



In association with



Governance Principles



Governance Is The Process By Which The Board:

- Ensures the organisation complies with legal and constitutional requirements;
- Sets strategic direction and priorities;
- Sets high-level policies and management performance expectations;
- Characterizes and oversees the management of risk; and
- Monitors and evaluates organisational performance;



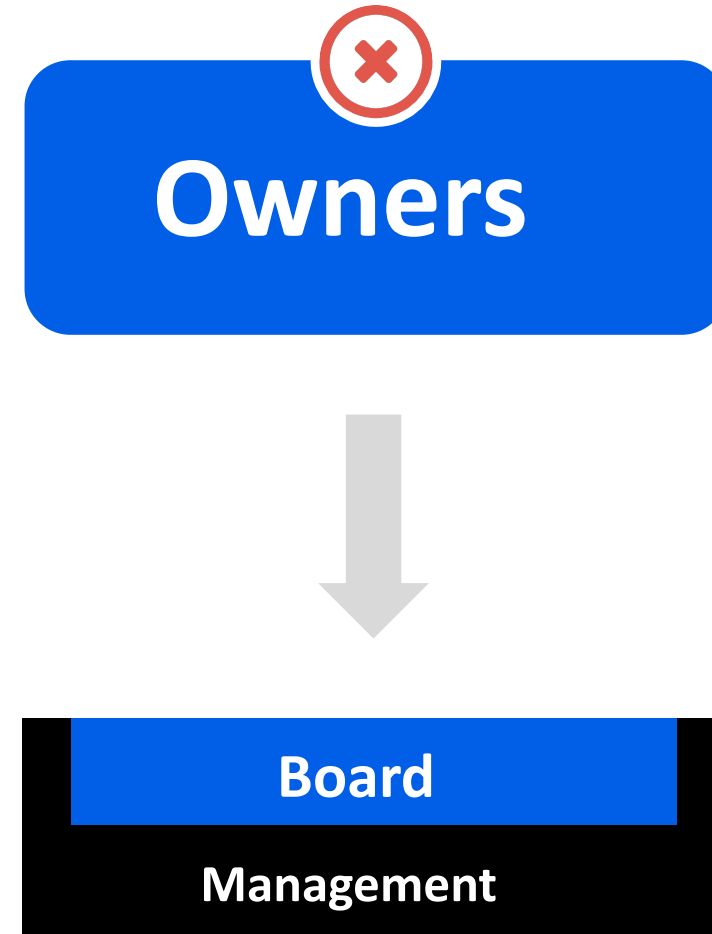
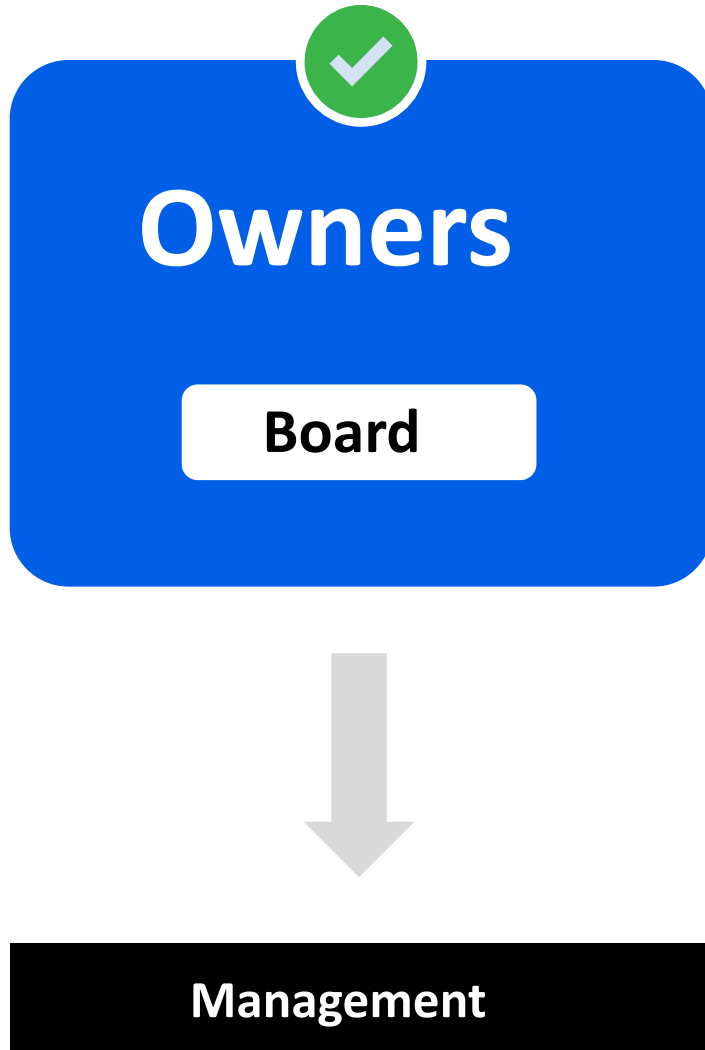
In Order To Exercise Its Accountability To The Organisation And Its Owners.





The Board Is Responsible For
Creating The Future Not
Minding The Shop.

John Carver



BENEFITS

Governance is the creation of the **Right Benefits** for the **Right People**
at the **Right Worth**.

There Is No One Size Fits All, But..

But Under Any Model Core Principles Do Not Vary;



The board exists to translate ownership requirements into organisational outcomes



There should be a separation between governance and management roles and accountabilities.
This should be agreed, documented and understood by all.



There should be clarity about what the board expects or requires the chief executive and management to achieve.








The board's operating practices and its delegation to the chief executive should be written down, not assumed.



Other than in response to extraordinary circumstances, a board should honour its delegation to its chief executive.

There Is No One Size Fits All, But..

-  The board sets, models and maintains oversight of the organisations culture and values.
-  The board, in partnership with management, sets a strategic direction for the organisation; management designs the operational methods or means to achieve this.
-  There is a culture of accountability. The board is open about its own performance and that of the organisation. What is intended with others time and money is made clear ahead of time and subsequently reported against.
-  The board has a duty of care to the organisation that requires directors, individually and collectively, to carry out their role to the highest standard, i.e. certain matters cannot be or should not be delegated
-  The integrity of a board lies in its ability to speak with one voice concerning critical matters. Individual voices contribute to a better group outcome but, in the end, the voice must be united.

Four Modes For The Board



Partnering

- Direction setting
- Financial planning
- Risk appetite
- Talent development



Monitoring

- Organisational performance
- Compliance
- Organisational competence and capacity



Taking Charge

- Purpose and values
- CEO selection
- Performance criteria
- Board composition & competence
- Ethics and integrity
- Compensation architecture
- Crisis management



Staying out of the way

- Within delegated authority
- Day-to-day operations
- Non-strategic decision-making
- Excluded by Board Charter



Five Key Principles Of Governance



Be a layer of ownership down, not a layer of management up.



Behave ethically, be transparent and accountable.



Be clear about how you intend to use others time and money.



Create the future, you can't change the past.



Respect people's time, make the job easy and satisfying.



Recommended reading



Is it time to revisit your purpose

<https://boardworks.nz/all-resources/is-it-time-to-revisit-the-purpose-of-your-organisation/>



Why do boards exist?

<https://boardworks.nz/all-resources/why-do-boards-exist/>



Sonnenfeld, J A. 'What makes great boards great'.

Harvard Business Review 80, no. 9 (September 2002): 106–13, 126.





We exist to increase boardroom productivity and create better functioning boards. We don't believe good governance processes should be left to the domain of larger companies. We know that all parties in a board/management relationship want to use their time and resources most efficiently and productively. We found that a product that helped with the processes, workflows and guidance to work on the right things was missing from the market.

So we developed BoardPro in partnership with some of the best independent directors and most progressive CEOs.

www.boardpro.com

Presenters/Authors



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Graeme came from a series of senior roles in local and central government. He is now BoardWorks Practice Leader ensuring BoardWorks stays at the forefront of contemporary practice.

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