



ourcommunity.com.au

Boards, Committees & Governance

A KNOWLEDGE CENTRE OF OUR COMMUNITY

Step One: The Essential Facts

Boards, Committees & Governance



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Welcome

Welcome to the **Boards, Committees & Governance Centre** – a practical place to find out how you can contribute more to your community by joining or improving a Board or Committee.

Serving on a community group Board or Committee can be immensely rewarding. But it also requires a great deal of commitment and passion, as well as a good working knowledge of the ethical and legal considerations that governance entails.

The hardworking members of the thousands of Australian community group boards and committees of management, school councils and other community governance structures are already making an enormous contribution to community life – but there are always things that we can do better. The Boards, Committees & Governance Centre will help set you on that path.

The ongoing development of the Boards, Committees & Governance Centre is provided by Our Community and our alliance partner, HESTA.

Introduction

The community group landscape has changed markedly in the past decade. Where once community group Board and Committee members were seen as “time donors”, applauded for their hard work and excused from some of the more onerous compliance requirements placed on their corporate world cousins, this is no longer the case. These days, community group Board and Committee members are subject to the same demands for accountability and efficiency as any Board member – profit or non-profit. Such responsibilities may have legal ramifications and should not be taken lightly.

At the same time, it is important that potential community group Board members do not become so spooked by the demands of the job that they are deterred from taking on a governance role. This would be cheating them of an immensely rewarding experience, a source of great pride and personal satisfaction, a feeling of “giving back” to society, of working for a cause and doing something not for money but because it is worthwhile. Such rewards can be hard to come by in other aspects of life.

So how do community groups strike the balance between fulfilling their accountability obligations without scaring off potential Board members? The key lies in ensuring Boards becoming a little better at reflecting upon their own performances and taking some brave steps towards change. And an important first step in that process is to ensure that Board members are properly prepared for their role.

Board responsibilities can be learned; and there is a good reason for doing so. Where Boards and Committees function well, so too do the community groups they govern – with flow-on benefits for the whole community.

The Boards, Committees & Governance Centre is designed to:

- help you find a Board or Committee that’s right for you;
- help you find out what you need to know in order to be a better Board or Committee member;
- help you get the most out of the experience while you are there;
- help ensure you perform your governance role legally and ethically; and
- help your Board or Committee perform its governance role better.

In short, it will help you to *Build a Better Board; Be a Better Board Member; and Find a Board Position.*

We have provided a range of information and tools that can help you along this very worthwhile journey and more will be added in the future.

What is a Board?

A Board is the body of people given the power to supervise, manage or “govern” a company, organisation or group. Like the community groups they govern, not-for-profit Boards come in all different shapes and sizes. They may even be called different things – a Committee of Management, for example, or a Council, or a Trust.

Whatever their name or size, they all have the same basic roles:

- to provide purpose, leadership, direction and strategy;
- to ensure the group’s finances are sound; and
- to make sure the group’s operations are legal.

The Board needs to look at the big picture, carry out constant assessment of the group’s performance and guide it towards its goals. In doing so, the Board is responsible for:

- formulating a mission;
- setting out a strategic vision;
- carrying out risk management;
- attending meetings and making key decisions about the group;
- ensuring all legal and financial responsibilities are carried out;
- selecting and overseeing the group’s CEO (if the group has paid staff);
- overseeing or carrying out fundraising;
- advocating on behalf of the group to the community;
- carrying the community’s views back to the group; and
- evaluating and improving its own effectiveness.

Who can be a Board member?

You do not usually have to have any specific qualifications to be a Board member, although it is true that some skills (such as legal, financial, networking or management skills) are often in more demand than others. In addition, some Boards set aside one or more seats for people with particular qualifications (a doctor on a health-related board, for example) or for those representing particular groups (public housing tenants on a public housing management committee, for example).

A Board or Committee member does need to be “eligible” in the eyes of the law to hold that position. An eligible person generally is:

- An adult (over 18 years of age);
- Not insolvent or under administration; and,
- Not disqualified under the group’s constitution or due to a breach of their duties.

Check the help sheets in the Boards, Committees & Governance Centre for your state's rules.

The best Boards are those that are inclusive, comprising people from all backgrounds and walks of life, and representing a wide variety of views and skills. Good Boards are also strongly representative of their “consumers” – the people they serve. Indeed, while it is important for community groups to reach out to places like the business community to rejuvenate their Boards, it is important that the community itself retains firmly in the driver’s seat. Outcomes are never sustainable unless communities are in control.

What do I need to know before I join a Board?

A person should never accept a Board position without knowing what they are signing up for.

When you agree to take on a governance role you are accepting a range of legal, moral and ethical responsibilities. You should therefore have a good knowledge of the community group you are being asked to govern, how it works, why it exists, and how it does what it does. You need to know who you will be governing alongside, what role you will be expected to fulfill and what skills and how much time you will need to devote to the role.

You will also need to examine your own reasons for wanting to join a Board and what you hope to get out of your service – this will help you to decide whether or not your expectations can be fulfilled.

Of course, you should also know what you are set to gain. Most community group Board members agree that any frustrations are hugely outweighed by the satisfaction. Benefits include:

- Being given the opportunity to “make a difference” and have a real say in how a community group is governed.
- Being exposed to new challenges and thereby gaining new knowledge and skills.
- Getting to know new people and expanding your networks.
- Being inspired through the exposure to a committed, effective team.
- Being inspired through the work of others associated with the community group – its members, volunteers, supporters and the people who benefit from its services.

How can the Boards, Committees & Governance Centre help?

We are committed to strengthening the community groups that make up the rich, vital fabric of Australian life. Providing practical help to the Boards and Committees that govern these organisations is fundamental to this aim. It is our hope that more and more Australians will stop talking and start doing – and that the resulting vibrant and effective Boards and Committees will contribute to better community groups and a better way of life for all.

We have made available a range of resources to help give you a leg up as you contemplate, begin or continue a Board or Committee role. Experienced Board members can also benefit from these resources, many of which are designed to help ailing Boards or Committees, or provide a spark for renewed creativity or reinvigoration.

Our tools are explained below.

TOOL #1: Resource Centre – Help Sheets

We have prepared a comprehensive range of free help sheets that provide a huge range of practical, jargon-free information about how people can join or improve a community group Board or Committee. The help sheets are divided into 10 different topic areas to ensure you can get your hands on the right sort of information to suit your needs and circumstances.

You can browse our list of help sheets by going to www.ourcommunity.com.au/boards-helpsheets, or click on the titles below to link straight through to the section you want.

- ▶ **BOARD BASICS**
Before you join a Board
- ▶ **BOARD BUILDING**
Recruitment, induction, training & succession
- ▶ **BETTER BOARDS**
Assessing and improving your Board
- ▶ **BOARD STRUCTURES**
Getting the nuts & bolts right

How can the Boards, Committees & Governance Centre help?

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- ▶ **TROUBLESHOOTING**
Fixing common Board problems
- ▶ **BETTER MEMBERS**
Boosting your own effectiveness
- ▶ **BOARD RESPONSIBILITIES**
Fulfilling your governance role
- ▶ **STRATEGIC PLANNING**
Mapping your group's future
- ▶ **BOARD BUSINESS**
Towards more effective meetings
- ▶ **BOARD-STAFF-VOLUNTEERS**
Managing the relationships

TOOL #2: Policy Bank

Good governance comes much, much easier when you get the nuts and bolts right – that means having the right policies and procedures in place. Policies and procedures are designed to guide Board members in their conduct and decision-making, helping to ensure greater consistency and transparency. The number and type of policies and procedures you need will differ from Board to Board but common issues they deal with include staff management, ethics and conduct, conflict of interest, financial management practices, and so on.

In an illustration of its strong commitment to corporate citizenship and its support for community groups, the global management consulting firm Accenture has developed a range of human resources policy templates that you can download free and adapt to suit your needs.M

More and more resources are being added weekly to this area of the website – and your group can help to contribute to the growing body of knowledge by sending us your own policies and procedures. You can email your policies to kathyr@ourcommunity.com.au, fax to (03) 9326 6859 or post to Kathy Richardson, PO Box 354 North Melbourne, 3051.

To access the Policy Bank go to <http://www.ourcommunity.com.au/policybank>.

How can the Boards, Committees & Governance Centre help?

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TOOL #3: The Board Builder

Written in a crisp, no-nonsense style, *The Board Builder* brings a new voice and a practical approach to all the issues faced by not-for-profit Board and Committee members.

Issued quarterly, *The Board Builder* expands the knowledge of not-for-profit Board members and offers solutions to a range of issues you are likely to encounter during your term.

Regular features include:

▶ **The Board Doctor**

Providing the remedy for some of the everyday dilemmas faced by Board and Committee members.

▶ **The Toolbox**

Identifying problems is not difficult – it's solving them that's hard. We offer step-by-step instructions to help guide you through essential Board tasks.

▶ **Case Studies**

Which Boards are functioning well? Who has found an innovative solution to a common problem? Who are the great leaders of the not-for-profit world and what are their secrets? We find them – and highlight how you can benefit from their knowledge.

▶ **Board Scribes**

Our guest writers, all experienced and respected not-for-profit Board and Committee members and experts, share their expertise, highlight current trends and issues, and offer strategies for Board improvement.

▶ **Utopia**

Ever wondered what the ideal Board might look like? How about the ideal Board member, or the ideal meeting, or chair? We offer our thoughts on how “Board Utopia” might look and in doing so, pose the question: “How does yours measure up?”

For more information about *The Board Builder* go to <http://www.ourcommunity.com.au/boardbuilder>.

How can the Boards, Committees & Governance centre help?

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TOOL #4: How-To Guides

Our Community and our partners have produced a range of easy to read handbooks to help community group Boards and Committees become more efficient and effective.

▶ ***Transforming Community Committees and Boards – From Hell to Heaven***

Don't be content to sit on a Board that is not working. Make a difference by working to transform your Board into an effective, energetic and productive team that sets the example for the entire organisation.

▶ ***Surviving and Thriving as a Safe Effective Board Member – the essential facts you need to know before, during and after joining a community Board***

This guide takes you through the questions you should ask before you join a Board, your responsibilities while on the Board and the action you should take when you decide it's time to leave. It also features the insights and tips of some of Australia's most experienced and knowledgeable community group Board members.

▶ ***Westpac Bank Guide for Community Treasurers***

This handbook on financial management for community organisations includes pointers on keeping the books, maintaining asset registers, cash flow and tax. Also included is a section to help you understand how to better manage your accounts and a range of special offers on educational and other resources that are available exclusively for community organisations.

For more information go to <http://www.ourcommunity.com.au/boards-guides>.

TOOL #5: Board Matching Service

This exciting new resource offers your community group a chance to expand the pool of candidates you can call on to fill your Board vacancies. More candidates means more choice – and that means better Boards.

The free Matching Service is aimed at:

- Individuals looking to make a stronger connection with their community by joining a Board or Committee of Management;
- Workplace volunteering programs looking to make a long-lasting difference to their communities by putting their hand up to join a Board or Committee of Management; and
- Community group Boards or Committees of Management who are looking for new members.

How can the Boards, Committees & Governance Centre help?

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The free Matching Service allows community groups to post their vacancies online and specify exactly the sort of candidate they're looking for.

Motivated people searching the database will then contact those organisations directly to let them know they're interested.

To find out more go to <http://www.ourcommunity.com.au/boardmatch>

TOOL #6: Business on Boards

One of the most meaningful way businesses can find to engage with their communities is by encouraging staff to join a community group Board.

Many community groups are finding it increasingly difficult to attract and retain members to revitalise their Boards, add new skills and ensure they meet the demands for greater efficiency and accountability. Businesses have a huge amount to offer in helping these groups to meet their obligations and strengthen their governance structures.

Organising a workplace volunteering program that actively encourages staff to Get on Board offers the chance to make a real, long-lasting impact on the long-term health and future of a community group – and there are all sorts of benefits for the business as well.

To find out more go to <http://www.ourcommunity.com.au/businessonboards>.

TOOL #7: Consultants Register

Need some extra help in getting your Board back on track? The Consultants Register contains a list of professionals who may be able to help.

To find out more go to <http://www.ourcommunity.com.au/boards-consultants>.

How can the Boards, Committees & Governance centre help?

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TOOL #8: Diversity and your Board

Diverse Boards make for the best Boards.

Increasing the variety of people who serve on your Board offers the opportunity to tap into a rich pool of talented candidates, bringing new voices, experiences and approaches to the decision-making process. It will also help you to add depth to existing skills and ideas and, perhaps most importantly, bring the Board closer to properly representing its stakeholders.

Greater diversity will also expand the networks available to your group, help you to reach your “audience,” increase the profile of your group and build support for what you are doing in key constituencies.

A number of studies have found that having a diverse Board can also bring about better organisational performance – both financial and non-financial. Diversity makes for better governance – and better governance inevitably means better results.

Our Community has assembled a range of resources to help you guide your Board or Committee towards greater diversity.

To find out more go to <http://www.ourcommunity.com.au/boards-diversity>.

TOOL #9: Look elsewhere on the www.ourcommunity.com.au website

Take some time to browse other areas of the Our Community website. There are a huge number of resources that can help your community group to become more effective – and that is, after all, the main function of a Board. Some of the main areas of interest are highlighted below.

- **GiveNow.com.au**, where you can sign up your community group for the free online donations service.
▶ Go to <http://www.ourcommunity.com.au/giving>
- **The Funding Centre**, where you can find out the A to Z of raising funds for your community group – including funding tools, newsletters and books, fundraising ideas and Wizards, details of grant writers, expert advice, success stories and a grants database.
▶ Go to <http://www.ourcommunity.com.au/funding>

How can the Boards, Committees & Governance Centre help?

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- **The Financial Centre**, where you can find information on securing a better banking deal for your community group.
▶ Go to <http://www.ourcommunity.com.au/finance>
- **The Australian Institute of Community Practice & Governance**, where you can get access to dozens of free help sheets on every aspect of managing a community group – from starting a group to taxation and legal issues.
▶ Go to <http://www.ourcommunity.com.au/management>
- **The Community Leadership Centre**, which includes a database of leadership courses, leadership and management help sheets, and inspiring interviews with great Australian leaders.
▶ Go to <http://www.ourcommunity.com.au/leadership>
- **Communities in Control**. Learn how to help your community group to take part in the community revolution – putting communities in control.
▶ Go to <http://www.ourcommunity.com.au/conference>
- **The Community Marketplace**, where you can find special deals for community groups.
▶ Go to <http://www.ourcommunity.com.au/marketplace>
- **The Insurance and Risk Management Centre**, offering free resources that can help your community group overcome insurance barriers.
▶ Go to <http://www.ourcommunity.com.au/insurance>
- **The Community Technology Centre**, for all your community group's computer and online needs.
▶ Go to <http://www.ourcommunity.com.au/tech>
- **Our Community Matters**, a free monthly e-newsletter to keep you up to date with all the news from the community sector
▶ Go to <http://www.ourcommunity.com.au/OCMatters-national>