

4

GOVERNANCE



community resource kit



For full details and contents of the kit please read the introduction at www.community.net.nz/how-toguides/crk.

FIRST PUBLISHED OCTOBER 2006 BY

Family and Community Services
Ministry of Social Development
PO Box 1556
Wellington
New Zealand

Local Government and Community Branch
The Department of Internal Affairs
PO Box 805
Wellington
New Zealand

Phone 04 916 3300

Phone 0800 824 824

ISBN 0-478-29339-9

© Crown copyright 2006

Unless otherwise indicated, the contents of this publication are protected by Crown copyright. You can reproduce this Crown copyright material free of charge without further permission, subject to the following criteria:

- you must reproduce the material accurately
- you must not use the material in a derogatory manner or a misleading context and
- you must acknowledge the source and copyright status of the material.

FOR FURTHER INFORMATION

As well as printed copies, the Community Resource Kit will be available on CD and online at www.community.net.nz. Any future updates to the kit and details of where to obtain further copies of it will also be posted on this website.

DISCLAIMER

The Department of Internal Affairs and Ministry of Social Development (the publishers) have used their best endeavours to ensure that the information in this kit is correct and current at the time of publication. However, the publishers take no responsibility for any error, omission or defect which may have occurred during its production. The listing of a resource or organisation within this kit does not imply or express any endorsement of a business or service by the publishers. Readers are reminded that the contents of this kit do not constitute legal advice and therefore should not be relied on for that purpose.

contents



INTRODUCTION

Who is this section for?
Words used
What's in this section?

GOVERNANCE AND MANAGEMENT

Why governance is important
Effective governance
Difference between governance and management
The "new work" of governing bodies
Governing body-chief executive relations
Extra dimensions to governing Māori organisations

ROLES AND FUNCTIONS OF A GOVERNING BODY

Core roles
Core functions
 Setting strategic direction and strategies
 Stakeholder relations
 Recruiting and evaluating the chief executive
 Being accountable to stakeholders
 Risk management
 Policy development

GOVERNING BODY OFFICERS

Who are they?
Powers, duties and liabilities
 General powers and duties
 General liabilities
 Specific duties of a chairperson
 Specific duties of a treasurer
 Specific duties of a secretary

MANAGING GOVERNING BODY MEETINGS

Focusing on important strategic matters
Agendas
Special agenda items
Information provided by the chief executive
Minutes

GOVERNING BODY PROCESSES

Recruitment
 Size
 Process for appointment
Retention
 Retention checklist
Induction
 Induction checklist
Succession planning
 Succession planning checklist
Self-evaluation
 Self-evaluation checklist

WHERE TO GO FOR MORE INFORMATION

Publications
Online resources



introduction



who is this section for?

When a community group has just started up with, say, 2 to 3 people working on a voluntary basis, the same people are usually involved in both the operational (or management) and the leadership (governance) aspects of the group. That's perfectly alright.

However, this section is aimed at those groups that perhaps have started (or are about to start) employing people or who have obtained some kind of public funding. In this situation, the separation between the management and governance roles becomes important because you become accountable to certain people (e.g. funders) for certain things (e.g. how funds have been spent and how you work with your employees).

words used

Throughout this section we use the term "governing body" which is meant to include:

- a "board" either in the commonly used general sense of the word meaning a formal structure (as opposed to a "management committee" for example) **or** more specifically with reference to a board of directors (in the case of a company)
- a "(management) committee" either in the general sense of the word meaning an informal structure (compared to a "board") or more specifically with reference to committee members of a society
- "trustees" (in the case of a charitable trust).

Sometimes the word "member" is also used to refer to the individuals that make up a governing body.

what's in this section?

The way in which non-governmental organisation (NGOs) and community-based organisations are governed varies from group to group as there are many governance models that exist. Although a governing body (board or committee) of an organisation should design an approach to governance that suits their organisation, there are some core roles and functions of governance that they should be aware of.

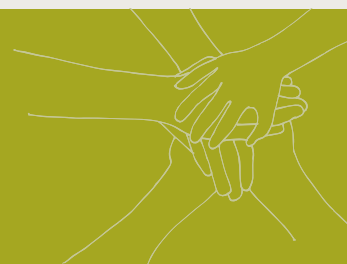
Throughout the rest of this section we look at these core roles and functions of a governing body. We also look at:

- the difference between governance and management responsibilities
- the roles of office holders – treasurer, secretary, chairperson
- the extra dimensions to Māori governance
- governing body recruitment, retention, orientation, succession planning and evaluation.

TIP

For other governance terms, see Te Puni Kōkiri's website – governance.tpk.govt.nz/utilities/glossary.aspx.

governance and management



why governance is important

Governance comes from the Latin word *gubernare* meaning “to steer”.

Good governance creates a strong future for an organisation by continuously steering it towards a vision and making sure that day-to-day management is always lined up with the organisation’s goals. It ensures that the organisation remains viable and thrives. At its core, governance is about leadership.

Effective governance will improve the organisation’s results (both financial and social) and make sure the owners’ assets are protected and funds are used appropriately.

Poor governance can put organisations at risk of commercial failure, financial and legal problems for directors/trustees or may allow an organisation to lose sight of its purpose and its responsibilities to its owners and people who benefit from its success.

effective governance

Effectively functioning governing bodies have:

- a good skill mix (see “Recruitment” section)
- an effective chairperson (see “Governing Body Officers” section)
- committees for specialist tasks
- well managed meetings (see “Managing Governing Body Meetings” section)
- dynamics that allow free expression of different perspectives – an effective chairperson, backed by a strong vision for the organisation and clear protocols, can make sure all perspectives are taken into account
- outside specialist help on some issues – this is necessary if you cannot use the organisation’s staff (which should be your first port of call) e.g. in the case of highly sensitive matters
- good self-evaluation (see “Self-evaluation” section).

Studies on successful organisations also show that effective governing bodies demonstrate a strong understanding of the difference between management and governance (see the next section).

difference between governance and management

As mentioned earlier, there's a point in an organisation's life where the distinction between governance and management becomes important.

Both the governing body and management need to be clear about their respective roles. The job of the governing body is to **govern** (provide direction, leadership and control) and the job of the chief executive is to **manage** the operations of the organisation. The governing body's role is to oversee management, not to manage. It must be satisfied that the chief executive is doing his/her job in accordance with policy and resources.

This distinction between governance and management can be difficult to understand and carry out. But one way of steering through the confusion is to always consider matters before the governing body in terms of the strategic plan and always leave the job of actually carrying out the strategic plan to the chief executive (and his/her staff).

the "new work" of governing bodies

Increasingly the approach of effective governing bodies is moving away from a strict corporate governance – management separation and interpretation. The focus is more on giving attention to what really matters for the organisation. The emphasis is on:

- finding out what matters through, for example:
 - asking the manager or co-ordinator to paint the big picture of what the organisation is dealing with
 - getting to know key stakeholders
 - consulting the experts
 - deciding what needs to be measured
- acting on what really matters
- organising the governing body's time and energy around the issues that really matter
- focusing meetings on what really matters.

(From *The New Work of the NonProfit Board*, Taylor, Chait and Holland).

governing body-chief executive relations

A sound governing body/chief executive relationship is central to a mutually satisfying working relationship and ultimately to organisational success.

A governing body should encourage unity of control and accountability by having only one direct employee – usually the chief executive. The chief executive should employ all other staff and should also be acknowledged as responsible for the work of all staff, be they paid or unpaid volunteers. The chief executive should be delegated maximum authority to manage all operational matters.

An effective and productive governing body/chief executive relationship is built on:

- mutual respect for their separate but mutually interdependent roles and responsibilities
- a clear and unambiguous definition of the results to be achieved
- clearly defined and documented delegation and authority
- mutual agreement about the boundaries of freedom granted to the chief executive to carry out his/her role and tasks
- a fair, ethical and transparent process for evaluating the chief executive's performance
- an ability to engage in robust debate and a mutual willingness to challenge and to offer and receive constructive criticism.

(From *Getting on Board*, Creative New Zealand).

extra dimensions to governing Māori organisations

As set out in Te Puni Kōkiri's "Effective Governance" website, although good governance principles and practices are

universal, no two organisations are ever the same. There are also particular characteristics of Māori organisations which bring extra dimensions to the practice of governance.

These may include:

- **Multiple purposes** – many Māori organisations have to balance multiple purposes e.g. financial viability and social and cultural aspirations.
- **The importance of tikanga and values** – tikanga principles are often put into practice in the governing body of a Māori organisation alongside general governance principles. Many are explicitly driven by tikanga, kawa and values e.g. tangihanga and cultural leave policies. Cultural considerations will sometimes take precedence over purely economic factors. Māori organisations may also have a Māori dimension in their procedures e.g. the use of te reo Māori, mihi, karakia, koha, manaakitanga, whānaungatanga, regular consultation hui etc.
- **Long-term view** – many Māori organisations have a long-term view of their future e.g. in strategic planning, a 25 year view or more may be taken.
- **Appointment of governing members** – rather than being a skill-based selection, governing body appointments in Māori organisations may be influenced by other factors, such as, whakapapa, tikanga (e.g. appointing a rangatira or respected elder), whānaungatanga (e.g. appointing a relative).
- **Governing body dynamics** – the dynamics around the governing body table of a Māori organisation can be influenced by factors such as the importance of tikanga and values, a long-term view, use of Māori terms etc.
- **Involving owners in decision-making** – governing bodies of Māori organisations may be required to undertake a higher level of consultation.
- **Te Tiriti o Waitangi** – many Māori organisations refer to the Treaty of Waitangi in their mission/ vision statements and core legal documents.
- **Use of Māori terms** – the use of te reo Māori (e.g. constitutions in te reo) can lead to difficulties in interpretation. Clear definitions/ translations may be required to overcome this.

roles and functions of a governing body



As mentioned earlier, although there are many models of governance, there are some core roles and functions of governance that are common across all of these.

core roles

The core roles of a governing body include:

- values guardian – which may mean articulating or spelling out organisational values, mission and priorities to protect against undermining
- facilitator – which may mean arguing in support of grants or fostering relationships with key stakeholders
- political advocate – which may mean having contact with MPs as well as general political support or pressure from the board or committee
- buffer – which may mean monitoring potential divergence e.g. between Government and organisational interests.

core functions

The core functions of a governing body include:

- setting and monitoring the organisation's mission, purpose, direction, priorities and strategies within the boundaries of the organisation's constitution and legal obligations
- actively involving key stakeholders in setting and monitoring the organisation's mission etc (see previous bullet point) and maintaining positive relationships with them
- specifying key outcomes and ensuring there are adequate resources (people and finances) to achieve these

- appointing and supporting the chief executive, evaluating his/her performance and rewarding or replacing him/her as necessary
- being accountable to the organisation's owners for the stewardship of their assets
- risk management
- developing policies that allow the organisation to best serve its stakeholders. Remember it's management's job to implement those policies
- ensuring the governing body complies with statutory and contractual requirements and with the governing body's own policies
- monitoring the organisation's programmes and services
- regularly scanning the environment in which the organisation operates to ensure that what it's attempting to achieve remains relevant and achievable
- influencing decisions and finances
- reporting, at least annually, to stakeholders
- setting standards for and evaluating its own governance performance
- maintaining a governing body succession plan.

TIP

Some (not all) of these core functions will be dealt with in more detail next. For further details on all of them, refer also to *Getting on Board* available free online from www.creativenz.govt.nz and *Nine Steps to Effective Governance* available free online from www.sparc.org.nz.

SETTING STRATEGIC DIRECTION AND STRATEGIES

Setting the long term direction for the organisation is the governing body's most important role.

The **purpose** of the organisation relates to the reason for the organisation existing or, in other words, what it's trying to achieve. The **vision** relates to the long term view of where the organisation sees itself in the future. For example, the purpose of the ABC Trust is to teach all people within the region how to grow their own vegetables. The vision is that all people in the region do not need to buy vegetables.

Once the governing body has set the purpose and vision for the future of the organisation, it will work together with management and other stakeholders through a process to plan the strategies that will take the organisation towards that purpose and vision. This is called strategic planning.

Strategic plans are long-range (at least 5 years) and cover things like financials, staffing, marketing, communications etc.

See *Section 2 – Planning* for further details on strategic planning.

TIP

STAKEHOLDER RELATIONS

Stakeholders are people (from both inside and outside an organisation) who have an interest in that organisation e.g. customers, employees, board members, shareholders, public.

Good governance demands that stakeholder interests are identified and appropriate relationships established and maintained. This means involving stakeholders when planning direction and priorities. It does not mean that stakeholders should neither determine its overall strategy nor drive the governing body's decision-making. The governing body has a moral responsibility to consult with stakeholders about their expectations and requirements.

RECRUITING AND EVALUATING THE CHIEF EXECUTIVE

Recruitment

The governing body is responsible for appointing the chief executive and monitoring his/her performance against agreed targets and indicators. The qualities and skills the governing body should look for will vary from group to group depending on the strategic direction e.g. some people are good to have on board for starting up a new organisation.

The keys to getting and retaining the right person as chief executive are:

- defining the attributes you want for the position
- considering a range of people
- carefully reference checking the preferred candidates
- getting the full governing body to meet the leading candidates and make the final decision
- providing the successful person with a clear job description and proper formal induction process.

Performance evaluation

The governing body should adopt a process whereby all the members are involved in the chief executive's evaluation. The chief executive can help trigger the members' thinking by preparing a self-assessment.

ROLES AND FUNCTIONS OF A GOVERNING BODY

A good performance evaluation should:

- involve evaluation only against objective and previously agreed performance criteria and in respect of those matters for which the chief executive has been delegated full operational authority
- be continuous – rushed annual reviews should be avoided. Continuous informal feedback is best and should be positive as well as identifying concerns. The regular reports to the board also provide an opportunity for performance evaluation
- involve additional more formal “wrap ups” every 3 to 4 months. This also provides a chance to reset expectations if necessary
- include feedback from staff.

For further information on recruiting and evaluating the chief executive’s performance, see Creative New Zealand’s *Getting on Board* available free online from www.creativenz.govt.nz.

TIP

BEING ACCOUNTABLE TO STAKEHOLDERS

Accountability means explaining to someone what you’re doing. The governing body is responsible for and accountable to the organisation’s owners for the stewardship of their assets. The governing body is also accountable to a variety of other stakeholders for a variety of other actions. The main avenues via which the governing body can be held accountable to stakeholders are:

- the annual general meeting (AGM)
- the annual report
- regular reports to funders that any money provided was used as agreed and that any expenditure was appropriate and monitored
- other open meetings or consultations.

Communications with all stakeholders in addition to owners (e.g. government regulators, iwi, local community etc) are also important. They need a clear and accurate view of where your organisation is going, how it’s performing and reassurance that the governing body is operating in the best interest of the organisation and meeting their legal obligations.

As a minimum, time must be allowed at the AGM to give all stakeholders the opportunity to ask questions. The governing body may even choose to develop communications plans to ensure ongoing communication with owners, shareholders and other stakeholders (see *Section 9 – Communication*).

RISK MANAGEMENT

The governing body is expected to identify and manage any obstacles that might prevent the organisation from reaching its goals. This means being involved in risk management, particularly around financial matters and legal compliance.

Risk management involves the governing body foreseeing what could affect the organisation and making sure plans are in place that will minimise or eliminate the impact of events or changes that will have a negative effect.

Some examples of risk management strategies include:

- reports to the governing body on e.g. incidents in the workplace
- staff and governing body training on e.g. interpreting financial information
- good practice rules such as making sure cheques are signed by two authorised governing body members at the time of issue (see *Section 6 – Financial Management*).

POLICY DEVELOPMENT

Policies are guiding principles by which an organisation is run. There are a number of policies your organisation should consider having. It’s the governing body’s responsibility to develop their governance policies and to make sure that other policies (developed by the management team) are in place and being carried out.

These policies, which will vary from organisation to organisation, generally come under the following main categories:

- governance and management – e.g. governing body/chief executive relationship, financial management, risk management and planning policies

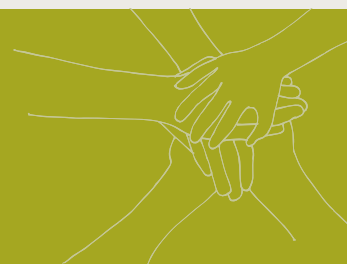
ROLES AND FUNCTIONS OF A GOVERNING BODY

- advocacy and representation – e.g. communications, relationships and Treaty of Waitangi policies
- human resources – e.g. volunteer, EEO, recruitment/induction and OSH policies
- operations and administration – e.g. information management, record keeping, grants and sponsorship, internet usage and vehicle policies.

TIP

Refer to *Section 5 – Policies* of this kit, Creative New Zealand's *Getting on Board* available from their website – www.creativenz.govt.nz and the ACTCOSS website – www.actcoss.org.au for further information on policies. Refer also to the CommunityNet Aotearoa website – www.community.net.nz (Sample board policies) for some sample board (governing body) policies.

governing body officers



who are they?

There are usually three “officers” (also called “office bearers” or “office holders”) who may be appointed to an organisation’s governing body that have additional specific roles to fulfil over and above their general roles. They are a:

- chairperson (sometimes known as chair or convenor)
- treasurer
- secretary.

powers, duties and liabilities

GENERAL POWERS AND DUTIES

Officers must act in accordance with the functions allocated to them and the powers vested in them by the organisation’s constitution.

All three officers have **general** duties in addition to their specific ones. For example, they have a duty to:

- act in good faith and in the organisation’s best interests
- take reasonable care in exercising their duties.

The specific duties of a chairperson, treasurer and secretary are dealt with separately below.

GENERAL LIABILITIES

Apart from the usual potential liability of an officer committing any crime (e.g. theft), officers may also be personally liable to third parties for breaches of trust or fiduciary duty, where they act outside the organisation’s rules and objects.

An officer may also be exposed to potential financial penalties if the organisation’s affairs are conducted in breach of its governing Act. For example, each officer of an incorporated society can be fined up to \$1,000 for failing to deliver any document requested by the Registrar of Incorporated Societies for inspection.

SPECIFIC DUTIES OF A CHAIRPERSON

The role of the chairperson (also called the “chair”, “chairman” or “convenor”) is a critical one. In addition to his/her general governing body duties the chairperson, together with the chief executive, represents the organisation to owners, stakeholders, the financial community and the general public. Essentially, the chair is the key link between the governing body and management.

The main responsibilities of a governing body chairperson are to:

- lead strategic planning
- manage relationships
- ensure risks to the organisation are managed
- monitor the chief executive’s performance
- encourage all governing body members to contribute to debate and decision-making
- manage governing body processes.

More specifically, the chairperson is expected to:

- conduct efficient governing body meetings (see “Managing Governing Body Meetings” below)
- set annual meeting timetables
- prepare meeting agendas
- manage the distribution of papers in advance of governing body meetings
- ensure accurate recording of meeting decisions
- liaise with the chief executive outside scheduled governing body meetings
- instruct the auditor in the absence of a finance committee
- establish governing body committees (sub-groups of the full board) for specific tasks and define their terms of reference
- attend committee meetings where appropriate
- make sure the governing body’s resources are being well and appropriately used.

The process for appointing a chair varies according to the constitution of the organisation.

See the resources listed at the end of this section for further information on the duties of a chairperson.

TIP

and reporting requirements are met openly and with accountability. He/she also provides an assurance of the ongoing financial viability of the organisation to the governing body.

The treasurer’s tasks may include:

- ensuring that the finances of the organisation are managed appropriately
- making recommendations to the governing body about income and expenditure, investments and debts
- keeping records of all incoming and outgoing payments
- reviewing the annual statement of financial performance (profit and loss) and statement of financial position (balance sheet)
- ensuring that the annual audit process is undertaken in a timely fashion according to legal requirements
- providing regular financial statements to the governing body and providing explanations where required
- drawing up the annual budget in consultation with staff and other governing body members
- ensuring that sufficient funds are available at all times to support the organisation’s liabilities.

(From ACT Council of Social Services (ACTCOSS) website).

SPECIFIC DUTIES OF A TREASURER

In addition to the general duties of being a member of the governing body, there are several tasks for which the treasurer is responsible. Many of these are the regular practical administrative duties that may be done by staff (e.g. financial administrator). But the treasurer has the final responsibility for ensuring that the necessary processes for reporting are in place and that sufficient funds are available.

The treasurer is responsible for providing financial transparency and accountability to the governing body and ensuring that processes

See also *Section 6 – Financial Management* for further details on the financial duties of the treasurer.

TIP

SPECIFIC DUTIES OF A SECRETARY

A governing body will sometimes appoint a secretary to carry out certain administrative tasks in addition to his/her general responsibilities of being a member of the governing body.

These tasks can include:

- convening meetings and booking rooms
- dealing with correspondence
- preparing agendas for meetings (in consultation with the chairperson)
- taking the minutes of meetings (although some governing bodies may want to appoint a minute-taker for this task)
- ensuring back-up information is available at meetings where required.

(From ACT Council of Social Services (ACTCOSS) website).

managing governing body meetings



A governing body meeting should be stimulating and fun, as well as productive. There should be processes in place to avoid unnecessarily long meetings and to help focus the governing body on the important strategic matters.

focusing on important strategic matters

A strong focus on important strategic matters can be helped by:

- effective meeting planning and strong meeting management
- appropriate, concise governing body papers
- good preparation by each governing body member
- an atmosphere that allows governing body members to ask probing questions
- proactive policy that prevents the governing body from needing to consider everything in an ad hoc manner.

(From *Nine Steps to Effective Governance*, SPARC).

agendas

The governing body agendas should not be delegated to the chief executive – the meeting is a governance not a management forum. The specifics of the agenda will vary from organisation to organisation but there are three common categories under which agenda items will appear:

- **Regular items** – all meetings commence with the same formal matters, the confirmation of a quorum, recording of attendance and apologies, and the confirmation or amendment and subsequent confirmation of the minutes of the previous meeting. Other regular items likely to be included are financial matters compared with budget

and previous year. Such items should be presented in a logical and consistent order to allow for easy comparison with earlier reports also allowing comparison of actual outcomes against management forecast.

- **Legal matters** – where the governing body has delegated authority it may wish to receive a report on the use of any such delegated power, including approval of major contracts between the organisation and third parties.
- **Periodic items** – these items may include, for example, reviewing strategic plans and setting management goals, approving annual budgets and non-financial performance indicators and annual targets, reviewing the environment, reporting progress to owners through annual financial accounts (or where appropriate six-monthly or quarterly) and risk assessment.

special agenda items

Special governing body meetings may be needed, or special items may be added, to scheduled meetings which may then be extended. Special agenda items may arise out of key resignations or legislative change etc.

information provided by the chief executive

The chief executive should provide timely reports on:

- financial information
- achievement of, or progress towards, strategic goals
- changes in the operating environment
- the impact of the governing body's policies on its ability to do its job.

minutes

If the meeting agenda is well set and papers well researched and presented with clear recommendations, they will act as a focus for the chairperson and a change of tense may be all that is required to convert the agenda into minutes.

TIP

For further general information on running successful meetings see *Section 10 – Meetings*.

governing body processes



recruitment

A governing body's success depends entirely on the people sitting around the table and how they contribute their skills and perspectives to discussion and debate. The mix should be one that gives the depth and breadth needed to make good decisions for the future of the organisation.

But recruiting and retaining governing members can create big challenges for many not-for-profit organisations. It can be difficult to find, recruit and retain good people. A governing body should not be a collection of people who are friends of the staff and other members or "yes" people. It needs to be made up of people who have the right experience and skills.

Research shows that the more time you spend on recruiting a governing body member, the better that person is likely to perform.

Some key tips for effective recruitment include:

- develop and implement a recruitment programme which should include a nomination, selection and orientation process
- be on the look out for potential members all year round
- always recruit in person and have a senior member of the existing governing body involved
- think about the skills the group needs and the groups of people who should be represented on the governing body.

TIP

There are a number of board (governing body) recruitment checklists around. For one example refer to the CommunityNet Aotearoa website – www.community.net.nz (Board recruitment checklists).

SIZE

The size of the governing body depends on the:

- mix of skills needed (e.g. business skills such as financial, specialist skills such as social welfare, knowledge of tikanga and whakapapa etc)
- legal, constitutional and representation requirements
- the size of the organisation
- the number of people who can be expected to work effectively together.

PROCESS FOR APPOINTMENT

Who can be appointed as a governing board member, and the process for how they are appointed, differs for various organisational structures depending on the organisation's governing Act and constitution.

retention



Retention checklist

Once you have your governing body members in place, you must consider the following to make sure the organisation keeps these good people:

- clearly identify the roles and responsibilities of the members
- provide ongoing training and learning opportunities
- ensure meetings are pleasant, focused and constructive
- build trust, respect and communication
- have fun!

induction

All new governing body members should receive a formal induction into their governance role and the organisation's work as a whole. This is so that new members can contribute to the governing body's work as soon as possible.

✓ Induction checklist

The induction for a governing body member can include:

- assigning new members to more experienced ones (mentors)
- staff presentations on the work of the organisation
- meetings with the chairperson (for a governance familiarisation) and with the chief executive (for an operational familiarisation)
- providing new members with a board (i.e. governing body) manual. This manual may include:
 - governing body policies and procedures
 - job descriptions and responsibilities of governing body members
 - the organisation's organisation plan, strategic plan and mission statement
 - current membership details
 - governing body meeting details (e.g. dates, times, venues, duties, expectations)
 - audited accounts for the last few years.

There are a number of board (governing body) induction/orientation checklists around. Two examples can be found on the CommunityNet Aotearoa website – www.community.net.nz (Board Orientation Checklist and Board Orientation Manual).

TIP

succession planning

Each governing body should develop a succession plan for selecting and replacing elected and appointed governing body members and office holders.

✓ Succession planning checklist

Succession planning can be as simple as:

- reviewing the governing body's performance and composition
- maintaining a "needs matrix" and a current profile for each governing body position. A needs matrix is where existing governing body members are invited to comment on the skills, experience and attributes they feel the governing body as a whole requires
- maintaining a list of prospective members.

self-evaluation

It's good governance practice to regularly (e.g. once a year) assess the governing body's performance. The review can be led by an outside consultant or managed internally by the governing body through a structured discussion. These evaluations are an opportunity to check that the governing body is fully on track, and to see if there are opportunities for change that could give better results.

**Self-evaluation checklist**

The performance of a governing body will always differ from group to group, but some basic questions a governing body should ask itself during a self-evaluation are:

- what is the state of relationships with stakeholders?
- how well is the strategic plan linking to the work within the organisation?
- do we agree on what things we should be doing and are we doing them well?
- did we allocate appropriate time to the right things throughout the year?
- are all legal requirements being met?
- are staff satisfied?
- are our meetings well run and the information we receive sufficient?
- are our various committees working well and do they have the right relationship with the rest of the governing body?
- do the governing body members feel their skills are being used and their contribution valued?
- how is the chairperson performing in his/her role?
- do we have a good relationship with the chief executive?

TIP

There are a number of board (governing body) self-evaluation checklists around. For one example refer to the CommunityNet Aotearoa website – www.community.net.nz (Board Evaluation Tools).

where to go for more information



publications

Title:

Getting on Board: a governance resource guide for arts organisations

Details:

This resource is written specifically for arts organisations but has broader application. It covers a range of topics from the role of the board, board/chief executive relationships, the board's processes and practices etc.

Publisher:

Creative New Zealand

Publication date:

Revised May 2003

Format/availability:

Free online from www.creativenz.govt.nz

Pages:

89.

Title:

Governance Toolkit: Nine Steps to Effective Governance

Details:

A guide to governance for sports and recreation groups but has broader application. It covers a range of topics from the role of the board, board meetings, strategic leadership, monitoring and evaluation etc. It includes sample policies and references to further information.

Publisher:

SPARC

Publication date:

2004

Format/availability:

Free online from www.sparc.org.nz

Pages:

127.

Title:

Governance Toolkit: Quick Reference Cards

Details:

A set of summary cards to complement "Nine Steps to Effective Governance".

Publisher:

SPARC

Publication date:

2004

Format/availability:

Free online from www.sparc.org.nz

Pages:

18.

Title:

Tipu Ake: A Leadership Model for Innovative Organisations

Format/availability:

Latest version free online from www.tipuake.org.nz.

Title:

The New Work of the Nonprofit Board

Details:

In this article the authors propose that members embrace the idea of new work to improve performance and add more board value.

Authors:

Barbara E. Taylor, Richard P. Chait, and Thomas P. Holland.

Publisher:

Harvard Business Review

Publication date:

Sept. – Oct. 1996

Format/availability:

Article. May be available from some libraries.

Pages:

3.

Title:

Guide for Committees (Ref 302)

Details:

Covers the roles and responsibilities of the chairperson, secretary and treasurer, plus meeting procedures and guides to formal and informal meetings.

Publisher:

North Shore Community and Social Services

Cost:

\$15 hardcopy or \$65 for full set of 5 (printed) or \$60 for full set of 5 (CD).

Title:

Role of Chairperson (Ref 304)

Details:

Sets out duties, meeting procedures both formal and informal, running meetings and dealing with difficult situations. Also includes useful tips for team-building and group dynamics.

Publisher:

North Shore Community and Social Services

Cost:

\$15 hardcopy or \$65 for full set of 5 (printed) or \$60 for full set of 5 (CD).

Title:

Role of Secretary (Ref 305)

Details:

Covers preparing for meetings, taking and circulating minutes, writing reports, handling tabled reports, Privacy Act requirements and general secretarial duties. Each fact sheet is 4 pages.

Publisher:

North Shore Community and Social Services

Cost:

\$15 hardcopy or \$65 for full set of 5 (printed) or \$60 for full set of 5 (CD).

Title:

The Role of a Treasurer (Ref 109, updated 2005)

Details:

Tells of different ways of budgeting, how to prepare a cashbook, reconcile your bank statement and prepare monthly statements

for your committee. It also explains legal requirements and how to prepare for an audit.

Publisher:

North Shore Community and Social Services

Cost:

\$15 hardcopy or \$65 for full set of 5 (printed) or \$60 for full set of 5 (CD).

Title:

Fact Sheets – Committee Series (Ref 400, updated 2005)

Details:

Ten fact sheets containing information to encourage your committee, staff or volunteers to strive for excellence.

Publisher:

North Shore Community and Social Services

Cost:

\$20 hardcopy or \$65 for full set of 5 (printed) or \$60 for full set of 5 (CD).

online resources

1. ACTCOSS (ACT Council of Social Services) website – www.actcoss.org.au.
2. TPK website – www.tpk.govt.nz (see *Effective Governance* section) – a resource for directors and trustees of Māori organisations. Includes summaries, further references, case studies and templates.
3. CommunityNet Aotearoa website – www.community.net.nz (*How-to Guides – Governance and Management*).