

Governance and management of the service policy/procedure

Board of Management

Mandatory – Quality area 7

HDKA promotes a commitment to child safety, wellbeing, participation, empowerment, cultural safety and awareness including children with a disability, Aboriginal and Torres Strait Islander children and/or communities and children from cultural and/or linguistically diverse backgrounds.

HDKA has a zero tolerance of child abuse and a duty of care to prevent and manage child abuse risks including physical and online environments.

Purpose

This policy outlines the duties, roles and responsibilities of the Board of Management of Horsham and District Kindergarten Association.

Values

HDKA 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 placed on the organisation
- the organisation to remain solvent and comply with all its financial obligations.

Scope

This policy applies to the Approved Provider (HDKA), the Board of Management of HDKA, the management team and all subcommittees of the Board.

Background

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*).

Legislation and standards

Relevant legislation and standards include but are 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)
- *National Quality Standard*, Quality Area 7: Leadership and Service Management
 - Standard 7.3: Administrative systems enable the effective management of a quality service

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

Governance and management of the service policy/procedure

Board of Management

Mandatory – Quality area 7

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.

Management team: The early years manager, enrolment officer, finance officer and any other employee of the Board appointed to undertake executive assistance to the Board related to the management of services managed by HDKA

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.

Sources

- *KPV Early Childhood Management Manual*
- Our Community: www.ourcommunity.com.au
- [Public Interest Law Clearing House \(VIC\) Inc](#)

Service policies

- *Code of Conduct Policy*
- *Complaints and Grievances Policy*
- *Privacy and Confidentiality Policy*

Procedures

The Approved Provider is responsible for:

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

Core elements of the governance model

The following are the core elements of the governance systems at Services managed by Horsham and District Kindergarten Association for which the Board is responsible:

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.

Governance and management of the service policy/procedure

Board of Management

Mandatory – Quality area 7

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 Attachment 1 – Sample *Conflict of interest disclosure statement*).

Legal liabilities of members of the Board

The HDKA Board 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 placed on 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.

Responsibilities of the Board

The function of the Board of Horsham and District Kindergarten Association is to collectively ensure the delivery of the organisation's objects, to set its strategic direction, and to uphold its values. The Board should collectively be responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and is complying with all its legal, financial, and ethical obligations.

The responsibilities of the Board that cannot be delegated to any other person or body include

- Compliance monitoring – ensuring compliance with the objects, purposes and values of the organisation, and with its constitution
- Organisational governance – setting or approving policies, plans and budgets to achieve those objectives, and monitoring performance against them
- Strategic planning – reviewing and approving strategic direction and initiatives
- Regulatory monitoring – ensuring that the organisation complies with all relevant laws, regulations and regulatory requirements
- Financial monitoring – reviewing the organisation's budget, monitoring management and financial performance to ensure the solvency, financial strength and good performance of the organisation
- Financial reporting – considering and approving annual financial statements and required reports to government;
- Organisational structure – setting and maintaining a framework of delegation and internal control
- Leadership selection – selecting, evaluating the performance of, rewarding and, if necessary, dismissing the organisation's Chief Executive Officer (CEO)

Governance and management of the service policy/procedure

Board of Management

Mandatory – Quality area 7

- Succession and remuneration planning – planning for Board, CEO and executive succession, and determining senior management remuneration
- Risk management – reviewing and monitoring the effectiveness of risk management and compliance in the organisation; agreeing or ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise
- Dispute management – dealing with and managing conflicts that may arise within the organisation, including conflicts arising between Board members, staff, the CEO, members, volunteers, or service users.
- Social responsibility – considering the social, ethical and environmental impact of all activities and operations and ensuring that these are acceptable
- Board performance and composition – evaluating and improving the performance of the Board
- Declare any actual, potential or perceived conflicts of interest (refer to *Definitions* and Attachment 1 – Sample *Conflict of interest disclosure statement*).

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.

Ethical practice

The following principles will provide the ethical framework to guide the delivery of services at services managed by Horsham and District Kindergarten Association :

- 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

Governance and management of the service policy/procedure

Board of Management

Mandatory – Quality area 7

- Disclosing conflicts of interest as soon as they arise and effectively managing them (refer to attachment 1 – *sample conflict of interest disclosure statement*)
- Recognising the support and operational contributions of others in an appropriate manner
- Assessing and minimising the adverse impacts of decisions and activities on the natural environment.

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 Attachment 1 – *Sample 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 member concerned must provide the Board or committee with any and all relevant information they possess on the particular 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* (refer to Attachment 1) must be completed by each member of the Board and subcommittee upon his or her appointment and annually thereafter. If the information in this statement changes during the year, the member shall disclose the change to the President, and revise the disclosure statement accordingly.

All violations of the requirement to disclose and manage conflicts shall be dealt with in accordance with the constitution of services managed by Horsham and District Kindergarten Association

Attachments

- Attachment 1: *Sample Conflict of interest disclosure statement*

Governance and management of the service policy/procedure

Board of Management

Mandatory – Quality area 7

Attachment 1

Conflict of interest disclosure statement

Name (in full):	
Postal address:	
Position on Board or subcommittee	

Declaration:

I hereby declare the following conflict of interest: (Note: tick all applicable boxes)

ACTUAL POTENTIAL PERCEIVED

Please provide a brief outline of the nature of the conflict (details may be included in a separate confidential envelope, if appropriate).

Please detail the arrangements proposed to resolve/manage the conflict (details may be included in a separate confidential envelope, if appropriate).

I, **(insert name in full)** _____ hereby agree to:

- update this disclosure throughout the period of my tenure on the Board or subcommittee of services managed by Horsham and District Kindergarten Association .
- cooperate in the formulation of a *Conflict of interest management plan*, as required.
- comply with any conditions or restrictions imposed by the Board or subcommittee to manage, mitigate or eliminate any actual, potential or perceived conflict of interest.

Signed

Date