



Governance

What is keeping you awake at night?

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To Shine Brightly

Who is online today?

- Enter in chat box the location/town that you are zooming in from today.
- So we can all see, in the chat box tick/select the option:

All Panelists & Attendees

Poll 1: To give us a sense of the types of organisations online today, what size is your organisation, using a financial measure.

- What is your total income/revenue per annum?
 - less than \$250,000
 - \$250,000 up to \$1m
 - over \$1m.

Poll results: 52 people took part in this poll. 46% selected less than \$250,000, 23% selected \$250,000 up to 1m, 31% selected over 1m.

Themes being covered today

- governance and management
- strategy
- financial stability
- board membership and succession planning
- risk
- conflicts of interest.

Governance and management

- Board members have a fiduciary duty (act in the best interest of another) and are responsible to act in good faith, with skill, care and diligence. Good governance is a way to deliver on these responsibilities.
- Governance is about how an organisation is run. It covers all the strategic, systems, processes and controls that enable a group to decide what it will do and to make sure it happens.
- Key governance functions: *strategy* (setting the strategic direction), *policy* (approving & setting policies), *financial oversight* (monitoring financial performance & position), *managing management* (constructive interaction with management and monitoring of their performance), *risk management* (monitoring risk identification, mitigation & management), *relationship management*.
- Effective organisations understand the difference between governance and management.
- The board's role is to oversee management, not manage *ie it leads, directs and ensures*. The role of manager/staff/volunteers is to *manage, implement and deliver*.
- Understanding where your organisation sits on the governance management continuum is important. Clarity around this will help with having an effective relationship with management.
- As each NFP is different, how it is governed (and where it sits on the continuum) will vary from organisation to organisation.
- There is no one perfect solution. A NFP's board should design an approach to governance that suits that organisation.

Strategy

- Strategic planning involves defining what you want your group to achieve and making decisions on the best way to get it done.
- What do we do? Who do we do it for? How do we excel?
- Tailor the strategic plan for the specifics of your organisation (there is no “one size fits all”).
- Challenges through the process include:
 - ensuring everyone’s involvement (who is “everyone”)
 - resolving differences in deciding on the strategic direction
 - pace of the work
 - what timeframe should the plan cover.

Financial stability – pulse check

Poll 2

Relative to a year ago, how financially stable is your organisation today?

- more stable
- about the same
- less stable.

Poll results: 54 people took part in this poll. 37% selected more stable, 50% selected about the same, 13% selected less stable.

Poll 3

Approximately what level of reserves do you hold today to sustain service provision?

- 2 to 3 months
- 4 to 5 months
- 6 months or more.

Poll results: 55 people took part in this poll. 18% selected 2 to 3 months, 25% selected 4 to 5 months, 56% selected 6 months or more.

Board membership and succession planning

- A board's success depends entirely on the people sitting around the table and how they contribute their skills and perspectives to discussion and debate
- Challenges: finding people who are committed to be present and active, attracting and retaining talented people, developing board culture
- Consciously consider succession planning, regularly think about the skills the board/ organisation needs
- Diversity – how to ensure real and genuine diversity on boards?
- How to include the “voices” of those you serve/deliver to?
- Develop and implement a recruitment programme that includes a nomination, selection and orientation process
- Always be on the lookout for potential members
- How long is too long to be a board? Should boards have term/tenure limits?
- How many board roles is too many?

What is the current size of your board?

Poll 4: How many board members are currently on your board?

- less than 5
- 5, 6, 7, 8, 9, 10
- more than 10.

Poll results: 53 people took part in this poll. 9% answered less than 5, 87% answered less than 5, 6, 7, 8, 9, 10, 4% answered more than 10.

Risk management

- Managing risks is a key part of governance. It covers monitoring risk identification, mitigation and management.
- Think about risk management as part of forward planning.
- Health & safety.
- Cybersecurity (very topical at the moment!)

Good governance practice in action:

- Think about risks when setting strategy.
- Make risk management a standard agenda item at board meetings (opportunity to identify new risks from diverse perspectives of board members).
- Actively develop a collective appetite/tolerance for risk (what are the “no-go” areas for the board?).
- Think about opportunities alongside risks.

Conflicts of interest

- Have a board policy as to how to deal with any conflicts of interest.
- Standing items on the agenda:
 - Interests register (specifically ask if any changes since the last meeting).
 - Conflicts of interest (specifically ask at the start of each meeting if there are any conflicts (or potential conflicts) that need to be declared in relation to any items on the agenda for that meeting).
- Ensure any conflicts are recorded in the minutes, including how the conflict was dealt with.

<https://charities.govt.nz/assets/Guide-How-to-use-a-conflict-of-interest-register-print-version-with-links-002.pdf>