

ROLES AND FUNCTIONS OF A GOVERNING BODY

CORE ROLES

The core roles of a governing body include:

- Values guardian — This means articulating out organisational values, institute mission and priorities for protection against undermining.
- Facilitator — This means arguing in the support of the grants relationships with key stakeholders.
- Political advocate — This means having the contact with all MPs as well as political support from the board or committee.
- Buffer — This means monitoring the potential divergence. The core functions of a governing body :

CORE FUNCTIONS

- To set and monitor the organisation's mission, purpose, priorities and the strategies within the boundaries of the organisation's constitution and legal obligations
 - To involve the key stakeholders to set and monitor the organisation's mission and maintain positive relationships with them.
 - To specify the key outcomes and ensure that there are adequate resources to achieve these.
 - To appoint and support the chief executive and evaluate the performance and rewarding.
 - Most important risk management.
 - To Develop policies that will allow the organisation to serve its stakeholders. It's management's job to implement these policies.
 - To monitor the organisation's programmes and services.
 - To influence the decisions and finances.
 - To report at least annually, to all the stakeholders.
 - To set the standards for evaluating its own governance performance.
 - To Maintain a governing body plan. Setting the long term direction for the organisation is the governing body's most important role. 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.
- STAKEHOLDER RELATIONS** 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.

RECRUITMENT

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

RECRUITING AND EVALUATING THE CHIEF EXECUTIVE

- 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.
- Strategic plans are long-range (3 to 5 years) and cover things like financials, staffing, marketing, communications etc.
- 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.

SETTING STRATEGIC DIRECTION AND STRATEGIES

- 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. The governing body should adopt a process whereby it determines who on the Board will be involved in the chief executive's evaluation. The chief executive may help trigger the the process by preparing a self-assessment.
- A good performance evaluation should:

PERFORMANCE EVALUATION

- 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. 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:

BEING ACCOUNTABLE TO STAKEHOLDERS

- 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.

RISK MANAGEMENT

- 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:
 - 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.
 - 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.
 - 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
- 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:

POLICY DEVELOPMENT

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