

Proposed Constitution Changes for the Introduction of Director of Financial Services

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It is recognised that a level of ambiguity and confusion exists pertaining to the role, function and limits of delegations of the Financial Services Committee (FSC) as it is currently structured. As such at the August 2020 meeting of the QB Board, a subcommittee was appointed to review and develop terms of reference for the function of FSC.

The review confirmed that the QB Movement is not only comprised of churches in varying size and complexity across a vast geographical spread, but it also conducts extensive operations via Charter Groups in the areas of aged care, education (school and theological), camping and banking. These operations are substantial in size and complexity, and some have grown exponentially from their position 20 years ago. In light of this growth and the increasing complexity in relation to compliance, it is timely to consider how finances are structured and governed across QB's Charter Groups.

The QB Board accepted recommendations from the review for the introduction of the new full-time role of Director of Financial Services (DoFS) and a restructure of the composition of FSC membership to bring the Movement in line with generally accepted business practices, with the DoFS role being similar to the Chief Financial Officer (CFO) role of a listed company.

At its meeting in August 2021, the QB Board endorsed a series of constitutional changes to establish the role of the Director of Financial Services, and to restructure the Financial Services Committee to reflect the responsibilities of this new role. The constitution changes required break into two categories;

- A. The creation of the role of Director of Financial Services as an Officer of QB, member of Assembly, and member of the QB Services Leadership Team.

- B. Changing the structure of the Financial Services Committee, and reallocation of the responsibilities of the former Financial Services Committee to the Director of Financial Services, Director of Administrative Services or to the newly formed Financial Services Committee.

The above changes are the recommendations of the review and both changes require a significant number of changes to the Constitution, despite not being particularly complex changes to explain. This reflects the significance of financial management in the Constitution.

Section A: Director of Financial Services

Change A1

Details: Alter list of office holders who are Members of Assembly in Clause 6.03 (c)

Comments: The list of office holders designated to be Members of Assembly is expanded to include the Director of Financial Services.

Existing: The Director of QB Movement, the Director of QB Services, the Director of Pastoral Services, the Director of Church Health Services, and the Director of Administrative Services and the Elected Members of the Board.

Proposed: The Director of QB Movement, the Director of QB Services, the Director of Pastoral Services, the Director of Church Health Services, the Director of Administrative Services, the Director of Financial Services, and the Elected Members of the Board.

Change A2

Details: Alter the list of Officers of QB in Clause 7.01

Comments: The list of Officers of QB is expanded to include the Director of Financial Services.

Existing: The following are to be recognised as Officers of QB: The Director of the QB Movement, the Director of QB Services, the Director of Pastoral Services, The Director of Church Health Services, the Director of Administrative Services, the Heads of each Charter Group, the Chair of the Board and the Trustees of the Letters Patent incorporation.

Proposed: The following are to be recognised as Officers of QB: The Director of the QB Movement, the Director of QB Services, the Director of Pastoral Services, The Director of Church Health Services, the Director of Administrative Services, the Director of Financial Services, the Heads of each Charter Group, the Chair of the Board and the Trustees of the Letters Patent incorporation.

Change A3

Details: Add responsibilities of Director of Administrative Services into Clause 7.07.

Comments: The responsibilities of the Director of Administrative Services are now defined for consistency with wording for the Director of Financial Services, thereby avoiding any confusion regarding the change to financial responsibilities.

Existing: The Director of Administrative Services will be the Secretary of QB. The Secretary of QB is to be an Executive Officer of QB and present a report on behalf of the Board to the Annual meeting of Assembly.

Proposed: The Director of Administrative Services will be the Secretary of QB. The Director of Administrative Services shall oversee the administrative operations of QB including property and legal matters. The Secretary of QB is to be an Executive Officer of QB and present a report on behalf of the Board to the Annual meeting of Assembly.

Change A4

Details: Add in clause new Clause 7.08 to describe the responsibilities of the Director of Financial Services.

Comments:

Existing: (none)

Proposed: The Director of Financial Services

The Director of Financial Services (DoFS) shall oversee the finance and accounting function of QB, working closely with and providing support to and

oversight of the finance function of the Charter Groups. The Director of Financial Services shall be an Executive Officer of QB.

Change A5

Details: Renumber Clauses 7.08 and 7.09.

Comments: Clauses pertaining to the Chair of the Board and Trustees of QB are renumbered to 7.09 and 7.10 respectively to retain the logical order of clauses when a new clause 7.08 regarding the Director of Financial Services is inserted.

Existing: 7.08 Chair of the Board (with text) and 7.09 Trustees (with text)

Proposed: 7.09 Chair of the Board (with unchanged text) and 7.10 Trustees (with unchanged text)

Change A6

Details: Adjust clause B10.04 to add Director of Financial Services to the Leadership Team.

Comments: Adds Director of Financial Services to Leadership Team.

Existing: Membership of the Leadership Team shall be determined by the Board, but shall generally include the Director of QB Services, the Director of Administrative Services and the heads of Charter Groups.

Proposed: Membership of the Leadership Team shall be determined by the Board, but shall generally include the Director of QB Services, the Director of Administrative Services, the Director of Financial Services and the heads of Charter Groups.

Change A7

Details: Insert a new clause B15.01 (d) adding the Director of Financial Services to list of Assembly appointments.

Comments:

Existing: (none)

Proposed: Director of Financial Services.

Change A8

Details: Renumber clauses B15.01 (d) to (g) to reflect insertion of new clause.

Comments: The clauses for each appointment have a logical order and adding the Director of Financial Services into its place requires the renumbering of subsequent clauses.

Existing: B15.01 (d) Director of Pastoral Services, B15.01 (e) Director of Church Health Services, B15.01 (f) Heads of Charter Groups, B15.01 (g) Full time Lecturers of Malyon Theological College and Malyon Vocational Training.

Proposed: B15.01 (e) Director of Pastoral Services, B15.01 (f) Director of Church Health Services, B15.01 (g) Heads of Charter Groups, B15.01 (h) Full time Lecturers of Malyon Theological College and Malyon Vocational Training.

Change A9

Board needs to approve changes to Appendix 3, adding Director of Financial Services to list of Officers of QB.

Section B: Financial Services Committee

Change B1

- Details:** Remove responsibilities from Financial Services Committee in Clause B8.01
- Comments:** Proposed role of newly formed Financial Services Committee shall not relate to Administrative and legal functions of QB.
- Existing:** The Financial Services Committee shall on behalf of the Board be responsible for the administrative, financial, legal and property matters relating to the operation of QB.
- Proposed:** The Financial Services Committee shall on behalf of the Board be responsible for the financial and property matters relating to the operation of QB.

Change B2

- Details:** Replace Clause B8.02 to describe the new proposed make-up of the Financial Services Committee (FSC).
- Comments:** The review of FSC noted occasional delays to process in part due to the cycle of monthly meetings of a volunteer committee. It is proposed to restructure FSC to be a standing committee of a majority of staff positions which can meet more frequently as required.
- Existing:** Financial Services Committee shall comprise the following: The Director of QB Services, the Director of Administrative Services, and at least six (6) and no more than eight (8) additional members appointed by the Board.
- Proposed:** Financial Services Committee shall comprise the following: The Director of QB Services, the Director of Administrative Services, the Director of Financial Services and two (2) additional members appointed by the Board. A quorum of the Financial Service Committee is three (3) voting members and resolutions must be passed by a minimum of three (3) voting members.

Change B3

- Details:** Adjust responsibilities of Financial Services Committee set out in By-law B8.03 in line with Financial Services Review.
- Comments:** The following table gives a summary of the changes to this by-law altering current responsibilities of Financial Services Committee:

Clause	Description	Proposed
B8.03(a)	Consider financial issues	Update: to be undertaken in line with new delegation of authority document.
B8.03(b)	Prepare Budget	Remove: Now a DoFS responsibility
B8.03(c)	Recommend Salaries	Remains. Renumber to B8.03(b)
B8.03(d)	Oversee Audit	Remains. Renumber to B8.03(c)

B8.03(e)	Review financial performance of Charter Groups	Remove: Now a DoFS responsibility
B8.03(f)	Promote uniformity of accounting and investment of funds	Remains. Renumber to B8.03(d).
B8.03(g)	Advise board on borrowing funds	Remove: Now a DoFS responsibility
B8.03(h)	Administer QB funds	Remove: Now a DoFS responsibility
B8.03(i)	Advise QB on property sales	Update: support DoAS who is primarily responsible for this. Renumber to B8.03(e).
B8.03(j)	Advise QB regarding share trading	Remains. Renumber to B8.03(f)
B8.03(k)	Advise QB on admin and legal matters	Remove: Now a DoAS responsibility

Existing: B8.03 The responsibilities of Financial Services Committee are:

B8.03 (a) To consider and advise on all financial matters relating to QB and to initiate and bring to the Board, financial matters concerning the affairs of QB and its Churches.

B8.03 (b) To prepare and promote a financial budget of QB for each QB Year and to present it to the Board for consideration.

B8.03 (c) To recommend salaries, emoluments, and reimbursements to be paid to and the terms of appointment and employment of, salaried officers, appointees or employees of QB.

B8.03 (d) To arrange for the examination and auditing of the accounts of QB and to appoint auditors of such accounts, and to inspect, if thought fit, the books and accounts of affiliated organisations for which QB may be responsible.

B8.03 (e) To review the finances of QB and its Charter Groups and report on overall financial performance to the Board.

B8.03 (f) To promote efficiency and uniformity in matters of accounting and investment of funds of QB.

B8.03 (g) To advise the Board on the borrowing of funds by QB and to recommend to the Board the manner and conditions of borrowing of funds.

B8.03 (h) To administer the funds of QB and to act in any matters referred or delegated to it with prior Board approval.

B8.03 (i) To advise the Board, Charter Groups and Churches on properties and sites as and when required and where necessary make recommendations to the Board on the purchase and sale of such properties.

B8.03 (j) To advise the Board regarding policies, principles and procedures of any trading activities of QB.

B8.03 (k) To advise the Board on administrative and legal matters of QB and to advise Service Groups, Churches and other persons or organisations on such matters as required.

Proposed: B8.03 The responsibilities of Financial Services Committee are:

B8.03 (a) To make decisions and recommendations as specified in the Delegations of Financial Authority approved by the Board.

B8.03 (b) To recommend salaries, emoluments, and reimbursements to be paid to and the terms of appointment and employment of, salaried officers, appointees or employees of QB.

B8.03 (c) To arrange for the examination and auditing of the accounts of QB and affiliated organisations and to appoint auditors of such accounts.

B8.03 (d) To promote efficiency and uniformity in matters of accounting and investment of funds of QB.

B8.03 (e) To assist the Director of Administrative Services in advising the Board, Charter Groups and Churches on properties and sites as and when required and where necessary make recommendations to the Board on the purchase and sale of such properties.

B8.03 (f) To advise the Board regarding policies, principles and procedures of any trading activities of QB.

Change B4

Details: Adjust responsibilities of Financial Services Committee in By-law B13 dealing with the Financial Operations of QB in line with Financial Services Review.

Comments: The following table gives a summary of the changes to this by-law altering current responsibilities of Financial Services Committee:

Clause	Description	Proposed
B13.01	Accounting systems	Change from FSC to DoFS responsibility
B13.02	Bank accounts and investments	Change from FSC to DoFS responsibility
B13.03	Register of bank instructions	Change from DoAS to DoFS responsibility
B13.04	Use of banks	Change from FSC to DoFS responsibility
B13.05	Bank account procedures	Change from DoAS to DoFS responsibility
B13.06	Financial reporting	Change from FSC to DoFS responsibility
B13.07	Statements of income and expenditure to FSC	Change from FSC to DoFS responsibility
B13.08	Audited financials to Assembly	Format a DoFS responsibility instead of FSC
B13.09	Transfer of funds	Change from "FSC or Board" to "DoFS or Board" responsibility
B13.10	Approval of expenditure	Change responsibility from FSC to DoFS and record-keeping from DoAS to DoFS
B13.11	Unbudgeted expenditure	Change responsibility from FSC to Board's delegated authority policy
B13.12	Audit reports	Remains
B13.13	Appointment of Auditor	Remains
B13.14	QB Ministry Budgets	Remains
B13.15	Collections at QB Meetings	Remains

Existing: B13. FINANCIAL OPERATIONS OF QB

B13.01 The Accounting System will be centrally administered and maintained using commonly accepted accounting practices and standards as recommended by the Auditors and approved by the Board through the Financial Services Committee.

B13.02 Operation of Bank Accounts and Investments

The Financial Service Committee shall determine the requirements for bank accounts to facilitate the efficient operation of QB. The Secretary of QB shall give instructions to QB's Bank as to the opening or closing of any such bank accounts or altering the manner of operation thereof.

B13.03 The Secretary of QB shall keep a register and shall record or cause to be recorded therein all instructions to the Bank of QB currently applicable.

B13.04 Accounts shall be kept at such branch of such Bank as may be decided from time to time by the Financial Services Committee.

B13.05 Unless otherwise authorised in special circumstances by the Secretary of QB, the Bank Accounts of QB will be operated in accordance with uniform procedure based on the following:

B13.05 (a) Each account name shall include where appropriate the words "The Baptist Union of Queensland".

B13.05 (b) Financial disbursements shall be made in accordance with an approval process approved by the Financial Services Committee.

B13.05 (c) Unless otherwise authorised by the Financial Services Committee, the investment of funds shall be conducted through Baplink.

B13.06 Financial Reporting

The form of monthly financial reports shall be determined by the Financial Services Committee.

B13.07 Statements showing monthly and year income to date and expenditure and balance sheets in the format as determined by the Financial Services Committee for all operations of QB shall be tabled at the Financial Services Committee meeting.

B13.08 Audited statements showing income and expenditure and balance sheets in the format as determined by the Financial Services Committee for all operations of QB shall be tabled at the Annual Assembly.

B13.09 No transfers between funds shall occur in the accounts unless specifically authorized by the Director of Financial Services or a resolution the Board.

B13.10 Approval of Expenditure

The Financial Services Committee shall resolve the manner by which expenditure shall be approved for payment and the manner in which such approval shall be evidenced. The Secretary of QB shall keep a record of such resolutions and the Financial Services Committee shall obtain a report from

the panel of auditors showing the extent to which the resolutions have been complied with.

B13.11 Any expenditure not previously authorised, exceeding the amount as declared from time to time by Financial Services Committee shall be subject to confirmation by the Financial Services Committee.

B13.12 Audit Reports

The auditors shall report to the Financial Services Committee.

B13.13 The Financial Services Committee shall agree in advance with the panel of auditors the scope and form of the audit reports

B13.14 QB Ministry Budgets

The Board shall normally forward the proposed budget to Members of Assembly two (2) weeks prior to the Annual Assembly for approval at the Annual Assembly.

B13.15 Collections at QB Meetings

Unless otherwise determined by the Board, moneys collected at any QB meeting shall be paid into the general funds of QB.

Proposed: B13. FINANCIAL OPERATIONS OF QB

B13.01 The Accounting System will be centrally administered and maintained using commonly accepted accounting practices and standards as recommended by the Auditors and approved by the Board through the Director of Financial Services.

B13.02 Operation of Bank Accounts and Investments

The Director of Financial Services shall determine the requirements for bank accounts to facilitate the efficient operation of QB. The Director of Financial Services shall give instructions to QB's Bank as to the opening or closing of any such bank accounts or altering the manner of operation thereof.

B13.03 The Director of Financial Services shall keep a register and shall record or cause to be recorded therein all instructions to the Bank of QB currently applicable.

B13.04 Accounts shall be kept at such branch of such Bank as may be decided from time to time by the Director of Financial Services.

B13.05 Unless otherwise authorised in special circumstances by the Director of Financial Services, the Bank Accounts of QB will be operated in accordance with uniform procedure based on the following:

B13.05 (a) Each account name shall include where appropriate the words "The Baptist Union of Queensland".

B13.05 (b) Financial disbursements shall be made in accordance with an approval process approved by the Director of Financial Services.

B13.05 (c) Unless otherwise authorised by the Financial Services Committee, the investment of funds shall be conducted through Baplink.

B13.06 Financial Reporting

The form of monthly financial reports shall be determined by the Director of Financial Services.

B13.07 Statements showing monthly and year income to date and expenditure and balance sheets in the format as determined by the Director of Financial Services shall be prepared.

B13.08 Audited statements showing income and expenditure and balance sheets in the format as required by law shall be prepared for all operations of QB and shall be tabled at the Annual Assembly.

B13.09 No transfers between funds shall occur in the accounts unless specifically authorized by the Director of Financial Services or a resolution of the Board.

B13.10 Approval of Expenditure

The Director of Financial Services shall resolve the manner by which expenditure shall be approved for payment and the manner in which such approval shall be evidenced. The Secretary of QB shall keep a record of such resolutions and the Financial Services Committee shall obtain a report from the panel of auditors showing the extent to which the resolutions have been complied with.

B13.11 Any expenditure not previously authorised shall be subject to the Delegations of Financial Authority approved by the Board.

B13.12 Audit Reports

The auditors shall report to the Financial Services Committee.

B13.13 The Financial Services Committee shall agree in advance with the panel of auditors the scope and form of the audit reports.

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