



Governance

Getting Governance Right



Fiduciary Duty

- Board members owe a fiduciary duty to the board.
- A fiduciary duty can be defined by as the 'duty to act with fidelity and trust to another'
- The interests of the board must always come first.
 - The board member must act honestly, in good faith and to the best of his or her ability in the interests of the board.
 - The board member must not allow conflicting interests or personal advantage to override the interests of the board.



Fiduciary Duty

- Duty to act in good faith in the best interests of the board
- Duty to act with care and diligence.
- Duty to avoid a conflict in the position of a board member and/or any interest that a board member may have.
- Range of duties that prohibit the misuse of information.



Governance or Management

Clear Separation of Duties



Governance or Management

- Setting the strategy
- Researching and developing a submission
- Preparing position descriptions for the staff
- Risk management
- Organising a conference or meeting
- Writing the business plan



Governance or Management

- Setting the strategy - *Governance*
- Researching and developing a submission - *Management*
- Preparing position descriptions for staff - *Management*
- Risk management - *Governance*
- Organising a conference or meeting - *Management*
- Writing the business plan - *Management*



Governance & Management

Roles & Responsibilities



What do the Board do?

1. Hire & fire the chief staff officer
2. Develop strategic direction including vision, mission and values
3. Review & agree business plans & budgets
4. Develop policy
5. Ensure compliance
6. Monitor risk



Chief Executive

The Chief Executive shall implement all policies and strategies and is empowered to make all decisions and authorise all engagements in accordance with Board policies.



Responsibility of Chair - Board Meeting

Accountability

- Adopt previous minutes
- Review financial statements
- Audit committee report

Monitoring & Supervision

- Adopt reports
- Strategic Plan

Strategy Formulation

- Follows - monitoring of strategic plan

Policy Making

- Issues identified requiring policy



Selecting, Keeping, Rejecting Board Members



Board Members - Expectations

What behaviours do you expect board members to meet?

Identify them, then ask each board member to consider one aspect and ask:

- How well does the board do this?
- How well do I do it?
- What's the evidence of that?
- What do we need to do about it?



Board Members - Expectations

- Commitment to vision/mission
- Preparation for meetings
- Attendance
- Involvement at meetings
- Planning
- Fiduciary responsibility
- Leadership giving
- Personal giving
- Advocacy
- Involvement on committees



Board Members - Commitment

- Directors recognise and agree to uphold standards of behaviour
- to actively seek adequate knowledge about the business of the organisation
- To provide strong support for the long term strategies
- To prepare sufficiently for meetings and decisions
- To devote sufficient time to the duties of Director
- To tender a resignation if unable to uphold any of the above standards of behaviour



Stumbling Blocks

What prevents the Board
from being highly effective?



Stumbling Blocks

1. Board meddles in management
2. Don't convert ideas to actions
3. Important information seems lacking
4. Factions - try to push own agenda
5. Disagree on how to achieve goals
6. Chair does not lead Board
7. Discussion goes round in circles
8. Never seem to make decisions