ORGANISATIONAL POLICY AND THE NOT-FOR-PROFIT SECTOR

All organisations and boards are different, so there is no one-size-fits-all answer to the question 'What policies does my organisation need?'

Developing and maintaining an effective organisational policy framework

Often policies are developed after an adverse event has occurred, but it is preferable to take a proactive approach to policy development, so that personnel have documented information to guide them in carrying out their various roles within the organisation.

Analysis of the unique set of factors relating to a particular organisation will inform the policy requirements for that organisation.

And ongoing monitoring of changes to the environment, in which an organisation operates, along with regular review of the organisation's existing policy framework, will help an organisation to ensure its policy framework continues to meet the needs of its individual circumstances.

What underpins an organisation's policy framework? Some areas to consider...

The policy requirements of an organisation stem from a number of sources, such as:

1. **Legislative compliance requirements:**

    General, for example:
    - Associations Incorporation Reform Act 2012 – Rules of the Association, Statement of Purposes. Are there any policy needs as a result of the content of these?
    - Occupational Health and Safety Act 2004, including the associated Regulations and Compliance Codes
    - Wrongs Act 1958, including the amendment to include the Law of Negligence Act 2003

- Equal Opportunity Act 2010
- Disability Discrimination Act 1992
- Information Privacy and Data Protection Act 2014
- Fair Work Act 2009
- GST Act 1999
- Fundraising Act 1998
- Food Act 1984
- Liquor Control Reform Act 1998
- And so on...

Industry or sector specific, for example:

- Working With Children Act 2005
- Disability Services Act 2006
- Aged Care Act 1997
- Others?

2. Organisational values, vision and mission – these should be consistent with the Statement of Purposes. Is a policy statement warranted to strengthen the integration of these guiding statements into the day-to-day business of the organisation?

3. Organisational Plans i.e. Strategic, Business and Financial Plans – do any aspects of these necessitate new policies to be developed?

4. Operations – what policy needs stem from the nature of the organisation's business i.e. Standard Operating Procedures

5. Standards – does the industry or sector have any legislated or non-legislated standards which need to be met?

6. Funding bodies – what are the policy requirements linked to any funding agreements?

7. Peak bodies – does the industry or sector peak body have specific policy requirements or recommendations?

8. Risk Management - consider any policy needs relating to:

- People risks i.e. Occupational Health and Safety
- Resource risks i.e. finances, assets
- Risks to functions of the organisation i.e. outcomes, outputs
- Knowledge capital risks i.e. information, intellectual property

9. Incidents and complaints – does analysis of these highlight any gaps in existing policy which need to be addressed?

Potential Organisational Policies

The Rules of Association or the Constitution is the primary governance document for an organisation. All organisational policies should be consistent with the Rules or Constitution.

In relation to the various levels within an organisation (namely governance, management and operations), some potential policies are outlined below:

1. Governance policies:

- Board Charter – including, for example: Board purpose and terms of reference, composition and skills, statements of roles and responsibilities, election and appointment, fiduciary duty, conflict of interest, sub-committees, mentoring and support, training and development, succession planning, grievances and disputes, discipline and expulsion
- Board Code of Conduct
- Board Induction
- Board Meetings – including, for example: regularity, quorum requirements, attendance requirements, agenda and minute templates, timeframe for circulating meeting papers, reporting requirements
- Organisational Planning
- Budget Development and Monitoring
- Recruiting and Managing the Chief Executive Officer (CEO)
- Separation of Powers
- Delegation of Authority – including: to individual Board members, to sub-committees, to the CEO, and to other staff

- Development and Review of Policies – including how changes are communicated
- Monitoring Operations
- Public Relations, Marketing and Stakeholder Communication

2. Management policies:

- **Workforce**

  - Code of Conduct – including examples of what is and is not acceptable behaviour
  - Access, Equity and Diversity
  - Recruitment – including clear role statements
  - Orientation and Induction – including a chart of the Organisational Structure Professional Development and Support
  - Staff Leave
  - Time in Lieu
  - Managing Under Performance and Discipline
  - Grievances and Disputes
  - Exit
  - Volunteers

- **Occupational Health and Safety**

  - Maintaining a Safe Workplace – including roles and responsibilities, the organisation's consultative framework, and risk identification and management
  - Issue Resolution

- **Quality Management**
  - Continuous Improvement
  - Privacy and Confidentiality
  - Managing Complaints
  - Records and File Management, Retention and Disposal
  - Document Management and Control – including: version control, and a document register

- **Other**

  - Financial Management
  - Development and Review of Procedures – including how changes are communicated
  - Meeting Procedures

3. Operational policies:

- **Occupational Health and Safety**

  - Manual Handling
  - Infection Control
  - Reporting Diseases, Injuries, Near Misses and Accidents
  - Bullying and Harassment
  - Managing Dangerous Substances

- **Service Delivery**

  - Standard Operating Procedures (as related to the specific business of the organisation)
  - Incident Reporting
  - First Aid
  - Administering Medication
  - Dealing with Emergencies
  - Recording Requirements

- **Other**

  - Acceptable Use of Computers
  - Use of Vehicles
  - Reimbursement of Personal Expenses

While the list above is comprehensive, the unique nature of an individual organisation will mean that other policies also need to be considered.

Delegation of Authority

Delegations of authority are the mechanisms by which a Board permits individual Board members, sub-committees, or staff of the organisation to act on the Board's behalf.

Delegations should be made by resolution of the Board, and documented in:

- Board meeting minutes, in the case of delegations to individual Board members
- Terms of Reference, in the case of delegations to sub-committees
- A Delegations Schedule, in the case of delegations to staff

A Delegations Schedule should include the task or activity being delegated, the role to which the delegation is made, and the conditions or limitations of the delegation. It should be reviewed regularly to ensure currency.

Bear in mind that, despite any delegation of authority, the Board is still ultimately responsible and accountable for the decisions and actions of those to whom it delegates.

Separation of Powers

The Board's role is to govern and the CEO's role is to manage.

Effectively separating the powers of the Board and the CEO relies on clear role statements for both parties, a good working relationship (characterised by regular and effective communication) between the Board and the CEO, and a commitment by both parties to operate within the bounds of their respective roles.

While the CEO may draft policies and the various organisational plans, the development and endorsement of these documents is ultimately the Board's responsibility.

The CEO is then responsible to implement the policy and plans, and develop any procedures subsequently required.