

# AISACT Governance Article

## Ticking all the Right Boxes



*Prepared by*

*Adrienne Day, Director Day & Hodge Associates, Chair Daramalan College*

*Adrienne Smith, Director, Management Partners Australia*

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## **Good governance: is your school ticking all the right boxes?**

*Adrienne Day, Director Day & Hodge Associates, Chair Daramalan College*

*Adrienne Smith, Director, Management Partners Australia*

Good governance has never been more important for our schools and their boards. Today we are facing the first pandemic in 100 years on top of increased social expectations, tighter regulatory requirements, and calls from all quarters for greater transparency and accountability.

At the same time, parents and students are becoming more active. Combined with social media, this is shining a spotlight on institutions that were previously more hidden.

In this environment, without the right governance structures in place things can rapidly deteriorate.

### **Governance gone wrong**

In 2019 a prestigious Australian girls' school and its board apologised unreservedly to a former principal after settling a high-profile defamation case.

The former principal had sued the school and two of its teachers over emails circulated about her after her departure which she claimed defamed her and cost her \$2 million in lost employment opportunities.

The story attracted significant media coverage and given the threat of a costly court case and further reputational damage, it's not surprising an out of court settlement was seen as the best course of action.

This is a sobering example of how governance failures can significantly impact both reputation and the bottom line.

So what can schools do to avoid becoming a case study in failed governance?

### **Key ingredients for governance success**

Strong, effective governance practices are fundamental to healthy organisations. Good governance provides the foundation for high performance and ensures schools are well placed to respond to changing environments.

Simply put, great things can be achieved when good governance is applied throughout the whole school.

This all sounds easy in theory but can be more challenging in practice. To help address this challenge, the AISACT commissioned two key governance resources for its members - a [governance guide](#) and a [governance checklist](#).

The guide, *AISACT School Governance Guiding Principles: A Guide to Promote Good Governance*, contains eight guiding principles and recommendations to support good governance in our schools.

The eight principles seek to articulate what governance success looks like:

1. **Clarity in roles and responsibilities:** there is a clear delineation in roles and responsibilities between board and management.
2. **Board structured to be effective and add value:** the board is the appropriate size and has the skills, commitment and knowledge to fulfil its role effectively and add value.
3. **Clear purpose and strategy:** there is a clear mission and set of strategies aligned to the school's vision.
4. **Risk recognised and managed:** a sound risk management framework has been established and is reviewed regularly.
5. **Organisational capability to deliver purpose:** organisation capability is built and maintained through sound financial management, appropriate resourcing and protection of assets.
6. **Integrity and accountability:** the board always acts in good faith in the best interests of the school and for a proper purpose and is able to justify decisions and actions to stakeholders.
7. **Effective stakeholder engagement:** the board engages meaningfully with all stakeholders and fair consideration is given to their legitimate interests and expectations.
8. **Culture that supports the school's vision and mission:** the board models and works to instil a culture that supports the school's vision and mission and aligns with its purpose and strategy.

Understanding the key ingredients for governance success is one thing, but how can we tell if we are doing it right?

### **How to health check your school's governance**

The second resource, the AISACT Governance Checklist, was specifically developed to bring the guiding principles to life — to serve as a governance health check.

Boards can use the checklist to assess how their governance practices align to the eight principles and identify any gaps that may put the school and board at risk.

Completing the checklist will help your board answer the questions:

- Are appropriate governance principles in place?
- Are they being actively adhered to?

If governance gaps are identified, schools can then draw on the AISACT governance guide for recommendations and resources to help strengthen governance practice.

### **Accommodating diversity**

All schools are different. Different schools will have different governance structures depending on their size, history, complexity and corporate culture.

This means it isn't possible to develop a prescriptive "one size fits all" governance approach, and these AISACT resources have been developed to accommodate member diversity. It is

for individual school boards to identify the governance principles and recommendations they may wish to adopt.

The end goal is that both the guide and checklist provide inspiration, ideas and support to help our schools tick all the right governance boxes.

**The *AISACT School Governance Principles Guide* and *Governance Checklist* are available for download from the [AISACT website](#)**

**Additional resources:**

- Independent Schools Victoria (ISV) [Sample Board Charter](#)
- ISV See [Appendix 3 Performance Management](#)
- ICDA [Board Effectiveness Quiz](#)
- School News [Is your school vision statement gimmicky or purposeful?](#)
- Victorian Government [Risk Management for Schools](#)
- AICD [Financial Fundamentals for Not-for-Profit Directors](#)
- Deloitte [Effective Board Reporting for Not-for-Profits](#)
- ICDA [Identifying Your Stakeholders](#)
- AICD [6 Steps to Building Great Culture](#)

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