



Governance Board Roles and Responsibilities

Governance Board Policies

Contents:

1	PURPOSE	2
2	DEFINITIONS	2
3	RESPONSIBILITIES	2
4	FUNCTION	2
4.1	FRAMEWORK GOVERNANCE	2
4.2	BOARD SELF-GOVERNANCE	3
4.3	OPERATIONAL GOVERNANCE	3
4.3.1	PROGRAMME GOVERNANCE	3
4.3.2	PERSONAL GOVERNANCE	4
4.3.3	FINANCIAL GOVERNANCE	4
4.3.4	ADVOCACY GOVERNANCE	4
5	LEGISLATIVE IMPLICATIONS OF BOARD MEMBERS	4
6	EXTERNAL AND INTERNAL RESPONSIBILITIES	5
7	EFFECTIVE DECISION MAKING	6
7.1	ALL REPORTS BEFORE THE BOARD SHOULD:	6
7.2	PRIOR TO MAKING DECISIONS:	6
7.3	SOME ADDITIONAL QUESTIONS TO ASK INCLUDE:	6
8	BOARD MEETING PAPERS	6
9	LEGISLATION	7
10	REVIEW DATE	7

1 Purpose

The purpose of this policy is to define the role and responsibility of the Governance Board with respect to decision making and legal authority within *The Theosophical Society in New Zealand Inc.* Legally it is ultimately accountable for, and has authority over, the organisation's resources and activities. The Board articulates and communicates the organisation's mission and vision to the membership and community. Through policy, the Board defines the parameters within which the Society will carry out its work.

2 Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Board:	The Governance Board of The Theosophical Society in New Zealand Inc.
CEO:	The Chief Executive Office or National President
TSNZ Society:	The Theosophical Society in New Zealand Inc.

3 Responsibilities

The Board has ultimate responsibility for:

Purpose, by establishing and implementing the Society's vision, mission and **strategy** and other responsibilities as defined in the Constitution

Continuity, by providing continuity for overseeing the Society's affairs and activities

Progress, by setting Policy and prudently overseeing financial and property matters

4 Function

The main function of the Board is **governance**. The Board carries out this function by establishing, directing, and influencing the implementation of policy in four areas:

- a) Framework governance
- b) Board self-governance
- c) Operational governance (programme, personnel, finance)
- d) Advocacy governance

4.1 Framework Governance

- i. Framework governance covers the broadest policy areas of the organisation, such as the mission, the vision, and the strategic direction. The focus is on *results*, rather than on the

- methods used to achieve them. Through framework governance, the Board defines the mission, the expected outcomes, and the future direction of the organisation.
- ii. Framework policies include:
 - a) The Objects
 - b) Organisational value(s) and belief statement(s)
 - c) Vision statement
 - d) Mission statement
 - e) Target statement(s)
 - f) Aims or strategic directions such as major Goals and Objectives
 - iii. To fulfill its framework governance function, the Board:
 - a) Makes sure that there is a strategic plan
 - b) Monitors the strategic plan to ensure it aligns with higher Vision and Mission statements and the needs of the Society
 - c) Evaluates the organisation's progress, as outlined in the policies and the strategic plan

4.2 Board Self-Governance

- i. Board self-governance includes defining how the Board will organise itself to get its work done, how the Board will govern, and the Board's relationship to its membership and the community.
- ii. Board self-governance policies include:
 - a) A process for policy-making
 - b) The governing style to be used by the Board
 - c) The process for the Annual General Meeting
 - d) The Board's relationship to the members
 - e) Orienting, and training Board members
- iii. To fulfil its self-governance role, the Board:
 - a) Fulfills its legal mandate, as defined in its objects, mission, constitution and bylaws
 - b) Develops, implements, and monitors Board self-governance policies
 - c) Describes lines of communication and authority
 - d) Upholds the Society's Values, and Society's Code of Conduct
 - e) Proves accountability to the Society's Annual General Meeting by reporting on the outcomes of the Board's activities
 - f) Maintains and complies with this Policy "Governance Board Roles and Responsibilities".

4.3 Operational Governance

Operational governance directs the Societies services, personnel, and financial resources, and sets the rate of progress that the society takes towards achieving its vision. There are three areas of operational governance:

- a) Programme governance
- b) Personnel governance
- c) Financial governance

4.3.1 Programme Governance

To fulfil this function, the Board:

- a) Monitors the community to make sure that the programmes are relevant to the members
- b) Makes sure that a viable strategy is in place to achieve the mission and goals
- c) Allocates sufficient resources to implement its strategy
- d) Monitors and evaluates the *results* (not the operation) and the cost-effectiveness of the programmes

4.3.2 Personal Governance

To fulfil this function, the Board develops policies concerning the National President (CEO)/Management Team and other staff. The Board:

- a) Defines the Board's relationship to the CEO
- b) Delegates authority to the CEO
- c) Develops policies that define the role, responsibilities, and functions of the CEO
- d) Makes sure that the CEO has the necessary skills to carry out the mission
- e) Sets compensation and benefits for the CEO
- f) Ensures that the CEO, through performance measurements in his or her role description carries out all policies, plans and strategies appropriately
- g) Promotes good Board and staff relations

4.3.3 Financial Governance

To fulfil this function, the Board:

- a) Establishes policies for budgeting and financial reporting
- b) Monitors the budget
- c) Makes sure that the assets of the organisation are protected and cared for
- d) Sets policy for the use of contracts
- e) Ensures there is sufficient financial resources to operate the organisation and invested for the future
- f) Makes sure that property assets are maintained, and that they meet the organisation's needs
- g) Ensure an annual financial audit is conducted

4.3.4 Advocacy Governance

- i. Through advocacy governance, the Board secures the community's support for the Society's objects, vision, mission, and long-term direction. Advocacy governance also establishes the organisation's response to matters that affect its relationship to the community and to the Society.
- ii. To fulfil this function, the Board:
 - a) Interprets the Society's objects to the community, and encourages support for them
 - b) Participates in clarifying and resolving issues not dealt with elsewhere.
 - c) Develops policies that describe the organisation's position

5 Legislative Implications of Board Members

- i. Board members are **required** to carry out their roles, responsibilities, and functions with a full understanding and appreciation of the considerable legal responsibilities that go with the position.
- ii. Make sure that you:

- a) Are aware of your legal responsibilities as a Board member
 - b) Know that policies are in place to guide the actions and behaviours of both Board members, staff and members
 - c) Manage the organisation’s affairs as you would your own
- iii. Individual Board members are generally not held liable for the debts or obligations of the organisation. However, Board members can incur personal liability if they do something that shows a lack of reasonable care in fulfilling their roles and responsibilities.
- iv. The most common difficulties that can arise are:
- a) Non-management
 - b) Negligence or wilful mismanagement
 - c) Conflict of interest and self-dealing
- v. When a Board member does not fulfil individual and/or Board responsibilities, he or she is guilty of **non-management**. An example of non-management is failure to attend Board meetings on a regular basis.
- vi. When a Board member conducts Board duties poorly, improperly, or dishonestly, he or she is guilty of **negligence or mismanagement**. Hiring unqualified staff, or poorly managing the organisation’s finances are examples of negligence or mismanagement, or failing to seek professional advice when it is clearly lacking in the Board membership e.g. legal, financial, investment etc. etc.
- vii. When a Board member stands to gain personally from a transaction made by the organisation, he or she is guilty of **conflict of interest or self-dealing**. An example of conflict of interest or self-dealing is selling and purchasing property on which you can make a personal gain.
- viii. When you approach your role as a Board member in a conscientious and professional manner, you minimise your risk of liability.
- ix. As a new Board member, you have the right to ask questions, and the responsibility to learn as much as you can about your role, responsibilities, and functions. By preparing yourself, committing to attending governance courses as professional development and taking the initiative to contribute in a meaningful way to the organization, you will maximise your chance of having a positive experience.

6 External and Internal Responsibilities

	COMPLIANCE (Past & Present Orientated)	PERFORMANCE (Future Orientated)	
EXTERNAL RESPONSIBILITIES	Provide accountability Making open and transparent decisions through regular reporting ultimately to the Society’s Annual General Meeting	Strategy formulation Strategic Plan Long term Financial Plan Long Term Asset Management and Investment	
		Work with and through the CEO	
INTERNAL RESPONSIBILITIES	Monitor High level activities of administration body	Policy setting Approving governance policy framework for administrative body	

	(Management Team through reporting)	(not operational).
--	-------------------------------------	--------------------

7 Effective Decision Making

- i. The great majority of the work of the Board is concerned with making important decisions about the Society's future desired direction and development. It is critical for all Board members to have the skills and information needed to make well-informed decisions that benefit the community and the membership.
- ii. In order for Board members to make effective and well-informed decisions it is necessary to understand how to evaluate the range of plans, proposals, strategies and other matters that will constantly be before the Board.

7.1 All reports before the Board should:

- i. Enable Board members to assess the Society's ability to achieve its strategic goals
- ii. Provide information which is linked to Board approved strategic or project plans and the budgets that support those plans
- iii. Assist Board members in assessing the merits of a proposal, or any other matter before the Society to make well-informed decisions.

7.2 Prior to making decisions:

- i. Prior to making decisions Board members should ask four key questions:
 - a) What impact will the decision have on both the immediate and long term?
 - b) What impact will the decision have on the Society both in the immediate and long term?
 - c) How does this decision fit in with the strategic direction of the Society?
 - d) Are relevant materials and facts available to make an informed decision?
- ii. In addition, specifically in relation to project proposals before the Board, the first step in the process is to ensure that the proposal makes sense and that each part is logically supported with sound analysis and actions.

7.3 Some additional questions to ask include:

- i. Will the performance measures contained in the proposal enable the Board to adequately monitor its progress and measure if it is achieving the desired outcome?
- ii. Does the proposal provide value for money?
- iii. Is the cost-benefit acceptable?
- iv. Is the risk assessment acceptable?
- v. Does this align with our strategic plan?

8 Board Meeting Papers

- i. Board papers are the 'tools' used most often by Board members to make decisions. Meeting or business papers should be of sufficient quantity and quality to allow all Directors to do their job properly and effectively.
- ii. Common types of Board meeting papers are likely to include the following list:
 - a) Reports from the CEO regarding the main functional areas of the Society such as finances and strategy, property maintenance.

- b) Reports on special projects, as well as exceptional events or matters which involve Board activities or impact on the Society's business.
 - c) Periodic reports regarding investments
- iii. The papers would also include copies of minutes from previous Board meetings.

9 Legislation

Legislation The Society is governed by.

- a) Incorporated Societies Act
- b) Charities Act 2005
<http://www.legislation.govt.nz/act/public/2005/0039/latest/DLM344368.html>

Helpful Sources of Legal Information

- a) Trusts and Charitable Trust Boards <http://keepingitlegal.net.nz/learn-more/trusts/> b)
- c) Liability of trustees of charitable trusts, and trustees or officers of charitable trust Boards.
<http://keepingitlegal.net.nz/check/legal-form/liability-trustees/>

10 Review Date

Approval Date: 22 July 2023

Review Date: July 2026