

# Best practice governance models for private schools

**Corporate governance is a broad term which amongst other things, encompasses the rules, relationships, policies, systems and processes whereby authority within organisations is exercised and maintained.**

The governance attributes of an organisation are shaped by a variety of factors, both "internal" (e.g. constitution, organisational policies) and "external" (e.g. laws, regulations, community expectations).

A common goal for many schools is to have an effective governance framework that enhances performance while conforming with the school's constitution, policies, controls and procedures as well as applicable external regulations and laws.

## The role of the board

Independent Schools Victoria define the school board's governance role as overseeing all aspects of the school, including; appointing the principal, setting the school's major objectives, policy frameworks and strategies.

This structure is unlike a traditional company due to:

- a school operates on a not-for-profit basis
- its stakeholders have long term personal and emotional investments, relationships and friendships
- participation in the school may cover many generations of family members
- members of the board participate on a voluntary basis

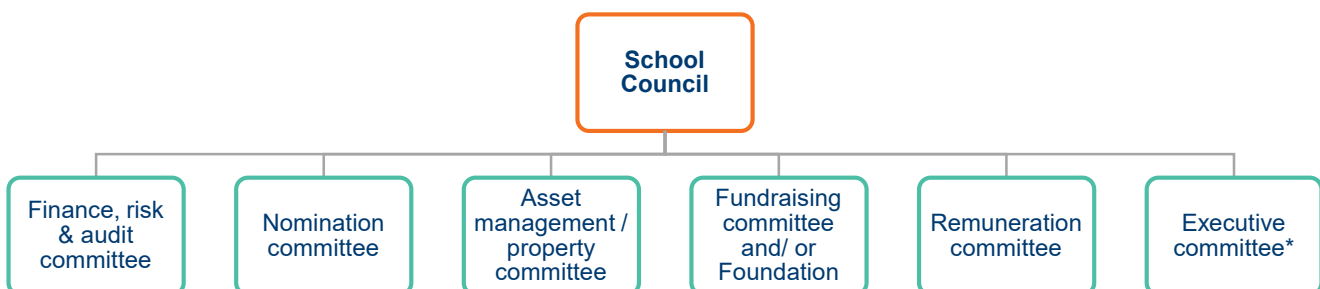
- the school is engaged in the education, development and welfare of children
- teachers are expected to be dedicated and provide a contribution well beyond the normal teaching day
- schools rely on family philanthropy, legacies and benefactors.

The school board must also monitor adherence to systems of risk management, ensure compliance with legal obligations and undertake periodic performance reviews.

### Top 5 best practices for an effective governance framework

1. Build a strong, qualified board of directors and evaluate performance
2. Define roles and responsibilities
3. Emphasize integrity and ethical dealing
4. Evaluate performance and make principled decisions
5. Engage in effective risk management

## Common committees in the independent private schools sector



\*Larger Schools can appoint an executive committee and further split the functions of the abovementioned Committees. Where an executive committee is appointed, it will usually comprise the Chair, a Deputy Chair (if there is one), the Principal and the Finance Committee Chair. It is usually charged with the responsibility for the day to day overseeing of the Board's strategy and policies.

## Our industry expertise

The education industry in Australia has undergone significant change over the past 15 years and continues to face change and uncertainty on a number of fronts – student fee pressure/ government funding models, employability of students, regulatory environment, student learning methods, skill sets of teaching staff and international markets/competition.

ShineWing Australia is an Australian owned accounting and advisory practice that knows the education sector better than anyone. We have had more than 50 years of experience in providing strategic advisory, audit and compliance services to leading Universities, TAFES, private training providers and private schools.

Beyond our core services, we work with clients to identify genuine, value-driven efficiencies and process improvements as well as providing commercial and practical advice. We also look to assist clients to maximise the performance of their assets and develop strategies that drive organisational value and revenue growth.

“ShineWing Australia provides us with a very comprehensive service and are always very responsive, cooperative and helpful. They have taken the time to really understand our business and the sector(s) we operate in. Their expert advice and strategic support has been key to growing our business in Australia over the last 4 years. We look forward to continuing our great relationship into the future.”

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## Governance in the spotlight

With a number of recent high profile government enquiries into various sectors, the light on governance practices has never shone brighter. Many organisations are finding it timely to review their governance structure to ensure that it stands up to public scrutiny and upholds the core values of the organisation.

## Our clients

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