

GOVERNANCE STANDARDS FOR NURSING AND
MIDWIFERY ORGANISATIONS
TOOLKIT FOR ORGANISATIONS

A report by NNO Working Group for the National Nursing and Nursing Education Taskforce (N³ET)

Secretariat:
Australian Nursing Federation
PO Box 4239 | Kingston | ACT 2604
Australia
T: +61 2 6232 6533 | F: +61 2 6232 6610
www.anf.org.au/nno

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This document may also be downloaded from the N³ET website at:<http://www.nnnet.gov.au/>

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National Nursing Organisations (2006), *Governance Standards for Specialist Nursing and Midwifery Organisations*.

A Report by NNO for the National Nursing and Nursing Education Taskforce (N³ET), Melbourne.

This Toolkit should be read in conjunction with *Governance Standards for Nursing and Midwifery Organisations. A report by NNO Working Group for the National Nursing and Nursing Education Taskforce (2006)*. The report contains a full account of the standards development including literature review and findings of the governance project and can be found on the N³ET website (www.nnnet.gov.au)

The governance of professional organisations is being increasingly subject to new levels of public accountability and scrutiny. In this environment, it is timely and appropriate that nursing and midwifery organisations consider their governance practices, take steps to ensure sound governance and to demonstrate accountability for their governance to the wider community.

In 2006, the National Nursing Organisations (NNO) was invited by the National Nursing and Nursing Education Taskforce to undertake a project to develop a set of governance standards for nursing and midwifery organisations and to reflect on how they could respond to the changing expectations of the community. The outcome was a framework based on eight principles, which included a set of governance standards and a self assessment tool to enable organisations to determine their performance against the criteria contained within the standards.

Until now, there have been no dedicated governance standards for nursing and midwifery organisations. This framework represents Australia's first attempt to establish a comprehensive set of standards to support sound governance for these groups and as such, is a landmark document.

Whilst the governance standards were developed for nursing and midwifery organisations, they have been developed with reference to governance practice in both the corporate and not-for-profit sector. As a result, the standards and the accompanying framework have application not only to the wide range of nursing and midwifery organisations, but also to other organisations within the health sector and beyond.

This Toolkit has been produced to assist organisations to examine their own governance arrangements and includes a governance self-assessment tool that can incorporate some customisation by organisations to meet their specific needs. The NNO encourage organisations, particularly nursing, midwifery and other health disciplines, to use the Toolkit to assist in the promotion of better governance in healthcare.

The Framework is the product of collaboration. It recognises that stakeholders and the wider community should be considered in governance processes and the criteria for the standards represent an effort to be deliberately inclusive of people who receive specialist nursing and midwifery care and the wider community. The standards also recognise that a collaborative approach between board/governing body members, an organisation's staff/volunteers, and the membership is essential to effectively govern any organisation.

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Governance Standards for Nursing and Midwifery Organisations – TOOLKIT

a governance framework | governance principles

A Governance Framework

In this context, governance refers to the mechanisms in place to ensure: the mission of an organisation is fulfilled; legal compliance; management of conflict of interest; prevention of fraud; and other improper or unlawful behaviour. However, it also encompasses the organisation's structures, culture, policies and processes and accountability mechanisms; the way business is conducted; decisions are made; and how stakeholder relationships are managed.

The Governance Framework outlined here is made up of four elements: a Vision, Principles, Standards and supporting Criteria.

Governance vision

Sound governance practices are used to minimise risks and improve performance while considering all available and current evidence to make informed decisions and deliver a consistently high service to the membership, stakeholders and the wider community.

Governance Principles

The eight principles underpinning these governance standards are:

Accountability	Organisations and the individuals within them are responsible for their decisions and actions, and where they are subject to external scrutiny by obeying the law. ¹
Transparency	An organisation's management is effective at: <ul style="list-style-type: none">■ making necessary information available in a candid, accurate and timely manner,■ avoiding conflicts, which is necessary to ensure that stakeholders have confidence in the decisions and actions of organisations and the individuals within them.¹
Integrity	Having ethical values, based on honesty, objectivity and performance measurement; and high standards of propriety and probity underpinning stewardship of funds and resources. ³⁰
Legality	An organisation puts in place appropriate processes to ensure they are legally compliant and are preventing fraud and other improper or unlawful behaviour. ²
Leadership	Leaders within the organisation are responsible for ensuring implementation, evaluation and improvement of sound governance structures and processes; and enacting and influencing sound governance through their own performance and behaviours. ¹
Stewardship	Responsibility for taking proper care of resources entrusted to one. ³ The conducting, supervising, or managing of something, especially the careful and responsible management of something entrusted to one's care. ⁴
Efficiency	An organisation is effective and independent and makes the best use of its resources to achieve the goals of the organisation, and engages in risk management. ¹
Social Responsibility	An organisation places a high priority, when responding to social issues, on non-discriminatory, non-exploitative, and responsible ethical standards with regard to environmental and human rights issues. ¹

Governance Standards for Nursing and Midwifery Organisations – TOOLKIT

The aim of sound governance standards is to provide guidance about an organisation's management structure, strategic and business planning, performance management, risk management, compliance and controls, auditing and values and code of ethics. Six standards have been identified as integral to governance for nursing and midwifery organisations, they are:

Standard 1	Being clear about the organisation's purpose and outcomes to the membership, stakeholders and wider community.
Standard 2	Performing effectively and demonstrating accountability through clearly defined functions and roles.
Standard 3	Promoting values for the whole organisation and demonstrating the principles of sound governance.
Standard 4	Taking lawful, informed, transparent decisions and managing risk.
Standard 5	Developing the capacity and capability of the board/governing body to be effective.
Standard 6	Engaging the membership, stakeholders and wider community and making accountability real.

For each standard, a set of criteria have been developed. These criteria provide a useful guide to developing and measuring processes identified as important for sound governance.

Governance Standards

Standards and Criteria

Standard 1

All principles underpin this standard and particularly:

Accountability

Transparency

Efficiency

Social Responsibility

Standard 2

Standard 1

Being clear about the organisation's purpose and outcomes to the membership, stakeholders and wider community

Standard 1 is achieved by formulating and disseminating documentation that demonstrates the organisation's purpose and its responsibility to its members, stakeholders and the wider community.

Criteria for Standard 1

The board/governing body:

- has a written Mission Statement and other documentation detailing the organisation's aims and purpose;
- has a written Constitution;
- has documentation relating to the organisation's responsibility to members and the broader community;
- has processes in place to check that members and stakeholders receive a high quality service;
- has an audit committee or uses audit tools to report on the quality of service provided to members; and
- publishes documents mentioned above in the public domain.

Standard 2

Performing effectively and demonstrating accountability through clearly defined functions and roles

Standard 2 is achieved by:

1. Being explicit about the functions of the board/governing body.

The primary functions are to:

- establish the organisation's strategic direction and aims through the constitution;
- ensure accountability to the membership and stakeholders for the organisation's performance; and
- ensure that the organisation is managed with probity and integrity.

Ways of achieving these primary functions include:

- ensuring that the interests of members, stakeholders and the wider community are considered during decision making; and
 - forging strategic partnerships with other organisations.
2. Standard 2 is also achieved by being clear about the responsibilities of the members and board/governing body members, and making sure that those responsibilities are carried out through internal and external auditing.

The members:

- contribute to strategy, bringing a range of perspectives to strategy development and decision making; and
 - hold the board/governing body members/executive to account for its performance in fulfilling those responsibilities, including through purposeful challenge and scrutiny.
3. Standard 2 is also achieved by being clear about relationships between board/governing body members, the membership, stakeholders and the wider community.

Criteria for Standard 2

The board/governing body has:

- clearly defined functions;
- a clearly documented strategic direction and aims for the organisation;
- documented processes for:
 - decision making;
 - managing conflict of interest;
 - evaluating the performance of the organisation;
 - assessing its own performance; and
 - ensuring that the interests of members, stakeholders and the wider community are considered during decision making.

Members have:

- a clear understanding of the role and responsibilities of the board/governing body; and
- a clear idea of their roles and responsibilities.

Standard 2 *continued*

All principles underpin this standard and particularly:

Accountability

Leadership

Integrity

Standard 3

All principles underpin this standard and particularly:

Accountability

Leadership

Integrity

Social Responsibility

Standard 4

Standard 3

Promoting values for the whole organisation and demonstrating the principles of sound governance.

Standard 3 is achieved by:

1. putting organisational values into practice;
2. performance and the actions of the chair/executive officer exemplifying effective governance; and
3. considering the wider social issues.

Criteria for Standard 3

The board/governing body has:

- a clear set of values documented for the organisation;
- a written set of values, ethical standards and/or code of conduct, for example equal opportunity and anti-discrimination policies; and
- documented expectations of the role and behaviour that the Chair/Executive Officer must uphold and the ways that individuals uphold and exemplify the values of the organisation.

Standard 4

Taking lawful, informed, transparent decisions and managing risk.

Standard 4 is achieved by:

1. being rigorous and transparent about processes and how decisions are taken;
2. having and using good quality information, advice and support;
3. making sure that an effective risk management system is in operation;
5. ensuring legislative compliance; and
6. having codes of conduct and by-laws.

A risk management system should consider the full range of the organisation's activities and responsibilities, and continuously check that various good management processes are in place, including that:

- strategies and policies meet the organisation's values and are regularly reviewed;
- strategies and policies are put into practice;

- strategies, policies, guidelines, standards, and competencies are developed using the best available evidence;
- performance is regularly and rigorously monitored and effective measures are put in place to manage performance issues;
- laws and regulations are complied with;
- information used is relevant, accurate, up-to-date and timely and financial statements and other information published by the organisation are accurate and reliable;
- financial resources are managed efficiently and effectively and are safeguarded; and
- human and other resources are appropriately managed and safeguarded.

Criteria for Standard 4

The board/governing body:

- has a documented:
 - transparent process about how decisions are made;
 - approach to resource allocation;
 - risk management system in operation;
 - process to ensure high quality services are delivered effectively and efficiently;
 - process by which performance of members of the executive/governing body is monitored;
 - process to regularly review policies and procedures; and
 - approach to managing performance issues.
- have processes to ensure that:
 - good quality information, advice and support is used in making decisions;
 - organisational policies and procedures are documented and in place;
 - financial statements are published by the organisation; and
 - financial resources are managed efficiently.
- have established:
 - processes for developing, validating and reviewing guidelines and standards through the evaluation and utilisation of best available evidence; and
 - documented processes to ensure human and other resources are appropriately managed.

Standard 4 *continued*

All principles underpin this standard and particularly:

Accountability

Stewardship

Integrity

Legality

Social Responsibility

Standard 5

All principles underpin this standard and particularly:

Legality

Efficiency

Stewardship

Social Responsibility

Standard 5

Developing the capacity and capability of the board/governing body to be effective.

Standard 5 is achieved by:

1. ensuring that the chair/executive officer/s have, or have access to, the skills, knowledge and experience to perform effectively;
2. developing the capabilities of people with governance responsibilities and evaluating their performance as individuals and as a group;
3. balancing between continuity and renewal in the membership of the board/governing body; and
4. reviewing and actively encouraging enhanced board and management effectiveness.

Criteria for Standard 5

The board/governing body:

- has documented processes that:
 - oversees the appointment of board/governing body members; and
 - makes sure that the appointed and elected chair/executive officers have the skills, knowledge and experience they need to perform well, or have access to these skills.
- has a documented process of induction for new board/governing body members;
- has a documented process by which board/governing body members can further develop their skills and update their knowledge throughout their period of membership;
- holds its members to account for their contribution by conducting regular performance reviews;
- has processes to support forming and maintaining relationships with other organisations;
- has a documented review process to monitor its performance as a whole; and
- has a documented process for the renewal and removal of its own members.

Standard 6

Engaging the membership, stakeholders and wider community and making accountability real.

Standard 6 is achieved by:

1. understanding formal and informal accountability relationships;
2. taking an active, planned and accountable approach to dialogue with the membership and wider community;
3. is achieved by taking an active, planned approach to responsibility of staff and volunteers; and
4. is achieved by engaging effectively with the membership, stakeholders and the wider community.

Criteria for Standard 6

The board/governing body:

- has a documented:
 - systematic approach to ensure accountability i.e. a process for the independent verification of financial functions, reports and business rules for all financial transactions;
 - process by which it seeks the views of stakeholders e.g. a policy on consultation processes to inform decision-making;
 - process to ensure that it responds quickly and responsibly to comment from the organisation's members;
 - communication strategy with stakeholders and the wider community;
 - strategy to ensure accountability to the organisation's members;
 - strategy to ensure accountability to the wider community;
 - strategy to outline the organisation's responsibility to staff;
 - strategy to engage effectively with the organisation's members; and
 - plans to review its governance arrangements in the next 12 months.
- annually publishes:
 - the organisation's purpose, strategy, plans and financial statements; and
 - information about the organisation's outcomes and performance.

Standard 6

All principles underpin this standard and particularly:

Legality

Efficiency

Stewardship

Social Responsibility

Assessing your organisations governance: a self assessment tool

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Meeting the Governance Standards

This self-assessment tool can be used to assess your organisations governance arrangements. It could also be used by boards to assess the board’s understanding of governance and their role and responsibilities. The outcomes of this self-assessment should be used to begin developing an improvement or action plan for governance.

In a number of places have been identified where you can customise the tool and add questions that are specific to your organisation.

It will take about 20 minutes to complete the self-assessment, depending on how familiar you are with the organisation. There are no right or wrong answers to the following questions. Please answer openly and honestly. Do not take too long considering each question, as usually your first response is most accurate.

Begin by assessing the current governance of your organisation against the six standards:

These questions related to Standard 1. Sound governance means focusing on the organisation’s purpose and on outcomes for the membership and wider community. Please indicate your response by circling the number that best corresponds to your answer.

	Yes	No	Don’t know
1.1 In general, does the board/governing body have a clear understanding of the organisation's purpose?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2 Does the board/governing body have a written mission statement or other documents detailing the organisation's aims and purpose?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3 Does the board/governing body have a written constitution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4 Does the board/governing body have protocols relating to the rights and duties of its members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.5 Does the board/governing body have articulated processes to deal with internal matters such as the conducting of general meetings, appointment of directors, accounts and audits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.6 Does the board/governing body have a written set of documentation relating to the organisation's responsibility to membership and the broader community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. If yes, are these readily available to members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.7 Does the board/governing body have processes in place to determine if the membership receives a high quality of service .e. an audit committee or audit tools (for example asking a short list of questions at the end of each meeting such as: Did it run on time?; Did everyone have a say? Were issues effectively managed)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessing your organisations governance: a self assessment tool

These questions related to Standard 2. Sound governance means performing effectively and demonstrating accountability in clearly defined functions and roles.

	Yes	No	Don't know
2.1 Does the board/governing body as a whole have its own clearly defined functions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. If yes, can you please list what you consider to be the primary functions of the board/governing body (list as many as you wish)			
<hr/> <hr/> <hr/> <hr/>			
2.2 Is one of the primary functions of the board/governing body to establish the organisation's strategic direction and aims?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 Does the board/governing body have documented processes for decision making?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4 Does the board/governing body have documented processes for managing conflicts of interest?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5 Does the board/governing body have documented processes to evaluate the performance of the organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.6 Does the board/governing body use external processes to assess its own performance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.7 Are there processes to provide members of the board/governing body with a clear idea of their roles and responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.8 Are there processes to ensure that the interests of members, stakeholders and the wider community are considered during decision making?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. If yes, what are they?			
<hr/> <hr/> <hr/> <hr/>			

Meeting the Governance Standards

Assessing your organisations governance: a self assessment tool

Meeting the Governance Standards

These questions related to Standard 3. Promoting values for the whole organisation and demonstrating the values of sound governance through behaviour.

	Yes	No	Don't know
3.1 Does the board/governing body have a documented set of values for the organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Does the board/governing body have a documented code of ethics or code of conduct?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.3 Does the board/governing body have expectations that the Chair/Executive must behave in ways that uphold and exemplify the values of the organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

These questions related to Standard 4. Sound governance means taking informed, transparent decisions and managing risk

	Yes	No	Don't know
4.1 Does the board/governing body have a documented and transparent process about how decisions are taken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2 Does the organisation meets and demonstrate compliance with its legal obligations (e.g. Companies act articles etc)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3 Does the board/governing body document how the organisations resources are allocated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4 Does the board/governing body use good quality information, advice and support in making decisions? a. If yes, please detail how the board/governing body obtains such information, advice or support.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/> <hr/> <hr/> <hr/>			
4.5 Does the board/governing body have a documented risk management system in operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessing your organisations governance: a self assessment tool

meeting the governance standards

section one

	Yes	No	Don't know
4.6. Does the board/governing body ensure organisational policies and procedures are upheld?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.7 Does the board/governing body have a documented process to regularly review policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.8 Does the board/governing body have documented processes to ensure the quality of services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.9 Does the board/governing body have documented processes to ensure that services are delivered effectively and efficiently?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.10 Is there a documented process by which the performance of members of the executive/governing body is monitored?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.11 Are there measures in place to manage performance issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.12 Does the board/governing body ensure that financial statements published by the organisation are accurate and reliable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.13 Does the board/governing body ensure that other information (for example reports or papers) published by the organisation is accurate and reliable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.14 Does the board/governing body ensure that financial resources are managed efficiently?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.15 Does the board/governing body ensure that human and other resources are appropriately managed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.16 Does the organisation have established processes for developing, validating and reviewing guidelines and standards through the evaluation and utilisation of best available evidence?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Meeting the Governance Standards

Assessing your organisations governance: a self assessment tool

Meeting the Governance Standards

These questions related to Standard 5. Sound governance means developing the capacity and capability of the board/governing body to be effective.

	Yes	No	Don't know
5.1 Does the board/governing body have documented processes that oversee the appointment of board/governing body members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2 Does the board/governing body make sure that appointed and elected chair/executive officer has the skills, knowledge and experience they need to perform well - or has access to these skills?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.3 Is there a documented process of induction for new board/governing body members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.4 Is there a process by which board/governing body members can develop further skills and update their knowledge throughout their period of membership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.5 Are board/governing body members held to account for their contribution through regular performance reviews?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.6 Do board/governing body members take the lead in forming and maintaining relationships with other organisations? a. If yes, please detail how the board/governing body members do so.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/> <hr/> <hr/>			
5.7 Does the board/governing body have a documented review process to monitor its performance as a whole? a. If yes, are action plans then developed to put in place any necessary improvements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.8 Does the board/governing body have a documented process for the renewal and removal of its own members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Assessing your organisations governance: a self assessment tool

meeting the governance standards

section one

These questions related to Standard 6. Sound governance means engaging the membership and the wider community and making accountability real.

	Yes	No	Don't know
6.1 Does the board/governing body have a systematic approach to ensure accountability? (i.e. a process for the independent verification of financial reports and functions; business rules for all financial transactions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2 Does the board/governing body have a documented process by which they seek the views of stakeholders? (i.e. a policy on consultation process to inform decision-making)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.3 Does the board/governing body have a documented process by which they seek the views of the organisation's members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.4 Does the board/governing body have a documented process to ensure that it responds promptly and responsibly to comment from the organisation's members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.5 Does the board/governing body have a documented strategy for communication with the wider community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6 Does the board/governing body have a documented strategy to ensure accountability to the organisation's members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.7 Does the board/governing body have a documented strategy to ensure accountability to stakeholders and the wider community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.8 Does the board/governing body have a documented strategy outlining its responsibility to staff/volunteers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.9 Does the board/governing body effectively engage and communicate with the organisation's members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.10 Does the board/governing body annually publish the organisation's purpose, strategy, plans and financial statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.11 Does the board/governing body annually publish information about the organisation's outcomes and performance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.12 Does your organisation have plans to review its governance arrangements in the next 12 months?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Meeting the Governance Standards

Assessing your organisations governance: a self assessment tool

This section can assist in assessing how individuals or groups rate the importance of key governance themes and may help identify areas for improvement.

Please indicate on the following scale (by circling the number that best corresponds to your answer) how important you feel the following aspects of governance are for the provision of sound governance.

Understanding the Importance of Governance

How important is it for a board/governing body to...	Essential	Preferable	Sometimes necessary	Not necessary
1. Focus on the organisation's purpose?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Consider outcomes for the membership and wider community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Perform effectively in clearly defined functions and roles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Promote values for the whole organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Demonstrate the values of sound governance through behaviour?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Take informed, transparent decisions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Manage risk?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Develop the capacity and capability of the board/governing body to be effective?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Engage the membership?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Be accountable to stakeholders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. <i>[Add questions here that relate specifically to documents your organisation has in place.]</i>				

Assessing your organisations governance: a self assessment tool

Assessing Levels of Transparency

This section can assist is determining how effective your organisation's processes are for ensuring transparency.

63. Part of sound governance is about the need to ensure external transparency.

Please indicate whether the following documents are available and to whom:

	Yes	No	Don't know
1. Mission Statement to:			
a. board/governing body members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. wider community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Constitution to :			
a. board/governing body members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. wider community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Code of Values to:			
a. board/governing body members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. wider community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Code of Ethics to:			
a. board/governing body members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. wider community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Role and responsibilities of board/governing body members to:			
a. board/governing body members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. wider community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Annual Report to:			
a. board/governing body members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. stakeholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. wider community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[Add questions here that specifically relate to documents your organisation has in place.]

Assessing your organisations governance: a self assessment tool

Developing an Action Plan

Using the information collected from self assessment process, a plan can then be developed to address the identified priorities and outline the way your organisation can work on improving its governance. An example action plan is included below. Such an action plan can assist to keep the focus of the board/governing committee on these priorities and demonstrate the responsibility for progressing it.

Sample Governance Improvement/Action Plan

Standard 1	Sound governance means focusing on the organisation's purpose and on outcomes for the membership and wider community				
Criteria	Met criteria	Actions identified to meet criteria	To be actioned by	Date to be actioned	To be reviewed by
The board/governing body					
• has a written Mission Statement and other documentation detailing the organisation's aims and purpose;					
• has a written Constitution;					
• has documentation relating to the organisation's responsibility to members and the broader community					
• has processes in place to check that members and stakeholders receive a high quality service					
• has an audit committee or uses audit tools to report on the quality of service provided to members; and					
• publishes documents mentioned above in the public domain					

The process for developing the framework involved the following:

- Literature review of governance methodology
- Consultation with over 50 organisations and development of draft principles, standards and criteria for sound governance nursing and midwifery groups
- Development of a survey tool based on the principles, standards and criteria to determine how these criteria are currently being applied by NNO and other nursing and midwifery organisations
- A self-assessment by the target organisations using the survey tool
- Analysis of the survey results and development of a report on project.

The National Nursing Organisations (NNO) is a coalition of more than fifty Australian national nursing organisations and is a diverse group of nursing organisations. The NNO was formed in 1991, following a conference on the orderly development of nursing specialties in Australia, which was sponsored by the Australian Nursing Federation (ANF). The NNO meet biannually, and these meetings are now supported with funding from the Australian Government Department of Health and Ageing. The ANF provides the secretariat for the NNO,* and acts as a budget holder for this funding, which under the terms of the agreement is to 'enable the coalition to meet twice yearly providing a forum of discussion, consultation, and development of future directions in nursing'.

The criteria for membership of the NNO are that members must be either: all enrolled and/or registered nurses; the nursing section of a multidisciplinary group; or a clear network of enrolled or registered nurses within such groups who can ensure a nurse representative and feedback to nurses in the practice area. By definition, member organisations must have members in four or more states or Territories

The criteria for inclusion in this project were that nursing and midwifery organisations that were engaged in developing specialist nursing and midwifery guidelines, standards, and competencies. A mapping process was undertaken to identify those organisations and groups who met the above criteria and they were invited to participate in both the consultation and self-assessment phases of the project.

How was the Governance framework developed?

The National Nursing Organisations (NNO)

Governance Standards for Nursing and Midwifery Organisations – TOOLKIT

Key documents used

In developing the Governance Standards for Specialist Nursing and Midwifery Organisations, six sets of standards of governance were considered:

1. Australian National Audit Office (ANAO)
[http://www.anao.gov.au/WebSite.nsf/0/39e5ae748f6f9749ca25706f000689fc/\\$FILE/Public%20Sector%20Governance%20Vol%201.pdf](http://www.anao.gov.au/WebSite.nsf/0/39e5ae748f6f9749ca25706f000689fc/$FILE/Public%20Sector%20Governance%20Vol%201.pdf).
2. King Report on Corporate Governance <http://www.cliffedekker.co.za/literature/corpgov/index.htm>
3. Standards Australia
4. Organisation for Economic Co-Operation and Development (OECD)
http://www.valuebasedmanagement.net/articles_oecd_corporate_governance_principles_2004.html
5. Enterprise Care's Not for Profit Governance Model© <http://www.enterprisecare.com.au/>.
6. The Australian Specialist Medical Colleges Framework <http://www.health.nsw.gov.au/amwac/ahwoc/reports.html>

References

1. Barrett, P. Auditor-General. 2003. Speech: *Better practice public sector governance*. Canberra: Australian National Audit Office. Available at:<http://www.anao.gov.au/website.nsf/publications/f859302a1ba23def4a256cca002479d3>. Accessed March 2006.
2. Donaldson, L. and Davis, J. H. 1991. Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management*. 16(1): 49-62.
3. NSW Federation of Housing Associations Inc. 2003. *Community Housing Corporate Governance Project: Future Directions in Corporate Governance*. Sydney.
4. Merriam-Webster Online Dictionary. 2006. Available at <http://www.m-w.com/dictionary/stewardship>. Accessed March 2006.
5. Australian National Audit Office. 2003. *Public Sector Governance, Better Practice Guide*. Vol 1. Canberra: Commonwealth of Australia. Available at:
<http://www.anao.gov.au/WebSite.nsf/8c72c3851a8fba94ca256bed00179e7d/39e5ae748f6f9749ca25706f000689fc!OpenDocument>.
6. Australian Securities and Investment Commission, Available at:
http://www.asic.gov.au/asic/ASIC_PUB.NSF/byid/3D29891B02C00B1CCA25711E0017180C?opendocument. Accessed March 2006.

Audit	An audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. ¹
Company	<p>Registered as limited by guarantee. Limited by guarantee means the liability of the company's members is limited to the amount the members undertake to contribute to the property of the company if it is wound up. Registration of a company creates a legal entity separate from its members. The company can hold property and can sue and be sued.</p> <p>Companies are registered under the Corporations Act 2001, which is Commonwealth legislation administered by the Australian Securities and Investment Commission (ASIC). A company's registration is recognised Australia wide.⁵</p>
Incorporation	Associations are incorporated under State and Territory Associations Incorporation legislation, which is not administered by the Australian Securities and Investment Commission (ASIC), but by the various State authorities. An incorporated association is also a legal entity separate from its individual members that can hold property, sue and be sued. An incorporated association may become registered under the Corporations Act 2001, to enable it to carry on business in other states or territories outside of its home jurisdiction without the need to register as a company. ⁶
Risk management	Risk management is not a separate process but part of good management and is comprised of three principal steps: risk identification, risk analysis and risk mitigation. Effective risk management in the not-for profit sector means making decisions in accordance with legal requirements, consistent with sound values and ethics, and considering social, environmental and economic implications. In short, it is more important to make the right decision, rather than the quick decision.
NNO stakeholders	In relation to this report, all those people who receive specialty nursing and midwifery care.

To provide feedback on this framework please contact:
 NNO Secretariat C/- ANF, PO Box 4239 Kingston, ACT 2604

The commitment of the National Nursing Organisations and other nursing and midwifery groups in developing this framework, is acknowledged and appreciated.

Glossary

Feedback

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