

Governance and Management Policy

1. Policy Statement

Values

NERPSA is committed to ensuring that there are appropriate systems and processes in place to enable:

- good governance and management of the organisation
- accountability to its stakeholders
- compliance with all regulatory and legislative requirements applicable to the organisation
- the organisation to remain solvent and comply with all its financial obligations.

Purpose

This policy will outline the duties, roles and responsibilities of the Board of NERPSA

2. Scope

This policy applies to the Board of NERPSA and all subcommittees of the Board of NERPSA

3. Background and Legislation

The governance of an organisation is concerned with the systems and processes that ensure the overall direction, effectiveness, supervision and accountability of a service. Members of the Board are responsible for setting the directions for the service and ensuring that its goals and objectives are met in line with its Constitution, and all legal and regulatory requirements governing the operation of the business are met.

Under the National Law and National Regulations, early childhood services are required to have policies and procedures in place relating to the governance and management of the service, including confidentiality of records (refer to *Privacy and Confidentiality Policy*).

Relevant legislation may include but is not limited to:

- *Associations Incorporation Act 1981* and *Corporations Act 2001*, as applicable to the service
- *Education and Care Services National Law Act 2010*
- *Education and Care Services National Regulations 2011: Regulation 168(2)(l)*

4. Definitions

Actual conflict of interest: One where there is a real conflict between a Board member's responsibilities and their private interests.

Conflict of interest: An interest that may affect, or may appear reasonably likely to affect, the judgement or conduct of a member (or members) of the Board or subcommittee, or may impair their independence or loyalty to the service. A conflict of interest can arise from avoiding personal losses as well as gaining personal advantage, whether financial or otherwise, and may not only involve the member of the Board or subcommittee, but also their relatives, friends or business associates.

Ethical practice: A standard of behaviour that the service deems acceptable in providing their services.

Governance: 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).

Interest: Anything that can have an impact on an individual or a group.

Perceived conflict of interest: Arises where a third party could form the view that a Board member's private interests could improperly influence the performance of their duties on the Board, now or in the future.

Potential conflict of interest: Arises where a Board member has private interests that could conflict with their responsibilities.

Private interests: Includes not only a Board member's own personal, professional or business interests, but also those of their relatives, friends or business associates.

5. Sources and Related NERPSA Policies

- *KPV Early Childhood Management Manual*
- Our Community: www.ourcommunity.com.au
- Public Interest Law Clearing House (VIC) Inc. (PILCH), PilchConnect: www.pilch.org.au
- *Code of Conduct Policy*
- *Complaints Policy*
- *Privacy Policy*
- *Board Recruitment Policy*

6. Procedures

NERPSA is responsible for ensuring that the service has appropriate systems and policies in place for the effective governance and management of the service.

7. Core Elements of the Governance Model

Stewardship/custodianship

Ensure:

- the service pursues its stated purpose and remains viable
- budget and financial accountability to enable ongoing viability and making best use of the service's resources
- the service manages risks appropriately.

Leadership, forward planning and guidance

Provide leadership, forward planning and guidance to the service, particularly in relation to developing a strategic culture and directions.

Authority, accountability and control

Monitor and oversee management including ensuring that good management practices and appropriate checks and balances are in place.

Be accountable to members of the service.

Maintain focus, integrity and quality of service.

Oversee legal functions and responsibilities.

Declare any actual, potential or perceived conflicts of interest (refer to *Definitions* and *Conflict of interest disclosure statement*).

8. Legal liabilities of members of the Board

The Board at NERPSA is responsible under the Constitution to take all reasonable steps to ensure that the laws and regulations relating to the operation of the service are observed. Members of the Board are responsible for ensuring that:

- adequate policies and procedures are in place to comply with the legislative and regulatory requirements applicable to the service
- appropriate systems are in place to monitor compliance
- reasonable care and skill is exercised in fulfilling their roles as part of the governing body of the service
- they act honestly, and with due care and diligence
- they do not use information they have access to, by virtue of being on the Board improperly
- they do not use their position on the Board for personal gain or put individual interests ahead of responsibilities.

9. Responsibilities of the Board

The Board at NERPSA is responsible for:

- developing coherent aims and goals that reflect the interests, values and beliefs of the members and staff, and the stated aims of the service, and have a clear and agreed philosophy which guides business decisions and the work of the Board and staff
- ensuring there is a sound framework of policies and procedures that complies with all legislative and regulatory requirements, and that enables the daily operation of the service to be geared towards the achievement of the service's vision and mission
- establishing clearly defined roles and responsibilities for the members of the Board, individually and as a collective, management and staff, and clearly articulate the relationship between the Board, staff and members of the service
- developing ethical standards and a code of conduct (refer to *Code of Conduct Policy*) which guide actions and decisions in a way that is transparent and consistent with the goals, values and beliefs of the service
- undertaking strategic planning and risk assessment on a regular basis and having appropriate risk management strategies in place to manage risks faced by the service
- ensuring that the actions of and decisions made by the Board are transparent and will help build confidence among members and stakeholders
- reviewing the service's budget and monitoring financial performance and management to ensure the service is solvent at all times, and has good financial strength
- approving annual financial statements and providing required reports to government
- setting and maintaining appropriate delegations and internal controls
- appointing Cluster Manager and monitoring his/her performance assisting with appointment of other management staff as required
- evaluating and improving the performance of the Board
- focusing on the strategic directions of the organisation and avoiding involvement in day-to-day operational decisions.

10. Confidentiality

All members of the Board and subcommittees who gain access to confidential, commercially-sensitive and other information of a similar nature, whether in the course of their work or otherwise, shall not disclose that information to anyone unless the disclosure of such information is required by law (refer to *Privacy and Confidentiality Policy*).

Members of the Board and subcommittees shall respect the confidentiality of those documents and deliberations at Board or subcommittee meetings, and shall not:

- disclose to anyone the confidential information acquired by virtue of their position on the Board or subcommittee
- use any information so acquired for their personal or financial benefit, or for the benefit of any other person
- permit any unauthorised person to inspect, or have access to, any confidential documents or other information.

This obligation, placed on a member of the Board or subcommittee, shall continue even after the individual has completed their term and is no longer on the Board or subcommittee.

The obligation to maintain confidentiality also applies to any person who is invited to any meetings of the Board or subcommittee as an observer or in any other capacity.

11. Ethical Practice

The following principles will provide the ethical framework to guide the delivery of services at NERPSA

- treating colleagues, parents/guardians, children, suppliers, public and other stakeholders respectfully and professionally at all times
- dealing courteously with those who hold differing opinions
- respecting cultural differences and diversity within the service, and making every effort to encourage and include all children and families in the community
- having an open and transparent relationship with government, supporters and other funders
- operating with honesty and integrity in all work
- being open and transparent in making decisions and undertaking activities, and if that is not possible, explaining why
- working to the standards set under the *National Quality Framework* and all applicable legislation as a minimum, and striving to continually improve the quality of the services delivered to the community
- disclosing conflicts of interest as soon as they arise and effectively managing them (refer to *Conflict of interest disclosure statement*)
- recognising the support and operational contributions of others in an appropriate manner.

12. Managing Conflicts of Interest

Conflicts of interest, whether actual, potential or perceived (refer to *Definitions*), must be declared by all members of the Board or subcommittee, and managed effectively to ensure integrity and transparency (refer to *Conflict of interest disclosure statement*).

Every member of the Board or subcommittee has a continuing responsibility to scrutinise their transactions, external business interests and relationships for potential conflicts and to make such disclosures in a timely manner as they arise.

The following process will be followed to manage any conflicts of interest:

- whenever there is a conflict of interest, as defined in this policy, the member concerned must notify the President of such conflict, as soon as possible after identifying the conflict
- the member who is conflicted must not be present during the meeting of the Board or subcommittee where the matter is being discussed, or participate in any decisions made on that matter
- the minutes of the meeting must reflect that the conflict of interest was disclosed and appropriate processes followed to manage the conflict.

A *Conflict of interest disclosure statement* must be completed by each member of the Board and subcommittee and submitted to the President for any conflict of interest.

All violations of the requirement to disclose and manage conflicts shall be dealt with in accordance with the constitution of NERPSA.

13. Evaluation

In order to assess whether the values and purpose of the policy have been achieved, NERPSA will:

- seek feedback regarding the effectiveness of the policy
- monitor the implementation, compliance, complaints and incidents in relation to this policy
- keep the policy up to date with current legislation, research, policy and best practice
- revise the policy and procedures as part of the service's policy review cycle, or as required.

14. Authorisation

The policy was adopted by NERPSA on 19th March 2013.

15. Review date

The policy will be reviewed every three years from date of adoption.