

Good governance

Governance is the overarching framework by which an organisation is run or governed. It defines the processes by which organisations are operated, managed and held to account. Governance involves authority, accountability, leadership, direction and control of the organisation.

Good governance is the effective and efficient use of policies and practices to guide the operation of an organisation. It is the fundamental means of caring for the organisation and its members and stakeholders. Good governance starts with a well-run Committee of Management or Board.

Performance

Every organisation is formed for a purpose. The performance of an organisation determines whether it is meeting its purpose. Performance can be measured through monitoring, evaluating, reporting and feedback against planned results.

Compliance

Community organisations are set up to achieve certain outcomes and there is an expectation among community members that there should be accountability for the successes or failures of the organisation. They must also fulfil or comply with legislative requirements and contractual obligations.

Components of good governance:

- Coherent aims and goals: purpose (mission), vision and values
- A sound framework of governance policies and procedures as well as operational policies and practice
- Strategic planning
- Risk management
- Sound financial management
- Committee processes: recruitment, induction, well run meetings, succession planning
- Knowledge of legal and statutory responsibilities
- Clarity in the definition of roles and responsibilities
- Review and monitoring of performance
- Ensuring effective and productive human resource management
- Maintaining ethical standards and codes of conduct

The prime focus of the Committee is to provide purpose, leadership, direction and strategy to an organisation. Committee members are not usually required to be involved in day-to-day operations but should be aware of the activities, services and programs the organisation runs. Of course, for small community groups where there may be no staff, this is an interesting challenge. Committee members may find themselves assuming both governance and operational roles. In these instances they need to ensure they are aware of the distinction and avoid conflicts between their two roles.

Committees should aspire to uphold good governance practices. Understanding the roles, responsibilities and the processes required to direct an organisation is crucial. A well-governed organisation is an organisation that has a clear idea of not just what it wants to achieve but how it will achieve it. Good governance is the effective and efficient running of an organisation so that it remains a viable operation, true to its vision and goals.

Committee of Management

Looking after the organisation's best interests is the prime responsibility of any committee.

The Committee is responsible to:

- The members
- The community and public
- The organisation's clients
- Legal and funding bodies

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The Committee is responsible for:

- Following and complying with the organisation's constitution and by-laws
- Setting the organisation's policies
- Monitoring the good order of the organisation's finances
- Vouching for the legality of the organisation's operations
- Recruiting and employing or appointing a manager or co-ordinator
- Overseeing the effectiveness of the organisation's procedures
- Providing leadership and direction in the form of a strategic plan and a vision for the future of the organisation

Committee members need to have:

- A personal commitment to the purpose of the organisation
- An understanding of the role of the committee of management and its responsibilities
- An ability and willingness to donate time and to learn
- An ability to work co-operatively
- A sense of humour

To perform their duties Committee members must:

- Be clear about their roles
- Be prepared to carry out their responsibilities
- Have the skills required
- Act in the interest of the organisation
- Be honest and careful
- Be informed about what the organisation is doing
- Keep proper records of finance and other processes
- Ensure debts can be paid
- Declare any conflict of interest
- Be transparent in all processes
- Seek outside professional help if insufficient information is available to make informed decisions
- Adhere to relevant structural legislation and the constitution.

REFERENCES AND LINKS

The Victorian Volunteer Portal: contains concise and up to date information to assist volunteers and volunteer involving groups. The "Toolkit for Volunteer Organisations" contains useful tips and information for committees and boards.

<http://www.volunteer.vic.gov.au>

Our Community – Boards Help Sheets & Resources

Info and fact sheets including guides for committees and boards and templates for policy development.

<http://www.ourcommunity.com.au/boards>

Department of Planning and Community Development

DPCD is the state department responsible for community development including sport and recreation, youth, elderly, indigenous affairs, veterans and heritage. It also hosts the Office for Community Sector (OCS) which is responsible for supporting the Not For Profit sector including local community groups.

<http://www.dpcd.vic.gov.au/communitydevelopment>