



Aboriginal Participation on Boards Register

The Department of Planning and Community Development would like to thank and acknowledge the Wathaurung people for allowing the use of the word Wayaperri (meaning 'to meet') for the name of this initiative.

Help Sheet 9

To Whom is my Board Accountable?

In simple terms, a State Government Board or Committee is governing on behalf of the Victorian Government and is therefore accountable to the Government, and by implication, to the Victorian public. However, in practice the question is a little more complicated. Just who is "the public"?

The "users"

Depending on the role your Board is undertaking on behalf of the Government, there may be a range of "users" it will need to consider in its deliberations. This will include all those who are using or benefiting from the service provided, or who will be affected by the decisions the Board makes. For example, in the case of a management Board overseeing a hospital, the "users" could include any person who ever had, or could conceivably ever need to, use the hospital. A Board providing advice to the Government on issues affecting elderly people could consider all elderly Victorians as their "users". And a Board responsible for registering members of a particular profession could consider their "users" as the professionals themselves, as well as the people who use or may use those professional services.

Some Boards will also oversee organisations with members – these people also fall under this "users" category. Members are often vitally important to the survival of public organisations or facilities so their views should be sought and listened to.

Funders and Donors

Almost all Boards will be required to oversee some kind of funding. For most Government Boards, the great bulk of this funding will most likely come from the State Government. However, funders may also include corporate, philanthropic and other government sources, individuals, groups or business donors. For example, in the case of a hospital Board, funders and donors could include everyone from the State Government to the local resident who made a bequest for a percentage of their estate to be donated to build a new wing, to the Lions club that held a year-long fundraiser to pay for a major piece of new equipment, right down to the person who bought a \$1 raffle ticket to help buy a new patients' telephone.

Obviously, some donors will be considered more important than others, but all have the right to expect that their money is used and accounted for appropriately.

Sponsors and Partners

Sponsors and partners will usually have even more explicit demands than funders, often including public acknowledgement or even naming rights. Usually sponsors' and partners' requirements will be spelled out in an agreement signed by both parties beforehand, which makes expectations far easier to discern. Their interests – explicit or otherwise – must also be carefully considered by a governing Board if it wants to continue or expand the relationship.

Staff

Many Government Boards are responsible for overseeing an organisation with staff. Staff and volunteers constitute an important group of your Board's stakeholders (after all, it is they who really run the show) and their views and interests will at times need to be carefully considered by the Board.



The community

The Board is ultimately accountable to the State Government, which is acting as an agent for all Victorians. There is therefore an expectation that the Boards the Government has entrusted to oversee important community assets, or to provide well-informed advice or services, will act responsibly, remain true to their missions and in so doing make an important contribution to society. Governing Boards must always take this expectation into account when making decisions.

First among equals

Because of the large range of competing interests, it may sometimes be difficult for Board members to ascertain exactly who it is they are governing for – and what weight to give to those competing interests. For example, a user of the public hospital may have a completely different idea about what is best for the hospital than the staff who run it or the groups that fund it.

And to complicate matters further, there are also some legal requirements to consider.

In legal terms, Board members owe a fiduciary duty (see the Overview of Your Legal Responsibilities help sheet for an explanation of this duty) first and foremost to their Board itself – not to individual members or the group's employees. Therefore it is important that all decisions made by a Board member are viewed in terms of how they will benefit the particular entity they are charged with overseeing.

Duties to the organisation's creditors sit alongside those owed to the organisation's members. This effectively acts as a limitation on the Board's duty to act in the interests of the members because the Board cannot authorise an action contrary to the interests of creditors if the organisation is approaching insolvency. Put simply, when the Board is in financial difficulty, Board members must consider the interests of creditors before those of members.

How can I keep on top of my Board's accountabilities?

At the start of your Board term, and several times during your term, make a list of your stakeholders, including the users, members, funders, sponsors and partners, staff, community groups or individuals, and any other people who may have a stake in your Board's activities, including those who may be adversely affected by them.

You might also consider "ranking" them from most important to least important. This will help you to be clear in your own mind exactly who you are governing for, and what consideration you should give to those competing interests in making decisions.

Always bear in mind that you have been authorised to act in your Board position by the State Government and that the Victorian public should of course be on the top of any list.

For more help sheets visit the following website and follow the links to Wayaperri:
<http://www.dpcd.vic.gov.au/indigenous/>

Queries should be directed to wayaperri@dpcd.vic.gov.au

