

COMMUNITY ORGANISATION BRIEFING NOTES: NEWLY ELECTED MANAGEMENT COMMITTEE MEMBERS

Committee members are responsible for the organisation on behalf of its members and a broader variety of interest groups (stakeholders). In the situation where the organisation employs staff, the committee is in fact the employer and therefore has additional major policy responsibilities and legislation to comply with.

All members of a committee are in practical terms the 'board' or 'trustees' of the organisation. They are required to be well informed so they can exercise reasonable judgement and diligence in the discharge of their duties. Ignorance of the law or simply doing nothing is not an acceptable legal excuse or defence.

Committee members acting within the scope of their legal and stated role and responsibilities can proceed with the confidence that they are protecting their interests and those of the organisation they desire to serve and assist.

Access to a range of key financial and non-financial information is the first step towards confident decision making.

As a minimum, each committee member should be provided, upon appointment, with the following Committee Members Information:

- The Constitution, Rules etc
- Relevant Act (eg if incorporated, company, co-operative)
- List of duties of the office bearers – supplementary to the Constitution
- Last annual report
- Latest financial report: balance sheet, income and expenses
- List of policies and/or set of policies
- List of all office bearers and contact details
- List of all staff or senior staff and contact details
- List of all key stakeholders: suppliers, funding bodies
- Membership of organisation profile/summary
- List of meeting dates
- Program of committee activities

Some Notes on Governance

- (i) The President is the Chair of the board/management committee and not of the organisation. The board/management committee remains the **responsible body for the organisation's affairs**, however the president/chair can be delegated additional authorities at the description of the board/management committee.
- (ii) **Decisions** made at meetings are binding on all committee members, even if they were absent.

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- (iii) Committee members, and staff attending Management Committee meetings, must not make personal use or disclose outside the committee any personal, **confidential or privileged information**.
- (iv) Committee members must inform the committee of any actual or potential **conflict of interest**, and withdraw from participating in the decision making, or if considered necessary, resign from the committee.
- (v) It is most desirable that there is **continuity between committees** by either having an overlap of terms eg. all or some appointments for 2 years or one or more previous committee members remaining as ex-officio members for 6 months.
- (vi) The **decisions of a committee** are not binding on its successors. Decisions can be changed but only by the body that made the original decision (ie. the Management Committee, the membership via an AGM or a Special General Meeting).

Previous decisions remain in force until formally rescinded. This highlights the importance of the Committee/board to be well informed of current decisions and policies. An indexed policy manual (cross referenced to the Committee's minutes) is a most critical document for confident decision making.

- (vii) A **financial report** is essential at every general committee meeting. Each committee members needs to know that the organisation is able to meet its financial obligations. The financial report must be a written report comprising, as a minimum, of an *Income and Expenses Statement* (compared to the approved Budget) and a *Balance Sheet*, both with notes explaining significant results or variations.

All members of the committee need to have an understanding of the organisations sources of income, its key expenses, what is done with the surplus, how cash and capital is invested and it has provisions put aside for staff and other obligations and entitlements.

- (viii) If the organisation **employs staff** it is common for the senior staff member to be the Executive Officer/Secretary and/or Public Officer of the organisation. The employment of staff and management does not in any way diminish the responsibilities of the committee.

The Committee always remains fully responsible and any advice or counsel sought or voluntary offered by an employee should be fully considered before being acted upon. The committee members are responsible for ensuring they bring or access independent input wherever appropriate.

A common situation for volunteer run organisations, that needs to be avoided, is the dominance in decision making of the senior employee(s). The relationship must be one of a partnership where both parties are very clear of each others roles and can be relied upon to undertake their role in a timely and effective manner.

Note: The term board and committee is used in a similar context, ie. referring to the group of people, elected or appointed by members in accordance to the organisations Constitution or Rules, who direct and manage the organisation's affairs on behalf of the members/owners/stakeholders.