

Governance or Management?

Whenever this question arises, are we sure that we understand clearly the respective roles and the distinction between the two

Governance is; **Taking the responsibility for the overall direction and supervision of the business and affairs of an organisation.**

Management is; **Putting in place the policies set down by the governing body and the coordination of the day-to-day activities, which will achieve the organization's goals.**

Management is answerable to the governing body.

For example with Governance:

The Board/trustees/governing body discharge responsibility by having adequate systems in place to ensure that:

- **Goals, plans and budgets are approved and reviewed**
- **Performance against objectives are monitored**
- **Management is conducted in a professional and competent manner**
- **Proper accounting and auditing practices are operating**
- **All matters of importance are brought to the attention of the governing body through a system of prompt and comprehensive reporting**

With Management

To enable the organisation to achieve its goals, Management will:

- **Decide how best to achieve the goals**
- **Engage the appropriate staff to undertake the necessary tasks**
- **Develop practices and procedures to ensure the organisation runs smoothly**
- **Implement auditing procedures and have KPI's in place to monitor and measure desired results**
- **Report regularly to the governing body**

It is when we start to look at the distinction between Governance and Management and how some organisations administer their roles and responsibilities, that we identify the differences between a successful and well-run organisation as opposed to one that is not.

In a well-run and successful organisation the governing body :

- Will have found a balance between too much involvement and too little.
- Its decisions whether unanimous or not, will be accepted by all members, so there is unity and credibility.

There will be a good relationship and trust between the governing body and the management.

In summary: There is a clear distinction between Governance and Management but to be successful they must work together with the Board or governing body staying in contact with management or the executive while not interfering unless management or the executive get out of line.

Finally, the buck does stop with the governing body.

Part 1: Creating an Effective Committee

The aim for an association is to improve the quality of life for all people living and working in the community. Together with the business association, the Committee's role is to continue to develop a successful, attractive, sustainable and enjoyable shopping and business centre.

A committee must represent as broad a cross section of stakeholders as possible.

Who to have on your committee

While a local committee is a partnership of the main players, it is also important that its composition reflects the priorities identified in the Strategic Plan. committee members are often generally involved in projects from the outset. Therefore, as well as having representative people, it is important to have the 'right' people.

To be a good committee member you need to:

- have a keen interest in the promotion and development of the centre/group
- be committed to support the committee and centre activities
- be reliable (e.g. prompt to meetings, complete promised tasks)
- be willing to learn new skills
- have the ability to work in a team
- be prepared to participate in both input at meetings and proposed projects
- have a positive attitude and professional approach
- have a desire to be a leader in the Business Community
- encourage new initiatives
- promote centre/group with pride
- participate in policy making and strategic planning
- understand centres/groups mission and goals
- encourage community members to become more involve

Key Committee Strategies:

- Develop the Annual Business Plan/Budget and Schedule
- Manage the Promotions and Marketing Implementation Plan
- Manage the Media Plan
- Guide and support staff in the implementation of all projects

- Maintain an easy line of communication between all businesses 'on the street'.
- Forward ideas/issues from the businesses 'on the street' back to the Committee

Committee Members' Tasks:

- Attend monthly committee meetings
- Occasional extraordinary meetings
- Attend social occasions
- Attend Neighbourhood group meetings when possible
- Reading reports/minutes prior to meetings, gathering information and active involvement in particular projects
- Encourage attendance and participate in events i.e. Annual General Meeting, Events, Business Networking and Seminars etc

Listed below are some of the roles and tasks which committee members will be involved in. Consider who is the most skilled person on the committee for each of them, (they are not necessarily all different people though). Collectively the committee can then allocate the office holders where they seem most fitting for these roles and tasks:

- Chair the meetings monthly (an experienced chair is a huge advantage for effectiveness)
- Meet with the manager weekly to act as a sounding board and set agendas (probably best to be the same person who chairs the meetings)
- Attend Council or Local Board meetings with the Manager as required (a good public speaker willing to learn how to network into Council)
- Facilitate the strategic planning processes (a strategic thinker needed here)
- Oversee the financials and be the first signatory on the chq A/c (this person may be the Treasurer)
- Be the second and third signatories on the chq A/c (preferably your business is close to the office and you are there most of the time)
- Be the project advocate for business association projects both in planning stage and in action (an efficient planner and decision-maker)

The role of the committee working with the manager/co-ordinator

- This leadership role encompasses a strong emphasis on strategic direction and policy development; the manager's role is to implement this strategic direction and policy and contribute to the formation of such.

- The board takes responsibility for the development of a long-term strategic plan; the manager develops the annual business plan with accompanying budget for approval by the board.
- The board has responsibility for signing any document of a contractual nature e.g. property or equipment leases, sponsorship agreements or anything, which places obligation on the organisation and has potential liabilities.
- It is not usual for a board to be involved in day-to-day management activities; rather its role is to set in place operational policy and procedure from which the tasks and actions of staff should become clear.

Working as a Team

Positive elements of group work

- Challenges
- Recognition
- Prestige
- Personal Development
- Social contact/new friends
- Decision participation
- Lateral thinking
- Networking

Group Dynamics may experience:

- Conflict of interest/power
- Recruitment and selection : group members
- Change
- Growth
- Re-structuring
- Competence
- Lack of resources
- Personality differences
- Accountability of members
- Leadership
- Holding on to key positions for too long
- Communications

Elements to remember

- Every member of the group has equal rights and should share fully in the meeting
- Power lies with the whole group not with the rules of one person
- Have co-operation and respect for others despite variation in members' knowledge and experience

The essence of consensus is the ability to extract something from each and every opinion in a group, and mould it into a statement or plan of action, which each member can agree with and promote.

Some guidelines for Committees and Boards:

- Cultivate more consultation with stakeholders by encouraging more contact with board members to discuss topical issues. As board members represent stakeholders, consider publishing their names in your newsletter. Consider allowing time for open forum at board meetings as an additional way of consultation.
- Board members should consider adopting a policy on timeframe for information to be sent out prior to monthly board meeting e.g. Councillors usually have 2 working days prior to a meeting to ensure they have sufficient time to consider all the information. Information should include financial reports and a manager's activity report.
- A draft business plan should accompany the annual budgets to be approved by the board. Boards are accountable to stakeholders on how the targeted rate is spent. It should be clear on where the money will be spent and expected results. Separate budgets for events should also be included with the plan.
- A written Chairperson/ president's Report along with the results the organisation has achieved over the past year should accompany the audited accounts presented to stakeholders at the organisation's AGM. When dealing with ratepayer funding, it is imperative that every effort is made to demonstrate a transparent process.