

# **GOVERNANCE POLICY**

**THE DAUGHTERS OF OUR LADY OF THE SACRED HEART**

**OVERSEAS AID INCORPORATED**

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# **Daughters of Our Lady of the Sacred Heart Overseas Aid Incorporated**

## **Governance Policy**

### **Introduction & Preamble**

The Daughters of Our Lady of the Sacred Heart Overseas Aid Incorporated fund was granted a Certificate of Incorporation on the 29<sup>th</sup> March, 1989 under the Associates Incorporation Act, 1984.

The objectives of the Association are to provide for the relief of people in countries which are for the time being, certified by the Minister for Foreign Affairs and including relief of people in the Phillipines and Kiribati.

The DOLSH Aid Inc. was established by the Daughters of Our Lady of the Sacred Heart. The Daughters of Our Lady of the Sacred Heart is an international Congregation. The sisters work in over 27 different countries in the world. All the projects funded by the DOLSH Aid Inc. are at the service of developing countries and their peoples. In many instances our sisters, staff and volunteers are in either direct or indirect contact with children. In order to safeguard these children we have drawn up a policy to which all must adhere to.

### **Vision Statement of OLSH Overseas Aid Inc.**

The Daughters of Our Lady of the Sacred Heart Overseas Aid Inc. recognize the dignity and value of every human person, especially the most vulnerable. We are committed to respect the rights of all persons, especially children, youth and those whose rights and dignity are devalued or at risk.

### **Introduction**

Governance in the community sector is concerned with the systems and processes that ensure the overall direction, effectiveness, supervision and accountability of an organisation.

The Committee of Management takes ultimate responsibility for the governance of their organisation. However, governance is not a role for the Committee of Management alone. Governance is also concerned with the way the Committee of Management works with chief executives and staff

(where appointed), volunteers, service users, members and other stakeholders to ensure their organisation is effectively and properly run and meets the needs for which the organisation was set up.

### **Purpose**

The Governance Policy is intended to clarify the content of the OLSH Overseas Aid Inc. constitution by making explicit the underlying principles of governance approved by the organisation.

This policy does not cover legal or ethical issues concerning the role of the Committee of Management or its members, which are addressed separately elsewhere.

### **Policy**

1. The Committee of Management of the OLSH Overseas Aid Inc. is an elective, representative, and collective body.

a. It is elective, in that the determination of Committee members is the prerogative of members through the election process.

b. 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 OLSH Overseas Aid Inc. . 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 OLSH Overseas Aid Inc.

c. It is collective, in that while each member should put the point of view of their electoral 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 members are required to support that decision.

2. The function of the Committee of Management of OLSH Overseas Aid Inc. is to collectively ensure the delivery of its objects, to set its strategic direction, and to uphold its values. The Committee of Management should collectively be responsible and accountable for ensuring and monitoring that OLSH Overseas Aid Inc. is performing well, is solvent, and is complying with all its legal, financial, and ethical obligations. The

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

- a. Compliance monitoring – ensuring compliance with the objects, purposes and values of the organisation, and with its constitution
- b. Organisational governance – setting or approving policies, plans and budgets to achieve those objectives, and monitoring performance against them.
- c. Strategic planning – reviewing and approving strategic direction and initiatives
- d. Regulatory monitoring – ensuring that OLSH Overseas Aid Inc. complies with all relevant laws, regulations and regulatory requirements
- e. Financial monitoring – reviewing the OLSH Overseas' budget, monitoring management and financial performance to ensure the solvency, financial strength and good performance of OLSH Overseas Aid Inc.
- f. Financial reporting – considering and approving annual financial statements and required reports to government;
- g. Organisational structure – setting and maintaining a framework of delegation and internal control
- h. Leadership selection – selecting, evaluating the performance of, and if necessary dismissing the organisation's Chief Executive Officer (CEO) (President or vice President)
- i. Succession and remuneration planning – planning for the Committee of Management, CEO and executive succession, and determining senior management remuneration where applicable
- j. 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
- k. Dispute management – dealing with and managing conflicts that may arise within the OLSH Overseas Aid Inc. including conflicts arising between Committee of Management members, staff, the CEO, members, volunteers, or service users.
- l. Social responsibility – considering the social, ethical and environmental impact of all activities and operations and ensuring that these are acceptable
- m. Committee of Management performance and composition – evaluating and improving the performance of the committee.

### **3. Relationship with management**

The Committee of Management should focus on the strategic direction and the core policies of the organisation, and avoid becoming involved in day-to-day operational decisions. Where individual Committee 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).

#### **Procedures**

##### **1. Internal controls**

The Committee of Management should set and maintain standing orders, policies and procedures, and systems of financial control, internal control, and performance reporting. The Committee of Management should ensure that there is a system for the regular review of the effectiveness of its financial control, internal control, performance reporting, and policies and procedures.

##### **2. Managing risk**

The Committee of Management should undertake a full risk assessment (either periodically or on a rolling basis) and take appropriate steps to manage the organisation's exposure to significant risks. The Committee of Management must regularly review the risks to which the organisation is subject, and take action to mitigate risks identified.

##### **3. Committee of Management review**

The Committee of Management should ensure that there is a system for the regular review of its own effectiveness in meeting its responsibilities.

#### **Responsibilities**

1. It shall be the responsibility of the Committee of Management to establish and maintain standing orders, policies and procedures, and systems of financial control, internal control, and performance reporting.
2. It shall be the responsibility of the Committee of Management to clearly demarcate and delegate the functions of sub-committees, officers, the CEO, and other staff and agents.

It shall be the responsibility of the CEO to address key management and operational issues within the direction and the policies laid down by the Committee of Management , including

- a. Developing and implementing organisational strategies and making recommendations to the members on significant strategic initiatives;
- b. Making recommendations for the appointment of staff, determining terms of appointment, evaluating performance, and developing and maintaining succession plans for staff;
- c. Developing the annual budget and managing day-to-day operations within the budget;
- d. Maintaining an effective risk management framework;
- e. Keeping the Committee and regulators informed about any developments with a material impact on the organisation's performance; and
- f. Managing day-to-day operations in accordance with agreed standards for social, ethical and environmental practices.

## **Authorisation**

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President

Date:.....