

4th INTERNATIONAL TRAINING CONSULTATION
Emmaus Bible College, IA, USA
29 May - 2 June 2018

SOME NOTES ON INSTITUTIONAL GOVERNANCE

At first sight to many involved in training, the governance of institutions may not seem to be a priority topic. Governance arrangements must clearly be well adapted to the scale of the particular institution. But even in small institutions, it is worth having structures which are effective. Of course, when personal relations are good, practical operational difficulties can easily be overcome, and intelligent people of goodwill can make many different institutional arrangements work well enough. But good structures come into their own on a rainy day, when there are serious challenges to the institution, particularly relating to finance and resources, and when there are personality clashes.

Governance, particularly legal structures, must take account of the framework of law relating to (usually non-profit) organisations in the particular country of operation. The particular framework must be understood (take good advice if necessary), and the governance structure adapted to it. But there are some general principles which are worth respecting. Some of them are as follows:

Size of institution

1. Scale of institution is important to the precise governance arrangements. The larger the institution the more formal the structure will need to be, with constitution, major policies and procedures clearly documented and followed. In small institutions, especially when there are limited suitable personnel resources available within the Brethren movement, it is likely that there will need to be flexibility. Even so, a degree of clarity and formalisation will normally be inevitable, and can be used to the benefit of the institution. (Here, beware of our particular ecclesiological tradition which tends to denigrate organisation and legal arrangements as unspiritual, unnecessary and even harmful (to divine leadership), when they can be practically beneficial in the Lord's work, so long as they are the right ones and well adapted to circumstances.)

Distinctions between governance and management

2. In smaller and embryo institutions, it may not be possible to draw rigid distinctions between governance and management; those bearing legal responsibility for the institution may not always be able to confine themselves to governance and securing accountability; it may make sense, and be to the benefit of the institution, if they use their skills and experience on executive, and even operational matters, when there is no one else who can take on the task.

3. Even where the governance, executive, and operational functions must necessarily be somewhat intermingled, it is wise that all concerned should be clear, for themselves and for others, what function they are discharging in any particular circumstance. Here, ensuring proper accountability at all times is crucial. It is always worth ensuring that anyone responsible for a task is accountable to someone for it and reports properly in respect of it. In general, executive and operational personnel are accountable to their superiors, and senior people in these roles to the governing body. Where members of the governing body undertake executive or operational tasks, there should be clear accountability in respect of the particular task, whether to appropriate executive staff or to their governing body colleagues.

Ultimate responsibility of the governing body

4. Even in the smallest, most embryo institution, it should be clear, and publicly known, what group/committee/body is finally responsible for the institution—i.e., that there should be a governing body (a group where the buck stops in respect!). In most jurisdictions, this group is responsible (and usually liable) for all that happens in the institution. It is not simply advisory, or a vague council of reference, giving an appearance of respectability and confidence in it (though a governing body which performs well will do that). Nor is it a group of potential funders (have a separate group for that).

purpose). It should be clear that executive and operational people (even indispensable founding entrepreneurs) in the institution are responsible to this governing body.

5. If the institution is created as a legal entity within the particular jurisdiction in which it operates, its governing body will normally be legally responsible for all that happens in the institution, even when executive and operational activities are delegated to others, whether paid or voluntary personnel. It follows that executive and operational personnel should recognize the responsibility and liabilities of the governing body, and keep them properly informed—there is nothing that goes on in the institution which can be regarded as 'not the governing body's business'. On the other hand, subject to appropriate reporting and accountability, there is no point in the governing body, or its individual members, getting in the way of executive and operational personnel: there is no point in keeping a dog and barking oneself.

6. The responsibility of the governing body extends to the academic work of the institution. However, an important committee of the governing body will be the academic committee or council, either composed entirely of academic members or having a large majority of academic members.

Accountability of volunteers

7. The tasks, responsibility and accountability of volunteers, as well as remunerated personnel, should always be clear, and made clear to them.

Role, functions and membership of the governing body

8. The role and duties of the governing body will usually be spelled out in the constitution setting up the body for which it is responsible. Committees of the governing body should be given clear terms of reference, and required to report promptly, accurately and sufficiently to the governing body. The main generic roles and functions of a governing body are as follows:

- a. Approval of institutional strategy and major policies (across the whole range of the institution's necessary activities, not simply academic policies) and ensuring that the structure of the institution is fit for purpose.
- b. Holding the main executives of the institution to account. This includes on financial matters, but extends to strategy and any aspect of major policies. Essential to the (usually) non-executive role of governing body members is to ask questions which executive personnel may not have thought of, to pursue them tenaciously, but also to know when to stop (for the moment), even if the answers do not seem to be satisfactory. (In this context, it is interesting that in all bodies significant points do not necessarily occur to executive personnel because they can become imprisoned by their own vantage point within the organisation. Of course, governing body members sometimes ask daft questions, as well as penetrating 'small boy' questions.)
- c. Encouraging executive and operational personnel. This requires governing body members to be well informed and accessible, not remote.
- d. Responsibility for ensuring financial probity, security and stability in the institution.
- e. Final responsibility for the safety and security of all institutional personnel and students.
- e. External representation and advocacy of the institution, including where appropriate to potential funders. (This function is not by any means exclusive to the governing body, of course: executive personnel will certainly have it among their responsibilities as well.)

9. The members of the governing body need to have a good balance of relevant expertise and experience. The operational personnel of the institution should be represented on the governing body, and normally there should be some student representation. The chief executive officer should be a member.

Role of chairperson of governing body

10. Important to good governance are

- a. the chairperson of the governing body and the chief executive officer need to have a good relationship. An important personal role of the chairperson is to manage and encourage the chief executive, and hold him or her accountable

- b. the responsibility of the chairperson, working with the secretary of the governing body, to ensure that the governing body itself works in an effective and orderly way. This includes effective organisation of the governing body, and taking the lead in ensuring that the members of the governing body have the right abilities, expertise and experience to enable them, taken as a whole, to be an effective governing body.
- c. ensuring that the governing body reviews its own performance and effectiveness regularly.

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25 May 2018

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