

GOVERNANCE & MANAGEMENT OF THE SERVICE POLICY

Mandatory – Quality Area 7

1.0 Purpose

1.1 This policy outlines the duties, roles and responsibilities of the Board of Bethany Kindergarten Services (BKS).

2.0 Values

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

- a) Good governance and management of the organisation.
- b) Accountability to its stakeholders.
- c) Compliance with all regulatory and legislative requirements placed on the organisation.
- d) The organisation to remain solvent and comply with all its financial obligations.

3.0 Scope

3.1 This policy applies to BKS as the Approved Provider, the Board of BKS and all subcommittees of the Bethany Board.

4.0 Background

4.1 The governance of an organisation is concerned with the systems and processes that ensure the overall direction, effectiveness, supervision and accountability of a service. Board Directors are responsible for the stewardship and future well-being of the organisation. The Board should exercise leadership, enterprise, integrity and judgement in directing the organisation as to provide assurance of its continuing and lasting prosperity. The Board is 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.

4.2 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*).

5.0 Definitions

5.1 The terms defined in this section relate specifically to this policy. For commonly used terms e.g. Approved Provider, Nominated Supervisor, Regulatory Authority etc. refer to the General Definitions section of this manual.

5.2 **Actual conflict of interest:** one where there is a real conflict between a Board Director's responsibilities and their private interests.

5.3 **Conflict of interest:** an interest that may affect, or may appear reasonably likely to affect, the judgement or conduct of a Director 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.

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

5.5 **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).

GOVERNANCE & MANAGEMENT OF THE SERVICE POLICY

5.6 **Interest:** anything that can have an impact on an individual or a group.

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

5.8 **Potential conflict of interest:** arises where a Board member has private interests that could conflict with their professional responsibilities.

5.9 **Private interests:** includes not only a Board members own personal, professional or business interests but also those of their relatives, friends or business associates.

6.0 Procedures

6.1 BKS as the Approved Provider is responsible for:

- a) Ensuring that the service has appropriate systems and policies in place for the effective governance and management of the service.

7.0 Core elements of the governance model

7.1 The following are the core elements of the governance systems at BKS for which the Board is responsible.

7.2 Stewardship/custodianship

7.2.1 Ensure:

- a) The service pursues its stated purpose and remains viable.
- b) Budget and financial accountability to enable ongoing viability and making best use of the service's resources the service manages risks appropriately.
- c) The service manages risk appropriately.

7.3 Leadership, forward planning and guidance

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

7.4 Authority, accountability and control

- a) Monitor and oversee management including ensuring that good management practices and appropriate checks and balances are in place.
- b) Be accountable to members of the service.
- c) Maintain focus, integrity and quality of service.
- d) Oversee legal functions and responsibilities.
- e) Declare any actual, potential or perceived conflicts of interest (refer to Definitions and Attachment 1 – Sample Conflict of interest disclosure statement).

8.0 Legal liabilities of Board Directors

8.1 The Board is responsible under Bethany's constitution to take all reasonable steps to ensure that the laws and regulations relating to the operation of the service are met and that the entity is protected from harmful situations and circumstances in the interests of current and future stakeholders. Board Directors have the following obligations:

- a) To act with reasonable care and diligence.
- b) To act honestly and fairly in the best interests of the organisation and for its purposes.
- c) They act honestly, and fairly in the best interests of the organisation and for its purposes.
- d) Not misuse their position or information they gain as a responsible person.
- e) To disclose conflicts of interest.
- f) To ensure that the financial affairs of the organisation are managed responsibly.

GOVERNANCE & MANAGEMENT OF THE SERVICE POLICY

- g) Not to allow the organisation to operate while it is insolvent.

8.2 Board Directors, either individually or collectively, are potentially liable if they act illegally or negligently.

9.0 Responsibilities of the Board

9.1 The Board of BKS is responsible for:

- a) Governing the service with an emphasis on a future focus, strategic issues rather than administrative detail, the development and expression of a collective responsibility for all aspects of the Board's performance and the continuing improvement in Board and individual Board Director effectiveness and the interests of BKS as a whole.
- b) Formulating, authorising and monitoring the vision, mission and strategic objectives of BKS.
- c) Ensuring that corporate management is continually striving for above average performance after taking into account risk.
- d) Ensuring there are adequate internal controls and ethical standards of behaviour;
- e) Reviewing and approving BKS financial objectives, plans and actions, including significant capital allocations and expenditures.
- f) Monitoring the effectiveness of the governance policies under which the Board operates and making changes as required.
- g) Monitoring the performance of BKS against strategic direction including assessing operating results to evaluate whether the organisation is being properly managed.
- h) Setting the risk culture for the service, monitoring and managing strategic risks, reviewing and approving the operational risks management framework and monitoring the effectiveness of the agency's risk management performance.
- i) Appointing the Chief Executive Officer and monitoring their performance.
- j) Ensuring ethical behaviour and compliance with BKS Code of Conduct and policies, state and federal laws and regulations, audit and accounting principles and the services' stated values and its governance documents.
- k) Ensure the integrity of the organisation's internal control and management information systems so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all times.
- l) Assisting BKS to make good appointments to the Board by ensuring that constituent bodies are fully conversant with the role, responsibilities, work programme and performance of the Board and its members.
- m) Establishing clearly defined roles and responsibilities for the Board Directors, individually and as a collective, management and staff, and clearly articulate the relationship between the Board, staff and members of the service.
- n) Ensuring that the actions of and decisions made by the Board are transparent and will help build confidence among members and stakeholders.

10.0 Confidentiality

10.1 All Board Directors 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*).

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

- a) Disclose to anyone the confidential information acquired by virtue of their position on the Board or subcommittee.
- b) Use any information so acquired for their personal or financial benefit, or for the benefit of any other person.

GOVERNANCE & MANAGEMENT OF THE SERVICE POLICY

- c) Permit any unauthorised person to inspect, or have access to, any confidential documents or other information.

10.3 This obligation, placed on Board Directors or subcommittees, shall continue even after the individual has completed their term and is no longer on the Board or subcommittee.

10.4 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.

11.0 Ethical Practice

11.1 The following principles will provide the ethical framework to guide the delivery of services at BKS:

- a) Ensuring that colleagues, employees, parents/guardians, children, suppliers, public and other stakeholders are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.
- b) Acting honestly, in good faith, and in the best interests of BKS.
- c) Acting in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role and, as appropriate, having regard for the interests of stakeholders.
- d) Taking all reasonable steps to be able to exercise independent judgement regarding Board decisions.
- e) Scrupulously avoiding deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of BKS business.
- f) Not disclosing, nor allow to be disclosed, confidential information other than as agreed by the Board or as required under law.
- g) Dealing courteously with those who hold differing opinions.
- h) Respecting cultural differences and diversity within the service, and making every effort to encourage and include all children and families in the community.
- i) Having an open and transparent relationship with government, supporters and other funders.
- j) 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.
- k) Properly manage all conflicts between personal and organisational priorities, and not take improper advantage of their position as Director.
- l) Recognising the support and operational contributions of others in an appropriate manner.
- m) Assessing and minimising the adverse impacts of decisions and activities on the natural environment.

12.0 Managing conflicts of interest

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

12.2 Every Director 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.

GOVERNANCE & MANAGEMENT OF THE SERVICE POLICY

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

- a) Whenever there is a conflict of interest, as defined in this policy, the Director concerned must notify the Chairperson or subcommittee of such conflict, as soon as possible after identifying the conflict.
- b) The conflict of interest must be declared and registered in the Register of Interest. All such entries will be presented to the Board or subcommittee and minuted at the first meeting following entry in the records.
- c) The Board shall determine whether or not the conflict is of a material nature and shall advise the individual accordingly.
- d) Where a conflict of interest is identified and/or registered, and the Board has declared that it is of material benefit to the individual or material significance to the organisation, the Director concerned shall not vote on any resolution relating to that conflict or issue.
- e) The Board Director shall only remain in the room during any related discussion with Board approval.
- f) The Board will determine what records and other documentation relating to the matter will be available to the Board Director.
- g) All such occurrences will be minuted.

12.4 All violations of the requirement to disclose and manage conflicts shall be dealt with in accordance with Bethany's constitution.

13.0 Evaluation

13.1 In order to assess whether the values and purposes of the policy have been achieved, the Board will:

- a) Seek feedback from everyone affected by the policy regarding its effectiveness.
- b) Monitor the implementation, compliance, complaints and incidents in relation to this policy.
- c) Keep the policy up to date with current legislation, research, policy and best practice.
- d) Revise the policy and procedures as part of the service's policy review cycle, or as required.
- e) Notify relevant parties at least 14 days before making any changes to this policy or its procedures.

14.0 Related Bethany policies and procedures

14.1 Bethany Group:

- a) Delegations of Authority Policy
- b) Board Charter – The Bethany Group

14.2 Bethany Kindergarten Services Ltd.:

- a) Code of Conduct Policy
- b) Complaints and Grievances Policy
- c) Privacy and Confidentiality Policy
- d) Grievance Procedure VECTEA

15.0 Relevant legislation and standards

15.1 Relevant legislation and standards include but are not limited to:

- a) Associations Incorporation Reform Act 2012 (Vic)
- b) Corporations Act 2001 (Cth)
- c) Education and Care Services National Law Act 2010
- d) Education and Care Services National Regulations 2011: Regulation 168(2)(l)
- e) National Quality Standard, Quality Area 7: Governance and Leadership

GOVERNANCE & MANAGEMENT OF THE SERVICE POLICY

16.2 The most current amendments to listed legislation can be found at:

- a) Victorian Legislation – Victorian Law Today: <http://www.legislation.vic.gov.au/>
- b) Commonwealth Legislation – ComLaw: <http://www.comlaw.gov.au/>

16.0 Sources

- a) Early Learning Association Australia Early Childhood Management Manual
- b) Our Community: <https://www.ourcommunity.com.au/>
- c) Justice Connect: <https://justiceconnect.org.au/>