

# Governance and Organisation Management Policy



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<b>Warning - Ensure you are using the latest version of this policy.</b>			
DCC Network/All Organisation Information/DCC Policies/Quality Area 7 – Leadership & service management			

## 1. Policy Statement

Our organisation will meet its legal and financial obligations by implementing appropriate governance practices that support our aim to provide high quality early education that meets the objectives and principles of the National Quality Framework, the National Quality Standard and the Early Years Learning Framework.

The Board of Management members take ultimate responsibility for the governance of River Region Early Education. Governance is also concerned with the way the board work with the General Manager and staff, volunteers, organisation users, members and other stakeholders to ensure the organisation is effectively and properly run and meeting the organisation needs.

River Region Early Education is committed to ensuring good governance and accountability to its stakeholders by:

- Conducting our affairs legally, ethically and with integrity, ensuring compliance with all funding, regulatory and legislative requirements
- Remaining solvent and complying with all our financial obligations.
- Identifying organisational risks and legal obligations and managing these.
- Ensuring mechanisms are in place for fair and transparent governance.

## 2. Rationale

Governance is the system or process by which organisations are directed, controlled and held accountable to ensure that the right decisions are made. River Region Early Education recognises the importance of having a framework of rules, relationships, systems and processes within, and by which authority is exercised and controlled in the organisation. We view good governance and management as essential to our provision of quality education and care.

## 3. Definitions

Nil

## 4. Guidelines

### a) Organisation Structure

River Region Early Education is legally structured as a not-for-profit Company Limited by Guarantee.

The **Approved Provider** is the Board of Management of River Region Early Education.

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The Board of Management of River Region Early Education is an elected, representative, and collective body.

- It is **elected**, in that the determination of the Board of Management is the prerogative of members through the election process.
- It is **representative**, in that no member can be mandated by their constituency to adopt a particular position if they do not believe it to be in the best interests of the organisation. Whatever the constituency of any member, all members are committed to acting selflessly and making decisions and voting on governance decisions solely in the best interests of the organisation.
- It is **collective**, in that while each member should put the point of view of their constituency, and each member has the right to argue for their own point of view and to vote for that position, once a collective decision has been taken Board members are required to support that decision.

The function of the Board of River Region Early Education is to collectively ensure the delivery of the organisation's objects, to set its strategic direction, and to uphold its values. The Board of Management should collectively be responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and is complying with all its legal, financial, and ethical obligations.

The responsibilities of the Board of Management that cannot be delegated to any other person or body include:

- Compliance monitoring – ensuring compliance with the objects, purposes and values of the organisation, and with its constitution.
- Organisational governance – setting or approving policies, ensure they comply with legislation, plans and budgets to achieve those objectives, and monitoring performance against them.
- Strategic planning – reviewing and approving strategic direction and initiatives.
- Reviewing the constitution every three years
- Ensures that the organisation complies with all relevant laws, regulations and regulatory requirements including the Education and Care Organisations National Regulations 2011, *Children (Education and Care Organisations) Supplementary Provisions Regulation 2019*
- Financial monitoring – reviewing the organisation's budget, monitoring management and financial performance to ensure the solvency, financial strength and good performance of the organisation.
- Financial reporting – considering and approving annual financial statements and required reports to government.
- Organisational structure – setting and maintaining a framework of delegation and internal control. (refer to Organisational structure with individual responsibilities)
- Leadership selection – selecting, evaluating the performance of, rewarding and, if necessary, dismissing the organisation's General Manager
- Succession and remuneration planning – planning for Board of Management, general manager, and determining senior management remuneration.
- Risk management – reviewing and monitoring the effectiveness of risk management and compliance in the organisation; agreeing or ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise.

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- Dispute management – dealing with and managing conflicts that may arise within the organisation, including conflicts arising between board members, staff, the general manager, members, volunteers, or organisation users.
- Social responsibility – considering the social, ethical and environmental impact of all activities and operations and ensuring that these are acceptable.
- Board performance and composition – evaluating and improving the performance of the Board.

### **b) Relationship with operational staff**

The Board will focus on the strategic direction and the core policies of the organisation and avoid becoming involved in day-to-day operational decisions. Where individual Board members do need to become involved in operational matters, they should separate their strategic role (where they operate independently of any direction) from their operational role (where they act at the direction of management).

The **delegated representative of the Approved Provider** is the General Manager. They are responsible for the strategic, financial and operational management of the company, including the compliant operation of the organisations and human resource management. The General Manager has responsibility for supporting the Nominated Supervisor / responsible person in their role and providing resources as appropriate for the effective running of the organisation.

Each service has a **Nominated Supervisor**. The Nominated Supervisor/s is responsible for the day to day management of our organisation and has a range of responsibilities prescribed in the national law and regulations.

### **c) For Child Care Subsidy (CCS) purposes:**

Our persons with management or control of the organisation are the Approved Provider, the General Manager and the Nominated Supervisor.

Our Persons responsible for the day-to-day operation of the organisation are the Nominated Supervisor and Administration team members.

### **d) Commitment to good governance**

River Region Early Education has adopted the following eight ASX Corporate Governance Principles and Recommendations, which we recognise as suitable for our business.

#### **1. Lay solid foundations for management and oversight.**

**Management Principles:** To ensure our working relationships are characterised by open and respectful communication, accountability and trust our organisation adheres to the following management principles.

**Management by Agreement** - Nominated Supervisors and educators agree to produce outcomes together. Educators agree on their accountabilities and to work according to existing procedures and policies. Nominated Supervisors agree to provide educators with training, resources and support.

**Management by Exception** - Once a system is in place or the Nominated Supervisor and educators have agreed upon a course of action, the educator is accountable for identifying and reporting whenever something significant occurs that isn't part of the plan.

**Clearly Defined Reporting Relationships** - Everyone in the Organisation has only one primary manager. This reduces confusion and increase accountability and transparency. Information,

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requests, or delegations that would cause our educators/staff to take action or change the course of their actions will only come from the person to whom they report.

Reporting relationships at River Region Early Education are:

- Persons with management or control of the organisation, including the Nominated Supervisors as well as the Business Services Manager, and Quality Coordinator, report to the Approved Provider via the General Manager.
- Administration staff report to the Business Services Manager.
- Responsible Persons (Person in Day-to-Day Charge of the organisation), report to the Nominated Supervisor.
- Each Lead Educator / Teacher reports to the Nominated Supervisor.
- Educators report to their Lead Educator / Teacher.
- General Manager Review Committee report to the Board.
- Project committees as established by the Board report to the Board.

### **2. Structure the board and management team to add value**

To comply with these principles to the best of our ability and to ensure we can discuss issues and (potential) changes to policies, procedures or the regulatory environment, we will schedule regular communication between all members of our management team through meetings, phone communication including SMS messaging, a communication book, written communication such as letters, notices, and electronic communication including email, Skype, video conferencing.

### **3. Promote ethical and responsible decision-making**

Our organisation will make decisions which are consistent with our policies, our obligations and requirements under the National Education and Care Law And Regulations, the Family Assistance Law (eg Child Care Subsidy and Additional Child Care Subsidy), our approved learning framework (EYLF) and the ethical standards in our code of conduct.

### **4. Safeguard integrity with Internal Controls**

#### **4.1. Delegation**

River Region Early Education Delegated Responsibility Schedule outlines who has responsibility for sensitive tasks, including signing legal documents, handling incoming cash payments, signing company cheques, authorizing staff expenses, accessing the safe, accessing petty cash and having access to accounting records. (Refer NQS7.50 A1- Delegated Responsibilities Schedule)

#### **4.2. Authorisations**

All transactions require two authorisations, one to initiate and one to authorise. A cheque of the source document for the transaction is referred to prior to authorising transactions. (Refer NQS7.50 A1- Delegated Responsibilities Chart)

#### **4.3. Assets**

River Region Early Education uses an assets register to list each asset with an ID number. The register is a record of where and when each item was purchased, how much it cost, how much it is insured for, its repair history and other details like serial numbers, guarantees or warranties.

This information is used to inform the balance sheet.

#### **4.4. Maintenance**

Properly maintaining company assets like equipment and buildings is also an internal control. This includes regularly scheduled inspections and routine maintenance as well as repairs.

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See 3.20 Physical Environment Policy and 3.20A1- Building & equipment Inspection Checklist

### **4.5. Cash**

River Region Early Education keeps cash transactions to a minimum, as a form of internal control. This is managed by offering direct debit, direct deposit and EFTPOS options for fee payments to families.

When it's necessary to have cash around, these internal controls are used:

- Limited access to cash and the safe.
- Manager approval of use of petty cash
- Only a small amount (\$200) of petty cash is held, and this is reconciled regularly.
- Petty cash and incoming cash are held separately.
- Cash is regularly deposited in the bank.
- Receipts are issued for incoming cash.
- Receipts must be received for outgoing petty cash.
- Petty cash receipt book is securely locked up.

### **4.6. Purchasing**

River Region Early Education authorize different people to initiate, approve and pay for goods or organisations. Separation of these duties makes it difficult to manipulate the purchasing process in ways that would hurt the company.

(Refer NQS7.50 A1 Delegated Responsibilities Chart)

### **4.7. Inventory**

Different parties order and received incoming items, separating those inventory-purchasing responsibilities. River Region Early Education regularly count and record onsite items, conducting physical inventory of saleable items as a form of internal control.

### **4.8. Refunds**

Business Services Manager is responsible for authorizing returns and delegating issue of refunds for those returned items. Records of all refunds are kept with transaction.

### **4.9. Accounts payable**

River Region Early Education requires separate people to receive incoming bills and approve bill payments in their accounts payable department.

### **4.10. Banking**

To eliminate opportunities for bank-related fraud, River Region Early Education closes any dormant account immediately and regularly reconcile all active accounts. Screenshots of bank balances are provided to the Board for verification of balance sheet.

### **4.11. Cheques**

River Region Early Education requires a minimum of two signatures on cheques. River Region Early Education may create a pool of authorized signers, so one person's absence will not delay issuing cheques.

### **4.12. Payroll**

Direct line supervisors are responsible for approving hours worked. Authorizing payroll amounts and disbursing payroll funds belong to different employees. Two to approve principle applies.

### **4.13. Electronic fund details**

Verbal verification is required from a business if notification of change of bank details is received via email/ invoice. If notification of change is received verbally, written confirmation from an authorised business representative is required.

### **4.14. Insurance**

River Region Early Education purchases insurance to protect assets without which the organization would struggle to operate and to safeguard high-value items that might be easily stolen. This includes vehicles, specialty equipment and buildings and their contents are all insured.

### **4.15. Financial reporting**

Our financial reports are prepared by an independent accountant and audited by a registered company auditor.

The Approved Provider are committed to the prevention and elimination of corruption and fraud, and compliance with all legislative requirements including those in the Family Assistance Law. They will implement measures to ensure child care funding is properly administered and helps eligible families meet the costs of genuine child care including:

- ensuring fitness and propriety of all staff involved eg those with management or control of the Provider, persons responsible for the day-to-day operation of the organisation, and or any staff member involved in CCS implementation and administration are fit and proper persons as outlined in our Staffing Arrangements Policy and are registered with the Federal Government's Provider Digital Access (PRODA)
- ensuring compliance with the administration and reporting requirements outlined in the Child Care Provider Handbook
- promoting a culture of honesty and integrity through our Code of Conduct
- using a Third-Party Software Provider Xplor to manage CCS enrolments and attendance, and guide compliance and reporting requirements
- periodically providing staff with relevant training and resources including those from DESE and our Third-Party Software Provider Xplor
- implementing an audit procedure where funding records and reports are regularly checked using suitable tools like our Child Care Subsidy Checklist and our Fees Policy
- periodically changing the person responsible for checking compliance to ensure the integrity of the oversight process.
- taking action if non-compliance or fraud is identified eg
- advising the Federal Department of Education, Skills and Employment (DESE) about the details of the non-compliance as soon as possible, and where relevant, within the timeframes in the attached table.
- taking immediate steps to rectify the non-compliance, including changing systems and procedures to ensure it doesn't recur.
- providing staff with relevant training, resources and support. This may include training and resources available from DESE and our Third-Party Software Provider XPLOR.
- in cases of suspected fraud or corruption, immediately suspending the person's access to the Child Care Management System, notifying DESE and the Police, and terminating a person's employment if the fraud is substantiated.

### **5. Make timely and balanced disclosure**

Unless there is a risk to the health, safety or wellbeing of a child enrolled at the organisation, River Region Early Education will provide at least 14 days' notice before making any change to a policy/procedure that may have a significant impact on our provision of education and care or a family's ability to utilise our services, including making any change that will affect the fees charged or the way fees are collected. (Refer NQS759 Policy review and Development Policy)

### **6. Respect the rights of shareholders, parents, children**

River Region Early Education will support and encourage the involvement of parents and families by:

- developing and implementing plans to ensure regular communication with families including advice about events, activities and policy updates.
- enabling them to have access and provide input to reviews of policies and procedures.
- providing space for private consultations.
- providing and displaying a range of information about relevant issues.
- ensuring we follow all policies and procedures including the NQS6.42 Family Involvement Policy and DCC7.60 Privacy and Confidentiality Policy.

River Region Early Education will respect the rights of children by ensuring:

- the Nominated Supervisor complies with their responsibilities under the national law and regulations.
- we follow our policies and procedures including the NQS5.37 Interactions with Children Policy, NQS2. Child Protection Policy and DCC7.60 Privacy and Confidentiality Policy.
- our children are provided with the experiences and learning which allows them to develop their identities, wellbeing and social connection.

### **7. Recognise and manage risk**

River Region Early Education will take every reasonable precaution to protect children from harm and any hazard likely to cause injury. We will follow organisation policies including those covering NQS2.19 Workplace Health and Safety, DCC2.6 Child Protection, NQS2.9 Excursions and the NQS2.5 Delivery and Collection of Children and complete regular risk assessments and safety checks.

The Board undertakes a full risk assessment annually and takes appropriate steps to manage the organisation's exposure to significant risks. The Board regularly reviews the risks to which the organisation is subject and take action to mitigate risks identified. (Refer 7.63 A3 Risk Register)

All board members will complete regular (minimum yearly) Governance training. They will be provided the Board handbook on their appointment to the Board of Management which will include:

- River Region Early Education constitution,
- Strategic and operational plans
- Quality Improvement Plan,
- Delegations of responsibility chart
- Relevant policies
- Overview of National Quality Framework
- Funding overview
- Information on meeting procedures

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- Any other relevant information

### 8. Remunerate fairly and responsibly

Actively seek and implement Fair Work Laws to ensure that our workplace is equal and fair.

## 5. Procedure

Nil

## 6. Sources

- Education and Care Services National Law and Regulations
- National Quality Standard
- Early Years Learning Framework
- Corporate Governance Principles and Recommendations ASX Corporate Governance Council
- Family Assistance Law
- Child Care Financial Integrity Strategy: Department of Educations, Skills and Training (Cth)
- Child Care Provider Handbook: Department of Educations, Skills and Training (Cth)
- Institute of Community Directors- Governance Policy and Financial control policy
- CPA Australia- Internal Controls for small business
- CELA Governance and Management Policy
- Centre Support Governance Policy

## 7. Relevant Legislation, Regulations and Standards

Legislation	
Education and Care Services National Regulation	
168	Education and care organisations must have policies and procedures
177	Prescribed enrolment and other documents to be kept by approved provider
181	Confidentiality of records kept by approved provider
181-184	Confidentiality and storage of records
National Quality Standards	
6.1.1	Families are supported from enrolment to be involved in the service and contribute to service decisions.
6.1.2	The expertise, culture, values and beliefs of families are respected and families share in decision-making about their child's learning and wellbeing.
7.1.1	A statement of philosophy guides all aspects of the service's operations.
7.1.2	Systems are in place to manage risk and enable the effective management and operation of a quality service.



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7.1.3	Roles and responsibilities are clearly defined, and understood, and support effective decision-making and operation of the service.
7.2.1	There is an effective self-assessment and quality improvement process in place.
<b>Child Safe Standards</b>	
<b>Early Years Learning Framework Learning Outcomes</b>	
<b>Early Years Learning Framework Principles</b>	
<b>Early Years Learning Framework Practices</b>	

## 8. Related Documents

Doc #	Attachments
NQS 7.56 A1	Organisational structure with individual responsibilities – updated annually

Doc #	Intersections with other key documents
	Board Handbook
	Constitution
	Quality Improvement Plans
	Delegated Responsibilities Schedule

## 9. Document Control

Doc #	Doc Title	Version	Approved	Next Review
NQS7.56	Governance and Service Management Policy	3	March 2019	March 2021
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