

## 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 3

#### What are Boards and what do they do?

##### What are Boards?

The word "Board" describes a group of people with the power to supervise, manage or "govern" a particular organisation, company or facility, or those charged with providing advice or guidance or making decisions on a particular issue. All incorporated organisations in Australia – and many more besides – have Boards in place to oversee their operations.

Such governing bodies are not always known as Boards but can be called a variety of names, including:

- Boards (made up of Board members or Directors);
- Committees (made up of committee members);
- Governing Councils (made up of councillors);
- Trusts (made up of trustees); and
- Similar variations.

##### State Government Boards

The State Government has responsibility for literally thousands of small, medium and large sized Boards that cover an enormous range of responsibilities, from high-profile bodies such as the Australian Grand Prix Corporation Board, to tribunals such as the Mental Health Review Board, to registration bodies such as the Chinese Medicine Registration Board, to advisory Boards such as the Adult, Community and Further Education Board, to locally based bodies overseeing hospitals or advising on issues affecting senior Victorians, coastal environments, domestic pets and so on.

##### What do Boards do?

As well as having different names, State Government Boards can have different functions and modes of proceeding. Generally, they fall into one of the following three categories:

- Boards of Management;
- Tribunal/Registration Bodies; and
- Advisory Boards.

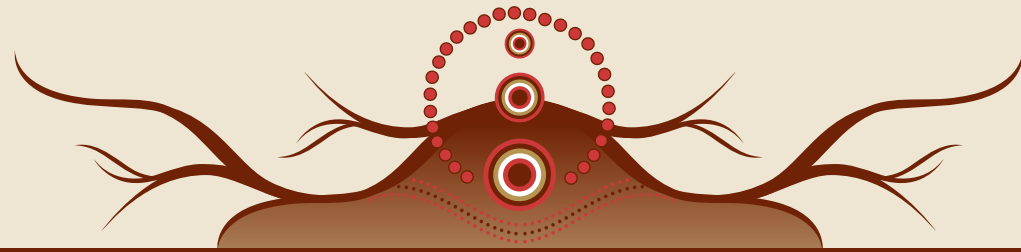
In other words, there are Boards that **manage**, Boards that **decide** and Boards that **advise**.

Whether big or small, high-powered or low-key, state-wide or locally based, most Boards (and all management Boards) have the same main roles: to provide purpose, leadership, direction and overall strategy for the organisation or facility they are presiding over. The Board must ensure that the finances are sound, that the operations are legal, that procedures work, that assets are safeguarded and that all tasks are carried out in the public interest. In the case of tribunals, registration bodies or advisory Boards, they may also be charged with providing advice or guidance to a State Government Department or Minister on a particular issue, or overseeing a particular profession.

The Board is there to **govern** or **steer**, not micro-manage – it is more about directing than doing. The day-to-day management is carried out by staff.



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### The Rules

All Boards must follow a particular set of rules; what form those rules take will usually depend on how the Board was formed and what roles it carries out. For example, if a Board or Committee has been formed from an Act of Parliament, most of the rules it follows will be spelled out in that Act. Other Boards are guided in their operations by a Constitution (also sometimes known as Articles of Incorporation or Articles of Association).

Whatever form the rules take, most will spell out:

- How the Board must be set up;
- The Board's power boundaries;
- How many members it should have;
- How members should be elected or appointed, and procedures to fill irregular vacancies;
- Length of Board member terms;
- What office bearers the Board must have and how they should be elected or appointed;
- Office bearers' roles and responsibilities;
- Procedures for removing Board members; and,
- Meeting requirements, including meeting rules and procedures.

### What do Board members do?

As mentioned above, Boards are put in place to steer or oversee the organisation or facility they are governing or to collect and provide information relevant to an advisory role. Board members need to look at the big picture and carry out constant assessment of the Board's performance. In fulfilling that role, there are several key responsibilities that members must carry out.

- **Strategic Vision and Planning** The Board is the guardian of the strategic vision for the organisation or facility it is overseeing. Its prime role is to keep the vision alive by taking a leading role in planning for the future. Strategic planning enables the Board to think through and document what it is doing, and for whom, and why.
- **Legal and Financial Accountability** – The Board is responsible for ensuring the organisation or facility it is overseeing meets all legal requirements and remains accountable to its stakeholders. These responsibilities are examined in more detail in the Overview of your Legal Responsibilities and Overview of your Financial Obligations help sheets.
- **Selecting and Overseeing the CEO** – Many Government Boards will be overseeing organisations with a paid staff and a Chief Executive Officer (CEO). The Board is responsible for appointing the most appropriate CEO for the job and for monitoring his or her performance.
- **Advocacy** – The Board is the primary link between the organisation or facility it is governing and everyone else. It should represent the interests of the organisation to the broader community, the Government and to other stakeholders, and filter the diversity of stakeholder views back into the organisation.
- **Board Meetings** – All Boards must hold meetings as often as dictated by their rules and Board members are obliged to attend most (if not all) of those meetings. More information about meetings is contained in the Overview of Board Meetings help sheet.
- **Evaluating its own Effectiveness** – A Board needs to regularly evaluate itself to ensure it remains representative, responsive and effective. Evaluation might be carried out informally or could involve holding a Board retreat or setting up a sub-committee specifically for this purpose.

## What don't Board members do?

Boards are put in place to **govern** or **advise**, not to micro-manage, and it is important that Board members understand the distinction between what they do and what the staff does. The best way of illustrating the difference is to provide some examples of where Board and staff responsibilities begin and end.

### The Board:

- Authorises all major decisions
- Sets long-term goals
- Finalises budgets and allocates funds
- Approves any changes or additions outside the budget
- Takes responsibility for financial records
- Employs and monitors the performance of the Chief Executive Officer
- Takes responsibility for legal and compliance matters

### The Staff:

- Carries out day-to-day management
- Implements Board decisions
- Provides to the board any relevant or requested information
- Employs, dismisses and manages staff and volunteers
- Operates programs and reports on their successes or shortcomings
- Organises events approved by the Board
- Looks after the day-to-day finances

Board members need to keep in mind their responsibility to the "big picture" and resist all temptations to drift into operational territory.

## Who can be a Board member?

You do not usually have to have any specific qualifications to be a Board member, however you do need to be "eligible" in the eyes of the law. An eligible person generally is:

- An adult (over 18 years of age);
- Not insolvent or under administration; and,
- Not disqualified under the organisation's constitution, or due to a breach of duties.

It is also true that some skills (such as legal, financial, networking or management skills) are often in more demand than others. Some Boards will also have statutory requirements that dictate membership. For example, the Medical Practitioners Board of Victoria is governed by the *Medical Practice Act 1994*, which stipulates that of the 12 Board members, nine must be registered medical practitioners and one must be a lawyer.

It is important to understand, however, that not possessing "high demand" or specific professional skills certainly does not rule you out of Board service. The best Boards are those that have a good mix of a large range of skills, so many Boards will be on the look-out for people with certain capabilities to fill gaps they may have in their existing membership. In the case of the Medical Practitioners Board we mentioned above, for example, the remaining two Board seats are reserved for community members.

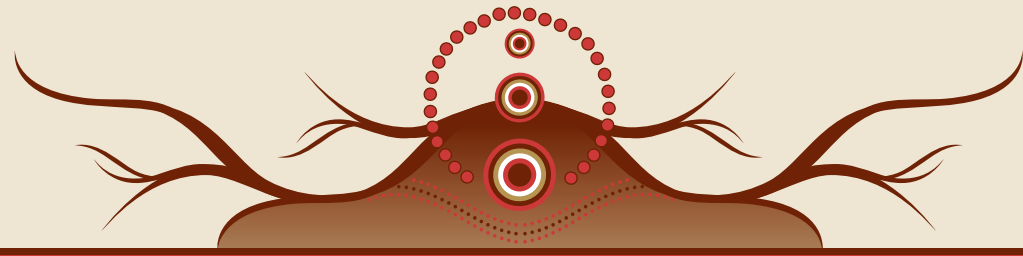
## Who's Who on the Board

Most Government Boards have a group of office bearers. These will most likely include a Chair and Deputy Chair (or a President and Deputy President). Those Boards with committees or sub-committees will also have Committee Chairs. How the different office bearers are appointed should be spelled out in the Board's rules.

### The Board Chair

The Chair serves as the Board's figurehead and spokesperson and takes a leading role in the functioning of the Board. The Chair is also responsible for managing Board meetings, ensuring they do not stray too far from the prepared agenda and that members stay within the meeting rules. Some Chairs are also given an additional casting vote, which can give them important directional power. They will also act as a link between the Board and the CEO, who in turn acts as a link to staff and volunteers.

In years past, the Chair was often referred to as the "Chairman" – a stark reminder of the time not too long ago when only men were entrusted with such important roles. The gender neutral title of Chair is nowadays generally considered more appropriate and is in wider use. Some Boards use the term "President" instead.



### The Vice Chair / Deputy Chair

Many Boards appoint a Vice Chair (or Vice President) to support the Chair in his or her many tasks and to fill in when the Chair is absent. The Vice Chair is also expected to play a major role in the Board leadership.

### Committee Chair

Many Boards establish committees or sub-committees to concentrate on specific areas – governance, budget and finance, public relations, etc. – and then make a recommendation to the full Board. Committee Chairs are responsible for overseeing the committee, managing its meetings and reporting to the Chair or full Board on committee matters. More information about committees is contained in the Board Committees help sheet.

### Others

There are some other office bearers – Executive Officers (sometimes known as Secretaries), Treasurers and Public Officers – that you may encounter in your Board role.

In general, the Executive Officer (who is not necessarily a Board member) will be responsible for tasks including preparing and distributing meeting agendas, ensuring meeting minutes are taken and legal compliance. Treasurers are responsible for monitoring the financial position of the organisation and for keeping other Board members abreast of financial matters. Public officers are responsible for notifying the authorities of any changes in the official affairs of the Board and its financial position, keeping a record of Board members and providing an annual statement.

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

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