



COMMUNITY GOVERNANCE

ROLES AND RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

BACKGROUND

Mudgee Preschool is governed by a voluntary management board. Services that are managed by the community are more able to:

- make decisions which reflect their community and its culture
- be well connected to their community
- be responsive to their community
- adjust service delivery quickly
- develop social capital by building connections, relationships and networks for families
- contribute to the development of capable, healthy communities.

Members of the board are elected by members of the organisation at the Annual General Meeting (AGM). The board's role is to govern the organisation for the following twelve months. The board is ultimately responsible for meeting the organisation's legal obligations and ensuring its on-going viability.

The board is also the employer of all the staff who work for the Preschool. The board is accountable to members of the Preschool, clients and the broader community, including regulatory agencies such as the Australian Children's Education & Care Quality Authority (ACECQA), Department of Education and Communities, NSW Community Services, and the NSW Office of Fair Trading.

To ensure that the Preschool meets its objectives, the board employs a director to manage the day to day operations of the service. The director is also the nominated supervisor and educational leader of the Preschool. The effectiveness of the organisation depends on a well defined partnership between the board and the director.

The partnership requires:

- clear understanding of the roles and responsibilities of each party, and
- regular and open communication between both sides.

LEGAL STRUCTURE

Creating a legal entity that limits the personal liability of the board and its members is a crucial part of the functioning of the organisation. Mudgee Preschool achieves this by registering as a co-operative with NSW Office of Fair Trading under the Co-Operatives Act 1992.

CONSTITUTION

The constitution provides an operational structure that must be adhered to so that it can retain the limited liability afforded through the co-operative. Any proposed changes to the constitution must be lodged with and approved by the Office of Fair Trading.

LIMITED LIABILITY

Mudgee Preschool is insured through Guild Insurance (Early Learning Business Insurance). The insurance includes Public Liability, Professional Indemnity and Management Liability.

ROLES AND RESPONSIBILITIES OF THE BOARD

In Mudgee Preschool the role of the board is to:

- determine the service's mission and purpose
- set the strategic directions of the organisation, that is, develop the service's strategic plan
- appoint and monitor the performance of the director
- ensure staff are employed in accordance with industrial obligations
- ensure compliance with legal obligations
- ensure the on-going financial viability of the service
- monitor and evaluate the service's performance against the strategic plan (including the board's own performance)
- enhance the profile of the service in the community
- recruit and orient new board members.

INDIVIDUAL ROLES OF BOARD MEMBERS

In addition to understanding the role of the board as a whole, each member needs to be aware of their individual role on the board (particularly if they are an office bearer).

Following is an outline of individual roles of the office bearers and the ordinary members of the board. This is a guide which should be adapted to meet the needs of the Preschool. Some tasks may be delegated to paid staff.



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CHAIRPERSON

The chairperson's role encompasses three broad areas:

- leadership of the board
- liaison with director/co-ordinator
- public relations.

To be effective in these areas, it is important that the chairperson has an awareness and understanding of the needs of children and families and the role of the service within the community.

The chairperson's responsibilities include:

- understanding the organisation's governing rules
- developing the board meeting agenda, in consultation with the director/co-ordinator and other committee/board members.

A primary responsibility of the chairperson is chairing meetings. This includes:

- working through the agenda, prioritising items to fit the time available
- ensuring discussion remains relevant
- keeping discussions to appropriate time
- allowing everyone to have an opportunity to express their views and opinions.

The chairperson must also:

- sign the minutes after they have been confirmed at the following meeting
- prepare and deliver a report at the organisation's Annual General Meeting as well as any other reports as required
- communicate regularly with other members of the board and director/co-ordinator
- keep track of tasks that have been allocated to other board members or sub-committees
- speak on behalf of the service and represent it within the broader community.

While the role of the chairperson tends to be an all-encompassing one, the help and support of fellow board members can be enlisted in any area. The chairperson should delegate and co-ordinate tasks to make sure action is taken.

VICE-CHAIRPERSON

The vice-chairperson supports the chairperson, and fills the role of chairperson when required (for instance, chairing the meeting or representing the service if the /chairperson is absent)

SECRETARY

The secretary is responsible for the records of the service (other than financial records).

- Secretarial responsibilities include:
- keeping a current list of members of the organisation, including addresses and contact numbers
- consulting with the chairperson on preparation of the agenda
- distributing the agenda for meetings
- keeping accurate records of meetings
- distributing copies of minutes at or before the next meeting, in accordance with governing rules
- presenting applications for new membership to the board for approval in accordance with governing rules
- collecting, reporting and responding to relevant correspondence as directed
- keeping the board's files in order and up-to-date.

TREASURER

The extent of the work of treasurer is assessed in conjunction with current practices within the service. Most of the day to day financial administration of Mudgee Preschool is delegated to the director who may in turn delegate the work to the administration officer.

The role of the treasurer is to ensure:

- signatories and passwords for bank accounts, cheque books and internet banking are up to date and secure
- the service prepares an annual budget
- income and expenditure (profit/loss) is checked against the budget
- accurate books and financial records representing the current financial situation of the service are kept
- the service uses correct accounting procedures and keeps associated documentation (invoices, receipts, bank statements, etc)
- the correct information is compiled for the annual audit.

The treasurer plays a key role in reporting on the financial position of the organisation to the committee/board, including:

- tabling financial reports (e.g. profit and loss statements against the budget and the balance sheet)
- presenting annual financial statements and the auditor's report at the AGM.

Although the treasurer's role is vital, the whole board is responsible for ensuring the financial viability and accountability of the service.

ORDINARY BOARD MEMBERS

In addition to the roles of the office bearers, the board will also have a number of other members who may or may not have delegated responsibilities.



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WHAT MAKES AN EFFECTIVE BOARD MEMBER?

It is important to remember that the key to being an effective board member is the attitude and values that you bring to the position. Here are a few suggested principles to help you be an effective board member:

- attend board meetings regularly and take an active part in meetings
- be aware of and keep up to date with what the organisation is doing (for example, you should read the service's current business plan and, for services funded by Department of Education and Communities, its Service Specifications and Funding Agreement.
- find out how any proposed action will affect the organisation – by asking the director or another relevant person to provide information
- work as a team with your board to make joint decisions and work towards shared goals, whilst making sure you act independently and not at the bidding of other people, such as the director or chairperson
- always put the organisation's interests above your own personal interests
- declare any interest to the chairperson in any matter that could affect your income or other activities and be prepared to stand aside for votes or discussion when there is a direct or indirect conflict of interest
- use any information gained through the position properly – that is, in the best interests of the organisation
- maintain the confidentiality of children, families and the board at all times
- take individual responsibility for ensuring the organisation has appropriate records of its financial transactions and its financial position and that it does not incur expenditure it cannot meet
- take personally responsibility for ensuring the organisation meets its legal requirements.

An effective board member must also be prepared to:

- ask reasonable questions to help make informed decisions
- show respect to fellow board members and listen to their point of view
- assist the director and staff whilst maintaining objectivity
- have a sense of humour and enjoy board meetings.

An effective board member is someone who can work as part of the team but be independent in their views and voting. They will actively support decisions of the board as a whole.

GOVERNANCE ROLES OF THE BOARD

- The board is responsible for the overall performance of the organisation.
- The board sets and reviews the organisation's mission, values (policies) and strategic directions.
- The /board plans for the long term performance/adaptive capacity of the organisation.
- The board monitors and reviews the achievements of the organisation against its aims and objectives.
- The board appoints the director/Nominated Supervisor
- The board establishes the values and culture of the organisation.
- The committee/board makes decisions on matters of strategic or symbolic significance for the organisation.
- The board is accountable to and reports to various stakeholders, particularly the members of the organisation they represent.
- The board is more concerned with macro management (in other words governance).

MANAGEMENT ROLES OF THE DIRECTOR/NOMINATED SUPERVISOR

- The director/Nominated Supervisor is responsible for the day to day management & operations of the organisation.
- The director/Nominated Supervisor implements the organisation's policies and objectives by developing operational plans to meet the organisation's aims and objectives.
- The director/Nominated Supervisor makes decisions on the short term operation of programs and services.
- The director/Nominated Supervisor makes decisions on the short term use of human, financial and physical resources to achieve aims and objectives.
- The director/Nominated Supervisor oversees the performance of the other staff employed in the organisation.
- The director/Nominated Supervisor finds ways to enact the values and culture of the organisation.
- The director/Nominated Supervisor makes decisions on matters of operational significance.
- The director/Nominated Supervisor is more concerned with micro management.