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The Voice of Multicultural Victoria

**LEADERSHIP
VICTORIA**



Ethnic Communities' Council

Introduction to Good Governance

Richard Dent OAM FAICD

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Ethnic Communities' Council

Leadership Victoria Vision:

*Swifter, better progress
on complex challenges
facing Victoria, Australia
and the world.*

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The Voice of Multicultural Victoria

1. Good governance practices
2. Developing a Constitution
3. The role of public officers
4. Financial management

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Corporations Law

Note 1

“Every decision you make as a board member must be made for the benefit of the organization you are directing”

Corporations Law

Note 1: Decisions must benefit organisation

- not be influenced to your own benefit
- not be influenced to your friends' benefits, nor your "faction" benefits, etc
- focus on the organisation ... because ...

Corporations Law

Note 2

“Every document the board considers is a letter to a judge you haven’t met.... yet”

Australian Non-Profit & Charities Commission

www.acnc.gov.au

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5 x ACNC Standards

- **Standard 1: Purposes and not-for-profit nature**
- **Standard 2: Accountability to members**
- **Standard 3: Compliance with Australian laws**
- **Standard 4: Suitability of responsible persons**
- **Standard 5: Duties of responsible persons**

7 x Duties

- **1: Act with care & diligence**
- **2: Act honestly and for the organization**
- **3: Not misuse position**
- **4: Not misuse information**
- **5: Disclose conflict of interest**
- **6: Manage finances**
- **7: Insolvency**

Five Pillars of Governance

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INSPIRE
LEADERS

CREATE
NETWORKS

DRIVE
CHANGE

FUTURE
MAKERS

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**A thriving
organisation.**

Purpose

Performance

**Risk &
Compliance**

Influence

CEO

Robust governance.

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Purpose

Robust governance.

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Purpose

“The most common form of foolishness is forgetting what we set out to accomplish”. Nietzsche

Purpose

Purpose: Why?

Vision: What outcome do we want?

Mission: How do we make the vision real?

Strategy: Who does what when, to progress the mission.

A thriving
organisation.

Performance

Robust governance.

Performance

- **Set strategy (and revise as needed)**
- **Monitor the external environment**
- **Monitor the internal environment**
- **Monitor outcomes**

3 key top-level goals of an NFP strategic plan:

1. Support for direct stakeholder group.
2. Influencing our stakeholder group's strategic environment.
3. Sustain and/or develop our organisation.

A thriving
organisation.

Risk &
Compliance

Robust governance.

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Risk & Compliance

- Ensure legal and regulatory compliance
- Maintain a risk strategy

A thriving
organisation.

Influence

Robust governance.

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Influence

- Influence board members
- Influence the CEO
- Ambassadors to staff
- Ambassadors to supporters
- Ambassadors to members and community

A thriving
organisation.

CEO

Robust governance.

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INSPIRE
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MAKERS

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CEO

- Recruit, select, appoint
- Delegate to
- Monitor, support
- Succession

**A thriving
organisation.**

Purpose

Performance

**Risk &
Compliance**

Influence

CEO

Robust governance.

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INSPIRE
LEADERS

CREATE
NETWORKS

DRIVE
CHANGE

FUTURE
MAKERS

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And leading the Board itself ...

- Chairing, decision making
- Meeting practices & dynamics
- “Mechanics”
- Recruitment
- Role of sub committees?
- Reports, finances, etc

**A thriving
organisation.**

Purpose

Performance

**Risk &
Compliance**

Influence

GM

Robust governance.

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- 2. Developing a Constitution**
3. The role of public officers
4. Financial management

Constitution

1. A legal agreement between the members
2. That meets regulatory standards
3. There are templates, these can be customised

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Public Officer

1. Special legal responsibilities
2. Is “in charge” ... even more than the Chair

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Financial Management

1. Critically important
2. All your assets are on the line ...
3. If you can't understand the basics ...
learn them or get off!
4. *Everyone needs to know it ... even if
you have an expert on board*

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Resources:

*Australian NonProfit and Charities
Commission*

www.acnc.gov.au

Australian Institute of Company Directors

www.aicd.com.au

Institute of Community Directors Australia

www.communitydirectors.com.au

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