

# Community Radio Governance

Pathways Resource Booklet



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## Introduction

In some radio stations, they're called the Board of Directors, in others they're the Management Committee. In some stations they pull everything together, in others they have been known to oversee things falling apart. Welcome to the wonderful world of Boards!

Seriously though, the Board or Management Committee of a community radio station is the highest authority in the organisation. It has to provide leadership and overall strategy for the organisation as well as assuring everyone that the station's finances are sound, its operations are legal, and its procedures work. The Board also ensures the community of interest is being served effectively. At the end of the day, the Board represents the membership of the organisation and the community being served.

By the time you have finished this course, you will be familiar with all aspects of the radio station from the perspective of a Board member. For example, you will be able to:

- monitor the station's operations appropriately and effectively
- know the difference between governance and management and how to work effectively with employees and volunteer workers
- ensure that your station complies with all legal and constitutional requirements, as well as the Community Broadcasting Codes of Practice
- participate effectively in Board meetings
- ensure that effective policies and procedures are in place
- deal appropriately with problems that require action by the Board.
- Understand how to manage finances.

**Exercise 1:What Have You Got Yourself Into?**

1. What should Board members know before they get elected?

Okay, so you didn't bother to ask these questions before you stood for election, so it's time to ask them now. Try and answer these on your own.

<b>What have you got yourself into?</b>	
What is the promise of performance made in the station's licence application?	
Have there been any changes made to this promise of performance?	
Is your station:	
•	A company limited by guarantee
•	An incorporated association
•	A co-operative
•	Other?

Are board members liable for any debts?
What outstanding debts does the station have?
How much money is in the bank?
Is the station bound by any legal contracts or subject to any legal action?

## The Role of Board Members

Community radio stations have boards partly to satisfy legal requirements, but mostly to:

- keep the station legally compliant
- oversee the long- term development of the station
- represent the station to the rest of the community
- raise and manage funds
- ensure that the station's interests are the first priority in decision making
- hire staff and oversee performance evaluation of the station manager (or most senior staff member).

Individual Board members have no power as individuals outside of board meetings.

This means that you can't tell someone at the station what to do unless you have been specifically given the authority by the board to take control of some aspect of the station's operation.

Board members should always see their role as being representative; their decisions should be made with everyone in mind. There is really nothing prestigious about being on the Board of a radio station - in fact it is a serious responsibility.

In reality, Board members are more likely to be the hardest working volunteers in the station rather than symbolic figureheads.

## **Conflict of Interest and Fiduciary Responsibilities**

There is no room for pursuing personal interests in the board rooms of community radio stations. As a Board member, you need to avoid conflicts of interest between what you do outside the boardroom and your activities as a Board member.

This is sometimes referred to as the *fiduciary nature* of board membership. A 'fiduciary' is someone in a legal role who is entrusted to act in the best interests of others. A "fiduciary" has a duty to act primarily for the client's (the community radio station's) benefit in matters connected with the undertaking and not for the fiduciary's own personal interest. Scrupulous good faith and honesty are always required.

Members of community radio Management Committees are elected by members of the association or company that holds the licence and all decisions they make should be in the best interests of the station.

Broadly, there are five fundamental duties that all directors share:

- A duty to act in good faith
- A duty not to gain advantage by improper use of the position
- A duty not to misuse information
- A duty to act with due care and diligence
- A duty not to trade while insolvent

Other issues to be considered include:

- Avoiding conflicts of interest
- The need to exercise independent judgement
- The need to treat confidential information as the property of the organisation
- Avoiding conduct liable to bring the organisation into disrepute

In summary, directors bear individual responsibility for the performance of their duties before the law, and collective responsibility for the behaviour of the board.



## **Becoming a company director**

When you're elected to a committee, you'll find that the secretary or station manager will ask for some personal details (your date of birth, place of birth, address) which are then sent to the Australian Securities and Investments Commission (ASIC). This is because legally, you're a company director – it doesn't matter that your station is a not-for-profit association, company or cooperative. There is a check on company director's eligibility – ie criminal records.

As a Board member, you'll find you use skills and knowledge from other areas of your life – accounting, fundraising and legal skills are highly sought after! But again, beware of conflicts of interest – if the station is seeking the services of an accountant and you work for, or have an interest in an accounting firm, you need to declare that interest if the firm is applying for the contract and you should not be involved in making the decision on who receives the contract.

## **Board members duties**

Generally speaking, Board members are expected to:

- commit to the role of Board member and be prepared to learn about governance
- regularly attend Board meetings
- keep up-to-date by reading the minutes, reports and any other necessary meeting papers
- be active in all board or committee decision making
- understand how the radio station works administratively
- be familiar with the constitution and the radio station's responsibilities in regards to legislation and finances
- be active in planning for the future direction of the radio station
- be faithful and supportive of the radio station in the eyes of the public
- take responsibility for particular areas of work
- regularly attend the station's functions and represent your radio station at outside functions

- approve relevant documents including responsibility for approving the organisation's budget.

Some Board members have specific roles, eg. the President, the Secretary and the Treasurer.

### **President**

The President/Chairperson is responsible for:

- ensuring regular Board meetings are well designed and organised
- ensuring that the constitution and rules are adhered to
- maintaining a neutral position during discussion and decision making including noting decisions or motions and asking the meeting to vote on these or facilitating the achievement of consensus.
- when the constitution makes provision, delivering a casting vote in the event of an equal vote
- preparing an agenda in consultation with the station manager and secretary
- dealing with agenda items in order of importance, keeping discussion and decision making relevant and setting time limits when necessary
- ensuring all members have the opportunity to speak
- maintaining order throughout meetings
- suggesting appropriate procedures to deal with any difficulties in getting through agenda items
- signing the minutes of previous meetings after they have been confirmed as a true record
- representing the organisation at all levels of the community.

## **Secretary**

The Secretary is responsible for:

- making sure all correspondence and official records of the organisation are up to date, accurate and in order (other than financial)
- assisting the chair and executive officer to organise Board meetings
- ensuring the minutes of the meeting are taken, either by themselves or delegated to a minute taker
- ensuring that information for the Board and from the Board is dealt with in an efficient manner
- ensuring that meeting papers (agenda, correspondence and previous minutes) have been distributed
- working with the chair/president to ensure that meetings run smoothly
- knowing the rules of the organisation and taking responsibilities for all the legal requirements associated with incorporation.

## **Treasurer**

The Treasurer is responsible for maintaining and managing the finances of the station and provides regular financial reports to the Board or Management Committee – usually monthly. Depending on the size of the station, a bookkeeper may be responsible for the day-to-day entry of financial transactions using standard accounting software such as MYOB or QuickBooks.

As a minimum, the Treasurer should keep, or ensure that station keeps, the following financial records to support income and expenditure of monies:

- invoices / receipts for purchases (all payments) with cheque number reference
- fully completed cheque butts showing who money was paid to and for what purpose
- copies of receipts issued for any money received (this should be banked as soon as possible)
- copies of sponsorship agreements to support sponsorship payments received
- petty cash receipts (if a petty cash system is used)
- an assets register listing all assets purchased or donated, eg. studio equipment,

- CDs, office equipment
- bank statements.

## Know Your Station

As a Board member, it's important to understand the “big picture” of your station. That is, its history, its values, the message it wants to send to the local community, as well as its internal activities.

You need to have the best interests of the station as a whole in mind when you contribute to decision-making at a Board level. In order to make these decisions, it's important for Board members to be well-informed, not only about laws and regulations but also about the station's development, its history and its current priorities.

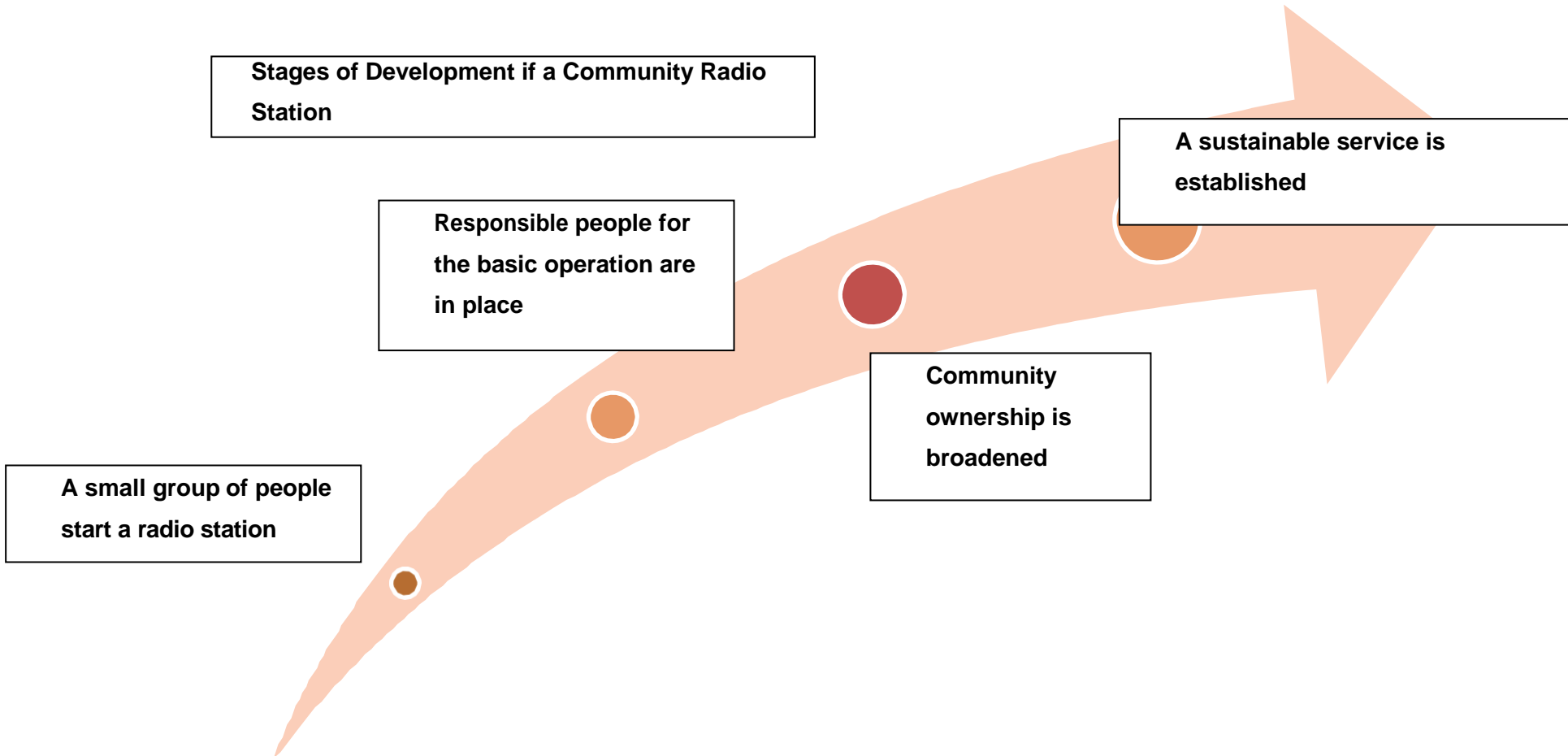
Probably the best piece of advice is to listen regularly to a range of programs on the station – it's a great way of getting a feel for what the station is about and the sort of message it's sending to listeners. Take a look at websites like the Community Broadcasting Association of Australia's website because it provides information about the whole of the sector. There are several Facebook groups and newsletters (eg CBAA, CBF and CMTO) which will ensure that you will keep up to date on what's happening in the quickly changing media industry.

Other sources of information to help you understand the culture and operations of the station include:

- induction kits, eg. for volunteers, staff members and Board members
- the program guide (hopefully there's an archive at your station and you can compare old program guides with current ones)
- people, eg. other volunteers, staff members, Board members, community groups, people from other stations
- strategic plans.

On the following pages you can check out the different stages of development of community organisations like community radio stations. Where is your station at?

**Stages of Development if a Community Radio Station**





## **Exercise 2: Where is your station at?**

Take a look at the diagram on the previous page and then the descriptions below and discuss where your station sits in the cycle of development.

### Conception:

A group of people see an advantage to voluntarily coming together and starting an association.

### Infancy:

The founders are still in charge as the organization struggles to survive. Every job requires more work than the founders can do.

### Puberty:

The organization grows steadily but suffers from awkwardness in its dealings with outsiders and with internal coordination. Entrepreneurial skills are gradually replaced by more professional management techniques and skills.

### Young Adulthood:

Accepted management practices are implemented, including formalized personnel practices. The beginnings of bureaucracy and internal politics are evident.

### Adulthood:

The organization is mastering its environment and serving the needs of its members. Management is peaking and preparing to expand, enter new areas of service or add new functions.

### Late Adulthood:

The excitement of the organization has diminished. The membership will not support innovation. A complacent atmosphere lacking any sense of urgency or zeal prevails.

### Old Age:

The organization is losing its ability to cope with its environment and serve the real needs of members. Managers and leaders bicker and internal control is lacking. All of a sudden, things seem to fall apart and few people seem to care.

## The Principles of Good Governance

In simple terms, “governance” is about the systems which support the long-term development, operation and direction of the radio station. It includes the expression of authority given to the Board (or management committee) through its constitution. This authority must be used responsibly. This means that if you are a board member your decisions must be well-informed and you must be honest in your dealings. These “Guiding Principles of Good Governance” have been developed by the Australian Institute of Company Directors:



## **Guiding Principles of Good Governance**

Principle 1: The board plays a key role in approving the vision, purpose and strategies of the organisation. It is accountable to the organisation's members as a whole and must act in the best interests of the organisation.

Principle 2: The board sets the cultural and ethical tone for the organisation.

Principle 3: All directors should exercise independent judgment and provide independent oversight of management.

Principle 4: Taking into consideration the scale and nature of the organisation's activities, the board should comprise an appropriate number of directors who have a relevant and diverse range of skills, expertise, experience and background and who are able to effectively understand the issues arising in the organisation's business. Where practicable, the chairman of the board should be independent, with the role of the chairman being separate from the role of the CEO.

Principle 5: The board should have an appropriate system of risk oversight and internal controls put in place.

Principle 6: Directors should act diligently on an appropriately informed basis and have access to accurate, relevant and timely information.

Principle 7: The board would normally delegate certain functions to management. Where it does so, there should be a clear statement and understanding as to the functions that have been delegated.

Principle 8: The board is responsible for the appointment of the CEO and the continuing evaluation of his or her performance.

Principle 9: The board should ensure that the organisation communicates with members and other stakeholders in a regular and timely manner, to the extent that the board thinks is in the best interests of the organisation, so that they have sufficient information to make appropriately informed decisions regarding the organisation.

Principle 10: The board's performance (including the performance of its chair, the individual directors and, where appropriate, the board's subcommittees), needs to be regularly assessed and appropriate actions taken to address any issues identified.

## Accountability and Transparency

Two terms which are often used in connection to governance are accountability and transparency. It is important to fully understand these terms and what they mean if you are involved in a community radio station.

### Accountability

Boards should be mindful that there is business is not confidential unless there is particular reason relating to the privacy of individuals. Members of the organisation are entitled to know what you are doing on their behalf. They are also entitled to know why you are making decisions. Boards are accountable (answerable) to their communities.

### Transparency

Transparency is closely related to accountability but with the added emphasis on procedures. The board should have systems in place which clearly show how decisions are made in the station. This should be reflected in procedures for everything from spending money to how the board consults and communicates with members.

Finally, effective governance relies on good leadership principles such as honesty and fairness as well as setting the standards for behaviour.

## The Constitution

A constitution is a contract established between the organisation and its owners (members). Constitutions protect the members' interests by limiting the power of the board while providing members with the means to exercise ultimate control over the entity. As an incorporated association, company or cooperative, your station has a constitution and you need to be familiar with its contents because, ultimately, the Board is responsible for ensuring that rules and procedures in the constitution are followed. Sometimes you'll find the constitution is referred to as the Articles and Memorandum of Association.

## Annual General Meetings

Once a year, the station must hold a meeting for all members, at which reports about business during the past financial year are presented and Board members for the coming year are elected.

As a Board member, make sure you check the station's constitution for rules about the timing of the Annual General Meeting (AGM), how members are to be notified and the process for Board nominations.

For example, the rules might state that an AGM needs to be held within six months of the end of the financial year and that members need to receive notification in writing at least three weeks prior to the AGM. You should be aware of AGM requirements as stated in your station's constitution. In addition, you have a responsibility to ensure that processes are in place so that all requirements are met. These include:

- organising the annual audit (typically the responsibility of the treasurer and station manager).
- notifying members of the AGM and the process of nominating for Board positions

(typically the responsibility of the Secretary and Station Manager).

- preparing the annual report which summarises activities during the past year (typically the responsibility of the President, Secretary and Station Manager).
- notifying government agencies of changes to Board membership after the AGM if relevant, eg. Australian Securities and Investments Commission, ASIC (typically the Secretary's responsibility).
- submitting any reports required as a condition of your incorporation status.

The President chairs the meeting, except for the election of Board members when he/she calls for the appointment of a returning officer to conduct the ballot if there are more nominations than positions available. Even if there is no need for a ballot, a returning officer should still be appointed to declare the new positions. The President for the incoming year then takes over as chair of the meeting.

Sometimes AGMs are quiet affairs and business is conducted quickly and efficiently. However, on other occasions, they can be the scene of heated debate. The Chair needs to be very familiar with meeting procedures and a skilled 'active listener' to deal with such situations, so that he/she can steer discussion towards the best possible solutions.

AGMs can also be a social occasion. After all, it's an opportunity for members to get together to celebrate the station's achievements over the past year. So, why not provide a few drinks and nibbles at the end of business? Turning the AGM into a social occasion may also encourage a few more people to attend!

## How to be an Efficient Board

People are time poor these days so it is really important to use your time with other board members at meetings efficiently. How can you achieve this?

- Think about how often you need to meet face to face as a board. This may be determined by your constitution but usually the board has some flexibility in deciding this.
- Think about putting a time limit on board meetings. Always start and end meetings on time.
- Prepare a calendar of board meetings at the start of each year.
- Prepare board papers summarising decisions to be made (motions to be considered by the board) at least a week before the meeting.
- Work out how you will communicate between board meetings especially if important decisions need to be made.
- Keep conversations in meetings short and to the point.
- Delegate decision-making for large projects and ongoing work to subcommittees and working groups.

### **Board Papers**

Board papers, including the agenda, committee and staff reports and supporting information, should be sent out at least a week in advance. The President, Secretary, Treasurer and Station Manager are usually the ones most closely involved in preparing and distributing papers. Either way, someone should be responsible for this important process.

A typical meeting agenda includes:

- attendance and apologies
- confirmation of the minutes of the previous meeting (usually distributed separately within a week of the meeting). These should provide a summary of the main discussion points and a clear indication of decisions taken and who is responsible for taking action.
- business arising from the previous minutes (not covered in other agenda items)
- correspondence (in and out, including emails relevant to Board business)
- reports, eg. President, Treasurer, Station Manager
- sub-committee reports, eg. sponsorship, fund-raising, operational procedures, publicity, technical, programming
- items about specific business, eg. an event, the station's licence renewal or other ACMA business, motions on notice (ie. These are motions put forward ahead of the meeting. The station's constitution may specify that motions regarding some issues may need to be presented in a certain way).
- date of the next meeting
- other business.

## **Board Meeting Procedures**

There is a relatively common set of meeting procedures that occur within any formal meeting (often called 'standing orders'). These cover putting forward motions, voting and taking minutes. This level of structure and formality is useful as it helps ensure democracy in the station and hopefully minimises argument and division. It is important, however, that meeting procedures should not be used against people who do not understand them. More experienced people on the Board should be able to guide less experienced members through the procedures if they get them wrong.

A few useful rules, procedures and formalities are:

### **Quorum**

This is the number of people who need to be at a meeting to make decisions valid. The quorum is usually stated in the Constitution of the station.

### **Motions**

Motions are clear statements which make a point of recommendation about some business of the station. They should be unambiguous and specific about the business being addressed.

For example:

“That all presenters must arrive at the station at least twenty minutes before their shift.”

“That a budget of \$6,000 be allocated for the repair of the studio panel..”

In simple terms, the common procedure in formal meetings is:

1. A motion is moved and then seconded.
2. Discussion about the motion then proceeds.
3. The person who moved the motion has the right of reply
4. The motion is put to the vote

In the case of an amendment being put forward, the original motion sits on the shelf while the amendment is debated and voted upon. If the amendment is defeated, the debate reverts back to the original motion.

## **Voting or Consensus?**

### Voting

Voting is only one method used to make decisions. It is useful if debate reaches a stalemate but as a method of decision making, it risks alienating people who are out-voted.

### Consensus

Consensus is a method of decision making that requires both patience and discipline because it involves getting everyone or the majority reaching agreement on an issue through discussion. If the Board wants to reach decisions by consensus, it needs to understand how to deal with stalemates. For example, if a decision is stalled by two or three people, they should be asked to offer alternatives to the proposal on offer. If this fails, you may need to revert to a vote to make decisions.

## **Minutes**

While your Board may have mastered the skills of debate and decision making, it is worthless if no one takes the minutes properly. While there are no strict rules about how much detail you should include in minutes, it is sensible to keep them brief. Minutes should record all decisions as motions which have been passed by the Board. They should include the name of the mover and the seconder, and whether the vote was unanimous. Sometimes Board members wish to have their opposition to a motion recorded in the minutes. It is not necessary to provide details of discussions or names of speakers. It is also useful that the minutes record the **ACTIONS** which arise out of the meeting. **ACTION** lists have proven to be effective especially if they are sent out a week or more before the next meeting. They act as a reminder to Board members of what they have promised to do.



## Improving Board Meetings

It's important that each Board member actively engages in meetings and contributes to ensure that they are efficient (don't go on all night or day) and productive (good decisions are made).

The following are some useful rules for meetings::

- A clear purpose for the meeting. Many stations struggle to hold meetings because they have a recent history of negative, time-wasting meetings.
- Not talking over someone else. One technique to encourage this is to have a talking stick. The stick is passed to the person who has something to say. The rule is you can't talk unless you are holding the stick.
- No personal attacks. Comments and debate should be confined to issues; they should not be about people.
- Someone needs to be in charge. Even informal meetings need a facilitator to keep things on track. Facilitators should use techniques that will ensure the meeting keeps moving and stays focused.
- Someone to record decisions and ideas. A scribe or minute taker at meetings is essential. Thinking about how you are going to inform the rest of the station about your ideas at the start of the meeting will assist you in deciding how to record the outcomes.

## **Conflict in meetings**

From time to time, meetings may be disrupted by conflict between members. Conflict seems to be caused by a variety of factors, but mostly it comes out of frustration. Sometimes this frustration arises because a person feels their opinions are not valued or because personal likes and dislikes intrude on station business. At other times it is a simple byproduct of working in a community sector organisation which has the pressure of 24 hour broadcasting and few resources.

It is important to accept that conflicts will happen in the organisation, especially if people feel passionate about matters. What is more important is that someone knows how to handle them quickly to avoid causing maximum damage. Sticking to the rules of behaviour is important, as is the establishment of a timeout rule for people who continually break them. The bottom line is to appeal for fairness in any meeting process. Fairness means allowing everyone to speak (and be heard) without fear of being attacked. This concept of fairness in meetings should be endorsed by the station repeatedly.

### Exercise 3

#### How well does your board function?

Rate your current Board's performance. Use the following table to give your Board a rating of 1 to 5 (1=strongly disagree, 5=strongly agree).

How well does your board function?	
The Board's Report Card	
Statement	Mark out of 10
The board members are always available to help when we need them.	
The board members really understand broadcasting and the Community Radio Codes of Practice.	
The board members are too busy to be of help to the station.	
The Board meets regularly.	
Board meetings are well-run. Meetings start and finish on time.	
The Board really understand finances: they know exactly how much money there is.	
The Board has a clear vision for the station.	
The board members have been on the Board for a long time.	
The board members do not seem to know what their role is.	
Some board members are not active.	
Board members interfere in the day-to-day running of the station.	

Some board members think they are station managers.	
The Board acts as if they “own” the station.	
The Board does not really understand community radio.	
The Board communicates regularly with everyone in the station.	
The Board inspires the rest of the station to be active.	
The Board has very useful people on it: they can help us in many areas of our work	
The board members demonstrate strong leadership skills.	
We have a lot of ‘dead wood’ on our board.	

## Governance and Management

What the Board does is known as “governance”; what the station manager and other staff do is known as “management”.

It is really important that everyone involved in the station understands the difference between the two concepts. Without a clear understanding of the difference between governance and management, conflicts arise which lead to inefficiency, not to mention a great deal of time being wasted on trying to sort out problems that should never have arisen in the first place.

One way of gaining a clear understanding of the difference between governance and management is thinking of the station as a boat. The Board decides where the boat is going and the captain and crew (managers and workers) make sure the boat stays on course (and afloat) throughout the journey. If only it were that easy....

In some stations Board members think that they have the automatic right to “manage” anyone in the station. This often causes problems. It is important to impress upon Board members that they have no authority outside of Board meetings unless they are delegated this power by the Board.

If the station has no paid workers, it may be that volunteers carry out the work which is normally done by paid staff. If those volunteers are also Board members, this can be a source of confusion and the lines between governance and management become blurred. In this case, it is important to draw clear lines between the Board’s work and management work.

If your station has a system where Board members also (even unofficially) double as managers, it will need to ensure that its risk management strategies are in place and effective and that the transparency of the organisation is not compromised.

Governance is about “big picture” issues such as strategic and business planning, approving annual budgets, developing policies and procedures etc

Management is about the day-to-day operations associated with implementing decisions within the framework established by the Board. staff and volunteers.

A good working partnership between Board and staff is the key to success. Below is a table with a few examples to explain the difference between the two levels of responsibility.

Governance	Management
A Board of Directors approves the overall budget for the year	Staff ensure that this budget is implemented
A Board of Directors approves programming guidelines and procedures for getting on air.	Staff ensure broadcasters are well informed of guidelines and procedures and monitor broadcasters’ performance, taking action according to the procedures when necessary.
A Board of Directors approves the procedure for spending money.	Staff can spend money if the board has given them a financial delegation (ie for expenditure up to \$200).

A board needs to establish a delegating authority for employees and a way of measuring performance expectations for them. In particular, the board will have to make performance assessments of the most senior employee. This should be done

against set criteria (ie. a duty statement, work plan etc.) and be carried out at least annually at a time set down in advance.

## Exercise 4

### Try this quick quiz - Governance and Management

The following case studies are designed to help you distinguish the difference between governance and management. Imagine they have occurred in your station. Discuss them with your colleagues and then indicate who you think should be dealing with the issue presented, giving reasons for your answer. In particular address the issues of governance and management in your answers.

1. The station transmitter needs urgent repairs. A budget of \$3,000 has been allocated for technical maintenance for the year which should cover the cost of the repair (around \$2,500). Should the station manager give the work the go-ahead without the Board's approval?
2. The station manager is turning up to work late every day.
3. The station receptionist is turning up to work late every day.
4. The treasurer is not doing her work. She is fighting with staff about payments and has not acquitted any of the station's grants for projects which were completed last year. As a result, the station's back account is dwindling and the treasurer has told all staff that they need to make fundraising a priority. Staff are unhappy. What should the staff do? What should the Board do?
5. A Board member is listening to the radio station and hears a late night announcer play a song with swearing in it. The station has no policy on the issue, but the Board member is offended by the lyrics. What should he do?
6. A Board member is not happy with the timeslot that he has on air. His program is popular and he believes that another timeslot would bring an even bigger audience



to the station. The trouble is the timeslot is being occupied by another group. He puts his case to the Board when general business is discussed. The Board votes in favor of the timeslot changing and informs the program committee to organise the change of timeslot.

7. The Program Manager (or a member of the program committee) hears a Board member on air reading a live sponsorship announcement. No sponsorship tag is included.

8. Two program groups are arguing about the way the changeover between their program occurs.

## What Does Good Governance Look Like?

### Governance in Action

Some of the activities in the station which are signs of good governance are:

- strategic planning and development which considers the long-term health of the station
- Annual budgets, financial projections (business planning), annual audits
- policies and procedures which guide how work is done and decisions are made
- healthy external stakeholder relationships including sponsors, funding bodies, local community organisations
- good people management staff and volunteers
- good recordkeeping
- risk management plans in place
- continuous improvement established (including complaints and feedback)

### **Strategic Planning**

A key role for the Board of a community radio station is to articulate the station's vision or mission statement and to set medium and long-term goals. This process is called strategic planning and the results are documented in a strategic plan. It is this long term planning which supports good governance at the station. Strategic planning sessions can occur throughout the year for various projects at your station, but it is important to have at least one meeting each year to discuss plans for the station's future. Ideally the station should have a 3-5 year plan which is revisited each year. Plan a full day for your strategic planning meeting and preferably find someone who is experienced as a facilitator of strategic planning to help with the day. After the strategic plan is developed, an operational plan is next. In smaller stations it may be possible to have these plans rolled into one, but it is usually more useful to keep them separate. Whereas a strategic plan may cover the next 3-5 years, an operational plan deals with the next 12 months. It clearly defines actions and who is responsible for them.

Believe it or not, the process of strategic and business planning can be enjoyable! It's best if all Board, staff and volunteers are involved, and it's a great opportunity for a social occasion, so make sure there is good food!

## **Financial Management**

There are some important issues about financial management which all Board members need to understand even if they are not the Treasurer. Remember, *it is illegal for a Board to continue to carry on the business if the company is insolvent* (that is, going into a deal knowing the station can't pay for the costs involved). Individual fines can be as high as \$200,000. It is the responsibility of all Board members to ensure that the proper processes are in place to minimise the risk of things going wrong. It is important that everyone in the station knows that a responsible group of people is watching the cash flow on everyone's behalf. As a Board member, you are involved in approving annual budgets and in monitoring expenditure against budgets during the year. Effective monitoring requires Boards to ensure that appropriate policies and processes are in place with regard to financial planning, management and control. It also means that financial reports should be available monthly for examination. There is no room for verbal reports when it comes to financial management. The station should have a financial management template which tracks expenditure against the projected budget figures. In addition an annual audit ensures that an independent person has looked at your accounts and has ensured that procedures are being followed.

## **Board Policies and Procedures**

While the radio station should have policies and procedures relating to all of its areas of operation, the Board also needs its own set of policies and procedures to ensure it operates smoothly.

It is important that your station has a governance policy/procedures in place to cover areas such as transparency and accountability, Board meeting procedures, Board attendance, Code of Ethics or code of conduct including board confidentiality, Board committees, induction of new Board members , Board succession and handover issues, conflict of interest, risk management, Role of the Chairperson, Expectations of board members

The station also should have policies and procedures relating to programming, complaints handling and WHS.

Developing policies and procedures is not difficult once you have a set template for your station. The following policy is an example of such a template. The example refers to the governance:

Policy No 1- Governance	
Work area: Board	Review date:
<p>The Board of 4GOV is an elective, representative, and collective body which is responsible for:</p> <ul style="list-style-type: none"> <li>• Ensuring the station fulfils its mission statement and objects</li> <li>• Setting the station’s strategic direction</li> <li>• Upholding its values</li> <li>• Monitoring the station’s performance</li> <li>• Ensuring the station is solvent</li> <li>• Dispute management</li> <li>• Succession planning and salary setting</li> <li>• Ensuring the station is compliant with its objects, constitution and laws and regulations</li> <li>• Risk management and continuous improvement.</li> </ul> <p>Related Procedures and Rules</p> <ul style="list-style-type: none"> <li>• If a board member misses 3 meetings in a row without providing a reason for their absence he/she should be asked to vacate the position</li> <li>• All board members must attend the annual board induction and agree to the board’s code of conduct</li> <li>• All conflicts of interest must be declared before a person can participate in board meetings</li> </ul>	

## Operational Policies and Procedures

Once the Board has its own set of policies and procedures in place, it is important that the Board in consultation with the membership develops policies and procedures to support governance throughout the rest of its operations.

These could include policies and procedures on:

- financial management, eg. budget planning, fundraising
- financial control, eg. authority to sign cheques, reimbursement of expenses
- programming
- staffing
- communications, eg. media relations, internal communications
- privacy
- risk management
- managing conflicts of interest in day to day operations
- dispute resolution and complaint handling
- acceptable use of computers and the Internet
- station code of conduct.

The Board is responsible for developing, maintaining and updating these policies to ensure they remain relevant as circumstances change. The station should maintain a register of all policies and procedures, including dates of when policies and procedures have been reviewed or are due to be reviewed.

While the process may seem bureaucratic and a bit of a theoretical exercise, it is important to realise that policies and procedures help support effective governance. They provide guidance to workers and they also assist in times of transition and turmoil. Policies and procedures should not be seen as irrelevant documents left on the shelf collecting dust. They are living documents which should be used regularly.

## The Station's Stakeholders

The range of people and organisations with an interest in the station depends on the type of licence your station has. Typically, the station's stakeholders would include:

- volunteers (broadcasters, administrative support, technical support etc)
- sponsors
- staff
- community groups
- funding bodies
- listeners
- subscribers, and
- regulatory authorities.

Any decisions the Board makes about the station's operations need to take into account the station's relationship with stakeholders, particularly those who are likely to be affected by decisions. In the case of sponsors, however, it is important that decisions about program content are not made as a result of sponsor pressure.



## People Management

While community radio stations are community based organisations they are also responsible for the station as a workplace and as such (whether there are paid or unpaid staff) are *employers*. Being a member of a Board of a community radio station effectively means you have all the responsibilities as an employer.

This means the Board is responsible for workplace health and safety, wages and taxation issues, employment contracts duty statements and performance evaluations (especially of the station manager). There are also insurance issues such as workers' compensation which need to be considered. As an employer it is important that the Board recognises its legal responsibilities. These include ensuring that:

- there are clear employment contracts and duty statements for each employee including volunteers
- staff are appraised against their duty statements to ensure that they are doing their job
- there are training opportunities available for staff
- all tax and superannuation is being paid for employees
- full records of workers' annual holidays are kept for six years after leave is taken
- the station is a safe working environment for everyone.
- The station has current workers compensation coverage.



## **Good Record Keeping**

While your board may be good at making decisions all your hard work can be lost if you are not keeping good records. The first records you must have are records of your decisions. This includes minutes which record the decisions you have made with some details about why you have made them. The important records to be kept in the station include financial records, membership records, complaints records, assets registers, contracts and stakeholder details.

## **Risk Management**

Risk management involves looking at what could possibly go wrong and avoiding it before it happens. The development of policies and procedures is part of risk management as procedures especially should be designed to avoid possible risks. While this might be obvious in relation to WHS and financial management other possibilities could include reviewing Australian Communication and Media Authority (ACMA) decisions on investigations into other community radio stations and considering how your station would shape up to such an investigation is an example of how the board might manage risk.

## **Continuous Improvement**

Reviewing plans against progress is one form of continuous improvement. Other forms of continuous improvement could include your complaints and feedback handling (what action or changes did you make after feedback?) and performance evaluation.

## **Compliance – Broadcasting Laws and Regulations**

As the guardian of the station's broadcasting licence, the Board is ultimately responsible for ensuring that all regulatory requirements are met. The security of the licence should not be jeopardised for any personal or 'political' reason, which has, believe it or not, happened on occasions.

Broadcasting stations in Australia are licenced under the *Broadcasting Services Act (BSA) 1992*. The Community Radio Codes of Practice, along with the *BSA*, form the basis of the laws and regulations concerning community broadcasting.

A lot of the legal and regulatory requirements may seem complicated but if you break them down, you can see that they help to support good governance in the station.

Some key points from the *BSA* are:

“The licensee will continue to represent the community interest that it represented at the time when the licence was allocated”. (Paragraph 9(2)(b) of Schedule 2 of the Act.)

The *BSA* requires that stations have organisational mechanisms in place which “encourage members of the community that it serves to participate in the operations of the licensee in providing the service; and the selection and provision of the programs under the licence”. (Paragraph 9(2)(c) of Schedule 2 of the Act.)

The licensee must not broadcast advertisements but may broadcast sponsorship announcements for a total of not more than 5 minutes in any hour of broadcasting. (Paragraphs 9(1)(b) and 9(3) of Schedule 2 of the Act.)

‘Community broadcasting services are provided for community purposes and are not operated for profit\* or as part of a profit making enterprise’ (Section 15 *BSA*).

The Community Radio Code of Practice also address issues which relate directly to the governance of the station. These include sections of community participation, managing volunteers and conflict resolution for internal disputes.

It is important that both the *BSA* and the *CBA Code of Practice* are considered in every Board decision. They help to underline the principles we learnt about in earlier lessons of transparency and accountability. Understanding the implications of the requirements of these documents is essential for all Board members, managers and station staff.

The Australian Communications and Media Authority (ACMA) is the government agency responsible for the regulation of broadcasting, the Internet, radio communications and telecommunications. The ACMA has the power to investigate community radio station's activities and make decisions about whether laws or regulations have been breached. While mostly investigations occur at the time of licence renewal, they can also occur as a result of a complaint about your station.

Community broadcasting licences are issued for five years. The ACMA writes to a community licensee 58 weeks before the expiry of its licence requesting that it submit an application to renew its licence no later than 52 weeks before the expiry date. Licensees are required to complete the ACMA licence renewal form.

## **Compliance - Media Law**

As well as the *Broadcasting Services Act 1992*, community radio stations are bound by laws relating to media broadcasts including defamation, anti-discrimination and vilification, as well as those relating to media coverage of court proceedings and elections.

At the end of the day, the most a Board of Directors can do to prevent legal action in this area is to make sure that everyone at the station receives formal media law training. In the event that legal action is being threatened, you are advised to consult lawyers – this is an area where professional advice is definitely needed. Many stations take out insurance to protect themselves from this kind of legal action.

## **Complaints Handling**

The Board's role in complaints handling is largely up to the station. In many cases station Boards have played an active role in internal complaints and dispute processes. However some stations have found this to be problematic, especially when the complaint is about the Board. All stations need to think about how they would handle an internal complaint about the Board or an individual Board member. Remember if the system of investigation and resolution is not transparent, it is not supporting good governance.

One solution is to appoint a complaints officer or complaints committee which is made up of people other than Board members. This committee should receive training in complaints handling and dispute resolution.

## **Internal Communications**

While community radio's business is radio, you will hear it said often that community radio stations are poor communicators. This is usually referring to the inability of stations to get the message across to everyone involved in the station. All stations should have an internal communications strategy.

Communication strategies do not have to be complicated, but they help to guide decisions of the Board in a vital way. If, for example, the Board has found that it is making decisions which are being ignored, the first question you might raise with them is: "How did you inform the station about your decision?"

A communication strategy (internal) simply lists the ways that the information will be distributed to the station. A Board may commit to a monthly newsletter, notices on noticeboards, letters to members, email, social media groups and meetings. Usually, it is advised to choose several strategies rather than one single means of communicating.

## **External Communications**

Like internal communications, the station should also have a policy and procedure on external communications. This includes representatives of the station talking with media and other external stakeholders. The policy and procedure should clearly indicate the process by which someone is given the authority to speak to external stakeholders on behalf of the station.

Good marketing managers will tell you that all external marketing for the station should be approved before being released to the public. This includes marketing using the airwaves and other media. Leaflets and pamphlets, letters and even stickers should be approved to ensure their style and branding is consistent, but also because they may have legal implications (ie. promotion of competitions and copyright).

## **Board Succession Planning**

There is no doubt that volunteers on Boards of community radio stations are finding it increasingly difficult to add the work into their already busy lives. Increasingly, Board memberships are turning over quickly, so it makes the establishment of policies, procedures in the form of manuals and handbooks essential.

Board induction is the other essential ingredient to ensure that new Board members are ready for the job. You might like to arrange the induction as a joint session between the old and new Board members, allowing them to share experiences and advice. Another system is to provide a *mentor* to new members of the Board. This may be an older Board member who doesn't mind the occasional phone call.

Another strategy is to ensure that all activities of the Board involve more than one member whenever possible. Designing projects which bring together the less and more experienced Board members will ensure the Board experience continues to be a learning one. That way if someone leaves, others can take over their duties easily.

Finally, one of the biggest obstacles to a smooth succession is people staying on the Board for too long. This may sound harsh, but a person may think they are contributing significantly to the station over decades. However, often they are also unwittingly digging a bigger and bigger hole which they will leave behind when they leave. Stations often experience significant instability when people they have come to rely on over long periods of time depart.

While a long term commitment is admirable, your contribution will have a positive legacy if, after 3-5 years, you start planning your departure. The more notice you give, the less likely it is that the station will fall into that hole you have dug.

### Exercise 5: The Board Checklist

A. Policies and procedures		
Does your station have policies dealing with the following areas:		
	YES	NO
• programming		
• access and equity		
• anti-discrimination		
• grievance and complaints		
• music - australian content		
• sponsorship		
Does your station have clear procedures for boards, committees, staff and volunteers dealing with the following areas:		
	YES	NO
• programming		
• access and equity		
• anti-discrimination		
• grievance and complaints		
• music- australian content		
• sponsorship		

How does the station management publicise/promote these policies and procedures?		YES	NO
•	newsletters		
•	noticeboards		
•	station handbooks		
•	induction sessions		
•	other		
Does your station allow for the active participation of members of the community (including broadcasters at your station).		YES	NO
In broadcasting and other day-to-day activities:			
•	on-air shifts		
•	fundraising		
•	administration		
•	other		
In management of the station:			
•	board of directors		
•	broadcaster meetings		
•	subcommittees		
•	other		



B. Programming		YES	NO
Does your station's management monitor its Australian music content to meet the minimum quota?			
Does your station's management approve and monitor all sponsorship on air (this includes in kind sponsorship)?			
Does your station broadcast a community announcement which informs listeners about self regulation, the code of practice and their rights to complain 50 times a year?			
Does your station have a set of programming guidelines for broadcasters relating to on-air standards concerning broadcasts about or including:			
	violence and brutality		
	simulated news or events		
	drug, alcohol and tobacco use		
	stereotyping and vilification		

	restricted listening for children		
	privacy		
	news and current affairs		
	indigenous programming		
	australian music content		
	sponsorship		
	freedom of speech/censorship		
C. Volunteers			
		YES	NO
	Does your station have guidelines for volunteers concerning their rights and responsibilities?		

How does your station inform volunteers of their rights and responsibilities:			
	newsletters		
	noticeboard		
	meetings		
	volunteer induction kit		
	other		
Does your station have a complaints procedure for volunteers/staff concerning internal disputes?			
Does your station inform volunteers about the station's internal complaints procedure?			

D. Complaints
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	YES	NO
Does your station have a procedure for handling internal complaints?		
How does it inform workers about the procedure?		
Does your station have a procedure for recording and dealing with listener complaints?		
Does this procedure include providing information to listeners about their rights if they are dissatisfied with the station's response to their complaint?		
Does this procedure ensure the station will respond in writing within 60 days to complaints in writing to the station?		
How does your station inform volunteers and staff of the procedure for taking a complaint from a listener?		
newsletters		
noticeboard		

	meetings		
	volunteer induction kit		
	other		
Is there a designated, responsible person who has been nominated to deal with complaints and who is available during office hours?			