



Governance Tips

Helping you stay on track

Stewardship

May 2011

"I am here in passing. When I leave it has to be as good (or better) than when I arrived to pass on to future generations."

Leadership Acumen

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Election to the committee/board of an incorporated association is an honour and privilege but also a great responsibility. As a committee member you are entrusted with the management and stewardship of the association. This includes responsibility for properly utilising and developing the resources, including people and assets of the association. All committee members have an obligation to ensure that their actions will leave the association in as good, or better condition, at the conclusion of their term of office.

How can committee members meet their stewardship obligations?

- **Duty of Care**

Under common law, all those responsible for the management of an organisation have a duty to act honestly and with care and diligence. They have an obligation to not misuse information or their position improperly or for personal gain and must declare any conflict of interest (even in situations where it could be perceived as a conflict of interest). All actions and decisions must be in the best interests of the organisation.

- **Clear understanding of roles and responsibilities**

It is essential that all committee members have a clear understanding of their role on the committee and that of other committee members. Respecting and supporting each other will enable the committee to function

effectively and fulfill its role as steward of the association. Ensure that you plan for comprehensive handover of information to new committees, document and up-date staff job descriptions, access resources such as the *KPV Early Childhood Management Manual*, *KPV PolicyWorks v2* and *Governance Tips* and attend committee training.

- **Active involvement**

The constitution of an incorporated association will state how often the committee is required to meet and how often committee members must attend a committee meeting. A committee is most effective and efficient when its members regularly attend the meetings, are on time and are prepared for the meeting, having considered any papers or issues listed on the agenda for discussion.

- **Informed decision making**

Unless authority to make decisions in particular circumstances has been appropriately delegated and agreed to by the committee, all committee members need to be involved in the decision making process. It is important that they are fully informed and understand the consequences of any decisions made by them. Attending meetings, seeking appropriate expert advice, research, reading papers and propositions, asking questions and listening to other points of view are all important components of informed decision making. If you are unsure about something you are being asked to make a decision on it is better to ask if the decision can be deferred to enable further investigation and clarification.

PROGRAM PARTNERS



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- **Wise use of resources**

Committees who are responsible for the management of early childhood services are entrusted with community resources including government funding and fees paid by families. Transparent financial management processes and a clear understanding of the financial situation of the organisation is an essential aspect of good governance and enables committee members to fulfill their stewardship obligations. For example, planning programs which fully utilise your building including additional groups and maximum group size will ensure you are making the most of the resources available to you.

Staff are usually your organisation's most important assets. Recruitment and training of new staff is costly and time consuming. Supporting and encouraging your staff, maintaining effective communication and respect will help you achieve high morale and keep your staff.

- **Future planning**

Although the term of office for a committee member is often only one or two years, the organisation needs to be able to continue operating into the future. Voluntary committees of management are often so busy familiarising themselves with all their responsibilities that long term strategic or future planning often doesn't make it on to the agenda. As stewards of the association you have an obligation to future users to ensure the continued operation of the service.

In 2012 there will be major changes in the early childhood sector with the introduction of national legislation, the National Quality Framework (NQF) which includes new regulations and a quality assessment program.

In 2013 services will be required to offer a 15 hour program to all children in the year before formal schooling. It is essential that committees address these changes now and start planning for a smooth transition to these new reforms.

KPV is presenting a seminar for committees on the new National Quality Framework in term 3 this year. Subscribe to KPV E-news www.kpv.org.au for more information and to keep up to date with the implementation of these reforms.

Research the Department of Education and Workplace Relations website (www.deewr.gov.au/earlychildhood) for information on the NQF and associated information sessions.

- **Improving assets and resources**

Any opportunity to improve the current assets and resources should be considered by the committee. Applications for grants to improve buildings and fundraising to buy new equipment are common ways employed by committees to improve their organisation.

Effective fundraising activities are those which provide maximum return for minimum work and involve the broader community such as KPV's 'Caring for Kids' raffle. Services should check they have completed a charitable organisation declaration and that they have registered for GST before conducting fundraising activities. Contact KPV for more information and a raffle order form. To assist you with your fundraising activities KPV's free resource '*Fundraising made simple*' can be downloaded from www.kpv.org.au

Remember: What is the legacy you are leaving for future generations of users of your service?

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