

Effective Governance and Benchmarks

Increasingly schools are operating in a climate of greater legislative and public accountability. The AISSA Board has developed the following governance benchmarks, checklist and indicators of good governance practices to assist Independent school boards to maintain high standards in governance.

The long-term success of any organisation, including Schools will always come back to good Governance that protects vision, mitigates risk and creates empowering boundaries for leaders to thrive in. These benchmarks are designed to be used as a guide for School Boards to assess and improve their performance.

Where schools are part of a system it should be noted that the school and the Board will have other lines of accountability and compliance which may modify the indicators outlined below. Schools which are owned by other authorities, such as church authorities, may also have other lines of accountability and compliance.

In developing the benchmarks, checklist and indicators of good governance practices, the AISSA has drawn on a wide range of standards and benchmarks developed by other organisations. This list of benchmarks and indicators is not exhaustive, and schools may wish to define their performance by additional benchmarks. Further details regarding standards and benchmarks for other organisations are available in the references provided at the end of this publication.

Generic Functions of the Board

The following is a set of generic board functions:

- Unless determined in the school's constitution, determine the organisation's mission and purpose.
- Set clear limits of authority for the Principal and individual Board members.
- Select the Principal and, as required in the school's constitution, the external auditor.
- Support the Principal and assess his or her performance, including regarding the implementation of Board policy.
- Ensure effective strategic planning.
- Ensure adequate resources are available to guarantee the financial stability and the financial sustainability of the School and related institutions.
- Manage overall resourcing effectively.
- Determine, monitor and strengthen the School's programs and services against strategic objectives.

- Enhance the School's public standing.
- Ensure legal and ethical integrity and maintain accountability.
- Recruit and orient new board members and assess board performance.

Benchmarks

Mission/Vision: Strategic Directions

The Board is the responsible steward of the school and is accountable for the good governance of the organisation.

- Board policies are consistent with the constitution, philosophy, mission and vision of the school.
- The Board has a readily available 'Code of Conduct' by which its members abide.
- The Board has a consolidated set of policies which guide its operation.
- The Board ensures that policies and processes are in place which promote the effective running of the school.
- The Board has established policies and processes in place to manage and minimize risk including the keeping of appropriate and accurate documentation.
- The constitution of the school is reviewed via an approved schedule.
- The Board has the required skills and knowledge, including access to external advice, to discharge its responsibilities and achieve the mission of the school.
- The Board ensures that the school operates within the legislative environment, including registration obligations, laws and regulations, and meets its legislative accountability (e.g. accounting and audit standards) and compliance requirements (e.g. funding agreements with governments and other agencies).

The Board provides leadership and sets the strategic directions of the school.

- There is a clear statement outlining the school's philosophy, mission and vision.
- The Board promotes and articulates to the school and wider community the school's philosophy, mission and vision.
- The Board has a strategic plan which is reviewed on a regular schedule.
- The Board ensures that the strategic plan and associated work plans are implemented and monitored by the Principal.
- The Board regularly evaluates the policy and political context within which the school operates.

Board Roles and Responsibilities

Board members are aware of their roles and responsibilities and the respective roles and responsibilities of management.

- The roles of the Board/Principal/Chair are clear.
- Board governance is clearly differentiated from school management.
- The Principal of the school is responsible for the day to day management of the school and is the responsible leader of the school. The Principal is accountable to the Board.
- The working relationship between the Board and the Principal is underpinned by the principles of cooperation and effectiveness.
- A Board induction process is in place.
- Board members undertake sufficient preparation which enables them to perform their duties.
- Terms of reference for each Board Committee are established and linked to the functions of the Board. The roles and performance of each committee are reviewed according to an agreed schedule.

Financial Accountability

The Board is accountable for the financial sustainability of the school including ensuring that the school can fulfil the education program offered and the school's mission.

- The Board has a deep and detailed understanding of the financial situation of the school.
- The Board engages in financial planning which promotes the long-term financial health of the school, including the identification of key performance indicators.
- The Board receives timely and accurate financial information.
- The Board takes appropriate care of the resources for which it is responsible.
- The Board is accountable for the effective use of government funds.
- The Board sets the remuneration level for the Head of the School. In setting the remuneration the Board's decision is underpinned by the principles of fairness, responsibility and sufficiency and defines any performance measures upon which this is dependent.
- Subject to the school's constitution, the Board appoints the auditor and meets with the auditor on an agreed schedule.

Decision Making

The Board promotes and practises ethical decision making.

- Board decisions are underpinned by the principles of integrity, honesty and objectivity.
- A conflict of interest policy is approved by the Board and reviewed on an agreed schedule.

The Board makes informed and transparent decisions.

- The agenda for Board meetings predominantly reflects the key strategic business of the Board.
- The Board receives clear briefings from the Principal as determined by the Board.
- The Board is aware of the views of the school community.
- Board members are active participants in board meetings.
- The Board audits new and reviewed policies against its philosophy and strategic plan.
- The Board exercises independence of judgement in its decision making.
- Accurate records are kept of all Board and Board Committee meetings.
- The Board undertakes an evaluation of its performance, according to an agreed schedule and methodology.

References

ASX Corporate Governance Council (2003) Principles of Good Corporate Governance and Best Practice Recommendations.

Council for Independent Schools (CIS) (2003) 'CIS Standards for Accreditation' Guide to School Evaluation and Accreditation Seventh Edition.

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Office of Strategy and Review (2006) Excerpts from the Report on the Review of School Governance in Victorian Government Schools July 2005.

Standards Australia (2003) Good Governance Principles, Australian Standard.