support Act 2003 (Cth) and in September 2022 was registered as an Australian University College in accordance with the Tertiary Education Quality and Standards Agency Act 2011 (Cth).
- 5.1.3 On 1 January 2014 the ACT was registered as a charity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth). The ACT is registered with charitable purposes of advancing education and advancing religion.
- 5.1.4 On 3 May 2022, the Constitution was amended to expand its Membership to a wide range of stakeholders, and for the Anglican Church of Australia to no longer be its primary stakeholder.
- 5.1.4 The 3 May 2022 change to the Constitution had earlier been approved by the Standing Committee of the General Synod of the Anglican Church of Australia on 4 March 2022, subject to the agreement of the House of Bishops. On 19 March 2022, the House of Bishops endorsed the amendments in the form approved by the Standing Committee.
- 5.1.6 The constitution was a schedule to the Australian College of Theology Limited Canon 2007 of the Anglican Church of Australia, but following the constitutional amendments in 2022 the Canon has ceased to apply to the ACT.
- 5.1.7 The objects of the ACT are to foster and direct the systematic study of theology and other disciplines related to Christian ministry by teaching and research in a manner and at a level comparable to the standards of Australian



universities as further described in section 2.1 of the Constitution.

- 5.1.8 The Board approves from time to time a strategic plan which guides ACT's dealings with its Affiliated Colleges and provides a framework for its strategic direction.

5.2 Principle 1 – Clear roles and responsibilities

The respective roles and responsibilities of the board, its committees, and management are as follows:

5.2.1 *Roles and Responsibilities of the Board*

The corporate and academic governance and business of ACT are the responsibility of the Board, who may exercise all such powers of ACT as are not, by the Australian Charities and Not-for-profits Commission Act, the Corporations Act or the Constitution, required to be exercised by ACT in general meeting.

Details of the powers of Directors are set out in section 7 of the Constitution.

5.2.2 *Roles and Responsibilities of the Committees of the Board*

The Board has two committees to assist it in fulfilling its roles and responsibilities, namely

- (i) the Academic Board, and
- (ii) the Finance, Risk, Audit and Compliance Committee.

The roles and responsibilities of each committee are set out in policies which are reviewed periodically by the Board.

5.2.3 *Roles and Responsibilities of Management*

The ACT has delegated to the CEO, and through the CEO to staff, responsibility for the day-to-day operations of the ACT. The scope of that delegated authority is set out in policies which are reviewed periodically by the Board.

5.3 Principle 2 – Structure the Board appropriately

The Board is to be of a size that conforms to section 6 of the Constitution and is comprised of members with appropriate skills and commitment to adequately discharge its responsibilities and duties.

5.3.1 *Board Membership*

Three directors are elected by the members of the ACT at each annual general meeting (AGM) for a three-year term in accordance with the requirements of section 6 of the Constitution.

The number of Directors is to be not less than nine and not more than twelve. The AGM must elect three Directors each year. The Board can co-opt



up to three Directors.

A majority of the Directors must be independent persons (as defined in the Constitution).

The Chair of the Board must be an independent person.

The Constitution requires the Board to include three independent Directors with senior higher education, finance and business expertise respectively.

The independence of nominees for election is assessed by the Nominations Eligibility Committee prior to each AGM.

The names of each Director, together with information about their qualifications and experience are set out in the annual report of the ACT.

5.3.2 *Director's interests*

Directors will comply with the requirements regarding Director's interests described in 6.16 of the Constitution.

5.3.3 *The Selection of the Chair*

The Board elects one of its members to be Chair of the Board, for a term of three years.

The Chair's role includes –

- providing effective leadership to the Board in relation to all Board matters, and corporate governance,
- convening regular Board meetings throughout the year, and ensuring that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual members, and
- guiding the agenda and conduct of all Board meetings, and
- overseeing Board succession and CEO succession, and
- promoting constructive and respectful relations between the Board and management.

5.3.4 *Meetings of the Board*

The Board usually meets six times each year and meets at other times when required, usually by email or via video conference.

Each year the Board reviews the strategic direction of the ACT. Reviews of specific matters of strategic importance are undertaken during the course of the year.

The CEO attends all Board meetings. Senior ACT staff attend when invited.

At each meeting, there is the opportunity for the Board to discuss matters in the absence of the CEO.



5.3.5 *Nomination and Appointment of New Directors*

The Board considers the preferred skills and experience of candidates to fill vacancies in the office of Director.

New Directors receive a letter of appointment, which sets out the expectations of the role, conditions of appointment, including expected term of appointment.

5.3.6 *Induction of Members*

On appointment, Directors receive a letter of appointment which sets out the expectations of the roles and conditions of appointment. Directors are also made familiar with matters relating to the strategy and operations of the ACT and any current issues before the Board.

New Directors meet with the Chairman, CEO, the chair of each of the Board's committees, and senior staff as appropriate.

All Directors are invited to attend at least one Australian Institute of Company Directors (AICD) course (or its equivalent) during each term of office with the approval of the Chair and the CEO.

5.3.7 *Board Access to Information and Advice*

All Directors receive regular detailed financial and operational reports from management.

There is an exit interview with each Director on the retirement at which he or she is reminded that they will have access to all board papers should they be the subject of litigation arising out of their time on the Board.

The Board collectively, and each Director individually, may seek independent professional advice, at the Board's expense, to help them carry out their responsibilities. The Chairman's prior approval is required, but will not be unreasonably withheld.

5.3.8 *Review of Board Performance*

The Board undertakes ongoing self-assessment as well as an annual performance review of its activities, its committees and individual members.

5.3.9 *Board Committees and Membership*

Members of the committees of the Board are chosen on the basis of relevant skills and experience. All committees have the flexibility to augment the skills and experience by appointing non-Board members, subject to relevant approval.

The performance of each committee is reviewed as part of the Board's overall performance review.

5.4 **Principle 3 – Promote ethical and responsible conduct**



The Board promotes ethical and responsible conduct.

5.4.1 *Conflict of Interest*

The Board has a conflict of interest policy to provide guidelines for recognising and managing potential conflicts of interest –

- all Directors are required to disclose any actual, potential or perceived conflict of interest upon appointment and are required to keep those disclosures to the Board up-to-date, and
- any Director with a material personal interest in a matter may not participate in discussion or vote on that matter, unless the Board resolves otherwise, and
- employees of the ACT are not permitted to participate in activities which involve a conflict with their duties and responsibilities or which are prejudicial to the ACT.

5.4.2 *Concern Reporting and Whistle Blowing*

The CEO encourages employees to raise issues with him and he adopts an open- door approach for employees. ACT has adopted a Whistleblower Policy which is available on the ACT website.

5.5 **Principle 4 – Integrity in financial reporting**

The ACT's approach to financial reporting reflects 3 core principles –

- its financial reports present a true and fair view, and
- its accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies, and
- its external auditor is independent.

The Finance, Risk, Audit and Compliance Committee reviews and assesses any significant estimates and judgements in financial reports and the processes used to monitor and comply with laws, regulations and other reporting requirements.

The role of the external auditor is to provide an independent opinion that the financial reports are true and fair and comply with applicable regulations.

The external auditor has access to the minutes and papers of the Board and its committees. The external auditor submits an annual declaration of independence to the Board.

Any advisory services by the external auditor are detailed in the notes to the annual financial statements.

The external auditor attends meetings of the Finance, Risk, Audit and Compliance Committee to present his draft audit plan and the draft audited



statements and to answer questions from members.

The external auditor attends the AGM to speak to the audited statements.

The Finance, Risk, Audit and Compliance Committee may meet with the external auditor without management being present.

The relatively small size of the ACT does not warrant an internal audit division. The ACT has strong internal controls and appropriate division of duties which are reviewed annually by the external auditor.

Compliance with financial policies are monitored by the Director of Finance and reported to the Finance, Risk, Audit and Compliance Committee.

5.6 Principle 5 – Effective Communications

The full annual report, as submitted to the AGM, is placed on the ACT website as soon as it is approved for release by the Board.

5.7 Principle 6 – Identify and Manage Risk

The Board will identify and effectively manage risk.

5.7.1 Approach to Risk Management

The ACT regards managing the risk that affects its business as a fundamental activity, as it influences its performance, reputation and future success.

Effective risk management involves achieving an integrated and balanced approach to risk and reward, and assists the ACT in achieving its objectives of optimizing financial growth and mitigating potential loss or damage.

5.7.2 Risk Management Roles and Responsibilities

The Board is responsible for reviewing and approving risk identification and minimisation strategy at least annually.

The committees of the Board assist the Board in identifying and managing risk according to their terms of reference.

The CEO and senior executives are responsible for implementing the risk management framework, systems, controls and procedures for identifying risk and management of risks adopted from time to time by the Board.

5.7.3 Compliance Reporting

The ACT monitors its compliance with key risk matters, by requiring periodic confirmation from the CEO.

The compliance coverage and depth of review is reviewed in response to changing circumstances.

Compliance reporting is the responsibility of the CEO.

5.7.4 Chief Executive Officer and Finance Officer Assurance



The Board receives information assuring the Board that in all material respects –

- the financial records have been properly maintained to correctly record and explain its transactions, and
- the financial statements and notes required comply with the accounting standards, and
- the financial statements and notes give a true and fair view of the financial position and of the performance of the organisation, and
- the internal controls and risk management systems are sound, and continue to run in an efficient manner, and
- that proper retention processes are in place to ensure these records are recoverable and usable for a period of seven years.

5.7.5 *Corporate Policies, Guidelines and Procedures Board Policies*

The Board has developed a range of policies, guidelines and procedures covering areas including Board Structure, Ethical Behaviour, Financial Reporting, Disclosures, Risk Management, Remuneration and Management Policies.

5.8 **Principle 7 – Remunerate fairly and responsibly**

The CEO will ensure that the level and composition of ACT staff remuneration is sufficient and reasonable and that its relationship to performance is clear.

The Board’s consideration of reward structures is based on fairness, business performance, legal obligations, relevant industrial awards and high standards of corporate governance. Directors are not remunerated.

6. RELATED LEGISLATION

[Australian Charities and Not-for-profits Commission Act 2012](#)

[Corporations Act 2001](#)

[Higher Education Standards Framework \(Threshold Standards\) 2021](#)

7. REFERENCES

[ACNC Governance Standards](#)

[TEQSA Guidance Note: Corporate Governance](#)

8. VERSION HISTORY

Version	Approved by	Approval Date	Effective Date	Changes made
1.0	Board of Directors	26 March 2012	26 March 2012	New Policy



2.0	Board of Directors	13 November 2023	13 November 2023	Updated to align with revised ACT Constitution, renamed from Statement of Corporate Governance to Corporate Governance Policy
-----	--------------------	---------------------	---------------------	---

Any hard copy of this electronic document may not be current as the ACT regularly reviews its policies. The latest version can be found online at actheology.edu.au.