



Australian Government

Department of Education, Employment and Workplace Relations

CHCMGT601B Contribute to effective governance in the community sector

Release: 1

CHCMGT601B Contribute to effective governance in the community sector

Modification History

Not Applicable

Unit Descriptor

Descriptor

This unit describes the knowledge and skills required to support, guide and maintain effective governance of community sector organisation/s

Application of the Unit

Application

The knowledge and skills of this unit of competency should be used by workers involved in higher level practice and/or management in the community sector

The unit reflects specific requirements in relation to high level leadership in organisations or government departments in the community sector, where one individual may have comprehensive leadership responsibilities, including providing support and guidance in relation to governance issues

Governance essentially refers to 'the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation' and may involve government or privately appointed Boards, trustees or other type of governing body

Licensing/Regulatory Information

Not Applicable

Pre-Requisites

Not Applicable

Employability Skills Information

Employability Skills

This unit contains Employability Skills

Elements and Performance Criteria Pre-Content

Elements define the essential outcomes of a unit of competency.

The Performance Criteria specify the level of performance required to demonstrate achievement of the Element. Terms in italics are elaborated in the Range Statement.

Elements and Performance Criteria

ELEMENT

1. Ensure clarity of role and responsibilities of governing body

PERFORMANCE CRITERIA

- 1.1 Identify *governing body* role and responsibilities in relation to organisation's compliance with own objectives and legislative/regulatory requirements, financial performance and solvency, policy development and/or ratification, risk management and internal management
- 1.2 Focus on strategic direction to maintain integrity of organisation's purpose and activities
- 1.3 At all times act reasonably, in the interests of the organisation and its stakeholders, independently of any other group or organisation
- 1.4 Maintain equal responsibility for the actions and decisions of the governing body
- 1.5 Where involved in operation decisions and matters, maintain clear distinction between role at strategic and operational levels
- 1.6 Where appropriate, contribute to definition of roles, responsibilities and terms of reference of sub-committees and individual members of governing body

ELEMENT**PERFORMANCE CRITERIA****2. Maintain compliance of organisation**

- 2.1 Monitor organisation's performance and address any issues relating to compliance with own governing document, financial solvency, legislative/regulatory and, where appropriate licensing/accreditation requirements
- 2.2 Monitor and review organisation policies, procedures and reporting mechanisms to ensure ongoing compliance, especially in relation to changing requirements
- 2.3 Monitor any fund raising activities and donations to ensure compliance with relevant requirements
- 2.4 Review changing trends in the community sector to ensure organisation's ongoing adherence to and leadership in promoting and applying underpinning philosophy and approaches

3. Review and maintain organisation systems, policies and procedures

- 3.1 Set and maintain relevant systems of financial control, internal control, performance reporting and policies and procedures
- 3.2 Put in place and ensure implementation of system for regular review of organisation's internal policies, systems and controls to ensure their effectiveness
- 3.3 Where appropriate set up quality assurance/audit practices, processes and personnel

ELEMENT**PERFORMANCE CRITERIA****4. Manage risk**

- 4.1 Identify and assess risks facing the organisation, staff, users and other stakeholders, and take appropriate steps to minimise exposure to risk
- 4.2 Avoid undertaking activities which may place at undue risk organisation's users, beneficiaries, volunteers, staff, property, assets or reputation
- 4.3 Obtain advice from appropriate authorities if required in relation to matters where there may be material risk to the organisation or where trustees may be in breach of their duties
- 4.4 As a member of the governing body, take ultimate responsibility for dealing with and managing conflicts that may arise within or on behalf of the organisation
- 4.5 Put in place policy and procedures to enable confidential reporting of matters of concern, such as misconduct, misuse of funds, mis-management and risks to the organisation or its stakeholders

5. Ensure principles of access, equity and inclusion are promoted and applied

- 5.1 Set strategies and action plans to support organisation's achievement of access, equity and inclusion objectives
- 5.2 Monitor and review organisation's application of principles of access, equity and inclusion in relation to:
 - identification and assessment of needs to be met
 - allocation of resources and provision of services
 - membership of governing body and any asub-committees
 - staff recruitment, selection, training and conditions of service
 - communication with stakeholders and public
 - accessibility of meetings and communications
 - purchase/procurement of goods and services
- 5.3 Where organisation is set up to service a specific section of the community, ensure this is clear and that principles of access, equity and inclusion are interpreted and applied in a manner appropriate to organisation objectives

ELEMENT**PERFORMANCE CRITERIA****6. Contribute to maintaining functional governing body**

- 6.1 Contribute to regular review of effectiveness of governing body
- 6.2 Contribute to recruitment and selection of new members of governing body
- 6.3 Contribute to ongoing strategic review of organisation's work as a basis for constructive change and innovation
- 6.4 Ensure all staff, volunteers and agents have clear and sufficient delegated authority to discharge their duties effectively, where necessary within clearly identified limits relating to budgetary and/or other matters

7. Maintain integrity of governance

- 7.1 Ensure any benefit from involvement in governance of the organisation is within what is allowable by law and in the interests of the organisation
- 7.2 Identify and promptly declare any actual or potential conflict of interest and, if necessary, offer to resign from position of governance
- 7.3 Follow organisation guidelines for declaration of personal gifts or hospitality received in relation to organisation's business or from personnel or organisations connected with the organisation
- 7.4 Maintain open communication and consultation between the organisation and its stakeholders to ensure:
 - key stakeholders are encouraged to engage in planning and decision-making processes
 - stakeholder views are taken into account in decision-making
 - stakeholders are informed and consulted on relevant plans and proposed developments
 - feedback and complaints from stakeholders are processed appropriately
 - organisation governance, performance, impacts and outcomes are openly reported to stakeholders

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential skills and knowledge and their level required for this unit.

Essential knowledge:

The candidate must be able to demonstrate essential knowledge required to effectively do the task outlined in elements and performance criteria of this unit, manage the task and manage contingencies in the context of the identified work role

These include knowledge of:

- Compliance requirements and issues facing the organisation
- Governance functions and integrity in community sector organisations
- Organisation's policies, procedures and system of internal control and performance reporting
- Organisation's strategic direction as described in its vision, mission and values and supporting strategic planning documentation
- Principles and practices of effective governance, in particular applying to organisations in the community sector
- Principles of access, equity and inclusion and their specific application in relation to community sector organisation/s
- Risks facing an organisation in the community sector and associated risk assessment and management policies, procedures and measures
- Roles and responsibilities of governing body/ies in community sector organisations
- Understanding of key issues in organisation management, relating to:
 - human resource management
 - financial management
 - resource and asset management
 - change management
 - contract management
 - collaborative partnerships in community sector work

Essential skills:

It is critical that the candidate demonstrate the ability to:

- Contribute effectively to governance of a community sector organisation

REQUIRED SKILLS AND KNOWLEDGE

- Maintain personal integrity in participation in governance of community sector organisation
- Provide leadership to support governance of an organisation functioning in the community sector
- Support stakeholder consultation and engagement in community sector organisation

In addition, the candidate must be able to effectively do the task outlined in elements and performance criteria of this unit, manage the task and manage contingencies in the context of the identified work role

These include the ability to:

- Demonstrate application of skills in:
 - communication
 - critical thinking
 - negotiation
 - problem solving
- Provide leadership to identify, promote and address environmental responsibility and sustainable practice issues

Evidence Guide

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the Performance Criteria, Required Skills and Knowledge, the Range Statement and the Assessment Guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate this unit of competency:

- The individual being assessed must provide evidence of specified essential knowledge as well as skills
- This unit is most appropriately assessed in a work context or in a simulated workplace and under the normal range of workplace conditions
- It is recommended that assessment take place on more than one occasion

EVIDENCE GUIDE

- Access and equity considerations:*
- All workers in community services should be aware of access, equity and human rights issues in relation to their own area of work
 - All workers should develop their ability to work in a culturally diverse environment
 - In recognition of particular issues facing Aboriginal and Torres Strait Islander communities, workers should be aware of cultural, historical and current issues impacting on Aboriginal and Torres Strait Islander people
 - Assessors and trainers must take into account relevant access and equity issues, in particular relating to factors impacting on Aboriginal and/or Torres Strait Islander clients and communities
- Context of and specific resources for assessment:*
- This unit can be assessed independently, however holistic assessment practice with other community services units of competency is encouraged
 - Where assessment is conducted within the workplace there are no resource implications above those normally available in the workplace
- Method of assessment:*
- Demonstration of competency within the working environment to learn from others and reflect on performance
 - Where there is not an opportunity to cover all relevant aspects in the work environment, the remainder should be assessed through realistic simulations, projects, previous relevant experience or oral questioning on 'What if?' scenarios
 - Observation of processes and procedures, oral and/or written questions on Essential knowledge and skills and consideration of required attitudes
 - Where performance is not directly observed and/or is required to be demonstrated over a period of time and/or in a number of locations, any evidence should be authenticated by colleagues, supervisors, clients or other appropriate persons

Range Statement

RANGE STATEMENT

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

- Principles of effective governance include:*
- Application of high ethical standards and integrity and processes for dealing with any conflict of interest
 - Clarity of governance functions and responsibilities and effective discharge of these
 - Collective responsibility and accountability for monitoring and ensuring organisation compliance and performance
 - Effective leadership and control of an organisation to ensure setting of appropriate strategic directions, delivery of identified services/objectives and upholding of identified values
 - Identified functions of sub-committees, officers, staff and other agents, delegated authorities and performance monitoring
 - Open, responsive communication and consultation with and accountability to users, beneficiaries, members, partners and other stakeholders
 - Regular review of organisation and governing body and appropriate renewal to ensure ongoing effectiveness

RANGE STATEMENT

Governing body role must include, but is not limited to:

- Accepting responsibility in law for actions and decisions of governing body
- Agreeing or ratifying all policies and decisions on matter that may create significant risk to organisation
- Dealing with appointment and, if necessary, dismissal of organisation's chief executive
- Ensuring compliance with organisation's purposes, values and governing documentation
- Ensuring organisation's compliance with all relevant laws, regulations and requirements of regulators
- Ensuring organisation's solvency, financial strength and good performance
- Ensuring organisation's vision, mission, values, activities and objectives are aligned
- Setting and maintaining framework of delegation and internal controls
- Setting or approving policies, plans and budgets to achieve identified objectives and monitoring performance against them

Unit Sector(s)

Not Applicable