

What is the difference between management and governance?

- Good Boards have interest in the work of the organisation.
- They have a commitment to the organisation's aim and objects.
- They have reasonable intelligence and competence.
- They are respected in the community and by the stakeholders.
- The board should have capacity for growth.
- They should also be sensitive to change and new issues affecting the community.
- They should have the ability to work in harmony with others.
- They should be able to stand up to ones convictions, treat the staff as partners.
- Respect the right of other board members and staff to differ or disagree.
- Dissent if necessary but accept with grace any majority decision or step down.
- Effectively mobilize and properly channel resources.
- The role of the board should be to govern and not manage.

Governance is more about the macro level and management is more about the day to day affairs. The Board's role is to govern, which means to provide leadership, to help get resources, to provide vision, to ensure the mission of the organisation is met. Policies are made by the board but managing of this policy is not their job. The strategies are made by the board but to manage the strategy is the management job.

Board is governance but CEO and staff are management. Governance is mainly linked to accountability and transparency, self-regulation and organisation sustainability. Accountability is being accountable to all the stakeholders, donors even your beneficiaries, your staff, government, partner organisation. Transparency means to be clear. Self-regulation means regulating yourself. Organisation sustainability means building corpus which helps sustain an organisation. RTI is applicable to all government organisations and government agencies including organisations substantially funded by the government. So if you are a trust, society or a section 25 company which is substantially funded by government, RTI is mandatory on you.

Any organisation receiving more than one crore is regarded as substantially funded by the government.

You decide, how transparent you want to be, whether you want to disclose information on your website? Would you like to disclose any information which is not defined by the law? The law requires audited accounts, income and expenditure accounts, the balance sheets and that's done. It does not ask for reporting on the salary of the CEO on the website or how much is spent on travel, the source of the funds. That is transparency and is linked to governance. So governance is doing more than what the law is saying and transparency is giving more information to people than what they are asking you to give.