Governance and Policy

To start, a group/organisation needs to be clear about its purpose, that is, what it is setting out to achieve and the major ways in which it will do so. This is often called a mission. A group may also have a vision: its aspirations for what the future would look like if it is successful

Governance refers to the systems and processes by which a group runs to help achieve its mission and strategic objectives and meet its legal obligations. These structures, processes and relationships are:

• Unique to the group / organisation and
• Dynamic (they can change over time, and may need to).

All members of a group, including the board, committees, members, and employees, have an important role to play in achieving and maintaining good governance.

Governance Obligations

Governance obligations are typically concerned with:

Strategic leadership and delivering appropriate outcomes, e.g.
- Meeting or exceeding stakeholder expectations
- Improving the group's value to the community
- Ensuring that the group is working well.

Compliance and accountability, eg
- Complying with applicable legal requirements
- Ensuring that appropriate responsibilities and delegations are in place and adhered to
- Complying with mandatory policies and the like
- Meeting contractual obligations
- Identifying and managing legal, financial, operational and reputational risks

Some governance obligations are imposed externally (for example, by the Australian Taxation Office, OHS); others are generated internally (such as voluntarily adopted codes of conduct and group policies).

Many of the basic governance requirements are set out in a group's Rules. There are 'model' rule templates available for unincorporated associations with charitable purposes.

All incorporated not-for-profit organisations must by law have a constitution (also sometimes known as their rules, or articles of incorporation, or articles of association). These rules form part of the governance framework. There are also templates and model rules available for incorporated associations.

Roles and Responsibilities

There should be clarity about the roles and responsibilities of the Board or Governing Committee members and Officers of a group. It is best for these to be documented and reviewed regularly. These may be included in a group's Rules and/or separately.

Where a group has working subgroups or Committees, their purpose, role and delegated responsibilities should be set out in a Terms of Reference.

Useful links:

- VEFN Governance Principles
- Model Rules for an Incorporated Association
- ACNC Constitution template for a Charitable Company
- ACNC Rules for an Unincorporated Association template
- Justice Connect - Not for Profit Law - Position roles in an Incorporated Association
- Institute of Community Directors

Policies

Policies set out guidelines for how a group will conduct its operations and set a tone as well as principles for how it operates. Policies are fundamental to a good governance framework. They provide more detail beyond the overarching rules contained in a group's rules / constitution. Policies should address a group's governance obligations and help it to manage its legal, financial, operational and reputational risks.

Good policies will include the purpose of the policy, who it applies to, why it is being used and how it will be applied in broad terms. Procedures may be included in a policy or added separately when more detail is required.

The types of policies a group will probably need include:

- Governance Principles (VEFN Governance Principles example)
- Code of Conduct (we recommend including behavioural guidelines, child-safe guidelines, and dealing with bullying and sexual harassment here or as separate policies) (Landcare Victoria Code of Conduct)
- Privacy
- Volunteer and Member roles
- Health and Safety (VEFN Work Health and Safety Policy)
- Inclusion and Diversity
- Media
- Finances and Donations
- Advocacy

Useful link: Institute of Community Directors: Policy Bank

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