

The changing landscape of governance

For Community Legal Centre
Queensland (CLCQ)

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Prepared by

Stephen Knight Partner

0401 039 641

Stephen.Knight@minterellison.com

Donna Worthington Partner

0466 504 252

Donna.Worthington@minterellison.com

Andrew Macintosh Executive Director

0466 563 988

Andrew.Macintosh@minterellison.com

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A group of people, likely of diverse backgrounds, are shown from the chest down, standing in a circle with their hands stacked on top of each other in the center. They are wearing various casual clothing items like t-shirts and jeans. The image is semi-transparent, allowing the text to be overlaid clearly.

ACKNOWLEDGEMENT OF COUNTRY

**We pay respects to Elders past, present and emerging.
We acknowledge and respect their continuing cultures and
their ongoing custodianship of the lands on which we meet.**

THE CHANGING LANDSCAPE OF GOVERNANCE

The environment for organisations operating in Queensland is becoming increasingly complex as a consequence of local and global forces. With unprecedented shifts in the regulatory environment, societal expectations, adoption of technology, geopolitical instability and more, organisations are facing greater challenges and opportunities than ever.

Objectives

Understanding Governance for community legal centres

1



What is Governance and why is it important?

2



Key principles underpinning good governance practices

3



What is the relevance to a community legal centre?

4



Developing good governance practices, and stronger interactions, between boards and executives

5



Understanding how to better gain insights into organisational performance

Governance Overview

What is Governance and why it is important?

The system by which entities are directed and controlled. It is concerned with structure and processes for decision making, accountability, control and behaviour at the top of an entity. Governance influences how an organisation's objectives are set and achieved, how risk is monitored and addressed and how performance is optimised".

Governance is a system and process, not a single activity and therefore successful implementation of a good governance strategy requires a systematic approach that incorporates strategic planning, risk management and performance management. Like culture, it is a core component of the unique characteristics of a successful organisation.*

Why is Governance such a big deal?

- To strengthen stakeholder and community confidence
- To provide the foundations for a high performing community legal centre
- To ensure the CLC's are well placed to respond to an evolving external environment in times of change
- To ensure Legal Aid Queensland (LAQ) partner with CLC's to administer funding to provide services
- To provide support and advocacy for CLC's to operate independently
- To meet all Queensland CLC's principles
- To provide free and accessible legal services
- To encourage community participation in the work and management of the community legal centres

Governance Principles

Responsibility for organisational governance flows from the basic legal obligations

**...IMPOSED ON THOSE WHO
MANAGE AND CONTROL
ORGANISATIONS**

**Derived from statute and
common law**

Applies to directors /
management committee
members and officers



Good faith

To act in good faith in the
best interests of the company

General duty to avoid conflicts of interest / duty

To prevent personal
interests or duties to other
entities taking priority over
interests of the company

Proper purpose

To act for proper purposes

Care & diligence

To act with due care and
diligence

Information & position

To not misuse information
or position and maintain
confidentiality of sensitive
information

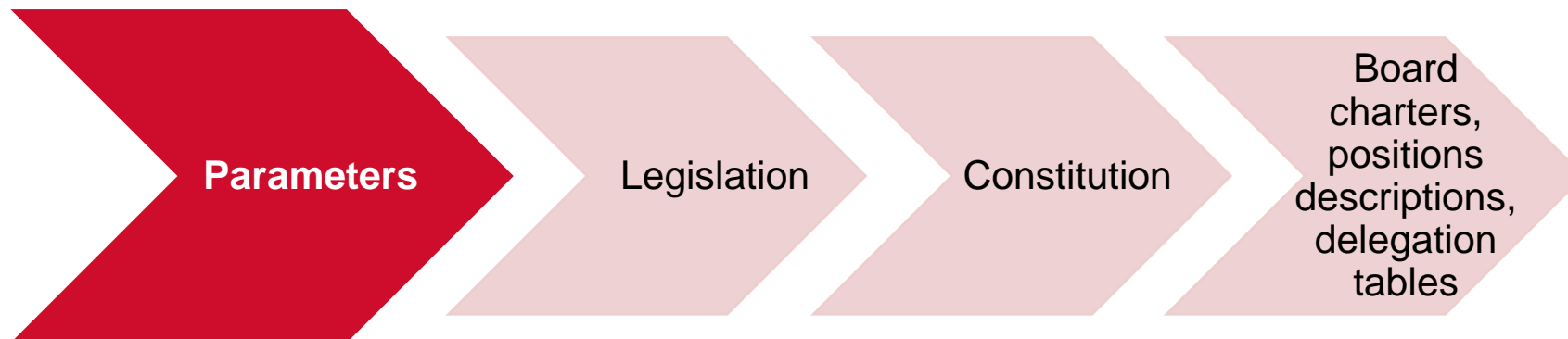
Insolvent trading

To prevent insolvent
trading

Governance Principles

These duties inform the role of the board / management committee in respect of governance issues

- Typically, the directors of a company have the power, acting collectively as a 'board', to manage and direct the business of the company
- Generally, the board is not expected to be involved in day-to-day management or decision making but is expected to focus on:
 - key strategic and financial decisions (including financial accounts);
 - monitoring business performance; and
 - monitoring compliance and management of risk (including setting risk appetite)
- This responsibility for monitoring and oversight translates into a direct responsibility for governance procedures



Developing good governance practices



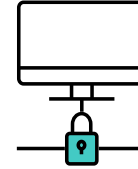
Voice of the Customer

Ensure that all **reporting** and **complaints** are being considered and reviewed. This will improve decision making, and helps to mitigate the escalation of issues an organisation is likely to face.



Diversity

Businesses should ensure that there is **diversity** and **inclusion** across the various levels of the organisation. There should be representative voices present in discussions around decisions, and **listening** to a diverse range of voices will enhance the decision making.



Psychological safety

Throughout all levels of the organisation, efforts should be made to ensure that people feel **safe** and **secure** to raise their concerns. This contributes to a positive **risk culture**, and ensures that people can raise concerns as they happen.



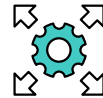
Risk management and compliance

Organisations should ensure that appropriate risk management and compliance structures are in place - **obligations** have been mapped; **risk appetite statements** have been considered; **issue escalation** is positioned.



“Chronic unease”

The Board should move to a culture of “show me” that appropriate governance is in place and issues being addressed; moving away from the **CEO** and management approaching this as a “tell me” situation.



Structures

Organisations should ensure that the board is **independent**; and that board members have relevant **skills and expertise**.



Alignment with purpose & values

The **Board** advocates the CLC and the CEO promotes the CLC's Purpose and Values – this in turn promotes and supports good risk management practices and behaviours.



Business resilience

The **board** and the **CEO** should ensure that consideration has been given to business resilience as a whole – from strategic threats covered by crisis management to operational issues covered by emergency management.

It is all about good culture



CULTURE

Our individual and collective behaviours are influenced by the CLC's approach. Success and overall performance is underpinned by our governance process and oversight of **free legal advice**.

As a volunteer based organisation, the above is highly dependent on lawyers and caseworkers having a positive culture and behaviours.

Workshop

25 minute discussion in groups

Based upon today's presentation, and **reflecting on your own CLC**, consider:

- What governance practices would you like to see improved?
- Are there governance practices that you would like to see changed?
- Do you have a successful approach to governance issues that you would like to share with others in the group?

Consider during the discussion an example of **one thing you would do differently** at your CLC as a result of the discussion.

At the end of the 25 minutes we will ask **each group to present examples** of what they would do differently.



Example self assessment questions

1. What internal mechanisms do we have in place that may foster behaviours that are misaligned to our values and organisational purpose?
2. What systems, processes and decision making mechanisms do we have in place that does not adequately consider the voice of our customer and the voice of risk?
3. What services, or business activities may we currently perform that would not meet the societal expectations of the community in which we operate?
4. What parts of our practice are not adequately addressing ongoing risk and compliance requirements?
5. What member/s of our leadership, Board and broader employee population may demonstrate behaviours and values that are not in alignment with our organisational values?

Workshop outcomes



- **Roles & responsibilities** – should be clarified to ensure that boards, management and staff understand them
- **Staff engagement** – mechanisms that enable interactions between staff and boards are valuable, and should be considered
- **Conflicts of interest** – should be considered and managed carefully
- **Tenure** - should be considered to minimise the risk of “ownership culture” on boards, and should be discussed openly, fairly and with respect
- **Succession planning** – ties closely to the conversation on tenure, and upcoming directors should be prepared and mentored for their roles
- **Skills and experience** – having a diverse array of skills on a board and management team is helpful for problem solving
- **Authorities and delegations** – should be reviewed on a regular basis
- **Management reporting** – adequate data for decision making and risk management should be provided to management and boards
- **Representation** – should be considered, beyond diversity and inclusion. Ensuring that the organisation has lived experience with the people it is representing is critical
- **Risk management** – should be incorporated into the strategic planning process. Consider risk appetite statements; risk frameworks; how risk is included into the strategic planning process, etc.
- **Speaking up** – all levels should be encouraged to raise concerns; and those concerns should be appropriately escalated, reviewed and closed out
- **Questioning** – moving from a “tell me” to a “show me” culture requires the development of effective and constructive techniques for challenging and questioning information
- **Performance management** – is critical and requires that all parties are able to have the tough conversations, not just the positive ones. Addressing issues early will help maintain a more positive environment

It is always important to strike a balance

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