

Elements of Good Governance Today

Governance is a specific type of leadership – oversight - that enables others, especially the Senior Pastor/Pastor and leaders of church ministries to be more effective in their service of God. It is different from operations, which concerns the day-to-day leadership and management of the church. A Governance Team ensures that a church is functioning correctly rather than directing the functions of the church itself. For example, a Governance Team is responsible for overseeing the management of church finances. However, in doing so it is usual for day-to-day tasks like banking, paying bills, completing business activity statements, producing of reports, and drafting budgets to be done by others such as a treasurer, a church bookkeeper, or a Finance Committee. The Governance Team delegates responsibilities to such people within the established policies and procedures of the church and ensures appropriate accountabilities are in place.

Effective leadership needs the wisdom, counsel, accountability and support of good governance to move a church toward fruitfulness in life and mission. Good governance validates, empowers, reviews and evaluates but does not interfere in the day-to-day details. It authorizes the Senior Pastor/Pastor and others to lead the church forward within the boundaries that exist.

Baptist Churches use different terminology to describe the groups of leaders that provide oversight. Eldership, Diaconate, Ministry Leadership Team, Board, and various other terms are applied to such groups. For the purposes of the Governance Pack, “Governance Team” applies.

Key elements of good governance include:

1. Constitution

A church’s constitution is its key governing document. It should set out the church’s charitable purpose and that it operates on a not-for-profit basis. It should include rules relating to membership, the appointment of leaders, and decision-making.

For guidance when drawing up, or revising, a constitution for a church that is an unincorporated association visit:

<https://nswactbaptists.org.au/gen1k/health/church-constitution-guidance>

2. Purpose, Values, & Vision

The Governance Team is responsible for overseeing the clear articulation of the church’s purpose, values, and vision.

“Purpose” is why a church exists. It is determined biblically. A church does not need to create its own reason for existing but rather understand what the Bible teaches about why God created it.

“Values” are the things the members of a congregation treasure. They are the underlying forces that drive behaviour.

No Governance Team can impose a set of values on a congregation, although the promotion of aspirational values in keeping with the Bible is a good thing.

However, it is the realised values that shape culture, and the Governance Team must help the church to clarify what its values are.

“Vision” is a future destination – a word picture of what the congregation believes God wants the church to be and do. It must be more than a flowery statement that looks good on the church website. It should be concrete enough to bring people together to achieve it.

Purpose, values, and vision represent the heart of a local church. Clarity about these elements can move people to action, increase ownership, provide focus, and help in decision making about ministries, structures, opportunities, and budgets.

Any governance team should:

- ensure that the church is regularly reminded of its purpose
- champion a prayerfully and collaboratively agreed vision
- take careful note of the values the church shares and people share

Helpful advice on clarifying purpose, values, and vision is in the Resources & Tools section.

3. Strategic Planning

The Governance Team is responsible for overseeing the development and implementation of strategy.

A strategic plan is a series of goals, and the order in which they will be undertaken, to help a church get from where it is to where it believes God would have it be.

A strategic plan is important because without it a vision may seem too big and unachievable, a congregation may be diverted by that which is not relevant to its vision, and there is no substantive reference point for the evaluation of progress.

A good strategic plan will take account of a church’s context. In developing it a Governance Team should conduct a realistic assessment of the church’s current demography and practical resources. It should also consider the demography of the community in which God has set it and recognise how neighbouring churches are ministering and evangelising.

A good strategic plan will be based on a church's purpose, values, and vision. A good strategic plan will be S.M.A.R.T (Specific; Measurable; Achievable; Relevant; Time Specific). It will clearly describe objectives, ministry initiatives, key accountabilities, and the enablers required.

For guidance on developing and implementing a strategic plan visit:

<https://nswactbaptists.org.au/gen1k/health/strategic-planning>

4. Roles & Responsibilities

The Governance Team is responsible for overseeing the defining and documenting of key roles and responsibilities in the life of the church.

An important element of effective teamwork is role clarity. This includes what a person's role is, the level of delegated authority they have, and to whom they are accountable.

All team members play informal roles depending on their personality.

Recognising and understanding these informal roles is helpful for healthy relationships and effective team performance.

A Governance Team should ensure that all those who minister in the life of the church are clear about what is expected of them, who they should report to, and who they can approach for support.

Helpful advice on building healthy teams is in the Resources & Tools section.

5. Appointment, Support, & Review of Staff

The Governance Team is responsible for overseeing the appointment, empowerment, support, and review of the Senior Pastor/Pastor, any Associate Pastors, and any other staff.

Most Baptist churches have at least one paid staff member, with this usually being someone who is appointed to the role of pastor. The BA provides advice on the remuneration of staff, and this is available from the Baptist Ministry Centre Finance Team.

The BA's Managing the Call process provides helpful advice to churches that are searching for a new pastor.

The BA has released guidance on the difference between Employment and Spiritual Appointment. It is important that a church recognises the difference between these two approaches and determines on what basis it will engage its pastor.

Should a church decide to employ its pastor then the Governance Team should

ensure that appropriate people policies and review procedures are in place.

To access the BA's Managing the Call booklet visit:

<https://nswactbaptists.org.au/wp-content/uploads/2023/11/2021-Managing-the-call-booklet-1.pdf>

To access the BA's guidance on the difference between Employment and Spiritual Appointment visit:

<https://nswactbaptists.org.au/resources/employment-vs-spiritual-appointment>

To access the BA's range of people policy templates, visit:

<https://nswactbaptists.org.au/template-people-policies>

Should a church engage a pastor on an employment contract then the Governance Team is responsible for supporting them with a healthy review process.

For guidance on Pastoral Reviews visit:

<https://nswactbaptists.org.au/gen1k/health/pastoral-review-package>

6. Resources & Budgeting

The Governance Team is responsible for overseeing the management of all resources, including buildings and finances. It should ensure that appropriate insurances are in place and that finances are well-managed.

For Information about insurance visit:

<https://www.baptistinsurance.com.au>

For information for Church Secretaries & Treasurers visit:

<https://nswactbaptists.org.au/resources/church-treasurers-and-secretarys-handbook>

For information about bookkeeping and accounting services visit:

<https://www.balanceservices.org.au>

For information about banking and loans visit:

<https://bfs.org.au>

7. Communication

The Governance Team is responsible for ensuring honest and timely communication of information in the life of the church. It may wish to develop and implement a communications strategy that addresses the challenges of communicating all sorts of information to all sorts of people.

Internal communications may include information about upcoming events, rosters, and pastoral needs.

External communications may include promoting the church in the wider community, sharing the gospel, and engaging with newcomers to services and events.

The ways by which people ordinarily give and receive information are various and increasing. Also, preferences may vary according to age. Consequently, a simple survey of the members of the congregation may help the Governance Team to understand the best forms of internal communication. These could include:

- In-service announcements
- A weekly paper Bulletin, or the like
- An electronic Bulletin
- A website
- A closed Facebook Group
- A WhatsApp Group
- Emails
- Texts

It is important to maintain a consistent communications strategy so that members of the congregation know what to expect. It is also important to review the communications strategy periodically.

From time to time there will be matters for communication of high importance. These may include information about vision and strategy, extra-budgetary expenditures, the appointment of staff, or news that staff are moving on. The communications strategy should recognise when a matter is of high importance and ensure that appropriate measures enable communication to happen as widely as possible.

8. Church Size

Dr Timothy Keller writes, “A church’s functional style, its strengths and weaknesses, and the roles of its lay and staff leadership will change dramatically as its size changes.” (Leadership and Church Size Dynamics)

A Governance Team should be aware that there are various size cultures, and a growing church may struggle to graduate from one to the next if appropriate changes do not occur.

A Governance Team should also be aware that while change is usually an event, transition is the process surrounding it. People can struggle to transition therefore it is important to employ effective change management strategies. The BA's Consultancy Team can assist with this. For more information email health@nswactbaptists.org.au

For more information about "Leadership and Church Size Dynamics" visit:
https://rpc-download.s3.amazonaws.com/Leadership_and_Church_Size_Dynamics.pdf

9. Legal & Ethical Obligations

The Governance Team is responsible for ensuring legal and ethical integrity. It should develop and implement policies and procedures that comply with various laws including, but not limited to:

- Workplace Health & Safety
- Privacy and Data Security
- Employment Laws
- Child Safety Regulations
- Anti-Discrimination Laws
- Australian Taxation laws

Conflicts of interest can sometimes occur, especially in smaller churches where members of the same family may be on the Governance Team or staff. A Governance Team can address this with the help of an appropriate Conflicts of Interest Policy. Sample policies are in the Resources & Tools section.

10. Safe Church

The Governance Team is responsible for ensuring that appropriate safe church policies and procedures are in place.

The BA is committed to creating safe spaces in local church contexts. It is committed to ministry which honours God, values people, is respectful, and protects from harm and abuse. Safe ministry is more than legal obligations. It is an outworking of what the Bible calls "true religion" (James 1:27) and an expression of what God requires of all His people (Micah 6:8).

Any Governance Team should ensure that its church has completed the Safe Church Check and continues to meet its Safe Church standards.

More information about Creating Safe Churches can be found at:

<https://creatingsafespaces.org.au>

11. Performance & Accountability

The Governance Team is responsible for ensuring the regular review of all aspects of church life, including its own performance.

Churches often have measures in place to review their paid staff but not the Governance Team, the various ministries, or themselves.

The BA's Church Health Assessment Tool (CHAT) can support churches in reflecting on their own performance. It is a qualitative survey that invites participants to assess the church across a range of important aspects. More information about the CHAT is available in the Resources & Tools section.

The BA also encourages churches to measure and track quantitative measures including:

- The number of attendees
- The number of baptisms
- The number of people active in ministry
- The number of people being discipled
- The number of people in leadership development
- The number of people released by the church to train for ministry, or to go out into ministry, or to participate in a church plant
- The average giving per attendee

The BA has created simple definitions for each of the above. More information is available from the Church Health Team health@nswactbaptists.org.au

The BA also has a team of trained consultants who can facilitate the review of a Governance Team's performance. More information is available from the Church Health Team health@nswactbaptists.org.au

Good Governance Checklist

- Our constitution is up-to-date and serves the church's mission and ministry
- Our church understands its God-given purpose, has clearly articulated values, and has a clear vision for the future
- Our church is implementing a strategic plan
- Our church has role descriptions for its leaders
- Our church has up-to-date policies and procedures for the appointment and review of its staff and leaders
- Our church has a budget that supports its mission and ministry
- The members of our Governance Team understand church size dynamics
- The members of our Governance Team understand their legal and ethical responsibilities and operate accordingly
- Our church has completed the Safe Church Check and operates accordingly
- The Governance Team measures and tracks relevant church health markers