



Governance Tips

Helping you stay on track

What is a committee?

A committee is defined as a body of elected or appointed members who jointly oversee the activities of the organisation. It is the supreme governing body of the organisation. In an organisation with voting members, the committee acts on behalf of, and is subordinate to, the organisation's full membership, which usually chooses the members of the committee.

A committee's activities are determined by the powers, duties, and responsibilities delegated to it or conferred on it by the constitution. The constitution commonly also specifies the number of members of the committee, how they are to be chosen, and when they are to meet.

Typical duties of a committee include:

- governing the organisation by establishing broad policies and objectives
- selecting, appointing, supporting and reviewing the performance of the chief executive officer/director
- ensuring the availability of adequate financial resources
- approving annual budgets
- accounting to the stakeholders for the organisation's performance.

The legal responsibilities of committees and committee members vary with the nature of the organisation, and with the jurisdiction within which it operates. For example, the responsibilities of companies limited by guarantee are typically much more rigorous and complex than for an incorporated association.

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Responsibilities of the committee

The membership of the committee is defined in the constitution, and usually consists of elected office bearers in executive positions and a number of general members. A clear understanding of the roles and responsibilities of committee members, the committee as a whole and staff is essential in providing good governance.

Committee members take on various responsibilities when elected to the committee. The board or committee of a cluster manager or community managed early childhood organisation have responsibilities as licensee of the service, employer of staff and manager of the service.

As with every other kind of responsibility, standards must be met. Some standards are imposed by common law; others are imposed by parliament under a variety of Acts. For early childhood services these include the Children's Services Act 1996, Children's Services Regulations 1998 and relevant industrial Acts, awards and agreements; other acts and regulations, such as the Information Privacy Act 2000, and contracts such as property leases and service agreements with funding bodies.

Each person on the committee needs to be dedicated to the cause of the organisation and, regardless of their role, contributes equally by carrying out tasks and participating in a committed responsible manner. All committee members are required to abide by certain ethical, financial and legal responsibilities, with the ideas and

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opinions of each committee member are equally valued.

What is governance?

Governance is about how the organisation is run and can be defined in many ways:

- the overarching framework that keeps the organisation functioning soundly and democratically
- the process by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, directions and control exercised in the organisation (Australian National Audit Office, 1999)
- the process by which an organisation is given direction, its activities are monitored and its personnel are held accountable
- a set of duties, responsibilities and liabilities that are outlined in the structures, systems and understandings of the organisation that enables committee members to make the right decisions and set the right course.

What constitutes good governance?

Good governance is the effective and efficient use of policies and practices to guide the operation of the organisation. It enables the committee to make decisions in the best interests of the organisation, ensures that the organisation is well managed constitutionally, legally and financially. It also ensures that the committee is abiding by the requirements of the governing legislation.

Components of good governance

- Coherent aims and goals that reflect the interests, values and goals of the membership and staff, and the stated aims of the organisation.
- A clear and agreed philosophy which guides business decisions and the work of the committee and staff.
- Sound framework of policies and procedures that comply with legislative and regulatory requirements, and enables the daily operation of the organisation to be geared towards the achievements of the vision and mission of the organisation.
- Clearly defined roles and responsibilities for committee members individually and as a collective, and clearly articulated relationship between the committee, staff and members.
- Ethical standards and codes of conduct which enable the committee to be guided in their actions and decisions in a way that is transparent and consistent with the values and beliefs of the organisation.
- Strategic planning and risk management which enable the committee to think through and document what they are doing, for whom and why they are doing it, understand the risks associated with their actions or inaction and manage these risks appropriately.
- Transparency about actions and decisions made by the committee that will help build confidence amongst members and stakeholders, and ensure that everyone is working towards the best interests of the members of the association.
- Sound governance practices enable the organisation to endure and serve the community. They enable the organisation to remain viable and carry out the purpose for which it was designed.

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