Board Committees: An Overview of their role

Introduction

The structure of a board and the planning of the board’s work are key elements to effective governance. Establishing committees is one way of managing the work of the board, thereby strengthening the board’s governance role.

In general board committees focus on specific areas allowing the board to concentrate on broader and strategic ‘big picture’ issues and directions. In some cases committees are established to undertake major projects, for example, the search for a new Head/Principal. The work of committees should be strongly linked to the strategic plan of the school and the work of the school board.

There are two primary types of board committees – standing and ad hoc. Standing committees generally deal with issues which are ongoing such as the financial health of the organisation. These committees can also be useful in providing ‘consistency in certain board practices’ and serving as ‘organizational memory’. In contrast, ad hoc committees, or task forces, are set up to focus on a specific objective, for example reviewing a particular by-law or board policy. As such they ‘are established on an as-needed basis’ and disbanded upon completion of the task.

Establishing Board Committees

Not all boards will require board committees to manage their work. In considering whether to establish committees, Andringa and Engstrom (2002) recommend that a board consider the following questions.

- ‘Do we want committees, or can the full board deal with all the business itself?’
- If we want standing committees, which do we need now? (Needs change over the years)
- Should we amend our bylaws to reflect our decisions about committees? …
- When we decide which committees we want, how should we describe their functions, size, membership, staffing, and appointment process? (These details can be contained in a few paragraphs of the board’s policies.)

There is no set recommended number or structure of committees. Rather this is dependent on the individual needs of the board including the board’s strategic plan and its stage of development.

The work of the committees should be directed by the board. Board committees should have their own charter setting out their roles and responsibilities, for example, in the areas of:

- Membership (including succession planning)
- Meeting frequency and core agenda
- Committee authority
- Reporting obligations.

Minutes should be kept of all board committee meetings. The full board should also receive reports on the activities of each board committee. Some of the literature recommends that the minutes of each committee are provided to the full board. The Board should give clear directions to committees to ensure their deliberations enhance the work of the board.
Types of Board Committees

Common standing committees established by boards include executive, finance, audit, program related committees and governance committees. In establishing committees the focus should be on ‘keeping the number manageable and appropriate’ to the needs of the organisation.6

Executive Committee

A common committee established by boards is the Executive Committee. In general, the Executive Committee is chaired by the board chair. This committee differs from other standing committees in that it can be empowered by the board to speak on the board’s behalf.7

The types of decisions which the Executive Committee can be authorised (and not authorised) to make should be clearly defined in the board’s by-laws. In cases where a decision is made by the Executive Committee it is recommended that the full board is ‘informed of the decision’ within a specified period of time and that the decision is ‘ratified by the full board at the next board meeting.’8

There are two key principles which ‘define the role of an executive committee’. First, the executive committee is not a ‘complete surrogate for the board itself’ and second that all decisions made by an executive committee should be endorsed by the full board. Minutes should be kept from the executive committee and distributed to the full board.

Andringa and Engstrom note that boards should be cognisant of the risk that ‘[o]ver time and for a variety of reasons, an executive committee can inadvertently take on responsibilities and decisions that belong to the full board.’9

Finance committee

The Finance committee oversees the financial health of the organisation. As such its roles include ensuring that appropriate internal financial processes and controls have been established, alerting the board to any irregularities or concerns and overseeing the use of resources. In most organisations the responsibility to prepare the budget rests with the staff directed by the Principal. The role of the finance committee in this context is to ensure that the budget reflects the ‘board’s policies and strategic priorities.’ In some organisations the finance committee oversees the management of financial investments and is responsible for recommending the appointment of the auditor.10

Governance Committee

The Governance Committee is focussed on ensuring that ‘the board is doing its work effectively.’ Its role can include establishing orientation processes for new board members, organising professional development for the board, setting up evaluation processes for the board, and identifying potential new members.11

Committee Membership

In some cases board committees are made up entirely of board members. In other instances board committees draw also on people outside of the board with particular area expertise. In general the committee should be chaired by a member of the full board.

While it is important to have board members on committees with expertise in a specific area, new board members can also benefit, develop skills and learn more about the organisation, by serving on a board committee. Board committees can also benefit from a ‘different perspective’ that new members bring.12
Concluding Comments

As the needs of the board change, the need for committees may also change. Hence, it is essential that committees and their role be subject to periodic review.\(^\text{13}\)

Board members should be aware that board responsibilities remain, when serving on a board committee, and may be enhanced.

This article was prepared by Dr Bronwyn Donaghey (Policy Adviser, AISSA). Advice was provided by the AISSA School Governance Committee.

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3 Andringa, Robert C. and Ted W. Engstrom (2002) Non-Profit Board Answer Book: Practical Guide for Board Members and Chief Executives, Second Edition, BoardSource, Washington, pp 73-74. With regard to amending by-laws to reflect decisions about committees, Andringa and Engstrom propose ‘that the details of committees be documented in standing policies’, for example, the authorisation for the board to create standing committees and taskforces as is determined necessary could be contained in the bylaws.
5 Bobowick, Marla J. et al. op cit. p 14.
6 Andringa and Engstrom op cit. p 74.
7 Andringa and Engstrom op cit. pp. 53-54.
9 Andringa and Engstrom op cit. pp. 53-54.
10 Bobowick, Marla J. et al. op cit. p 32; Our Community op cit.
11 Bobowick, Marla J. et al. op cit. p 26; Our Community op cit.