



**Good governance is the foundation for any successful organisation.**

## Role of Governance

**The primary role of a Governance Body, of any organisation, is to manage strategy and risk. The systems and processes in place to support the Governance Body in this role will vary from organisation to organisation.**

**Common elements are:**

- Providing vision, direction and focus for activities of the organisation
- Identifying shortfalls or areas of weakness or risk and taking actions to address
- Monitoring performance and activities against strategic goals
- Identifying and allocating resources to meet goals and deliver planned activities
- Monitoring performance against budget
- Provide strategies for sustainability.

## Who Governs?

Governing bodies are identified by many names, Board/Directors, Trust/Trustees and Committees. Regardless of title and other activities that the group may carry out, sufficient time and resources must be allocated to the governance role. In not-for-profits, members of these entities will often be involved in management and/or volunteer activities as well. It is important to understand which hat you are wearing when decisions are made.

## Board Composition

Board composition and number is determined by your founding document. This is often referred to as your deed, constitution, rules or charter. The process for selection needs to be understood and followed.

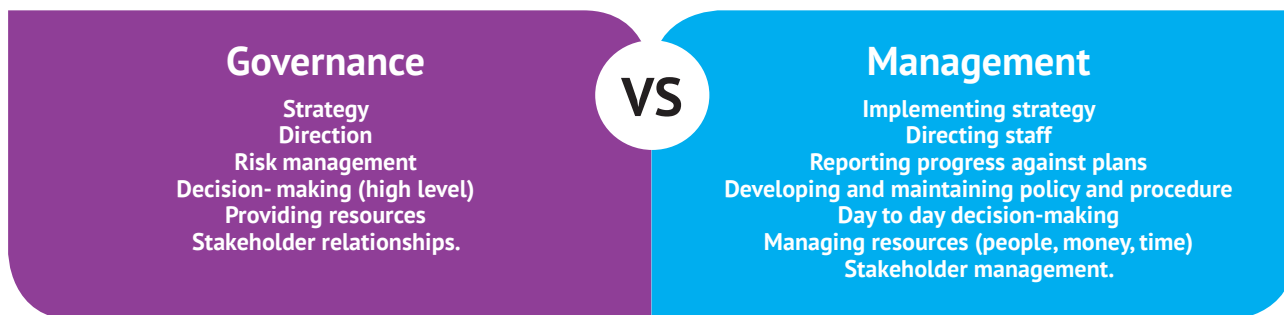
Where possible, look for a range of skills and a diversity of backgrounds and views to ensure the delivery of an organisation's purpose. In an election process, the existing board should proactively encourage people who have the desired skills to stand for election.

**Ideal numbers for a board:**

There needs to be sufficient people to ensure work can be allocated fairly and to avoid overloading people, but not so large that decision-making becomes cumbersome.

If your board consists of elected representatives, there must be clear guidelines for accountability and responsibility, communication and confidentiality.

An elected representative's first loyalty must be to the board. The role as a representative is to bring that perspective to all discussions.



## Board Meetings

There is no hard and fast rule about meeting frequency. Boards need to meet regularly to ensure they can carry out their role. Frequency will depend on complexity of the business activities, level of management support, geographic spread and commitments of members and requirements covered in the founding document. It is important that there is a culture of full attendance at board meetings. Absence must be by apology and for a good reason.

## Meeting Requirements

Good meetings are meetings that have a purpose, run to time and deliver good decisions and actions. To achieve this there are basic elements that are present:

- Agenda
- Minutes with recorded actions and the name of the action owner.
- Written reports – available before the meeting.  
To include any recommendations for action  
(taken as read before the meeting)
- Resolutions for key aspects
- Oversight of finances
- Oversight of performance against strategic/annual plan
- Decisions and actions
- Timekeeping.

Board meetings need to make good decisions. It is important to consider what is needed to make good decisions (information and data), with a balance between timely decision making and responsible, well considered decisions.

**To make a decision ask the following questions:**

1. Does it fit our plan?
2. Does it fit our budget?
3. What are the risks and can we manage them?
4. How will we monitor the effectiveness of this spend?

## Governance vs Management

The line between governance and management is not always clear. Many factors influence how well your organisation will be able to divide management and governance functions.

### MORE INFO



CommunityNet Aotearoa  
Te Puni Kōkiri

community.net.nz  
tpk.govt.nz