

The Methodist Church In Ireland

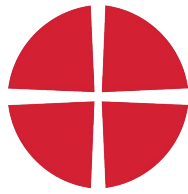
Frequently Asked Question

On

The Proposals for Reform of the Governance of the Methodist Church In Ireland

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INTRODUCTION

For many years it has been recognised within the Church that our systems of governance, management and administration were not as good as they might be. In recent years this became more and more evident and began to cause the Church actual problems as we struggled to cope well with inadequate systems. Adverse findings and opinions from such as our external auditors and the Charity Commissioners of Northern Ireland, together with a number of internal reports, finally prompted the setting up of a working group to examine the our structures. After extensive discussion at General Committee meetings in January and May 2020 and numerous Zoom meetings with interested parties, this working group has now presented a full report to Conference 2020 (meeting in General Committee because of Covid restrictions) which contains wide-ranging recommendations for reform. General Committee, acting as Conference 2020, accepted these recommendations at their meeting in December 2020 and they will come again before Conference 2021 for a final decision. In the meantime, General Committee has given permission for preliminary implementation work to begin. The main planks of the recommendations are as follows: -

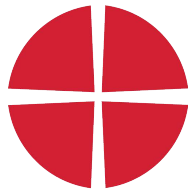
- **Conference** should remain the ultimate governing body of the Church but should concentrate on “big picture” issues of vision, policy, theology, Connexion development, etc.
- **General Committee** should be replaced by a new Governance Board, answerable to Conference and authorised by Conference to oversee the day-to-day governance and administration of the Church.
- **The Secretary of Conference** will henceforth be known as the General Secretary of the MCI in recognition of her/his role as the “chief executive” of the Church, answerable to the Governance Board and with all appropriate delegated authority. The role description of the General Secretary has also been re-drafted to reflect the reality of the position.
- **Finance:** improved Church-wide systems of financial oversight and management should be installed.
- **The Connexional Team** continues in its role of facilitating and coordinating mission across the Connexion, sparking Connexional vision and supporting Conference in its discernment and prayer on vision.

Full details of the above and the reasoning behind the recommendations are contained in the report of the governance working group. We would urge everyone to read the full report, together with the report on the benefits of single charity registration, which are available on the MCI Website.

OVERVIEW

Q.1. Why are these changes necessary?

A number of internal and external audits of our governance systems have deemed them to be ineffective and not up to the standard of good governance that is expected in today’s world. For example, in 2016 our external auditors declared that our manual laws, in which our governance structures are laid out were “not fit for purpose as they do not appear to align to modern practice”



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This impacts directly on our day-to-day governance and impedes our ability to respond effectively to our mission to bring God's world to the people of Ireland.

Q.2. When will the proposed changes come into effect?

The governance proposals will come before Conference 2021 for a final decision and, if passed, will come into effect immediately thereafter. General Committee, acting as Conference, when it met in December 2020, directed that necessary preparatory work could begin. This includes a Nominations working party preparing a panel of nominees and a chair for the Governance Board for Conference 2021 and asking the Chief Financial Officer to prepare for and pilot, as appropriate, the new financial structures.

Q.3. What will the new structures Cost?

Additional resource requirements amounting to £80,000 per annum have been identified. However, due to the current Covid 19 situation and its effect on Church finances there are no current plans for increasing expenditure in this area. It is important to note, however, that because of the historic under-resourcing of this area, these additional resources would be required even if the governance proposals were not implemented.

CONFERENCE

Q.4. What role will a future Conference play?

Conference is and will remain the supreme governing body of the Methodist Church in Ireland. The Ministerial session of Conference will continue as before. The Representative session of Conference will concentrate on the formulation and articulation of the vision, purposes, and policies of the Church, the provision of spiritual and temporal leadership to the Church and ongoing Connexional support and development. In addition, Conference will oversee the work of the Governance Board, the Connexional Team and certain committees.

Q.5. What will the new Conference actually do?

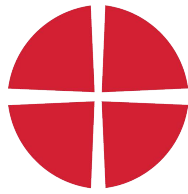
Sec 5.1.3 of the Governance Report sets out in detail what Conference will do (See Appendix 1). It will debate and set Church vision, policy and theology. It will receive and debate reports from the Governance Board, the Connexional Team, the Faith and Order committee and the Council for Social Responsibility. It will elect key individuals and it will also provide an annual forum for Connexion building, learning, prayer and shared fellowship.

Q.6. What will Conference cease to do?

Conference will no longer deal with the oversight of the day-to-day executive management of the Church. This will instead be delegated to a Governance Board which will report on its stewardship annually to Conference. Members of Conference will also cease to be the Charity Trustees of the Church.

Q.7. Who will report to Conference?

The Governance Board, The Connexional Team, The Faith and Order Committee and The Council for Social Responsibility will all report directly to Conference. All other committees will report to the Governance Board who will then include relevant material from that committee in their Conference report.



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Q.8. Will the make-up of Conference change?

There will be no change to the make-up and membership of Conference and it will continue to be presided over by the President and Lay Leader of the Church.

Q.9. Will there still be an annual Conference and will it continue to last for five days?

There will still be an annual Conference, held in June as usual. There is scope for Conference to eventually become a shorter affair, taking place over the course of a single weekend. This may take a year or two to come about.

GOVERNANCE BOARD

Q.10. What is the Governance Board?

The Governance Board is a new body which will replace the existing General Committee. All necessary authority for dealing with the day-to-day governance and administration of the Church will be delegated to the Governance Board by Conference.

Q.11. What is the relationship between Conference and the Governance Board?

The Governance Board will be answerable to Conference in all that it does. It will provide a full governance report, including financial reports, to Conference every year and Conference will hold it to account by considering and questioning these reports.

Q.12. What will be the make-up of the Governance Board?

The Governance Board will consist of the following fifteen persons: A Chairperson, The President, The Ex-President, The President Designate, The Lay Leader, The Secretary of Conference, The chair of the Standing Committee of the Statutory Trustees. In addition, there will be a further three ministerial and five lay members, elected by Conference. Elected members will serve for an initial three-year period with a possible extension of a further three years.

Q.13. Who will chair the Governance Board?

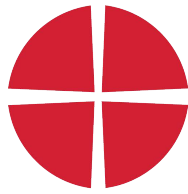
The Governance Board will be chaired by an independent Chairperson, selected by a Nominations Working Group and approved by Conference. This position will also be for a three-year period with one extension permitted of three years. Conference will be asked to reaffirm its choice on an annual basis.

Q.14. What will the role of Chair of the Governance Board consist of?

This role will be a functional one, managing the work of the Governance Board and ensuring that all governance matters are properly dealt with. The role will not be a high profile role or a representative role. It will involve a particular skill set and level of understanding of the detail of good governance. As such it is a specialised position and should be recognised as such.

Q.15. Why will the President not be the chair of the Governance Board?

Sec 5.2.3 of the governance report sets out six reasons why the Office of President and the Office of Chair of the Governance Board are incompatible. The roles are completely different and call for different skill sets. They are also two very busy roles and time would not allow one person to



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do justice to both. In addition, while the President usually chairs committees, he/she does not normally chair Connexional Boards. Overall however, the President chairs the highest governing body, the Conference, and it would not be good governance to have the Governance Board chaired by the same person who chairs the body to which it is accountable.

Q.16. How often will the Governance Board meet?

The Governance Board will meet at least eight times per year.

Q.17. What will the Governance Board Do?

Sec 5.2.4 (See Appendix 2 below) sets out the duties of the Governance Board and Appendix C of the report (reproduced in appendix 3 below) sets out some typical agenda items for a board meeting. The purpose of the Governance Board is to ensure that the vision and policies of the Church, as determined by Conference, are carried out and that the Church is run in an efficient and effective manner. The Secretary of Conference, most committees and all support functions will report to the Governance Board. The members of the Governance Board will also act as the Charity Trustees of the Church. The Governance Board will support the Connexional Team as it oversees the mission of the Church.

Q.18. What authority will the Governance Board have?

All necessary authority for the performance of its duties will be delegated to the Governance Board by Conference.

Q.19. Who will be eligible for election to the Board and how will they be selected?

Appendix B of the Governance report sets out the nominations process for both the chair and ordinary members of the governance Board. Board members must be members of the MCI for at least five years and have sufficient skills and commitment to qualify. A nominations working group will be set up annually by Conference consisting of one lay person and one minister from each District, nominated by the District Advisory Committee. Additional members may be co-opted if required. The working group will prepare a single nomination for Chair, to be endorsed by Conference plus a panel of nominees from which Conference will elect the ordinary members.

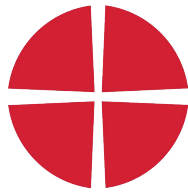
SECRETARY OF THE CONFERENCE

Q.20. What will be the role of the Secretary of the Conference?

The SoC will become the chief executive officer of the Church, and will be the executive arm of the Governance Board with specific authority levels set out in the Manual of Laws. He/she will oversee all support functions, all committees and working groups and serve on and act as convenor of the Governance Board. In order to reflect the importance of this position, especially to those outside of the Church, the title of this position will change to “the General Secretary of the Methodist Church in Ireland”. The title “Secretary of the Conference” will still be used for Conference specific duties.

Q.21. Will the term of Office and method of election of the Secretary of Conference change?

No, there will be no change. The SoC will continue to serve a seven-year term with one possible extension of three years and will continue to be designated by Conference annually.



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CONNEXIONAL TEAM and DISTRICT SUPERINTENDENTS

Q.22. How will the governance changes effect the Connexional Team and the District Superintendents?

The Governance proposals in themselves will bring no change to the operations of the Connexional Team or District Superintendents. It is anticipated that the new structures will enable greater and more cohesive supports to be provided to the Connexional Team in its work.

FINANCE

Q.23. Will there be changes to the Financial Structures of the Church?

There will be some changes to the way the finances of the Church are administered. A new accounting system, capable of handling all the accounting needs of a large organisation such as ours, will be installed in 2021. This will enable us to achieve greater control and transparency of our finances and much improved financial reporting. For instance, there will a consolidation of many of the multitude of Connexional Funds to allow for more effective treasury management.

Q.24. Will local funds be affected?

Local funds will not be affected by the governance proposals as these will remain under the control of local circuits and societies working with Circuit and District superintendents.

Q.25. What will the new budgeting process entail?

All areas of the church, from administrative departments to Connexional committees and boards to local societies will be involved in a new comprehensive budgeting process designed to allow us to have greater line of sight on the movements of finances within the church. The finance department has already been in discussion with committee and local treasurers to design a system that will be easily understood and used by all. This will be introduced in 2021 on a trial basis.

Q.26. Who will oversee the budgeting process?

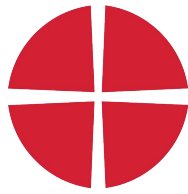
At local level the process will be operated through the District Superintendents with the assistance of the Finance Department. At District, Department and Connexional levels a Connexional Budget working group under the Secretary of Conference and the Chief Financial Officer will oversee the consolidation of all budgets which will then go to the Governance Board by way of its Audit, Risk and Budget sub-committee.

Q.27. Will the Comprehensive Assessment be affected?

The comprehensive assessment will operate as usual. It is anticipated that the new systems will enable more certainty and predictability year-on-year.

Q.28. Will there be changes in the processing of grant applications such as those from Home Missions or The Church Development Board?

New systems for applying for these grants have recently been introduced independently of this review and these will remain in place. Local societies and circuits will include such grants in their Sources of Finance section in their budget reports.



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COMMITTEES

Q.29. Will there be changes to the operations of committees?

It is generally accepted that we have too many, often overlapping, committees. There will therefore be a general review of the purposes and operations of all committees. This review has started and is ongoing and it is expected that it will result in a streamlining of the number and purposes of our committees. For instance, this has already happened within the Board of Ministry Learning and Development and it has resulted in a significant reduction in the number of committees in this area.

CIRCUITS AND SOCIETIES

Q.30. Will there be changes to the governance of Circuits and Societies?

There will be no changes to the operation of circuits executives, church councils, etc. arising from these governance recommendations. Circuits and societies will have the same powers over their actions, working with their District Superintendents, as they do now. (See also the answer to Q.33 below in section relating to charity registration)

STATUTORY TRUSTEES

Q.31. Will there be any change in the role of the Statutory Trustees of the MCI?

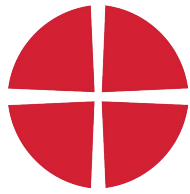
The statutory trustees will continue to administer the trust funds and trust property of the Church as they have always done. There will however be two changes in their operations arising from the governance proposals.

- a. Instead of releasing monies to the Church on a project-by-project basis and then overseeing that project, the trustees have agreed to release a single block of funds annually in accordance with the needs identified by the annual budgeting process. These funds will then be allocated by the Secretary of Conference in accordance with the budget for the year, approved by the Governance Board. Oversight of the spending of those funds will then fall to the Secretary of Conference reporting to the Governance Board.
- b. Administrative duties currently carried out by the Trustees such as acting as staff employers or administering the Gift Aid scheme will now pass to the relevant support function overseen by the Secretary of Conference. This process has already commenced and will come into full operation in 2021.

THE ROLE OF THE PRESIDENT

Q.32. Will the role of the President change as a result of the governance proposals?

There will be no change to the role of the President arising from these proposals. It should be noted however, that General Committee recently authorised the setting up of a working group to examine the roles of the President and the Lay Leader in light of the changing needs and requirements of our church.



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CHARITY REGISTRATION

Q.33. What effect has the requirement to register as a charity had on these governance proposals?

The church requires governance change in and of itself and we would be pursuing all of these recommendations even if charity registration was not an issue. It is coincidental that demonstrable good governance structures are also a requirement for charity registration.

Having said that, the need to demonstrate good governance in all areas, especially in the finance area, means that we must show the charity regulators that we adhere to all the principles of good governance such as accountability, transparency, financial integrity etc. In our case this is most evident in the following areas.

Finance: We must demonstrate that we have full oversight of all income and expenditure within the Church. This need will be met by the new accounting systems and the budgeting process outlined above.

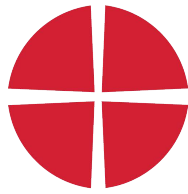
Accountability at all levels. We already have this within our current structures. We are all part of the one Connexion and we are all subject to the will and oversight of Conference. For instance, all circuits must work through and with their District Superintendent who is accountable to the Connexional Team and through them to Conference. The problem is that this was not explicitly set out in our Manual of Laws and the charity regulators judge us by what is written down in our laws. Changes have therefore been necessary in our Manual of Laws to make the position more explicit. For instance you will see phrases such as the following: -

Re the Governance Board (Ch.9.01. a): - *The Governance Board acts at the behest of Conference, is answerable in all things to Conference and shall report annually to Conference on the conduct of its affairs.*

Re the Secretary of Conference (Ch.9.14. a): - *The Secretary of the Conference reports directly to the Governance Board and will be held accountable for her/his actions by the Governance Board.*

Re Circuits and Societies: -

- *"The Church Council shall be responsible to the Governance Board, through the District Superintendent, for the oversight of the work of God in the Society" (11.06)*
- *The Church Council shall have "Accountability to the Governance Board for the management of the funds held by the society". (11.06.i)*



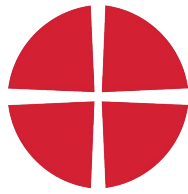
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Appendix 1:

Role of the representative Session of Conference (Sec 5.1.3 of governance report)

The representative session will deal with the following: -

1. The formulation and articulation of the vision, purposes and policies of the Church and the provision of spiritual and temporal leadership to the Church.
2. The discussion of topics impacting on the vision and policies of the Church that Conference feels should be brought to the attention of the entire Church.
3. The adoption and review of strategies for the pursuit of the vision, purposes and policies of the Church, as proposed by the Governance Board.
4. The establishment of procedures and policies for the governance of the Church through the Governance Board, Connexional committees and other relevant bodies such that they may fulfil their duties in the management of the Church in an effective and efficient manner in line with best practice in the fulfilment of their governance responsibilities. In practice this means that Conference will expect the Governance Board to devise these procedures and policies and bring them to Conference for adoption.
5. The appointment of the following positions and committees
 - a. President (By election)
 - b. Lay Leader (By election)
 - c. Secretary of Conference and Chief Executive (by endorsement of a Governance Board nomination)
 - d. Chairperson of the Governance Board (by endorsement of a Nominations Working Group nominee)
 - e. Members of the Governance Board (elected from a panel provided by a Nominations working group)
 - f. Nominations working group for Governance Board membership.
 - g. The committee on Faith and Order
 - h. The Council for Social Responsibility
6. The receipt, assessment and adoption of a report from an independent body on the adequacy and functionality of the Governance procedures of the Church
7. The receipt, assessment and adoption of governance reports from the Governance Board.
8. The receipt, assessment and adoption of a report from the Connexional Team.
9. The receipt, assessment and adoption of reports from relevant committees and working groups, where necessary, in so far as they affect the vision, strategies and policies of the Church.
10. The receipt, assessment and adoption of reports from the Committee on Faith and Order and the Council on Social Responsibilities.
11. The hearing of appeals on decisions of the Governance Board in regard to the overarching policies and strategies of MCI or in relation to matters of theological concern.
12. Relevant memorials, i.e. dealing with Conference appropriate issues, may be placed before Conference but must be passed through the Governance Board in good time for consideration and inclusion in the Conference Agenda. Memorials from the floor will not normally be admissible as they would effectively be by-passing the governance structures of the Church.



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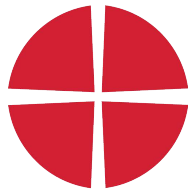
Appendix 2:

Role of the Governance Board (Sec. 5.2.4 of the governance report)

The Governance Board will act at the behest of Conference from which it receives its authority. In summary, the Governance Board will be charged with the governance, leadership and oversight of the Church and all its constituent bodies, upon which it will report annually to Conference. The powers and authority of the Governance Board will be set out in The Manual of Laws, approved by Conference.

In the exercise of this role the Governance Board will: -

1. Actively seek to discern the will of God for the Methodist Church and to prayerfully seek His guidance in all that it does.
2. Act as the Charity Trustees for the Methodist Church in Ireland (North and South).
3. Develop, implement and regularly review strategy for the pursuit of the vision for the Church, as set out by Conference.
4. Exercise control and oversight over all the resources of the Church including financial, property, other assets, and Human Resources.
5. Be aware of and seek to ensure that other charities associated with the MCI (e.g. Missions and Edgehill) are aligned in their vision, strategy and objectives with that of MCI.
6. Exercise oversight of the following boards, departments and major Connexional committees who will report to the Governance Board on at least an annual basis. Other committees and working groups shall report as required.
 - a. Connexional Team
 - b. The Statutory Trustees
 - c. Property Board
 - d. Church Development Board
 - e. The Board of Ministry, Learning and Development
 - f. Home Mission Department
 - g. IMYC
 - h. WMP
 - i. WDR
7. Establish the terms of reference, aims, operational parameters and membership of all Church Boards, committees, and working groups and exercise oversight and regular review of same.
8. Ensure that appropriate procedures are in place for control and oversight of the financial management of the Church and its constituent bodies. The Governance Board shall have full authority in all financial matters affecting the Church and all Church funds shall fall under its remit.
9. Specific duties of the committee will include the following: -
 - a. The preparation and regular review of appropriate policies and procedures for: -
 - i. Preparation and assessment of an annual budget for the Church.
 - ii. Regular review of budgetary targets and actual expenditure
 - b. Endorsement of the annual budget for the MCI, including the annual Comprehensive Assessment.
 - c. Regular assessment of the overall financial status of the Church and all its constituent funds.
 - d. Assessment and approval of the annual audited accounts of the Church.



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- e. Assessment and oversight of all and any matters affecting the finances of the Church, not already included in the above.

The committee may appoint an audit, risk and budget sub-committee to aid it in these roles and may co-opt members for this sub-committee if required.

10. Act as the Employer for all staff directly employed by MCI. It is recognised that this will not be immediately possible to implement and that legacy issues will have to be overcome. However, the Church shall move to implement standard processes and procedures in this area and develop standard terms and conditions of employment across the Church for all categories of employee while it aims to achieve the ultimate objective of being employer for all.
11. Develop appropriate policies and procedures in relation to the treatment of Ministers of the Church who are not covered by employee policies and procedures.
12. Ensure the appropriate procedures are in place for developing and regularly reviewing a comprehensive risk register for MCI and ensuring that appropriate mitigation measures are put in place
13. Oversee and review the preparation of appropriate policies and procedures for all matters pertaining to the efficient and effective management of the Church.
14. Oversee relationships with other Churches and external bodies.

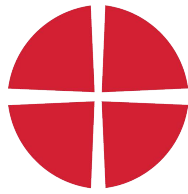
The Secretary of Conference will act as convener of the Governance Board.

APPENDIX 3:

Typical Agenda Items for Governance Board Consideration (app. C of Governance Report)

Note: Due consideration of all of the following will be required on a regular basis but not all of them will be discussed in detail at every meeting

1. Minutes of last meeting and matters arising
2. Matters arising from last Conference
3. Policy and strategy – review and implementation planning
4. Connexional team Reports
5. Finance and Budget review ... major issues and financial updates.
6. Risk assessment review - quarterly.
7. Property and investment proposals
8. Board of Ministry Learning and Development Reports
9. Charity Registration process and on-going reporting
10. Departmental reviews.



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11. Committees, Boards and Working Groups. (review of operational parameters, membership and consideration of reports)
12. Policy and procedure development for all areas.
13. Child and vulnerable adults – policy review and matters arising
14. Review of general administrative affairs (Internal systems, HR, IT, GDPR, H&S etc.)
15. Matters for consideration by future Conferences
16. Conference planning and preparation
17. Communications policy (Internal and external)
18. Inter-Church affairs

Appendix 4: Proposed amendments to Governance proposals arising to date from consultation process.

Existing Entry	Proposed Amendment
New title of Secretary of Conference: Currently to be “Secretary of Conference and Chief Executive of the MCI”	New title: “General Secretary of the MCI” with the executive nature of the position specifically mentioned in the Manual of Laws.
Current Title: Governing Board	Governance Board
No. of meetings of Governance Board per annum set at eight per annum	Changed to at least eight per annum
Length of tenure of chair and ordinary board members: Currently 3 years plus a 2 year extension for a total of 5 years	Amended to 3 years plus a further possible 3 year extension giving a total of 6 years.
Appraisal of Board members: Currently none mentioned in proposals	A 360 degree appraisal system to be introduced.
Method of election of Ordinary Board members at Conference: Currently none specified.	Method to be Proportional Representation, as is usual for Conference elections.