



Management Support Unit (MSU)

Information Sheet 27:

RESOURCES FOR GOOD GOVERNANCE

Introduction

This resource guide provides suggestions, templates and additional information on internet-based resources for developing and maintaining good governance. It should be read in conjunction with the NCOSS MSU Information Sheet No: 1 – Good Governance which can be found at www.ncoss.org.au/msu

The following resources are included:

1. The NCOSS model of Policy and Procedures manual
2. Simple suggestions for Boards, to assist with good governance
3. Good Governance compliance list and resources

Key governance polices needed within an organisation's policy manual

A model policy and procedures manual to assist organisations to produce a comprehensive framework to guide its work is available on the NCOSS website @ www.ncoss.org.au/msu. This policy template illustrates the importance of having governance policies to guide the work of the Board.

Suggestions to assist Boards with good governance

The following are simple suggestions to assist with the maintenance of good governance for Boards of Management.

- Provide *Welcome to the Board* training for all new Board members and provide refresher training for long term members. This should include an introductory Board Kit that includes the mission statement of the organisation, a brief history, its functions, funding, programs and staff members. It should also include a copy of the organisation's policies and the roles and responsibilities of members and office bearers.
- Display the organisation's vision/mission statement clearly in the meeting room.
- Always have a copy of the Constitution/Articles of Association available for reference during meetings.
- When appropriate, open the meetings to staff and organisational members, allowing them observer status only. (There is a proviso that if confidential information is being discussed, staff members and visitors are asked to leave the meeting until this discussion is completed).
- Ensure all Board members have a copy of the Constitution.

- Ensure that the roles and responsibilities of the Board and the staff are clearly defined and adhered to and each party respects those differences.
- Ensure that all meetings are conducted along agreed lines, with a formal agenda and agreed meeting practices.
- Ensure all reports are presented in a clear and succinct manner and circulated well before the meeting.

Good Governance compliance list and resources

Governance Area	Requirements	Measurement	Resources
Leadership and Strategic Planning	The Board establishes a clear mission and vision and identifies principles and values that guide the organisation	<ul style="list-style-type: none"> • Mission, principles and values are displayed prominently and often • Mission, principles and values reviewed regularly 	MSU - Good Governance Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/01_goodgov_MSU.pdf MSU - Strategic Planning Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/25-Strategic-Planning.pdf
	The organisation undertakes regular evaluation and planning	<ul style="list-style-type: none"> • A Strategic Plan is developed every three years 	MSU - Qualities for Good Leadership Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/07_goodleadership_MSU.pdf
	A current Strategic Plan is in place and a regular planning cycle is followed	<ul style="list-style-type: none"> • An external evaluation is conducted every three years 	ADHC – Good Governance – It’s your business http://www.adhc.nsw.gov.au/sp/training_and_development/good_governance Our Community – Strategic Planning http://www.ourcommunity.com.au/boards/boards_helpsheet.jsp?articleId=1368
	An annual Operational Plan is developed and implemented by management	<ul style="list-style-type: none"> • The Board approves the Operational Plan, preferably at the same time as the annual budget • The Board receives quarterly progress reports on the Operational Plan 	
Legal Obligations	The Board is aware of and acts in accordance with the requirements of all legislation governing the operation of the organisation including, but not confined to, the following laws:	<ul style="list-style-type: none"> • Processes, policies and systems are in place to ensure that operations are compliant with legislation 	NSW Fair Trading – Associations http://www.fairtrading.nsw.gov.au/Cooperatives_and_associations/Associations.html NSW Fair Trading – Cooperatives http://www.fairtrading.nsw.gov.au/Cooperatives_and_associations/Cooperatives.html ASIC - becoming a Company limited by guarantee http://www.asic.gov.au/asic/asic.nsf/byheadline/Registering+not-for-profit+or+charitable+organisations?openDocument ADHC – Good Governance – It’s your business http://www.adhc.nsw.gov.au/sp/training_and_development/good_governance
	The legal entity of organisation: <i>Associations Incorporation Act 2009</i> (NSW) <i>Cooperatives Act 1992</i> (NSW) <i>Corporations Act (Aboriginal and Torres Strait Islander) 2006</i> or	<ul style="list-style-type: none"> • Organisation established in accordance with law, reporting requirements are met, governing bodies and policies are legally compliant • Annual General Meeting held in line with Constitution • Annual Reports and financial information has been submitted to the relevant 	NSW Fair Trading http://www.fairtrading.nsw.gov.au/Cooperatives_and_associations/Associations.html

	<i>Corporations Act 2000</i> (Fed) for Company Limited by Guarantee	authorities	
	<p>Employment and Industrial Relations</p> <ul style="list-style-type: none"> • Contracts of employment • Human resources management policies and procedures 	<ul style="list-style-type: none"> • Employment conditions meet all legal requirements and relevant awards • Staff surveys conducted regularly to assess employee satisfaction • Regular management reports on key issues such as accumulated leave, professional development and staff turnover 	<p>Fair Work Australia http://www.fwa.gov.au/</p> <p>HRM Guide Australia http://www.hrmguide.net/australia/ Australian Human Resources Institute http://www.ahri.com.au Free Staff Survey templates http://www.surveyquestions.com.au/Questionnaires/Staff-Survey-Questionnaires.htm http://www.surveyquestions.com.au/staff-survey-questions.htm</p>
	<p>Privacy legislation. The organisation is compliant with the three main laws protecting the privacy of individuals: <i>Privacy Act 1998</i> (Fed) <i>Privacy and Personal Information Protection Act 1998</i> (NSW) <i>Health Records and Information Privacy Act 2002</i> (NSW)</p>	<ul style="list-style-type: none"> • Client and staff records are maintained in accordance with the Act(s) • All documents are stored correctly with only authorised access permitted • All electronic data is security protected • Privacy audits are undertaken annually 	<p>MSU Privacy – Knowledge and Practice Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/17_privacy.pdf Office of the Privacy Commissioner (Fed) http://www.privacy.gov.au/law Office of the NSW Privacy Commissioner http://www.lawlink.nsw.gov.au/lawlink/privacynsw/ll_pnsw.nsf/pages/pnsw_nswprivacy_laws</p>
	Charitable Fundraising Act 1991 (NSW)	All fundraising is compliant under the Act – for example proper authorisation is given	NSW Office of Liquor, Gaming & Racing http://www.olgr.nsw.gov.au/charitable_home.asp
	<p>Comprehensive OH&S and Workers' Compensation policies have been developed and implemented to ensure a safe workplace Relevant legislation: <i>Occupational Health and Safety Act 2000</i> (NSW)</p> <p>The organisation meets its statutory injury management obligations.</p>	<ul style="list-style-type: none"> • Ensure accident reporting and hazard management policies developed, reviewed and implemented regularly • Monthly incident, accident and hazard reports submitted to Board and steps taken to prevent the incident from arising again are recorded • Annual external OH&S audit conducted • Amendments to OH&S policies or new policies are reviewed • Implementation of policies regularly reviewed. For example what training consultation and/or hazard inspections have been carried out 	<p>WorkCover Authority of NSW http://www.workcover.nsw.gov.au NSW Health – Workplace Health and Safety Policy http://www.health.nsw.gov.au/policies/PD/2005/pdf/PD2005_409.pdf Safe Work Australia http://safeworkaustralia.gov.au/ National Safety Council of Australia http://www.nasca.org.au</p>

		<ul style="list-style-type: none"> • Reports cover incidents or accidents reported to WorkCover; status of injuries; whether person(s) affected has taken time off; and potential impact of claim on insurance premiums • Rehabilitation provider gives assistance to injured workers 	
Contractual Obligations	Contractual obligations relevant to funding bodies such as ADHC, Community Services and Federal Government departments	<ul style="list-style-type: none"> • The terms of funding agreements are met • Annual returns are submitted on time • Monitoring visits are successfully completed 	
Board Structure	The Board is structured in accordance with the Constitution and all directors understand their responsibilities	<ul style="list-style-type: none"> • Election or appointment of Board members is carried out appropriately • Induction and orientation processes are carried out for all new Board members 	<p>Our Community: Boards, Committees and Governance http://www.ourcommunity.com.au/boards/boards_main.jsp MSU – Board Roles and Responsibilities http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/03_rolesrespons_MSU.pdf</p>
Board Policy and Operations	The Board has a management and governance manual that guides its direction and processes	<ul style="list-style-type: none"> • Board annual review is conducted • Areas of weakness are identified • Training and a recruitment strategy is carried out • Conflicts of Interest are declared and recorded in separate book and a Conflict of Interest register is maintained 	<p>MSU – Board Performance Review Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/24-Board-Performance-Review.pdf MSU – Monitoring the Board’s Performance Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/12_boardperf_MSU.pdf MSU – Managing Conflicts of Interest Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/14_managing_conflictinterest_MSU.pdf</p>
Service Policy and Operations	Policy direction is set, comprehensive policies are reviewed and amended and approved by Board	<ul style="list-style-type: none"> • The Board has set all organisational policies and these are reviewed regularly on a rotational basis • Policies are in accordance with requirements of funding bodies 	<p>MSU – Sample Policy and Procedures Manual for Management and Governance http://ncoss.org.au/projects/msu/downloads/resources/other%20resources/PolicyProcedMSU.pdf</p>
Risk Management	Risk Management processes are established and implemented	<ul style="list-style-type: none"> • Board takes active role in risk assessment and management. There is a Risk Management agenda item for every Board meeting • Risk management strategies are in place and are followed for each potential area of risk • Risk management report is presented to Board 	<p>WorkCover – Risk Assessment Code of Practice http://www.workcover.nsw.gov.au/formspublications/publications/Documents/risk_assessment_code_of_practice_963.pdf ADHC – Good Governance – It’s your business http://www.adhc.nsw.gov.au/sp/training_and_development/good_governance Our Community – Risk Management http://www.ourcommunity.com.au/insurance/insurance_article.jsp?articleId=1247</p>

	Detailed risk assessments are made in any areas relevant to the functioning of the organisation	<ul style="list-style-type: none"> • Comprehensive risk assessments are made in each area of the organisation's operations • Strategies in place to manage known or anticipated risks • New risk assessments reported to Board 	
Human Resources Policies	The organisation complies with its responsibilities to staff	<ul style="list-style-type: none"> • Comprehensive human resource management system including recruitment, orientation, training and performance management • Annual staff surveys are conducted • Policies exist to ensure that all obligations to staff are met • Practices are fully compliant with relevant award or workplace agreement 	<p>NSW Health – HR e-compendium and policies http://www.health.nsw.gov.au/jobs/hrcompendium/policy.asp</p> <p>ADHC – Good Governance – It's your business http://www.adhc.nsw.gov.au/sp/training_and_development/good_governance</p> <p>MSU - Managing Staff Performance Information Sheet http://www.ncoss.org.au/projects/msu/downloads/resources/information%20sheets/18_managing_staff_performance.pdf</p> <p>MSU – Professional Supervision Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/10_profsupervision_MSU.pdf</p> <p>MSU – Grievances and Complaints Information Sheet http://ncoss.org.au/projects/msu/downloads/resources/information%20sheets/08_grievcomplaints_MSU.pdf</p> <p>MSU – Addressing Poor Performance Information Sheet http://www.ncoss.org.au/projects/msu/downloads/resources/information%20sheets/20_addressing_poor_performance.pdf</p>
	Staff Development and performance management: policies and resources are in place to develop staff effectively, to monitor their performance and to address performance issues	<ul style="list-style-type: none"> • Effective staff supervision is provided • Staff development opportunities are provided • Staff performance appraisals are undertaken and followed up regularly • Report on training has been completed and submitted to Board 	
	Dispute resolution: effective dispute resolution is in place. There are clear dispute resolution processes in a written form for all staff and Board members to see	<ul style="list-style-type: none"> • Disputes are resolved using organisation's dispute resolution processes • Any outstanding disputes are brought to attention of Board 	
Client Responsibilities	Client support obligations are met.	<ul style="list-style-type: none"> • CEO reports on any difficulties in meeting obligations • Funding agreements renewed 	<p>Client surveys:</p> <p>An example from ADHC (see pages 38-44): http://www.adhc.nsw.gov.au/_data/assets/file/0005/227921/HCS_Client_Satisfaction_Survey_Report_2008.pdf</p> <p>From FaHCSIA survey of SAAP (p85-91): http://www.fahcsia.gov.au/sa/housing/pubs/homelessness/saap_publications/measuring_impact_saap/Documents/measuring_impact_of_saap.pdf</p> <p>Free sample: http://www.surveyquestions.com.au/Questionnaires/Client-Survey-Questionnaires.htm</p> <p>Quality Management by agency NSW Health: http://www.achs.org.au/EQulPhealth/</p>
	All contractual and service delivery obligations are being met	<ul style="list-style-type: none"> • Annual client survey is conducted • Quality improvement plan is in place and is monitored • External evaluation that includes all stakeholders conducted every three years 	
	Clients receive optimal services		

			<p>ADHC: http://www.adhc.nsw.gov.au/_data/assets/file/0006/228750/ItsYourBusinessChapter3StrategicBusinessPlanningWe.pdf</p> <p>Community Services (Children's Services): http://www.community.nsw.gov.au/docswr/assets/main/documents/childcare_monitoring_framework.pdf</p> <p>FaHCSIA: http://www.fahcsia.gov.au/sa/disability/pubs/employers/Documents/quality_strategy_toolkit/default.htm</p>
Financial Management	<p>Annual budgets are developed and submitted for approval by the Board</p> <p>Funds are accounted for in accordance with Australian standards</p>	<ul style="list-style-type: none"> • Annual budgets submitted and approved by the Board before start of financial year • Financial reports submitted to every Committee meeting. These reports include balance sheet, income and expenditure analysis, cash flow statement, budgets and forecasts • All funding acquittals submitted to Board • <u>Appropriate record keeping is maintained</u> • Internal and external audits take place to ensure accountability 	<p>CPA Australia http://www.cpaustralia.com.au/cps/rde/xbcr/cpa-site/financial_management_of_not-for-profits.pdf</p> <p>ADHC – Good Governance – It's your business http://www.adhc.nsw.gov.au/sp/training_and_development/good_governance</p> <p>Standard Chart of Accounts: http://www.community.nsw.gov.au/for_agencies_that_work_with_us/policies_and_procedures/chart_accounts.html?s=1001</p>
Insurance	<p>Directors', Third Party (Public Liability & Workers Compensation, Professional Indemnity) Building, Contents, Vehicles insurances are appropriate and up to date</p>	<ul style="list-style-type: none"> • All insurance premiums are paid on time • Insurance policies reviewed annually 	<p>NCOSS Community Cover www.ncoss.org.au/insurance</p> <p>Risk Assessment Department of Human Services: http://www.haccos.adhc.nsw.gov.au/risk_management_process/risk_assessment SA Government (Children's Services): www.decs.sa.gov.au/docs/documents/1/RiskAssessmentMatrix.doc</p>
Taxation	<p>All taxation obligations are met</p>	<ul style="list-style-type: none"> • All payments e.g. GST, employees personal tax have been made on time 	<p>ATO – Guide for Non-Profits http://www.ato.gov.au/nonprofit/</p>
Superannuation	<p>All superannuation obligations are met</p>	<ul style="list-style-type: none"> • All payments have been made, on time • Staff members are able to choose their fund • Staff members are fully informed of timing and amounts paid into their superannuation accounts 	<p>ATO – Employers Superannuation Essentials http://www.ato.gov.au/businesses/pathway.asp?pc=001/003/090&mfp=001&mnu=44904#001_003_090</p>