



3. Facilitated development session: **Governance delegations, monitoring and reporting**



Introduction

The aim of this governance development session is to develop effective accountability within the organisation by establishing clear delegations of authority between the board or management committee and senior staff, and setting up effective reporting mechanisms.

Ideally, this development session should be facilitated by a person with a good understanding of delegations and performance monitoring. This may be an experienced person within the organisation or an external facilitator.

Timing of this program: 2–2.5 hours

FACILITATOR'S NOTES

5 min

1. Introduction: Purpose of session and overview of accountability

Explain the purpose of this session

The purpose of this working session is to establish the levels and types of delegation of authority to staff that the board or management committee wishes to make and to review the way that the board or management committee obtains the information it needs to be able to maintain appropriate accountability.

Maintenance of accountability includes:

- ensuring that delegations are appropriately used
- monitoring to ensure that plans and decisions are being implemented
- monitoring how well the organisation is performing
- deciding whether appropriate action is being taken to prevent or manage any problems.

Accountability is generally maintained through reports to the board or management committee. In this session, we will:

- identify any improvements that could be made to the types of reports that the board or management committee currently receive
- look at some reporting formats that could be used to organise information (so that board or management committee members can easily access the information they need).

Provide the group with a brief overview of the elements of accountability

In most organisations, the board or management committee delegates to staff the responsibility for carrying out the work, and some level of decision making.



The board or management committee is still responsible for what happens, however, and it carries out this responsibility by maintaining accountability from the staff to the board or management committee — ensuring that it knows what is happening, and taking action to make sure that the organisation stays on track.

For accountability to operate, a board or management committee needs to:

- set direction and establish clear expectations of staff
- identify the information it needs to assess whether these expectations are being met
- understand the information being presented in reports
- question effectively and receive adequate explanation
- take action when necessary.

10 min

2. Allocating roles and responsibilities between the board or management committee and staff

Give participants a copy of *Info sheet: Allocating roles — Management and governance* and work through the key points. Encourage questions and discussion.

The following points in *Info sheet: Management and governance roles* should be covered:

Management involves:

- **putting** the strategic directions and plans of the organisation **into action**
- **managing the resources** of the organisation
- **ensuring systems are in place** to support the organisation to perform well
- **providing advice and informing the decision making** within the organisation
- **advising, informing, supporting and resourcing** the members of the **board or management committee**, ensuring that the members have information for decision making, reports for monitoring and administrative support.

Steering and rowing:

- The board or management committee 'sets the direction' or 'maps the course'.
- The senior staff person/chief executive officer 'steers' the organisation to follow agreed direction.
- The staff and volunteers 'row' to reach the agreed destination.



☐ **Allocated roles and responsibilities** work best when they:

- are **mutually agreed** by staff and board of management
- provide **maximum levels of autonomy and decision making** to everyone, without compromising accountability
- **cover all areas**, but not duplicate in any areas
- are **clearly documented** as procedures rather than just broad policy.

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20 min

3. Relationship with the senior staff person (manager/coordinator/executive officer)

Ask the group how they see the relationship between the board or management committee and the senior staff person:

- How do they see the role of the **board or management committee** in relation to the senior staff person? What do they see as the responsibilities of the board or management committee in working with the senior staff person?
- How do they see the role of the **senior staff person** in relation to the board or management committee? What do they see as the responsibilities of the senior staff person in working with the board or management committee?

(If time allows and if appropriate):

- How much delegation to the senior staff person are they comfortable with? Remind them about the basic principle of the board or management committee setting the ends/outcomes and the senior staff person being responsible for the means and how ends are achieved (policy governance).
- Using *worksheet one*, lead a discussion on delegations and safeguards.

20 min

4. Delegation charts

Using *worksheet two* and *Tool: Schedule of delegations*, explain the use of delegation charts, briefly reviewing the main parts of the chart. Ask the group to decide whether they will use the tool and, if so, who will take responsibility for drafting a completed version based on current policies, and presenting the draft to the board or management committee for discussion and approval.



45 min

5. Monitoring compliance, progress, performance and critical issues

Ask the group to review the types of information that is currently provided to the board or management committee:

- What information do they currently get and how is this provided to them?
- How useful and relevant is the information they currently get? Is there too much information?
- How well is the information presented? Is it easy to read and understand? Is it easy to identify the key points and critical information so that the board or management committee can make informed decisions?

Using either version one (simpler) or version two (more complex) of *worksheet three*, work the group through each section, identifying the key pieces of information they need for adequate monitoring.

20 min

6. Reporting formats

There are essentially four types of reports that a board or management committee should receive:

1. **manager's report** — a monthly or quarterly report from the senior staff person (manager/coordinator/executive officer) reporting on the progress of plans or decisions, alerting the board or management committee to any issue relevant to their governance role, and seeking guidance or decisions on specific issues. Ideally, this report should relate to an organisational plan, so that a manager can 'report by exception' — that is, report on only the items that are not proceeding according to plan and that need the board or management committee's attention
2. **finance report** — a monthly or quarterly report on the financial performance of the organisation (monitoring against the organisation's budget and including year to date figures) and the organisation's overall financial position
3. **an organisational performance report** — usually provided as an attachment to a manager's report, and giving the board or management committee basic data about services and activities and any other performance indicators that the board or management committee has requested (*Tool: Organisational performance framework* may be used to develop a set of performance indicators)
4. **compliance report** — a report on specific risk factors and legal obligations such as insurance renewals, contracts, workplace health and safety etc.

Using the suggested reporting templates in *Tool: Reporting formats and summary sheet* and *Info sheet: Examples of completed reports*, review each type of report with the group and develop an agreed format for each report.



15 min

7. Summary of monitoring and reporting

If time allows, use the summary sheet in *Tool: Reporting formats and summary sheet* to document an overview of the board or management committee's monitoring framework.

Materials to use

- *Info sheet: Management and governance roles*
- *Tool: Schedule of delegations*
- *Tool: Reporting formats and summary sheet*
- *Info sheet: Examples of completed reports*
- *Tool: Financial report template and example*
- *Tool: Organisational performance framework*



WORKSHEET ONE

Ask the group to imagine that they have given all decision making to their senior staff person (manager/coordinator/executive officer):

- What decisions would they not be happy with the senior staff person making?
- What safeguards would they want to put in place by setting limitations on the senior staff person or by monitoring and reporting?

The discussion can be formalised by using the following template to record items:

Area	Board/committee decision required	Limitations for senior staff person (manager/coordinator/executive officer)	Safety net (monitoring)
<i>e.g. Human Resource Management (HRM)</i>	<i>e.g. any staff related actions or decisions with industrial implications</i>	<i>e.g. not to breach current industrial agreement or any external industrial legislation or award</i>	<i>e.g. notify board or committee of any staff structure change</i>
<i>HRM</i>			
<i>Finance</i>			
<i>Projects and services</i>			
<i>General operations/ administration</i>			
<i>Insurances</i>			
<i>Property</i>			
<i>Contracts</i>			
<i>Other</i>			

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WORKSHEET TWO

Delegation charts

Explain how the format of the delegations chart works, using the example in the notes:

AREA (e.g. financial management, client service, staffing)			
FUNCTION	PREPARATION	PROCESS	APPROVAL
<i>This describes the particular item that decisions need to be made about</i>	<i>This identifies who will prepare any documents or gather any information needed</i>	<i>This describes any process of discussion, or checking that the item will go through</i>	<i>This identifies who can approve the item</i>
<i>Example: annual budget</i>	<i>Example: bookkeeper</i>	<i>Example: bookkeeper discusses with treasurer and staff</i>	<i>Example: board of management</i>

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Using the blank format provided in *Tool: Schedule of delegations*¹, lead the group in completing the areas of delegation that are of highest priority for them.

¹ ©Bradfield Nyland Group (Breaking New Ground Pty Ltd), BNG Management Support Online *Tool: Schedule of delegations*, 2004



WORKSHEET THREE (version one): Board or management committee monitoring and reporting framework

Item	Key information that the board or management committee needs to know	What reports the board or management committee will receive	Responsibility for preparing reports	Frequency
Strategic/business plan				
Board or management committee work schedule				
Senior staff person (manager/coordinator/executive officer) progress and performance				
Financial and asset management				
Risk management				
Incorporation				
Contracts				
Insurances				
Other legal obligations				
Services and activities				
Special projects				
Recruitment and management of staff and volunteers				
External environment and relationships				
Other				



WORKSHEET 3 (version two): Board or management committee monitoring and reporting framework

PROGRESS				
Item	Key information that the board or management committee needs to know	What reports the board or management committee will receive	Responsibility for preparing reports	Frequency
<i>e.g. Implementation of plans</i>	<i>Whether key actions have been commenced or completed</i>	<i>Report on progress against timeframe column in plan: not commenced, underway or completed</i>	<i>Manager</i>	<i>Quarterly</i>

COMPLIANCE				
Item	Key information that the board or management committee needs to know	What reports the board or management committee will receive	Responsibility for preparing reports	Frequency
<i>e.g. Contractual obligations</i>	<i>What contracts have been entered into, key obligations under these contracts.</i>	<ul style="list-style-type: none"> ▪ <i>New contracts: who the contract is with, what the contract is about, obligations and timeframe</i> ▪ <i>Reports made to funding bodies</i> 	<i>Manager</i> <i>Manager</i>	<i>As needed</i> <i>Annual</i>

PERFORMANCE				
Item	Key information that the board or management committee needs to know	What reports the board or management committee will receive	Responsibility for preparing reports	Frequency
<i>e.g. Services and activities</i>	<i>Amount of service by type, client outcomes and client satisfaction</i>	<ul style="list-style-type: none"> ▪ <i>Service data</i> ▪ <i>Client satisfaction results</i> 	<i>Manager</i> <i>Manager</i>	<i>Quarterly</i> <i>Annual</i>



CRITICAL ISSUES				
Item	Key information that the board or management committee needs to know	What reports the board or management committee will receive	Responsibility for preparing reports	Frequency
<i>e.g. Government policy changes</i>	<i>Any policy change with implications for funding, service delivery or operating the organisation</i>	<ul style="list-style-type: none"> ▪ <i>Significant proposed changes with analysis of the impact</i> ▪ <i>Actual changes with analysis of the impact</i> 	<p><i>Manager</i></p> <p><i>Manager</i></p>	<p><i>As needed</i></p> <p><i>As needed</i></p>