Why good governance is vital to achieving your goals
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Governance

Definitions
**governance**

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 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

01
DECISION MAKING
Good governance helps the board make sound decisions by following guidelines that put the organization’s best interest first.

02
COMMUNICATION
Improves communication within the organization by prioritizing transparency.

03
ACCOUNTABILITY
Promotes accountability by identifying the roles of board members and ensuring that they understand their responsibilities.

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.

05
REDUCES RISKS
Delegating accountability helps those involved in the organization make wise and careful decisions that minimize errors and risks.

06
PUBLIC IMAGE
An organization that runs on ethically grounded guidelines can build a strong organization image and a positive reputation.
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

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Board Involvement

The Passive Board
The Certifying Board
The Engaged Board
The Intervening Board
The Operating Board
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

<table>
<thead>
<tr>
<th>Before Decision Making</th>
<th>During Decision Making</th>
<th>After Decision Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the matter for decision clear and well formulated?</td>
<td>Is the decision aligned with our strategic goals?</td>
<td>Has the best approach for communicating the decision been decided?</td>
</tr>
<tr>
<td>Are the options well specified?</td>
<td>Are they strong advocates and have minorities been heard?</td>
<td>Do all parties understand the communication protocol for the decision?</td>
</tr>
<tr>
<td>Do we need to make this decision now?</td>
<td>Are we continuing to back a failed decision?</td>
<td>Has someone been assigned responsibility for implementation?</td>
</tr>
<tr>
<td>Do we need to obtain more information?</td>
<td>Has the impact on all stakeholders been considered?</td>
<td></td>
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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