

Governance Survey  
Highview College



2013



# The Role of Independent Schools Victoria

Independent Schools Victoria's vision is 'a strong Independent education sector demonstrating best practice, providing excellent outcomes for students and choice for families'.

To realise our vision, we:

- advocate for excellence in education
- champion Member Schools
- support quality education
- protect the right of parents to choose where and how their children are educated.

Independent Schools Victoria will assist our 212 diverse Member Schools to continue providing the best possible education outcomes for the citizens of tomorrow.

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# 2013 Governance Survey Report

An effective Board of Management is essential for all Member Schools. Our Board of Management Diagnostic provides a qualitative measure for Boards to examine their performance against governance principles.

Increasing Boards' awareness of how they are performing, and identifying challenges and goals leads to more effective governance.

Since 2008, 94 schools and more than 1000 of their Board Members have completed the Governance Survey, creating valuable baseline benchmarking data that will benefit all schools in coming years.

Thank you for contributing to our research that enables us to identify and implement best practice in education, and to develop and deliver cost-effective products and services to support Member Schools to continue providing quality educational outcomes.

A handwritten signature in black ink that reads "Michelle Green". The signature is written in a cursive, flowing style.

Michelle Green  
Chief Executive

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# Independent Schools Victoria Board of Management Diagnostic for Highview College

The Independent Schools Victoria Board of Management Diagnostic was developed to provide Boards of Management of Independent schools with a means of measuring their overall performance.

The Governance Survey enables schools to examine their operation in a number of areas which relate to high quality governance principles.

- It is an extension of Independent Schools Victoria's "Across the Board" Guidelines on the structure, legal obligations and roles of school boards and members
- The Governance Survey provides Boards of Management of independent schools with a means of measuring their overall performance
- The survey framework offers two different measurement criteria within an environment of private self-analysis
- Provides the Board of Management with a private introspective tool of self-analysis
- Provides the Board of Management with a measure or benchmarking for comparative analysis between schools
- The Governance Survey enables schools to examine their operation in a number of areas which relate to high quality governance principles
- The results will provide a significant indicator of those areas where your Board is performing well, but also those areas which may form forward-looking goals and challenges

Please note that your results have been benchmarked against the combined results for Governance surveys conducted in 2008 to 2013. The benchmarks include the latest results only from each school that has participated since 2008. Therefore, the 2013 Independent Schools Victoria reference mean is based on 722 Board Members from 94 schools.

Seven respondents from Highview College participated in the 2013 Governance Survey.

Please bear in mind that because of the small sample sizes involved in this survey, your results are qualitative in nature.

## Scoring

**Score of 7:** Scores averaging 7 indicate a Board that is operating at an exceptional level or at a level that requires further investigation, to ensure it is not simply a 'rubberstamping' agent complying with instructions. Note: the operational effectiveness of the Board is improved with a diverse membership.

**Score of 5 – 6:** Scores averaging between 5 and 6 show a Board with a fair to good awareness of their performance. This means they are functioning well, but should continue with programs to improve performance.

**Score of 4:** Scores averaging 4 indicate 'fence sitting' occurring; measures should be undertaken to improve performance in these areas.

**Score of 3:** Scores averaging 3 indicate improvement is needed

**Score of 1 – 2:** Scores averaging between 1 and 2 indicate a Board operating at a less than adequate or acceptable level. A Board operating at this low level of functionality requires an in depth review, to identify specific areas that need improvement.

## Introduction

- Respondents were required to rate items on a scale of 1-7 from 1 = strongly disagree to 7 =strongly agree

Mean scores are reported in the bar charts. The table below indicates what each of the coloured bars represents

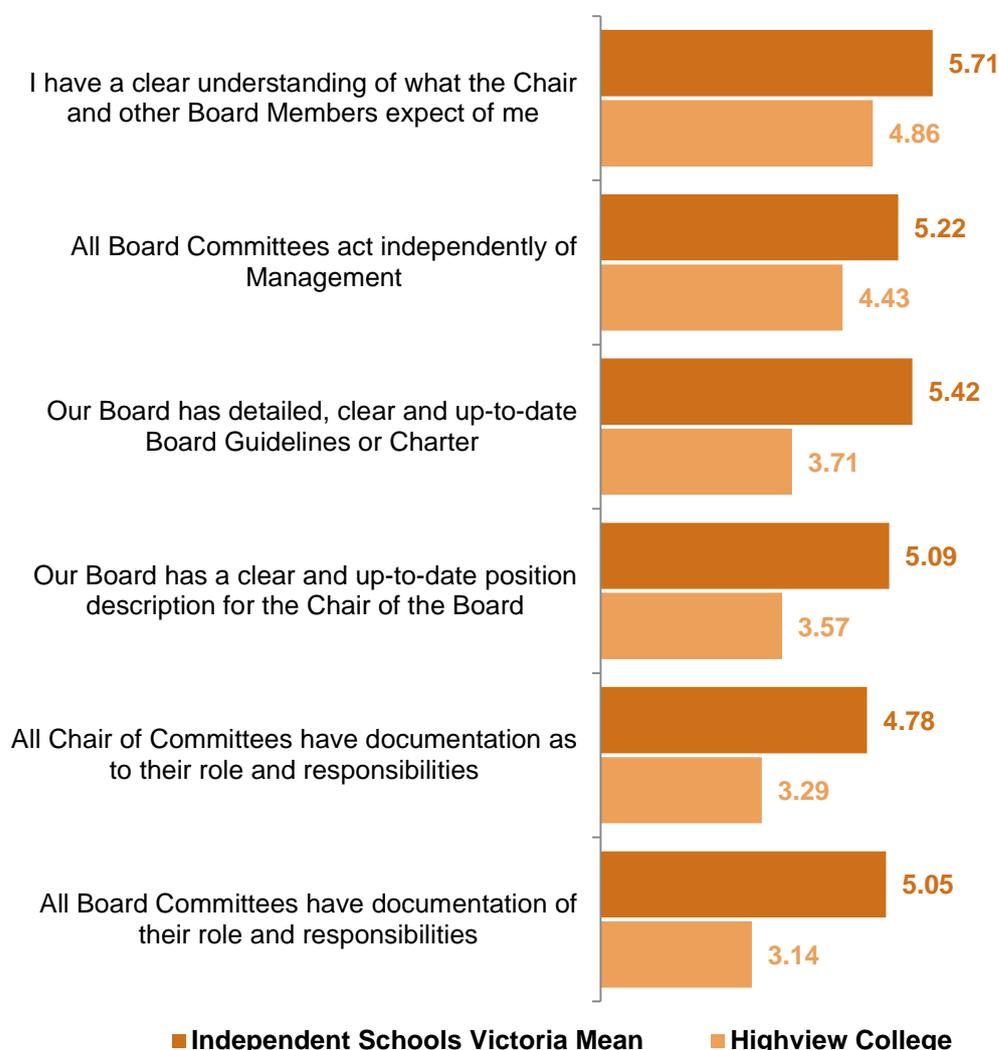
	Independent Schools Victoria Reference Mean 2013
	School Means for Individual Items

# 1. 'WHAT' – Board Structure and Role Clarity

This aspect of the diagnostic describes the scope of the Board's responsibilities, which sets out the "rule book" for proper corporate governance, resulting in the Charter or Board Guidelines.

It captures:

- the extent of the documentation of roles and responsibilities of an organisation's Board of Directors, Committees of the Board, Chair and individual Board Members
- the clarity of the role of individual Board Members, and what is expected of him/her as a Board Member
- the extent to which the Board and Committees is independent of management influence (a clear independence of mind and judgement).

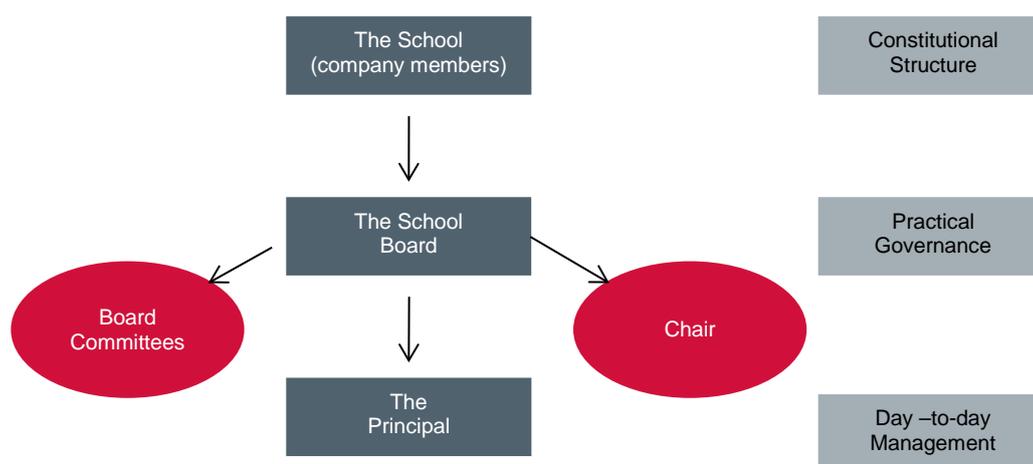


## Organisational Structure

A school Board must have clear boundaries between the overall governance of the School, which is the responsibility of the Board, and the day-to-day management of the School, which is the responsibility of the Principal and senior management team.

The diagram below is a visual representation of the organisational structure and delegation of powers throughout a school. At the top, the

School's constitutional structure is made up of its Members, whose liability is limited to a nominal Guarantee under the School's founding document. The practical governance and policy-making of the School is delegated to the School Board. The School Board is effectively led by the Chair. The Board may have established a number of Committees to maximise efficiency and effectiveness. The day-to-day management and operations of the School are delegated from the Board to the Principal.



## Board Charter

Boards performing well in this area may have adopted a formal Board Charter that outlines their functions and responsibilities. In establishing a Charter, it is important for the Board to set out the key values, principles and ethos of the School, as policies and strategy development are based on these values. The Board Charter may also disclose the division of responsibilities and delegation of powers, so that no individual has unfettered powers and so that accountability is clear.

A simple Charter may include the following information:

- Board structure – including number, term, appointment and vocation of Board Member positions
- The role of the Chair and Board Members
- The role of the Principal
- Conduct of Board meetings – frequency, place, attendance, quorum and cycle
- Format of agendas for Board meetings, Board papers and minutes
- The number of committees and their structure
- Strategy and goal setting processes, including budgets
- Monitoring of performance and establishment of key performance indicators
- Performance management for the Board and Principal
- Delegations of authority to the Chair, Board Members, Principal or senior management team
- The relationship with the broader community and key stakeholders
- Compliance

## Role Clarity

A school performing well in this area will have clarified the role of the Board, the Chair, and its individual members. It is the role of the School Board to provide strategic guidance for the School and to effectively oversee and review the School's management.

Good governance requires the School Board to:

- Adapt to the distinctive characteristics of an academic environment and act so as to exemplify and reinforce the institution's core values and ethos
- Oversee all aspects of the School, including its control and accountability systems, and approve the expenditure and capital budgets
- Appoint, review and remove the Principal and provide ongoing support and supervision
- Develop and maintain healthy relationships with key stakeholders and develop effective communication channels
- Ensure a strategic approach to the school's future by setting major goals, policy frameworks and strategies
- Set the tone and the ethical standards of the school and monitor adherence to them
- Review plans and budgets established by school management
- Approve all material expenditure outside the budget
- Anticipate problems as much as possible and act to diffuse issues
- Be attentive to the matter of succession
- Establish committees where appropriate
- Review and monitor adherence to systems of risk management, governance compliance and legal compliance
- Monitor organisational performance
- Conduct an annual review of the Board's own performance (i.e. Board Appraisal)
- Conduct an annual review of the School's progress in meeting its objectives
- Maintain the solvency of the school.

The Chair is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chair should facilitate the effective contribution of all

directors and promote constructive and respectful relations between Board members and between Board and Management

It is the responsibility of the Chair to:

- Effectively lead the Board and chair all Board Meetings
- Recruit the right people to the Board, ensuring they have a mix of skills, knowledge and experience to do their job
- Ensure that new Board Members match the culture of the Board but not to the point of hindering diversity
- Manage the Board in the discharge of its duties
- Manage the frequency and agenda of Board Meetings
- Act as a facilitator of relationships within the Board
- Create an appropriate environment for robust Board discussion and facilitate constructive debate by effectively managing different views
- Act as motivator and energise the Board
- Ensure a comprehensive flow of relevant information to the Board – this should be achieved by implementing and overseeing efficient reporting systems
- Ensure that the Board is kept properly informed about the school's financial affairs
- Provide stakeholders with sufficient information to allow them to make informed decisions about issues
- Ensure that the management of the School is running effectively and act as the Board's primary channel of communication with the School Principal
- Ensure that the balance of responsibilities and duties between the Board and the Principal is appropriate
- Actively assist in supporting a new Principal to the School, including facilitating domestic and personal arrangements
- Provide ongoing support and mentoring to the Principal
- Ensure that adequate committees are in place to assess the general standards of performance of both management and finances
- Lead the Board in creating the governance structure for the school and take a leadership role on corporate governance issues

- Respond promptly and comprehensively to concerns raised by other Board Members
- Commit sufficient time to the job and not be overburdened with other roles.

## Independence

A school performing well in this area will have a Board and Committees which are independent of management influence, demonstrating a clear independence of mind and judgement. Board members will understand that they have the same legal duties as directors of for-profit companies, and therefore are obliged to comply with general law and legislative requirements. These legal obligations are not dependent on the size of the school or experience of the Board.

It is a fundamental aspect of good governance that all Board Members understand that their role on the Board is first and foremost to act in the interests of the school as a whole. Board Members are not on the School Board to represent and promote the interests of particular groups or stakeholders. They are not there to represent the interests of their constituents.

The overriding obligation on all Board Members to act in the best interests of the school as a whole arises by virtue of what is known as the 'fiduciary relationship' between each Board Member and the school. The fiduciary relationship is a general law notion and simply dictates that Board Members must always and unwaveringly act in the best interests of the school and must act honestly, fairly, loyally, in good faith, and with integrity.

In all deliberations, members of the School Board must have regard to the overriding principle that their duty is to act in the best interests of the school, irrespective of any personal or other interests.

Another essential aspect of good governance is that Board Members maintain confidentiality in respect of all Board matters and discussions. Confidentiality forms the basis of trust and encourages an open and honest forum for discussion. Board Members have a right to freely express their views without fear of being named outside the Board Meeting as taking a particular position

Dependent upon the size of the School, the Board may have established a number of Board Committees to maximise efficiency and effectiveness.

The most common committees are:

- Finance and Audit Committee
- Nomination and Succession Committee
- Asset Management / Property Committee
- Fundraising Committee
- Remuneration Committee
- Risk Management Committee
- Executive Committee

The roles, responsibilities and reporting requirements for each Committee should be outlined in individual Committee Charters, the structure of which can be based on the Board Charter. Independent Schools Victoria can provide draft charters for Committees, with suggestions for membership, on request.

Larger Schools may have appointed an Executive Committee and a more extensive network of committees.

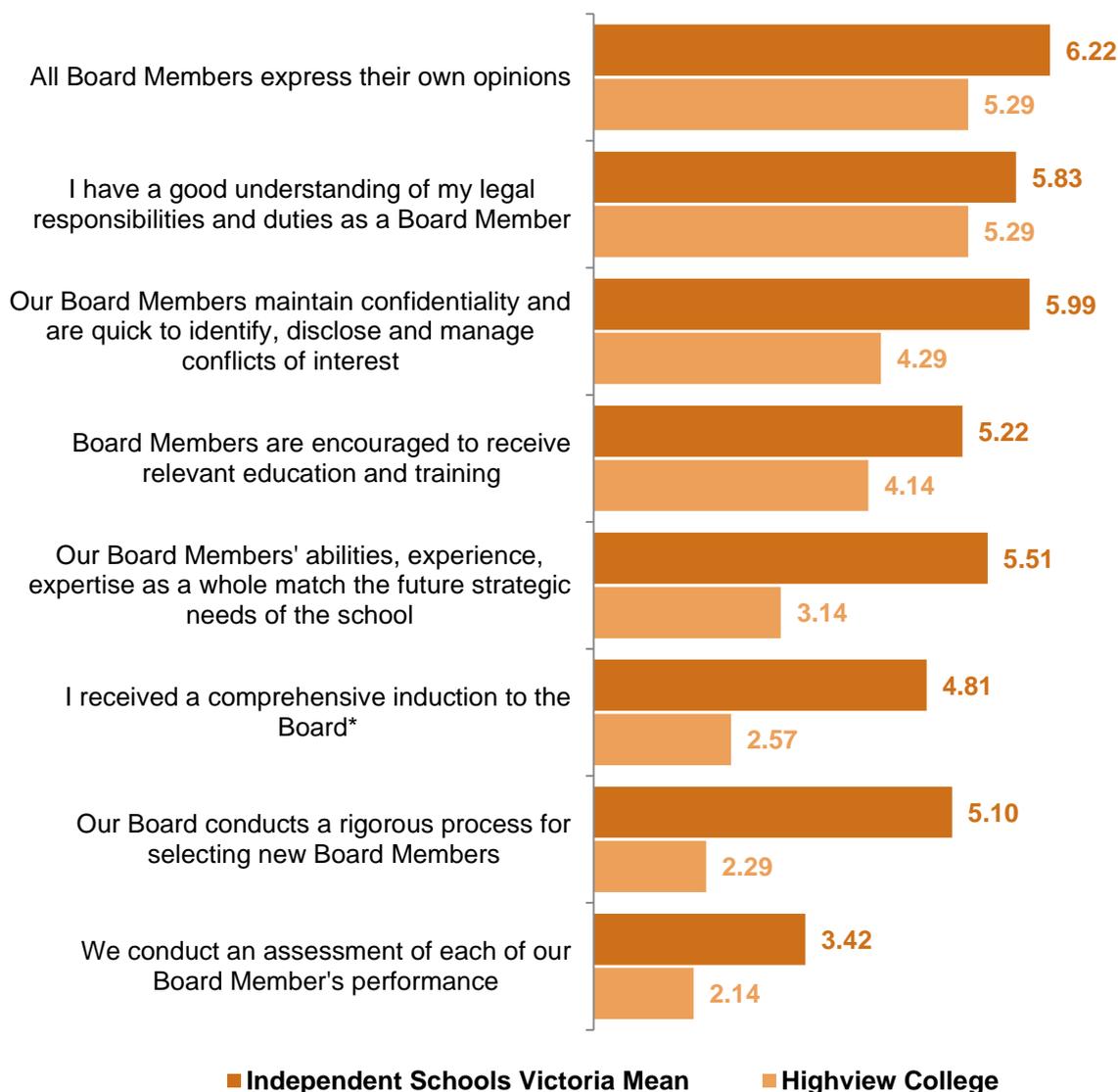
Where an Executive Committee is appointed, it will usually comprise the Chair, a Deputy Chair (if there is one), the Principal and the Finance Committee Chair. It is usually charged with the responsibility for the day to day overseeing of the Board's strategy and policies.

A board performing strongly in this area may well review the Charter of all committees yearly.

## 2. 'WHO' – Board Composition

This aspect of the diagnostic considers who is on the Board and, in particular:

- the balance, competencies and skills of existing (as well as prospective) Board Members, including their effectiveness
- how new members are recruited to the Board, their induction, their opportunities for continuing education and development
- important qualities that the Board Members should possess, whether Board Members' performance is regularly assessed, and their independence.



\* For example, the strategy, operation and performance of the School, the responsibilities of our Board and Committees and the contribution expected of them.

## **Board Structure: Balance, Competencies, Skills, Effectiveness and Recruitment**

### **Balance, Competencies, Skills and Effectiveness**

A school Board which has performed well in this aspect of the diagnostic will have members who bring to the Board a diversity of skills and views.

There are certain characteristics and traits that are considered extremely valuable for Board Members and these should be taken into account when selecting individuals to sit on a School Board. An ideal Board Member will exhibit some, if not all, of the following characteristics:

- Strong sense of ethics
- Honesty
- High levels of integrity
- Diligence
- Transparency
- Courage to challenge the status quo
- Commitment to the School (Because commitment to the school is so important, it is common (and even desirable) to see current and former parents, donors, and former students on the School Board)
- Strong oral and written communication skills
- Ability to display initiative and confidence
- Ability to establish and develop quality relationships
- Strong analytical and problem-solving skills
- Ability to think strategically and critically
- Basic financial analytical abilities
- Ability to relate to a wide range of people
- Ability to gain respect and act as a mentor to management
- Ability to understand and relate to stakeholders
- Potential for long term valuable contribution and involvement
- Ability to fill an identified skill need on the Board.

The most effective size for a School Board will depend largely on the specific circumstances of the particular school. A medium to large sized school that has access to a range of

resources will usually appoint between 10 to 16 Members to its Board. In contrast, a smaller school with limited resources may be governed effectively by a Board with fewer than 10 Members.

However, a large number of individuals sitting on the Board may hamper effective decision-making. Such considerations, along with the particular circumstances of the school in question, should be weighed up when determining the size of the Board.

### **Recruitment and Selection of New Board Members**

Schools that perform well in this area will have well-understood and rigorous selection criteria for the recruitment of new board members. Many will employ a skills matrix to support their selection. A sample skills matrix which can be used as a basis for determining requirements when vacancies occur is available from Independent Schools Victoria.

The range of skills and attributes that should be sought for representation on a School Board includes:

- Corporate experience
- Risk management experience
- Financial and accounting experience
- Leadership experience
- Interpersonal skills
- Educational experience
- Legal experience, and
- Religious affiliation (if relevant).

In addition, consideration should be given to the gender balance on a School Board and a variety of age groups should be represented.

### **Selection Process**

The process for selection should be documented to ensure it is clear and transparent. It is important that there be a balance of skills and inputs on the Board, and that this mix – and the personality profile of existing Board Members – be considered when appointing new members. Schools which perform strongly in this area of the diagnostic will demonstrate a team approach, with all Board Members working cooperatively.

## **Board Structure: Induction, Education and Performance**

### **Induction for New Board Members**

Boards that provide a formal induction process for new members perform strongly in this area of the diagnostic. As a guide, a one to two hour induction meeting should be held with all new Members of the School Board. The meeting should be arranged and conducted by the Chair of the School Board, with assistance from the School Principal as appropriate, in an informal environment.

Material provided to new Board Members could include:

- A letter of welcome from the Chair
- The terms of appointment
- The School's founding document
- The Board Charter
- A copy of the school's mission and values statement
- A plan of the organisation's structure
- A physical plan of the school
- A background history of the school
- A statement of the Board Member's roles, rights and responsibilities (usually from the Charter)
- A statement of expectations of Board Members (including commitment envisaged)
- Relevant policies
- The School's latest Annual Report
- Board Minutes and papers from recent Meetings
- Legal and governance obligations – dependent upon the School's legal structure, funding agreement and other School policy
- Deed of Access, Indemnity and Insurance
- Directors and Officers Liability Insurance Policy (where relevant)
- Director's Confidentiality Agreement

New Board Members must be given adequate time to learn the fundamentals of Board operations. It is the responsibility of any new Board member to undertake a due diligence of the school's Charter documents and financial position, and understand the legal structure of the school.

### **Continuing Education**

On an ongoing basis, Board Members should be provided with updates and information about forthcoming major initiatives and their implications, and should also be apprised of appropriate relationships between Board Members and the Principal, staff and students. Schools that perform well in this area may identify group and individual opportunities for professional development including Board planning days, attendance at Governance workshops and a program of reading throughout the year.

### **Performance Appraisal**

This is one of the most difficult areas for School Boards, which differ from the traditional corporate model as Members are acting on a voluntary basis. This introduces complexity into the area of performance management which must be sensitively handled, so that it is constructive, rather than negative.

It is vital that all Board Members be aware and completely committed to an appraisal program before one is conducted.

A Board appraisal program should start with a list of specific goals and targets relevant to each Board Member. Some will be general for all Board Members and others will specifically relate to the expertise that the individual brings to the Board. These goals and targets provide a framework against which the individual may be assessed.

As a practical guide, the Chair should conduct an annual consultation with each Board Member about their view on each other board member. The Chair combines the gathered information with their own perspective, and then participates in a one to one performance review with each Board member.

This can be an effective appraisal process as it has the advantage of confidentiality and has the most potential for frank and open discussion. Another common method of performance management involves conducting a 'whole of Board' review using questionnaire, interview or a contribution, asking each Board Member for feedback. This may be complemented by a sub-group reviewing Board activity. Independent Schools Victoria

can provide some generic information on performance indicators for the Board, individual Board members, the Chair and the Principal; however, individual Schools should develop their own specific key performance indicators and questionnaires that are structured in accordance with their particular nature and values.

## **Board Structure: Confidentiality and Conflict of Interest**

### **Confidentiality**

An essential aspect of good governance is that Board Members maintain confidentiality in respect of all Board matters and discussions. Confidentiality forms the basis of trust and encourages an open and honest forum for discussion. Board Members have the right to freely express their views, without fear of being named outside the Board Meeting as taking a particular position. It is important that schools adopt a Confidentiality Agreement which defines what is considered “Confidential Information”.

Usually this covers all information treated by the School as confidential and includes information comprising or contained in:

- the Board Papers/Documents
- any documents referred to in or annexed to the Board Papers/Documents
- any documents that make reference to the Board Papers/Documents, or information contained in the Board Papers/Documents, and
- any discussions at Board meetings (whether formal or informal)

This does not include information which the Board Member can establish is in the public domain or expressly stated not be confidential.

### **Conflict of Interest**

A further essential aspect of good governance is that Board Members recognize their duty to avoid situations where, without the prior consent of the Board, a material personal interest of a Board Member conflicts or may conflict with their duty to the School. Conflicts of interest are prohibited by law, and any considerations of fairness are irrelevant. The only means by which a conflict of interest will be permissible is with the prior informed consent of the School.

Board Members need to clearly understand the concept of material personal interest, and this should be covered in the School Board induction procedures. As a guide, in matters that relates to the affairs of the School, a Board Member must disclose their interest to the other Board Members, giving details as to the nature and extent of the interest and the relation of that interest to the affairs of the School, as soon as practicable after becoming aware of the interest in the matter.

It is the role of the Chair to ensure that details of the disclosure are recorded in the Minutes of the Meeting. The Board Member should be absent from the meeting while the matter is being considered and refrain from voting (unless a Board Resolution is passed to the contrary).

### 3. 'HOW' – Board Process: Board and Committee Leadership

This aspect of the diagnostic describes how the Board carries out its main tasks. How a Board comes together to make decisions is a critical determinant of the quality of its decision-making and ultimately its effectiveness. How Boards act – or fail to act – is a complex interaction and the result of many factors including:

- the leadership skills of the Chair of the Board, his/her relationship with the Principal plus Board Member dynamics including the quality of decision making
- individual Board Member behaviours and Board Member communication protocols and their relationship with Management
- all aspects of how Board Meetings are operated, including meeting behaviour
- the appropriateness and timeliness of information received and internal reporting.



## **Board Process: Leadership and Relationships**

### **Leadership skills of the Chair of the Board**

A school Board which has performed well in this aspect of the diagnostic will have a Chair who displays good communication and leadership skills,

The Chair is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chair should facilitate the effective contribution of all Board Members and promote constructive and respectful relations between Board Members and between Board and Management.

A good Chair gives an appropriate commitment to the job and allocates sufficient time to do the job well. A good Chair will possess skills additional to the skills required of all Board Members: these include meeting management skills and time management skills. In addition, an ability to manage and construct agendas, and a willingness to ensure stakeholders are adequately informed are important.

For more information regarding the responsibilities of the Chair, refer to page 7.

### **Relationship with the Principal**

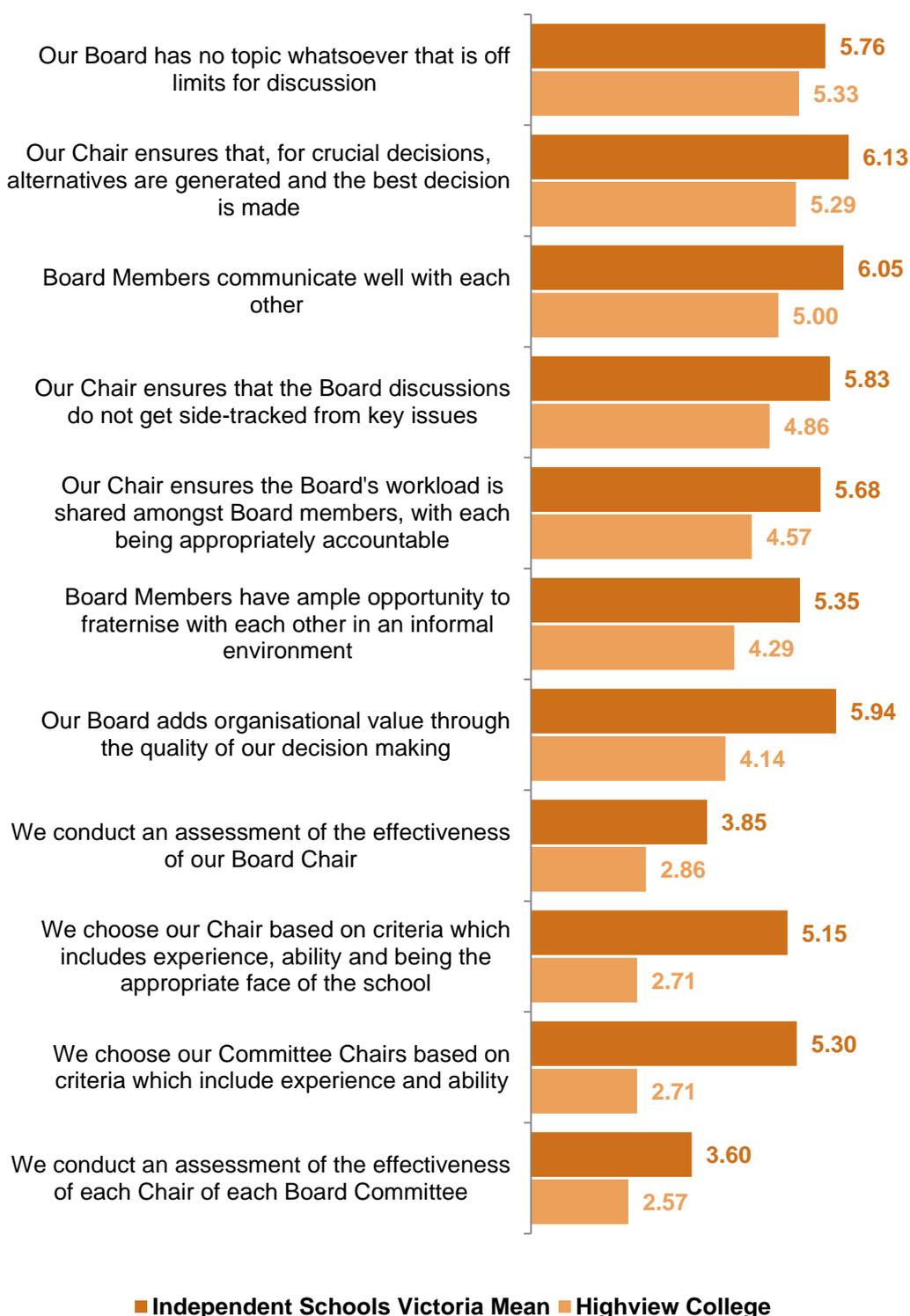
A school Board which has performed well in this aspect of the diagnostic will have a Chair who has a strong relationship with the Principal.

The Principal is responsible for the management and day-to-day operations and business of the school. The authority to exercise managerial powers is delegated from the Board, which retains responsibility for the overall governance of the School. The Principal oversees the educational programs and developments in the school (and in the broader educational community) and must keep Board Members abreast of these issues. It is critical that the Principal and the Board have confidence in one another.

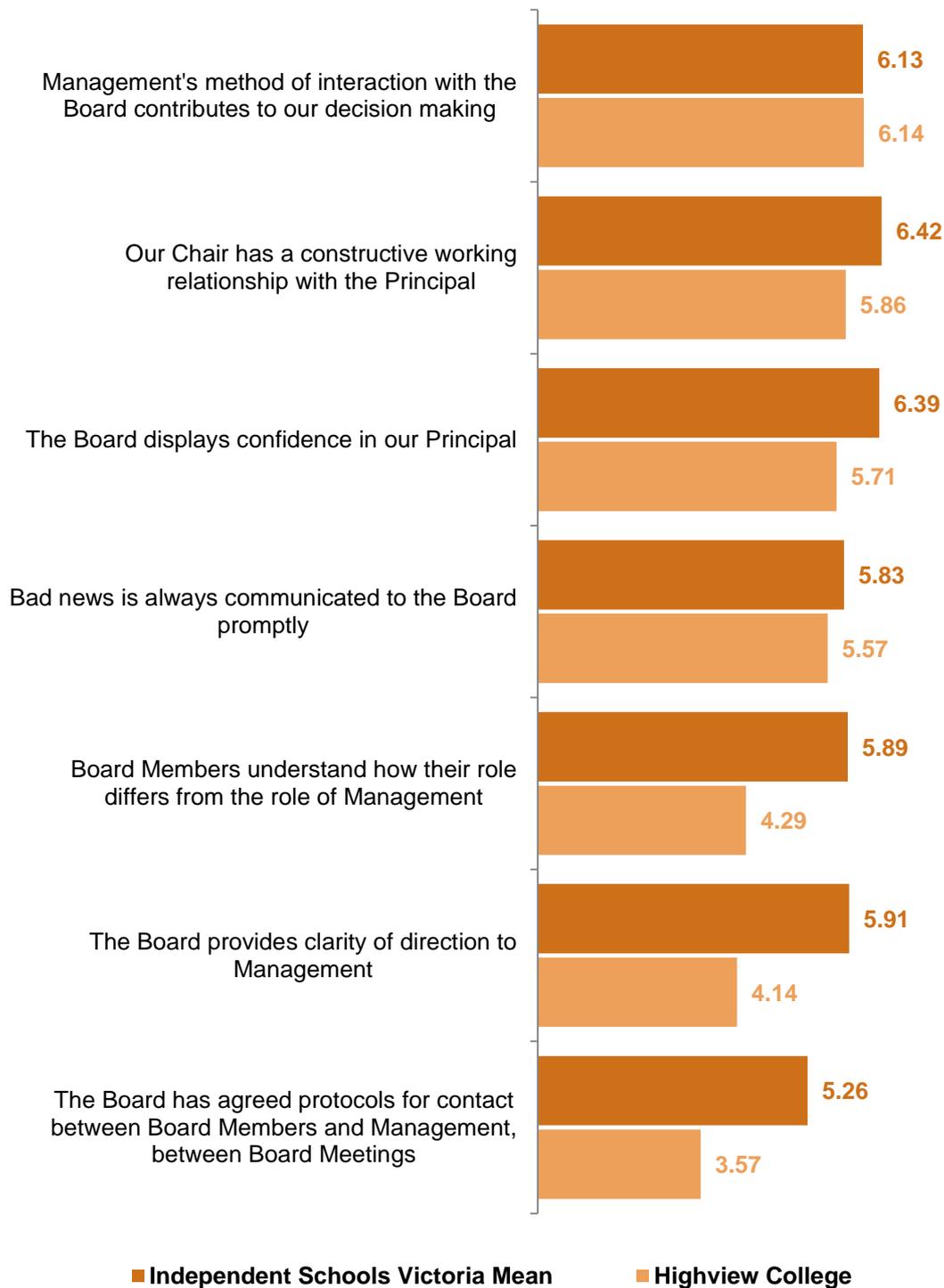
A good Chair will actively support and mentor the Principal, developing a relationship based on mutual trust and respect. For this to happen, the Chair will publicly support the Principal at all times. The Chair is the Board's primary channel of communication with the Principal, and needs to act to ensure that the balance of responsibilities and duties between the Board and Principal is appropriate.

Strong relationships exist between the Principal and Chair which will consist of both formal and informal interaction, and it follows that the Chair should regularly review the performance of the Principal.

## Board Process: Board Effectiveness



## Board Process: Board and Management Relationships



## Board and Management Relationships: Communication

### Individual Board Member behaviours, Board Member communication protocols, Relationship with School Management

In a strongly performing Board, Board members:

Do:

- Act in the best interests of the School at all times
- Maintain confidentiality of all Board discussions and decisions
- Act with integrity, honesty, diligence and accountability
- Disclose all potential conflicts of interest to the Board
- Review the school's Directors and Officers Insurance Policy and understand any potential liability that is not covered under this Policy

Don't:

- Fail to speak up at Board Meetings if they have a lack of understanding or clarity in relation to any Board matters, discussions or resolutions
- Use any information obtained by virtue of their position on the Board in any manner other than which it was intended
- Simply go along with the rest of the Board if they disagree with other views or decision-making
- Allow the School to incur a debt without there being a reasonable prospect that it will be able to meet the debt when it falls due
- Over-commit themselves to other responsibilities so that they cannot fulfill their Board responsibilities or give a proper commitment to doing the job well.

School Board Members are usually acting as volunteers and it is good governance to have clear policies and guidelines in place for their guidance. The retention of volunteers involves a special challenge as financial incentives are removed, and therefore it is vital to ensure that Board Members are adequately supported in their role. In addition, effective communication channels are essential, as is the provision of

quality and timely information from Management.

One issue for consideration is whether or not to implement constitutionally enshrined tenure limits. A fixed three-year term with a maximum of three terms is generally appropriate.

### Communication Channels

Good governance involves the School Board and the Principal having an open and honest relationship, where there is an effective flow of communication between the parties. As it is the Chair's role to act as the Board's primary channel of communication with the Principal, trust, honesty and respect between the Principal and the Chair are essential aspects of good governance.

The Principal should attend all Board Meetings, except those at which the Principal's performance is to be discussed. The Principal may or may not be a member of the Board (anecdotally the position seems to be evenly split). Although the Principal usually occupies a unique position in a managerial sense, in order to achieve good governance practices the Principal needs to have managerial roles, responsibility and accountability similar to those of the Chief Executive Officer of a commercial undertaking. It is important that the roles, responsibilities, delegations and authority of the Principal are clearly defined and understood.

These include:

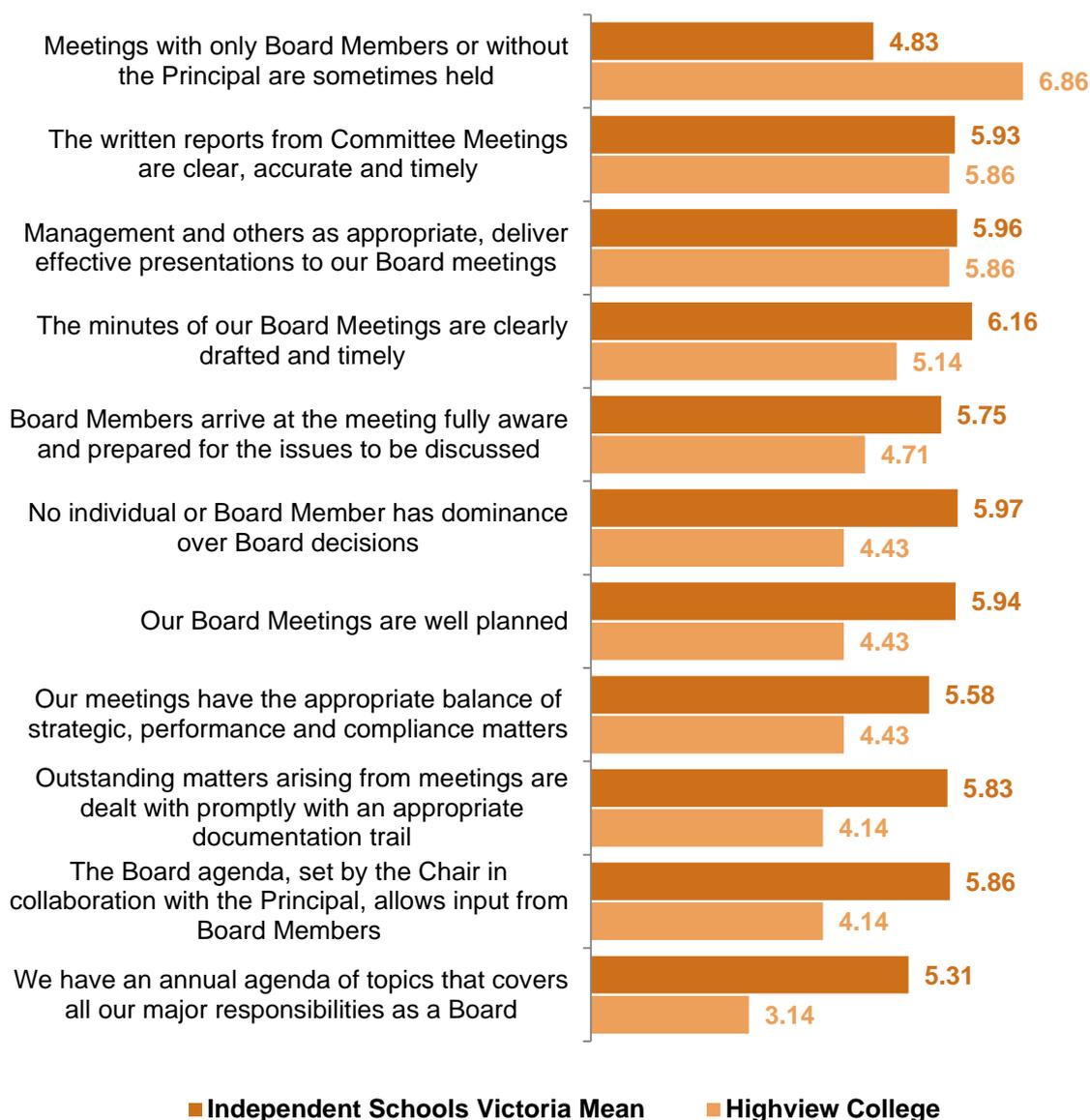
- Management powers
- Remuneration (level determined by individual School)
- Key performance indicators
- Performance management
- Delegations
- Authority and responsibility levels, and
- Dealing with relationship issues.

The above should be clear and unambiguous. Each Board Member and the Principal needs to understand these issues. At the time of appointment the Principal should be given a formal job description and a letter of appointment outlining the duties, rights and responsibilities attached to the role.

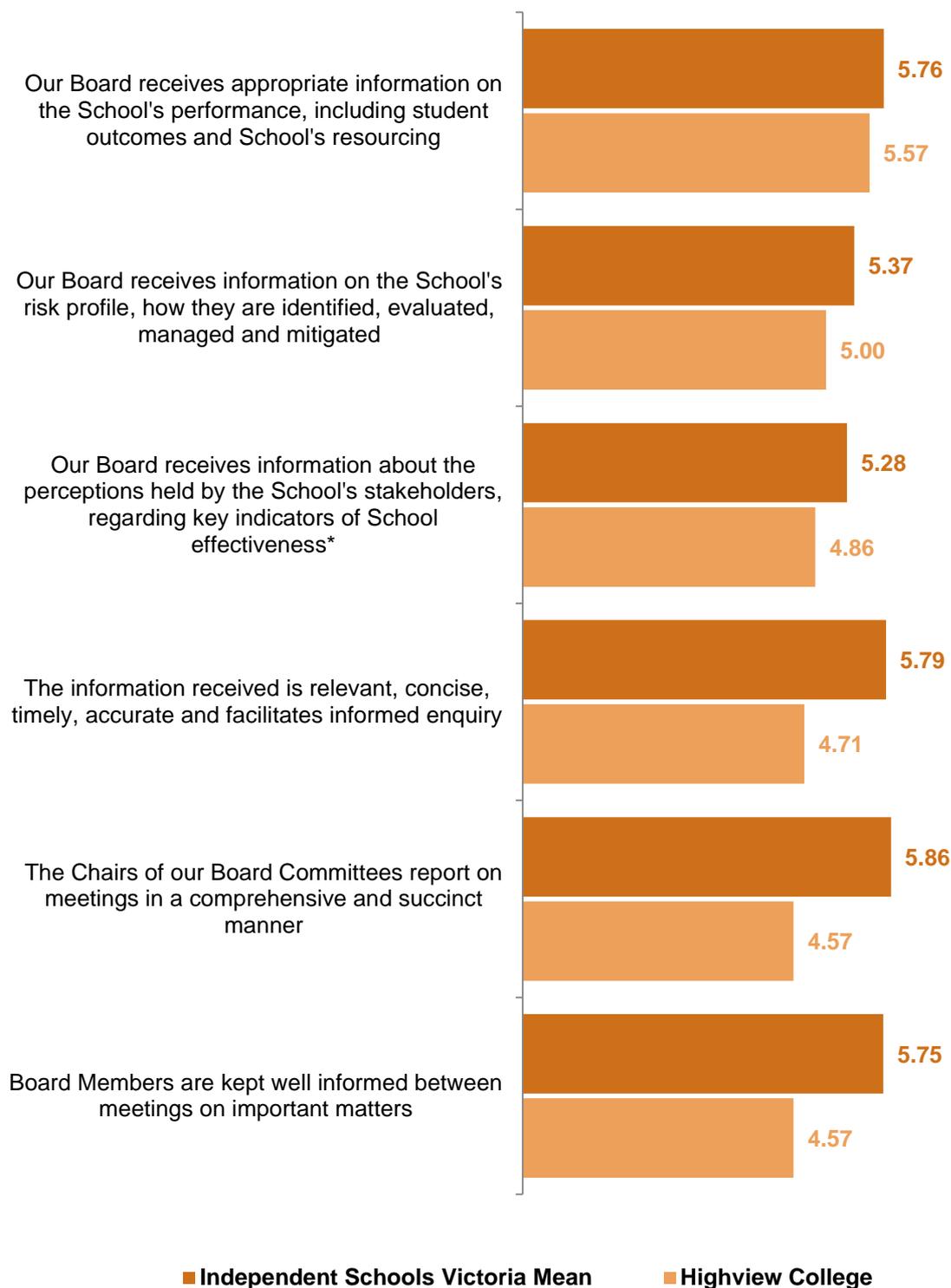
Good governance requires the school to have clear guidelines determining the boundaries between the governance role of the Board and the day-to-day management of the school, which is the Principal's role. The following processes are useful in achieving appropriate separation of roles:

- Formalise and disclose the delegation of authority to the Principal
- Formalise and disclose the authority reserved to the Board
- Define the role of Principal in a job description, and
- Ensure that key performance indicators are in place to measure the Principal's performance.

## Board Process: Agendas, Minutes and Meetings



## Board Process: Information and Internal Reporting



\*School stakeholders are parents, students, ex-students, teachers and management. Indicators of School effectiveness are teacher quality, morale and overall satisfaction.

## Agendas, Minutes and Meetings: Behaviour, Papers and Running of Meetings

### Operation of Board Meetings and Meeting Behaviour - Convening Board Meetings

Board Members make decisions collectively and exercise their powers at duly convened and constituted Board Meetings. Board Meetings should be held frequently enough to allow the Board to attend to its business and to work effectively as a team. The Principal should also attend all Board Meetings, excluding only those where the performance of the Principal and the management team is to be discussed.

Unless the Board Charter dictates otherwise, a Board Meeting may be called by a Board Member giving reasonable notice individually to every other Member. Separate notice is not required for each Meeting if the Board Members or the Charter prescribe regular fixed Meetings.

### Agenda and Meeting Papers

Where boards have performed well on these indicators, the School Chair and the School Principal may meet at least one week prior to the School Board Meeting, to finalise the Agenda for the Meeting and shortly afterward to review outcomes of the meeting.

Board Members should have the opportunity to place items on the agenda and to thoroughly review and consider all upcoming agenda items before the Meeting. This can be achieved by circulating a draft agenda before the agenda is finalised and inviting Board Members to include items on the agenda.

The Agenda will normally consist of a number of 'Standing Agenda Items', Agenda Items that have been requested by School Board Members, Agenda Items that have been requested by interested Groups (e.g. Church Board or Members of the Congregation) and Agenda Items that have been requested by parents of children at the School.

Ideally, all Members of the School Community should be advised of the process for submitting proposals for Agenda Items for the attention of the School Board Chair and the School Principal, who

have the discretion as to whether the proposal is accepted or not.

The agenda should always cover key areas of policy such as:

- Monitoring of operations
- Risk management
- Major issues.

The agenda should also include the item "Other Business" or provide ample opportunities for Board Members to raise issues at meetings.

Meeting papers should be circulated with enough time for pre-reading. There should always be sufficient information placed before Board Members for them to be able to consider agenda items before the meeting and to enable them to make informed decisions on resolutions to be put to the Board Meeting.

### The Running of Meetings

Each Board Meeting must be chaired by the Chair. The Chair should:

- encourage contributions from all Board Members
- ensure openness and encourage diversity of views and opinions
- ensure that there is an opportunity for Board Members to ask questions on both scheduled items and non-agenda items
- ensure that appropriate follow up lists are created, with reports back to the Board on actions taken.

The Minutes of the proceedings at each Meeting must be recorded and signed by the Chair.

### Behaviour at Board Meetings

The Chair is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chair should facilitate the effective contribution of all directors and promote constructive and respectful relations between Board Members and between Board and Management.

Sometimes this places the Chair and other Board Members in a difficult position, for example, where destructive relationships arise due to personality conflicts on the Board. Independent Schools Victoria can provide a format for review and KPIs of Board Members which can be adapted to assist in management of this situation.

## Information and Internal Reporting

### Appropriateness and Timeliness of Information Received

Clear communication between Board Members and Management of the school is essential to good decision making and can ensure that the strategic vision of the school is achieved. Accurate information in regard to the performance of the school and its perception by key stakeholders is essential. Schools utilise a variety of tools to assess performance and at the very least the Board should receive feedback on performance in relation to the areas of parent perception, student perception and student results.

Independent Schools Victoria can assist schools in this area, offering *The L E A D Report* which is a tool providing 360 degree reporting against like schools in ten domains of school effectiveness. The Independent Schools Victoria governance survey is one of the tools offered in the *L E A D* suite.

Effective boards should be aware that, In order to receive government funding, each school enters into an individual Funding Agreement with State and Commonwealth governments. The Funding Agreement covers the conditions under which recurrent funding is provided for a specified period. Government funding is contingent upon the school satisfying specified accountability requirements. For comprehensive information relating to government funding, compliance and accountability refer to Independent Schools Victoria's Compliance Framework on the Independent Schools Victoria's website at: <http://www.independentschools.vic.edu.au>

It is important for the Board to understand the implications of the funding agreements and related legislation. School rules, regulations and guidelines must be consistent with these accountabilities.

Board Members need to be aware of the school's obligations when these agreements are finalised with governments. Government funding represents a significant component of overall school revenue. Understanding and meeting funding agreement criteria are therefore important risk management issues for Board Members.

## Risk Management

Principles of good governance require the Board to establish a comprehensive system of risk management, risk oversight, compliance, and internal control. A Risk Management Policy essentially formalises and communicates the school's approach to the management of risk. This policy should set the risk tolerance for the school, approve the risk management framework, and monitor its effectiveness. The Risk Management Policy should also identify the specific roles and responsibilities of the Board, individual Board Members, the Chair, the Principal, and other management staff in order to clarify and formalise accountabilities.

Effective Boards have a keen understanding of risk and this involves understanding the School's business, its operational activities, the expectations of the community and stakeholders, and the implications of all decisions.

Major areas of risk include:

- Meeting statutory and regulatory obligations
- Meeting State and Australian contractual obligations for funding
- Operational and strategic risks
- Service quality risks
- Risks related to physical buildings and equipment, IT systems and business systems
- Human resource risks (including occupational health and safety, professionalism and ethics, breaches of copyright, and poor management of human capital)
- Financial reporting risk and financial loss
- Loss of credibility and reputation with stakeholders
- Risk from disaster, e.g., fire, storm or other threat
- Specific duties of care owed to students and staff
- Outdoor education.

It is the Board's responsibility to identify major areas of risk and to provide policies and procedures on how they are to be managed. The Board should review material risk incidents and ensure that appropriate actions are taken. Risk management should be a standing agenda item at Board Meetings.

On a regular basis, a report should come from the Principal to Board, signing off that appropriate steps have been taken to comply with risk

management policies. The Board can then make appropriate amendments to the plan on an ongoing basis. Principals must therefore be prepared to voice their opinions and estimate risk and factors that might influence the degree of risk. Cooperation and good governance relies on a relationship of trust and respect between the Board and the Principal.

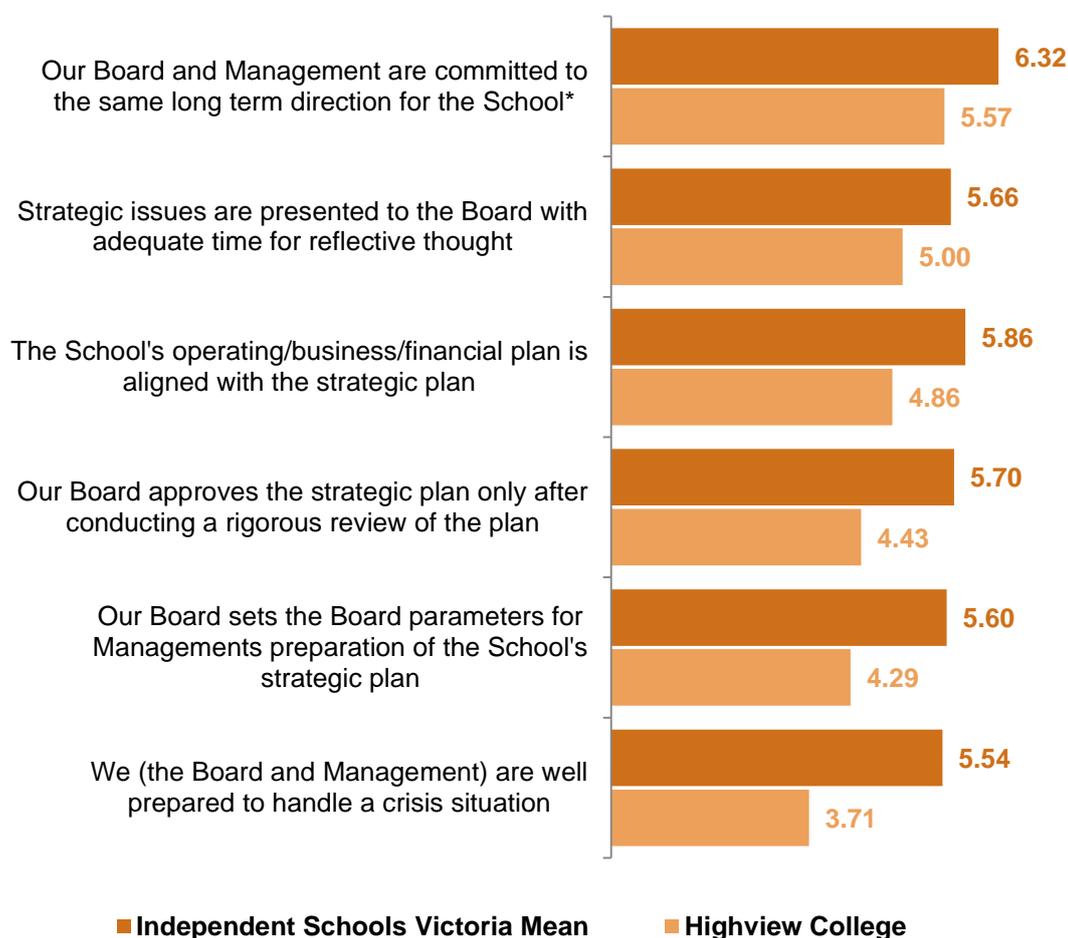
Independent Schools Victoria facilitates an extensive risk management program in partnership with Willis Australia. For detailed risk management advice and support, schools can contact Independent Schools Victoria. Alternatively, information can be derived from the Standards Association of Australia Risk Management Guidelines.

## 4. 'DO' – Board Tasks: Direction, Strategy and Planning

This aspect of the diagnostic describes what the Board does in terms of its main tasks. If a Board carries out its most important tasks well, it can significantly enhance the organisation's overall performance. If it is unable to meet most of these fundamental responsibilities the organisation is likely to suffer as a result.

The Board's most important tasks include the following:

- playing a significant role in direction, strategy and planning
- oversight of organisational performance and the selection, assessment, remuneration and succession planning of the Principal and if appropriate the Business Manager
- oversight of risk management, organisational assurance and external reporting including the integrity and quality of financial reporting and internal controls
- assessment of Principal performance.



\*Same long term direction, vision, mission, strategy and values for the school.

## Board Tasks: Direction, Strategy and Planning

### Direction, Strategy and Planning

Boards should adopt a formal Board Charter that outlines their functions and responsibilities. In establishing a Charter, it is important for the Board to set out the key values, principles and ethos of the School, as policies and strategy development are based on these values.

The National Association of Independent Schools in Washington, DC has developed the following Principles of Good Practice for member schools which define high standards and ethical behaviour in key areas of school operations, to guide schools in becoming the best education communities they can be. They provide a common perspective on the responsibilities of independent school boards.

The Board and the Principal work in partnership in fulfilling these principles:

- The Board adopts a clear statement of the school's mission, vision, and strategic goals and establishes policies and plans consistent with this statement.
- The Board reviews and maintains appropriate bylaws that conform to legal requirements, including duties of loyalty, obedience, and care.
- The Board assures that the school and the Board operate in compliance with applicable laws and regulations, minimizing exposure to legal action. The Board creates a conflict of interest policy that is reviewed with, and signed by, individual trustees annually.
- The Board accepts accountability for both the financial stability and the financial future of the institution, engaging in strategic financial planning, assuming primary responsibility for the preservation of capital assets and endowments, overseeing operating budgets, and participating actively in fund raising.
- The Board selects, supports, nurtures, evaluates, and sets appropriate compensation for the Principal.
- The Board recognises that its primary work and focus are long-range and strategic.

- The Board undertakes formal strategic planning on a periodic basis, sets annual goals related to the plan, and conducts annual written evaluations for the school, the Principal, and the Board itself.
- The Board keeps full and accurate records of its meetings, committees, and policies and communicates its decisions widely, while keeping its deliberations confidential.
- Board composition reflects the strategic expertise, resources, and perspectives (past, present, future) needed to achieve the mission and strategic objectives of the school.
- The Board works to ensure all its members are actively involved in the work of the Board and its committees.
- As leader of the school community, the Board engages proactively with the Principal in cultivating and maintaining good relations with school constituents as well as the broader community and exhibits best practices relevant to equity and justice.
- The Board is committed to a program of professional development that includes annual new Member orientation, ongoing trustee education and evaluation, and Board leadership succession planning.

Schools adopt various methods of planning, and the existence of a strategic plan is a key element in retaining registration with the Victorian Regulations and Qualifications Authority. Independent Schools Victoria members can contact the Association for assistance in review and development of a strategic plan.

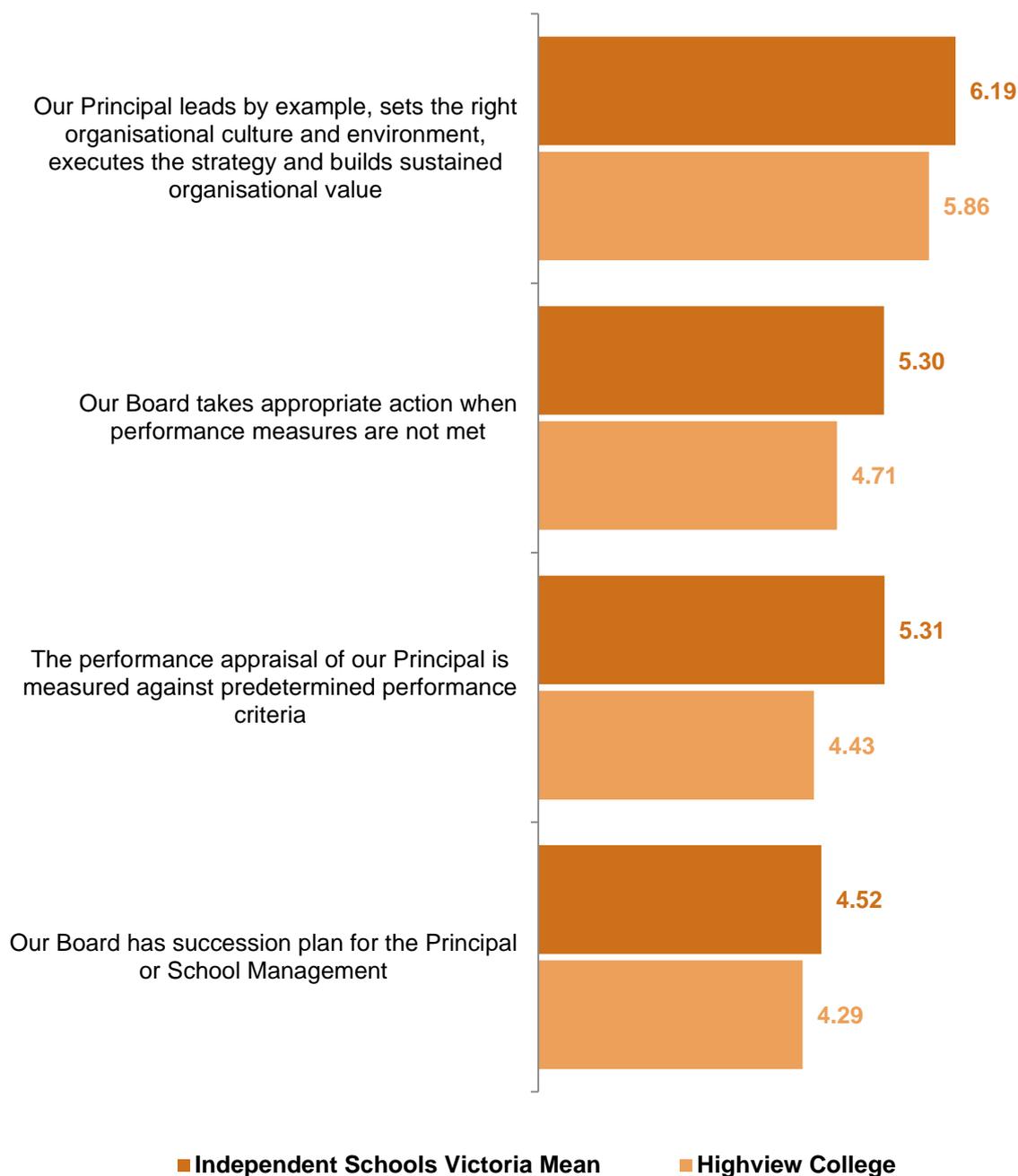
### **'Do' – Board Tasks: Principal, Organisational Performance and Compensation**

It is often said that the Board's most important task is the selection of the Principal. The Principal is the public face of the School and is crucial in setting the tone, standards and personality of the School. The relationship between the Principal and the Chair of the Board is pivotal to the success of the School.

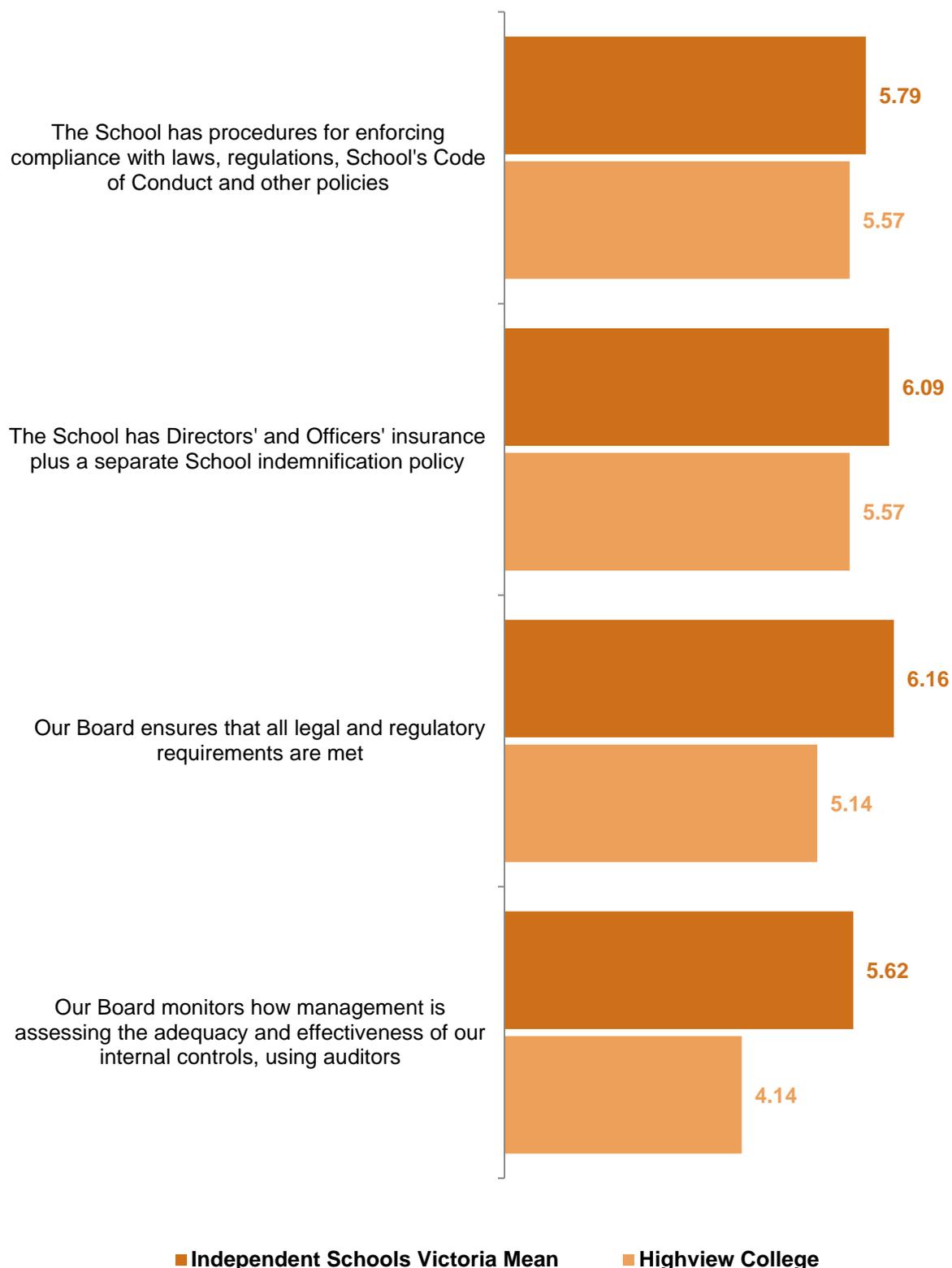
Good governance involves the School Board and the Principal having an open and honest relationship where there is an effective flow of communication between the parties. As the Chair's role to act as the primary channel of

communication with the Principal, trust, honesty and respect between the Principal and the Chair are essential aspects of good governance.

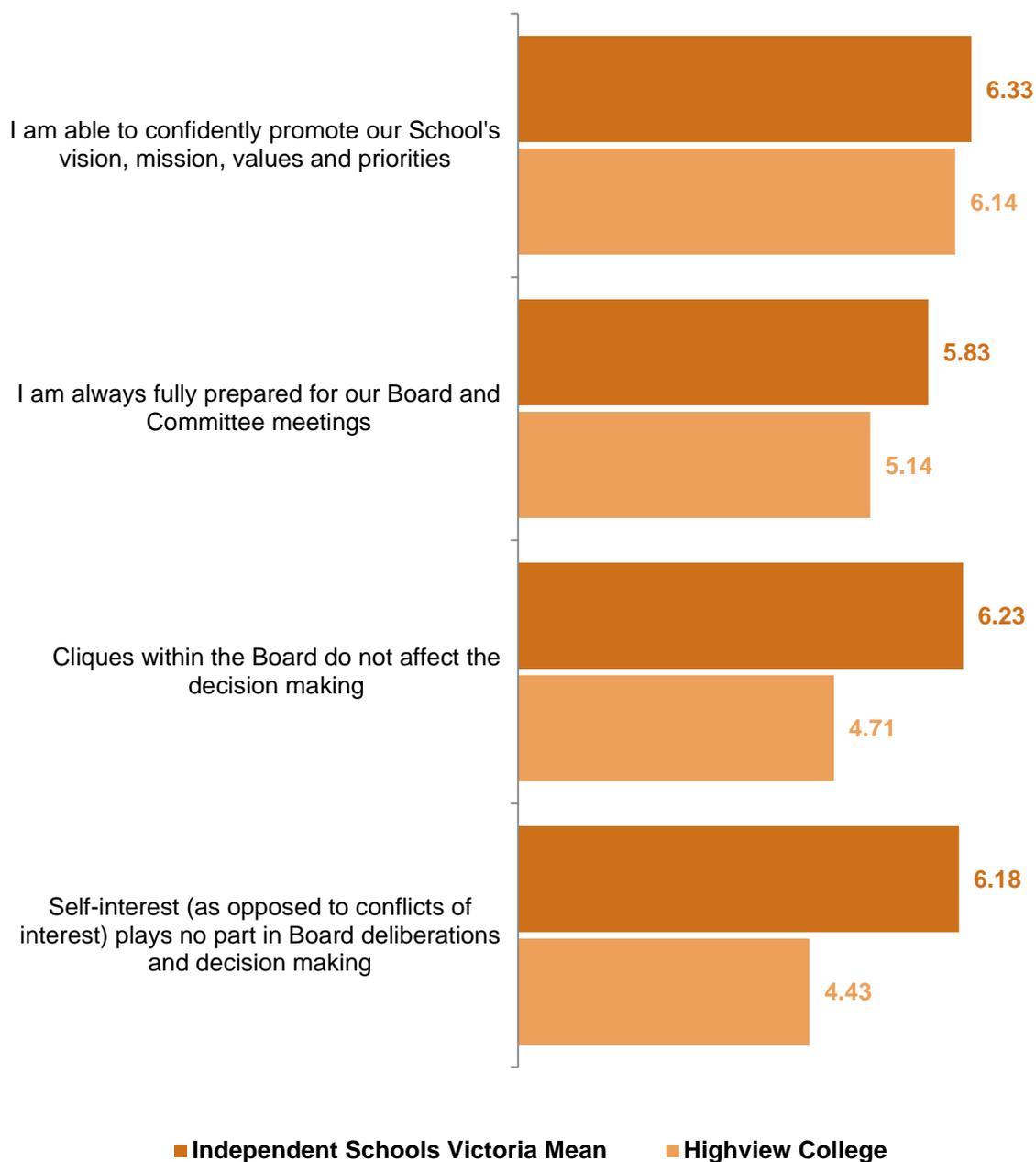
## Board Tasks: Principal, Organisational Performance and Compensation



## Board Tasks: Risk Assurance and External Communication



# Custom Statements



This aspect of the diagnostic can be adapted to accommodate specific questions in order to 'flesh out' issues that may be peculiar to a particular Board of Management. Otherwise it can be left as is to be evaluated using the benchmark data.

- Describes the level of Board Member preparedness for meetings
- The independence of the Board's decision making
- The level of self interest in decision making
- The level of commitment to the School's values

# Free Text Questions

This aspect of the diagnostic consists of a series of open ended questions. These questions are constructed in a way to encourage unrestricted comment from the participant. This area also has the capacity to be customised in order to 'flesh out' issues that may be peculiar to a particular Board of Management. Please note that the comments have been provided as stated by respondents and have not been edited, except for typing errors.

- Reasons for being a Board Member
- General comments regarding Board Membership
- What are the individual skills that a Board Member brings to the Board
- The individual Board Members believe that they possess the necessary skills to fulfil their duties as a member of the Board
- The total time spent for each Board Member's contribution to the Board
- What are the main strengths a Board Member bring to the Board.

## **What are your reasons for being a Board Member of the School?**

- As Uniting Church minister I represent the Uniting Church, one of the auspicing churches, on the Board.
- I am committed to the values of the school and the spirit of ecumenism and community it nurtures.
- Belief in the mission and vision of our school.
- I am a Catholic Priest and participate as a member of the Clergy and Representative as a Catholic. I also have a committed interest in the working of the College and its endeavor to strive for excellence in Christian Education for the Young people of our area.
- I am Business Manager and Company Secretary
- I like to be involved in the management processes of the school.
- I wish to see Highview Christian College fulfil its mission to give the best all-rounded education and experience to our students, to have an excellent work environment for our staff and to cultivate a cooperative relationship with the community and other schools. I am one of the appointed church board members.
- My children have all attended this school and now that they have completed their secondary education I have decided to stay on to provide continuity and stability as I am of the opinion that quality education is a key factor in providing citizens with the ability to make informed choices in their lives and subsequently the community in which they live, learn, work and play.

## **Do you have any comments you want to make about your membership of this Board?**

- Since we are located within a low socio-economic area I would like to see the provision of training for current and prospective Board members in order to build the capacity of the ordinary citizen to take part in the informed decision making processes of the school
- After two and half years on the Board I feel frustrated that the Board has not conducted its business in a way that I feel is appropriate, has not accepted certain basic governance principals, is very much ordered by cliques and has made some poor decisions which is one of the reasons we have had a number of resignations from the Board and have difficulty in recruiting new members.
- I am enjoying my time on the Board, it is challenging and rewarding.
- I value my contribution to the culture of the school and board.

## **What skills do you believe you bring to this Board?**

- Management skills
- Communication and interpersonal skills, experience to function well in meetings, strategic thinking and good historical knowledge of the school itself
- A background in business management, Having been involved in church schools and a pastoral care for the school as a whole.
- Financial, Legal, Administrative and Governance
- An ability to listen. A spiritual perspective
- Emotional intelligence, some business skills and how to deal with difficult situations.
- Priesthood, Theology, Governance experience from other Major Bodies, Good Communication skills and Christian faith.

## **To what extent do you believe you have had adequate training/induction to fulfil your duties as a Board Member of the School?**

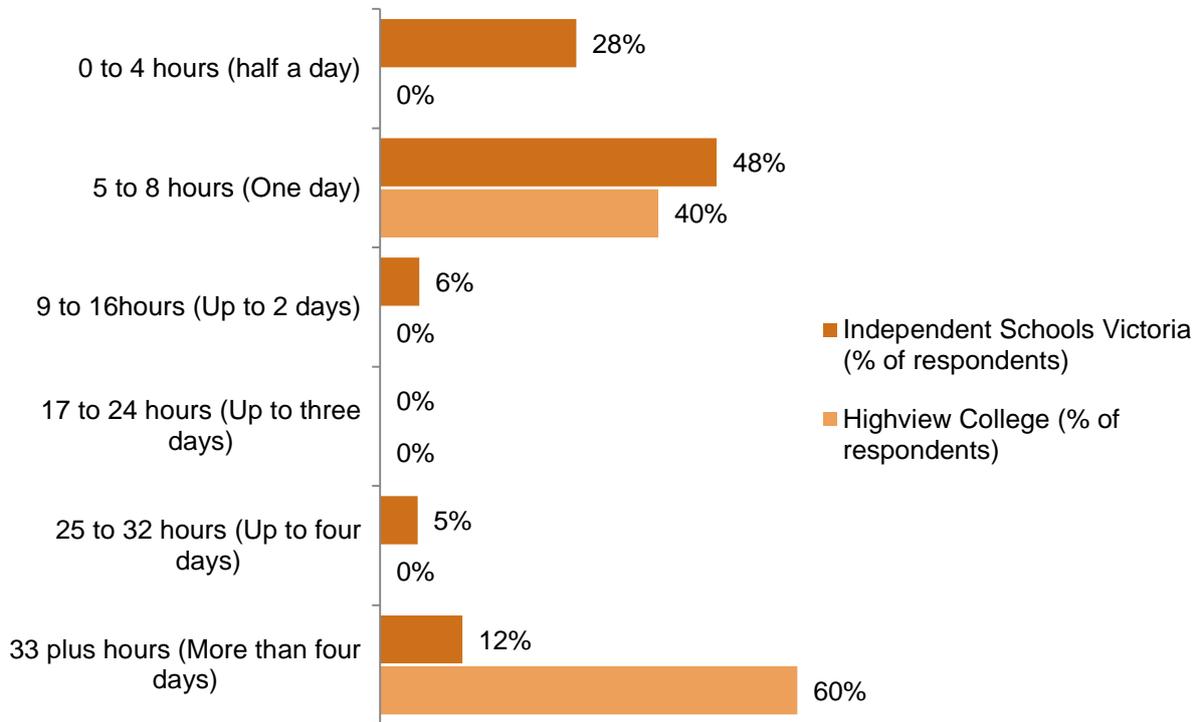
- I definitely don't believe there was adequate training in place and this is still something that needs to be addressed
- No real induction to this School Board. Just picked it up as we went along, apart from one meeting re governance and some follow-up.
- Training and induction haven't happened
- Basically does not exist
- My training might have been more effective. in the main it has been 'learning on the job'.
- I have read the ISV website from cover to cover and have attended ISV conferences.
- My experience and training is on-going.

## **Please describe the three major strengths of our Board, in your opinion.**

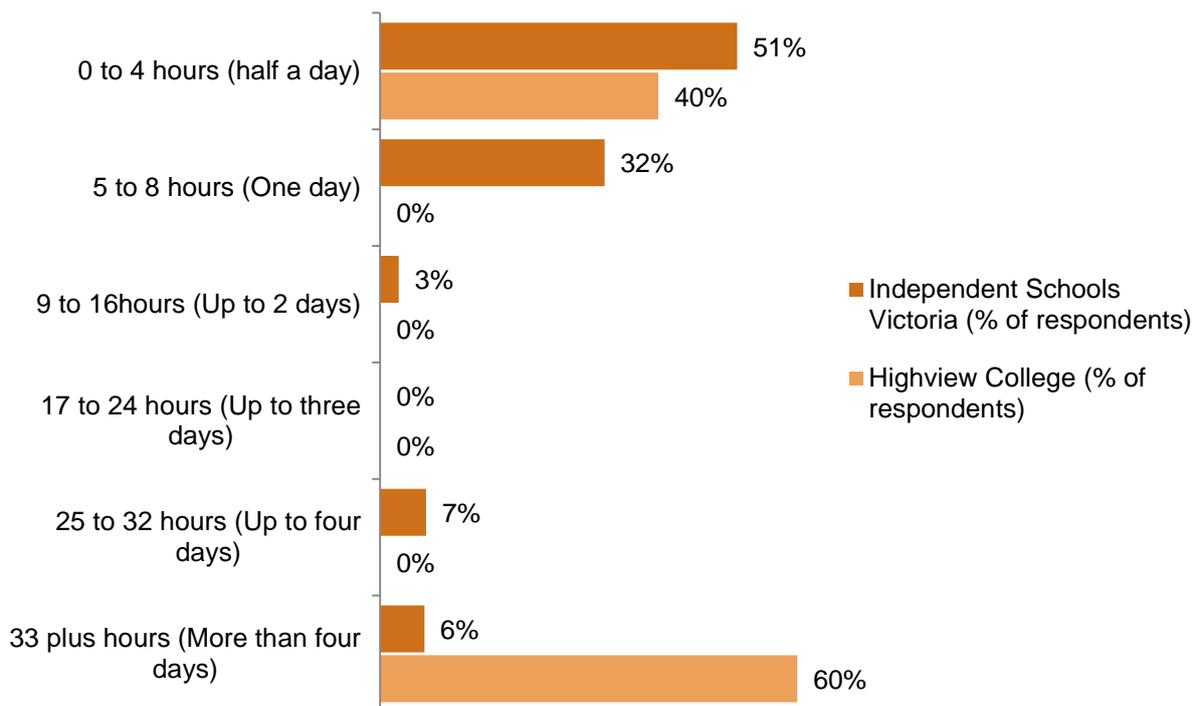
- Cohesive, communicate well, diverse abilities
- Working co-operatively with Principal and management.
- Concern for the school. Wanting to do the right thing. Trying to get it right.
- Belief in the school, willingness to be involved and open minded in terms of new ideas etc.
- We have grown together through times of challenge, and seem now to work better together.
- We have a blend of parent and church and community representatives as members.
- There has been a changeover of members, but we now welcome new members who bring different gifts and expertise.
- Excellent communication, committed members, diverse backgrounds.

# Board Members' Time Commitment

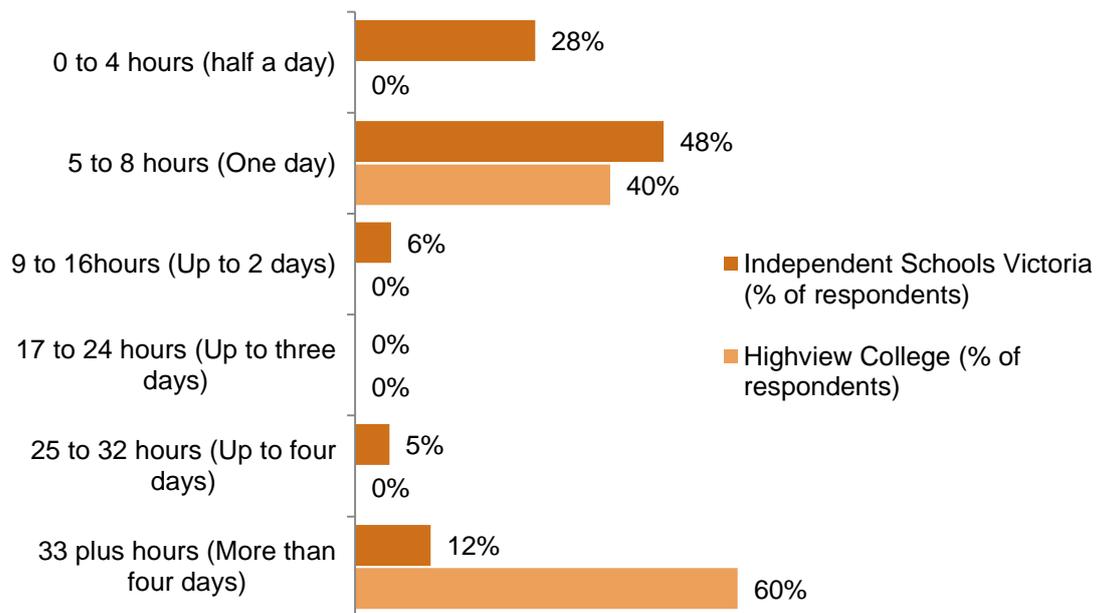
How much time (in days) on average per month have you spent in the last year on a School Board matter, including preparation and attendance at meetings?



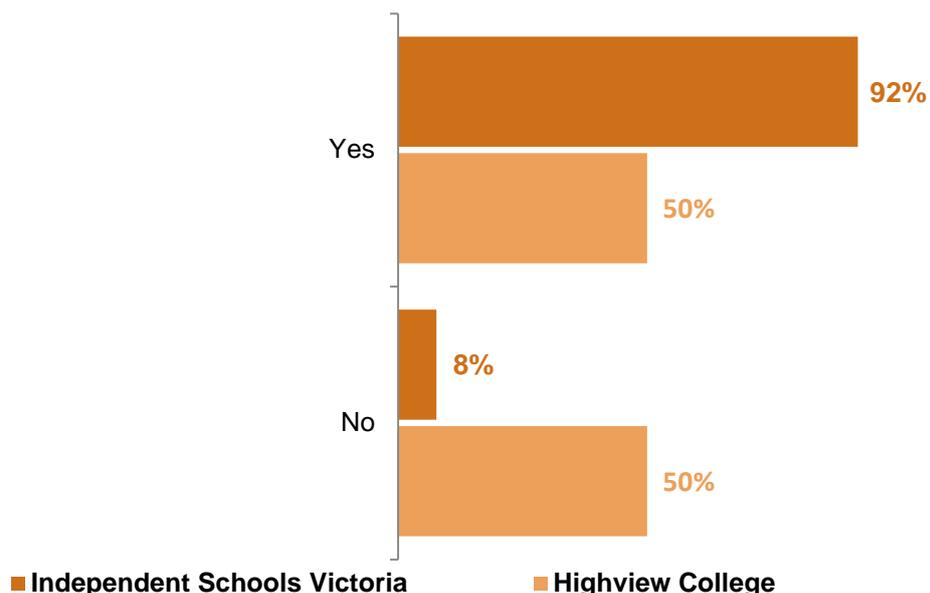
How much time (in days) on average per month have you spent in the last year on School Board Committee matters, including preparation and attendance at meetings?



**How much time (in days) on average per month have you spent in the last year on other matters, including representational and special projects specifically associated with being a Board Member?**



**Do you consider the hours you spend on Board matters to be an appropriate level of commitment as a member of the Board of the School?**



**Please explain**

- Adequate preparation for meetings is essential to provide for informed discussion of items
- I have not been appointed to a committee as yet and given the time restraints of my church ministry I would like to spend more time at the school and following through on matters.
- It can vary depending on matters at hand, and how the school is travelling overall!
- I should probably spend more time on these matters, but prioritizing ALL of my responsibilities is a challenge.
- I couldn't commit any more time if I tried.

# Appendices

## Appendix 1: Practical Applications

### Sample Agenda for School Board Meetings

1. Mission Statement (printed)
2. Attendance
3. Apologies
4. Declaration of Conflict of Interest
5. Minutes of Previous Meeting
6. Matters arising from the Minutes
7. Correspondence
  - Inwards
  - Outwards
8. (Devotion) \*\* optional
9. Reports
  - 9.1 Principal
  - 9.2 Staff
  - 9.3 Business Manager
  - 9.4 School Pastor
  - 9.5 Committees: Executive; Finance; Education; Mission; Uniform; Buildings & Grounds; PTFA
10. New Business
11. Any Other Business
12. Date of next Meeting

## Sample School Committees

The work of the School Board is greatly assisted by delegating some of the detailed work to a number of committees which report back to the main Board for ratification, or otherwise, of their recommendations for School Board Policy matters.

Boards should consider the establishment of Committees and review the Terms of Reference for these Committees yearly. Committees outlined below are: Executive, Finance, Education, Building & Grounds and Uniform. Faith based schools may also consider the appointment of a Mission and Ministry team.

### **Executive Committee**

#### *Charter*

Members of this Committee are known as the Officers of the School and are empowered to act as the School Board determines from time to time. The Committee also exists to plan the Strategic Direction of the School for ratification by the full School Board and to consider other matters of importance prior to submission for discussion by the full School Board.

#### *Suggested Membership*

- Board Chair
- Board Vice-Chair
- Principal
- Two School Board Members, one of whom is the Committee Secretary

#### *Meeting Frequency*

To meet as required, normally not less than once per school term.

### **Finance Committee**

#### *Charter*

This Committee exists to review the annual School operating and capital budget, as prepared by the School Business Manager, prior to its submission to the full School Board for adoption or ratification. Throughout the year the Committee reviews expenditure against budget and monitors Key Performance Indicators thus enabling the School Board to

exercise its fiscal responsibility. The Committee is also responsible for the investment and protection of the School's assets.

#### *Suggested Membership*

- Board Chair
- Board Vice-Chair
- Principal
- Business Manager
- Two School Board Members
- Other seconded members/consultants as required (non-voting)

#### *Meeting Frequency*

Meets for one hour prior to every full School Board Meeting and other times as necessary.

### **Education Committee**

#### *Charter*

This Committee exists to advance the educational interests of the School under the direction and authority of the School Board. The Committee supports the School Board through the provision of reports and recommendations upon any subject that pertains to the safe and successful running of the School.

#### *Suggested Membership*

- Principal
- Assistant Principal
- Two School Board members
- Two Teaching Staff Members (not including the Principal and the Assistant Principal)
- Other seconded members/consultants as required (non-voting)

#### *Meeting Frequency*

To meet as required dealing with business as directed by the School Board.

## **Building and Grounds Committee**

### *Charter*

This Committee exists to plan for the development of new school buildings and grounds and the maintenance of existing school buildings and grounds and to advise the Board thereon.

### *Membership*

- Principal
- Business Manager
- Three School Board members
- Other seconded members/consultants as require (non-voting)

### *Meeting Frequency*

To meet as required, normally not less than once per school term.

## **Uniform Committee**

### *Charter*

This Committee exists to review and recommend to the full School Board all matters concerning the design, supply and selling of all items of School Uniform.

### *Membership*

- Principal
- Uniform Shop Manager
- Two Teaching Staff Members (not including the Principal)
- Two School Board Members
- Two Parent Representatives

### *Meeting Frequency*

To meet as required, normally not less than twice per school year.

## **Mission and Ministry Strategy Team**

### *Charter*

This committee is charged with providing strategic direction for the Mission and Ministry of the school. It will assist the achievement of the common objectives of the school and faith, and promote the ministry of the faith throughout the school community, by supporting/guiding the Board in the development and review of policies related to mission and ministry.

### *Membership*

- Religious leader
- Principal and Pastoral Care Coordinator
- Chair of the Board or his/her nominee
- Other additional members as determined from time to time by the team and subject to agreement by the Board
- The Team may appoint such consultants, as it deems appropriate

### *Meeting Frequency*

The Mission and Ministry Strategy Team could meet once per annum or more frequently as it determines to establish and review the strategic direction and policies and programs of the school

The Mission and Ministry Strategy Team should establish its operating procedures, including

- Within the framework identified above, frequency of meetings
- Preparation of agendas
- Taking and distribution of minutes and notes of meetings, and
- Other matters as determined from time to time.

## Appendix 2: School Board Guidelines

### External Communications

The School Board is responsible for external communications concerning the Governing of the School and may delegate this responsibility to any Board Member.

The Principal is responsible for external communications concerning the Management of the School.

The following Policy and Procedure Statement is suggested for Board Members when responding to questions or concerns raised by members of the School Community and is as follows:

#### **Preamble**

This Policy and Procedures Statement provides operational guidelines for the use of School Board members when replying to questions and concerns from members of the School Community. The School recognises the importance of maintaining effective and positive communication and relationships with the School Community (parents, staff and students). It is important for School Board members to be seen as being approachable and willing to listen to members of the School Community who wish to voice comment or raise questions. It is essential that School Board members respond to such comments/questions in the appropriate way, to ensure the role and responsibilities of School Board and the management and leadership of the School is not compromised.

#### **Policy and Procedures**

Essentially there are two types of notification of questions/concerns:

1. Formal Notification
2. Informal Notification

#### *Formal Notification*

A formally notified question/concern is addressed to the School Board in writing. This question/concern is discussed and dealt with as appropriate and a written response forwarded as quickly as practicable.

#### *Informal Notification*

A Board member is approached by an individual and asked to discuss or give an opinion "off-the-cuff" on behalf of the School Board.

In response to these informal notifications, School Board members:

- 'First and foremost', maintain the integrity of School Board's decision making
- Do not divulge School Board business to an individual outside of the School Board
- Will not act as sympathetic 'sounding boards' to carry questions/concerns to the School Board outside appropriate channels of communication
- Do not allow themselves to become 'advocates' for a complainant
- Behave ethically and advise a complainant of the appropriate method of approaching School Board with questions/concerns, that is:
  - Encourage them to submit their questions/concerns in writing to either the Chair of the Board or the Principal of the School (if necessary explaining background of the issue).
  - Provide assurance that the matter will be raised and discussed.
  - Listen dutifully and, if known, correct misinformation where appropriate.
  - Avoid giving a guarantee of a resultant action.
  - Provide assurance that feedback/response from School Board is prompt and that appropriate confidentiality is maintained.

#### **Suggested member conversation response to questions/concerns**

'Thank you for making your opinions known to me and for providing this information.'

'You can be assured that School Board has given this matter much consideration before making such a decision.'

'You are very welcome to express your view or raise your question with the School Board. The best way to do this is by putting your views in writing to the Board, via the Chair or the Principal. I will certainly add that you have discussed your concerns with me; however, it is appropriate for the School Board to respond.'

'There are a couple of points, however, that I can clear up. It is not appropriate that I divulge School Board business, however I do believe that you have been ..... misinformed here, received some incorrect information, or that you are only aware of part of the information.'  
(Be very careful not to divulge School Board business)

'Let me assure you that the School Board will consider your comment/question/concern and will act as it sees most appropriate. You will receive a formal written response.'

'May I assure you that School Board will act with respect for your confidentiality'.

'School Board appreciates the support of the ... Community and, of course, does wish to work together with parents and staff for the benefit of the School. The Board appreciates any positive feedback.'

Or

'The issue you have raised falls into the responsibility of the day to day management of the School and, as such, your comment/question/concern should be directed to the Principal. I do encourage you to contact and discuss the matter with him/her'.

**Notes:**





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