



Why good governance is vital to achieving your goals

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Governance

Definitions



governance

['gʌv(ə)nəns]

NOUN

the action or manner of governing a state, organization, etc..

VERB govern

conduct the policy, actions, and affairs of (a state, organization, or people) with **authority**.

-Oxford Dictionaries

Wikipedia

Governance is all of the processes of governing

“the **processes of interaction** and **decision-making** among the actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions.”^[2]

Corporate Governance

Generally refers to the processes by which organisations are **directed, controlled** and **held to account**. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation.

- Australian Standard 8000-2003

Good Governance

Good governance is epitomized by predictable, open and enlightened policy-making, a bureaucracy imbued with a professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs.

Poor governance (on the other hand) is characterized by arbitrary policy making, unaccountable bureaucracies, unenforced or unjust legal systems, the abuse of executive power, a civil society unengaged in public life, and widespread corruption.

-World Bank

IMPORTANCE OF GOOD GOVERNANCE



02

COMMUNICATION

improves communication within the organization by prioritizing transparency



04

CHECKS & BALANCES

monitors the activities of the organization by conducting regular meetings and evaluations to ensure that everything is in line with organization goals and targets



06

PUBLIC IMAGE

an organization that runs on ethically grounded guidelines can build a strong organization image and a positive reputation

01

DECISION MAKING

good governance helps the board make sound decisions by following guidelines that puts the organization's best interest first



03

ACCOUNTABILITY

promotes accountability by identifying the roles of board members and ensuring that they understand their responsibilities



05

REDUCES RISKS

delegating accountability helps those involved in the organization make wise and careful decisions that minimizes errors and risks

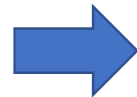
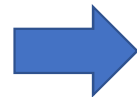
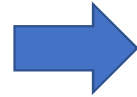


Relationships

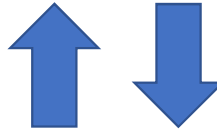


Government

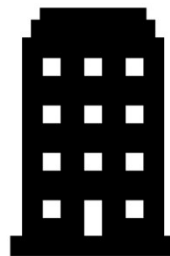
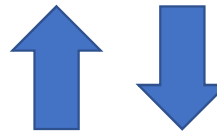
- Funder
- Regulator



Members
The “owners”

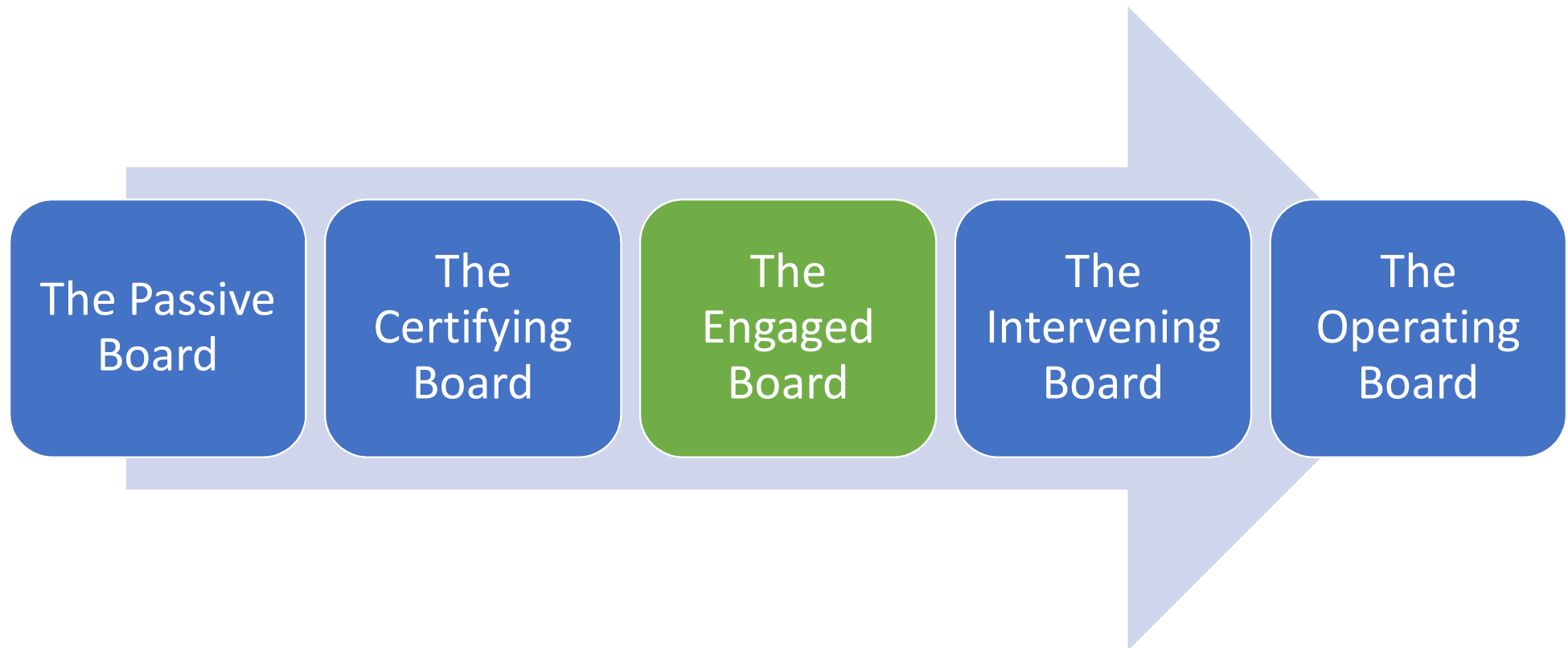


Directors/Board/Committee
Those who govern the company on behalf of the owners



CEO and Management
Those who operate the company at the direction of the board

Board Involvement



The Board versus The Management

Strategic

- Drive Strategic Direction
- Manage Risk
- Develop Policies
- Work with CEO

Operations

- Execute Strategic Direction
- Operational risk management
- Implement Procedures
- CEO work with organization

The Agenda

In-Camera Session

Meeting Open

Matters for Decision

Matters for Discussion

Matters for Noting

Meeting Finalisation

CEO Report

Current Significant Issues

Matters for Approval

Update on Strategic Plan Implementation

Major Key Performance Indicators

Risk and Compliance Update

Matters for Noting

Decision Making Framework

Before Decision Making

Is the matter for decision clear and well formulated?
Are the options well specified?
Do we need to make this decision now?
Do we need to obtain more information?

During Decision Making

Is the decision aligned with our strategic goals?
Are they strong advocates and have minorities been heard?
Are we continuing to back a failed decision?
Has the impact on all stakeholders been considered?

After Decision Making

Has the best approach for communicating the decision been decided?
Do all parties understand the communication protocol for the decision?
Has someone been assigned responsibility for implementation?

Self-Evaluation

Meeting Evaluation

- Meeting preparation, agenda and relevant papers distributed, previous minutes clear
- Members prepared and read papers
- Agenda was adhered to and chair directed discussion
- Time allocation (most important topics received the most attention)
- Openness of communication, respect for minority views and willingness of members to participate in discussions
- Decisions were made where required
- The Board operated effectively as a group

Board Evaluation

- Members understand the organisation's mission
- Board has clear goals and actions resulting from relevant and realistic strategic planning
- Board regularly monitors and evaluates progress toward strategic goals and product/program performance
- Board attends to policy-related decisions which effectively guide operational activities of staff
- Board helps set fundraising goals and is actively involved in fundraising
- Board effectively represents the organization to the community

IMPACT OF GOOD GOVERNANCE



- ✓ Sets thresholds that put the interest of stakeholders first.
- 🔒 Protects stakeholders by upholding accountability.
- 👤 Empowers the board to make decisions without bias.

Summary



Questions



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