

- Thank you
- Written against the backdrop of the proposed Incorporated Societies Act 2022
- Old Act, 29 pages. New Act, 134 pages. Clearly, no longer a light read
- Talk
  - A bit about me (Committee/ boards as a member, chair/president, treasurer, trustee - 33 years)
  - The importance of governance
  - A bit about the book's success
  - Then a peak behind the scenes

*Getting to grips with not-for-profit governance* is available for loan at Wellington city libraries:

<https://catalogue.wcl.govt.nz/?section=resource&resourceid=1238892477&currentIndex=0&view=fullDetailsDetailsTab>



#### Terms used

- Not-for-profit –for purpose –non-government organisations. In terms of the book, Incorporated societies.
  - Board = committee, trust, council, chamber
  - Director – committee member, board member, officer (the word used in the IS Act 2022), trustee, councillor
  - Chair – chairperson, president
  - Chief executive officer - Chief executive, executive officer, general manager
- 
- If you have any questions please ask, although there will be a Q&A at the end

Written for

- Around 500,000 volunteers in governance
- Approximately 24,000 incorporated societies
- About 28,000 charities
- A NZ specific book for:
  - new directors
  - aspiring directors
  - directors looking to refresh

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- Every week some organisational disaster - often poor governance
- Plenty of courses, webinar, presentation, and PDFs available but,
- Lack of a NZ specific governance book available to the public
- New & aspiring directors but also new CEO, organisations outside of NFP e.g. school boards and businesses

Who's buying  
the book?

Individuals	Charities Trusts	Cultural societies
Environment	Health	Education
Professional associations	Law firms Consultants	Libraries Resource centres
Recreational clubs	Religious groups	Sports clubs
Social clubs	Community Services	Companies Co-operatives

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### Wide appeal

- Individuals
- Charities
- Consultants
- Social clubs
- Businesses
- Libraries (public & business)

Some of which have their own act e.g. Companies Act 1993, Charities Act 200

- Orders mainly 1 or 2 books
- Have had 1 order - 11 books
- 2 orders for 10 books

Best month - March 26 books



“Ultimately when not-for-profit boards excel in their governance role, the potential increased impact of their organisations for the communities they service is immense.”

A quote from Learning for Purpose: Increasing the governance capability of not-for-profit organisations. August 2022. Dr Jo Cribb. <https://www.jocribb.co.nz/research>

- Term is applied to all types of organisations: not-for-profits, private companies, & public firms (corporates)
- It's more about with practices and culture with some compliance (legal requirements)

“...Catering for beyond your term in power...”

- Governance is about leadership
  - team work
  - setting the direction
  - monitoring performance
  - ethical behaviour
- It is not about managing the organisation
  - avoid the temptation of micromanaging

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Full quote: “... it’s the role of those who are in governance to cater for the future ... That’s leadership. Leadership is catering for beyond your term in power in the position you’re in.”

“You’ve got to be looking beyond [where] you are at the moment, all the time, so you’re not blindsided in any part of the business.”

Robbie Deans, international rugby coach.

Governance – overview, helicopter view, big picture stuff. It’s not hands on – that’s management’s role

Overstepping boundaries can undermine the CEO and create tension within the organisation.



Why would you want to be a director?

- being clear on your motivation and do your homework

On becoming a director

- induction meeting and first board meeting

Oversight of organisational performance

- board meetings

Who does what

- agenda and meetings

Here's to the future

- strategic plan, business plan - budget

Risk management and mitigation

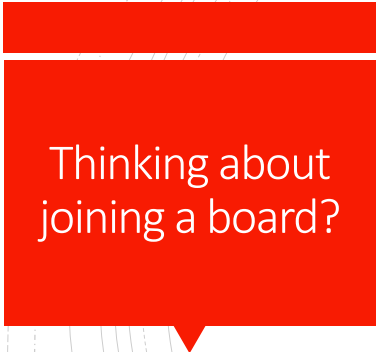
- managing risk starts at the top

Financial information

- keeping tabs on money coming in and going out

Reporting back to members

- Preparing and holding the AGM



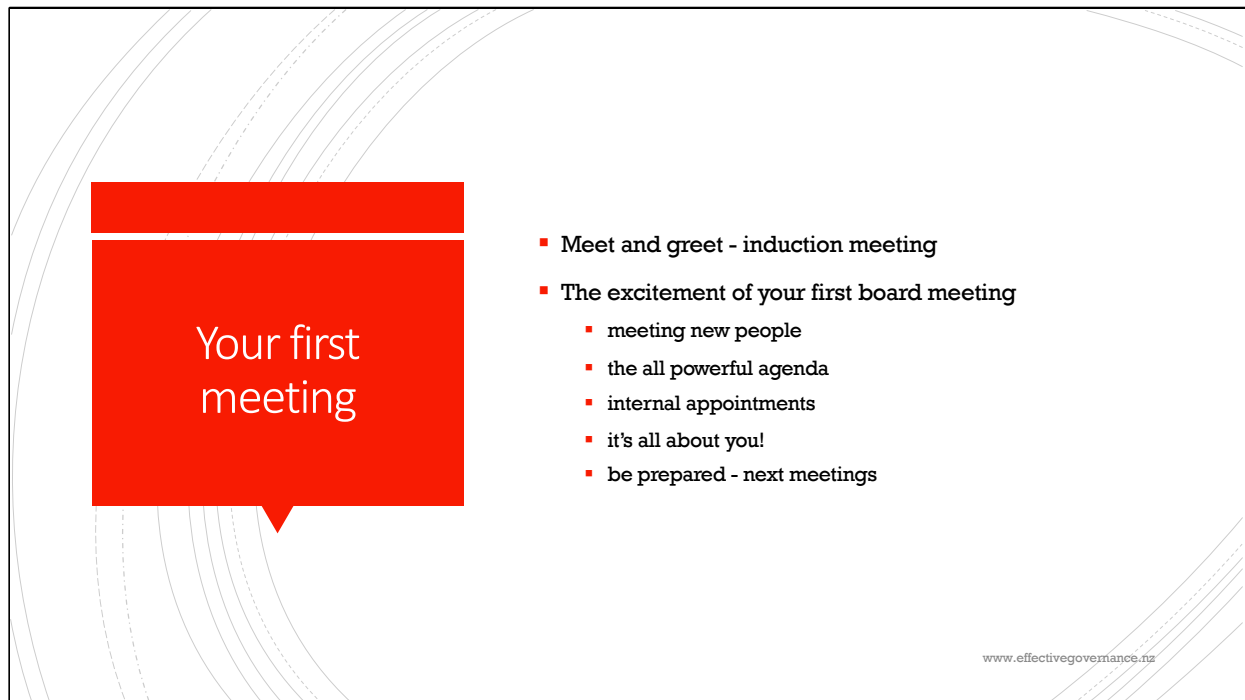
## Thinking about joining a board?

- Why do I want to be on the board?
- Will my skills and knowledge help with success?
- Do I have time?
- Basic information about the not-for-profit
- Attributes for any director

“ Ask yourself: “Am I passionate about the organisation’s cause?” ”

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- Being clear on your motivation
- Doing your homework
- Is the club or society in good heart or in turmoil?
- What value can you add?
- Time commitment 1 hour meeting + 2 hours homework plus travel time



- Induction meeting – info on the organisation, where it is heading, staff and financial situation, structure of the organisation, events/fundraising activities
- The excitement of your first board meeting
- The first board meeting is like no other! Do your homework, first impressions, be early
- “No Other” bits: its a new board, appointing the chair and deputy, selecting (sub-)committee members, meeting dates, introducing yourself (why you joined, how you can contribute)

The slide features a large red speech bubble on the left containing the word "Oversight". To its right is a bulleted list of six items. The background has faint, curved lines. A small URL is visible in the bottom right corner.

- The all powerful agenda
- Conflict of interest – more later on
- Information trade offs
- The “At a glance report”
- What’s to be found in a work plan
- In camera

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## Meetings

- The board’s role is to provide guidance and oversight. Implementation by the CEO
- Board papers are the life blood of meetings
- Dashboard: the at-a-glance report - a visual set of indicators
- Risk management – the way we do business around here
- Financial information - more of that later
- Work plan - board diary, a calendar of major board activities



### **Ethical behaviour**

- Are your values and beliefs aligned with the organisation's?
- Trust and personal integrity are paramount
- Consider what is ethically correct, not just legally acceptable
- Personal attacks are not helpful
- Act ethically and responsibly in the interest of your club or society
- “...then resignation is your only out. ”



### Conflict of interest – the new deal

- Incorporated Societies Act 2022, requires a conflicts of interest policy and a register
- Good business sense - it's risk management in action
- Becomes part of the agenda
- Arises where a director is in a position to influence or even make a decision in their official capacity that they (or their friends or family or business associate or director) will benefit from in a private capacity – and not necessarily financially
- Err on the side of caution. Be ethical. Don't wait to be found out
- "Help yourself" conflict of interest policy three-pager found at the <https://www.effectivegovernance.nz/blog/>

Financial health

- Finance information is boring!
- Accounting info. is only part of the deal
- Cashflows
- Income & expenditure

“We are all responsible for the financial health of the organisation”

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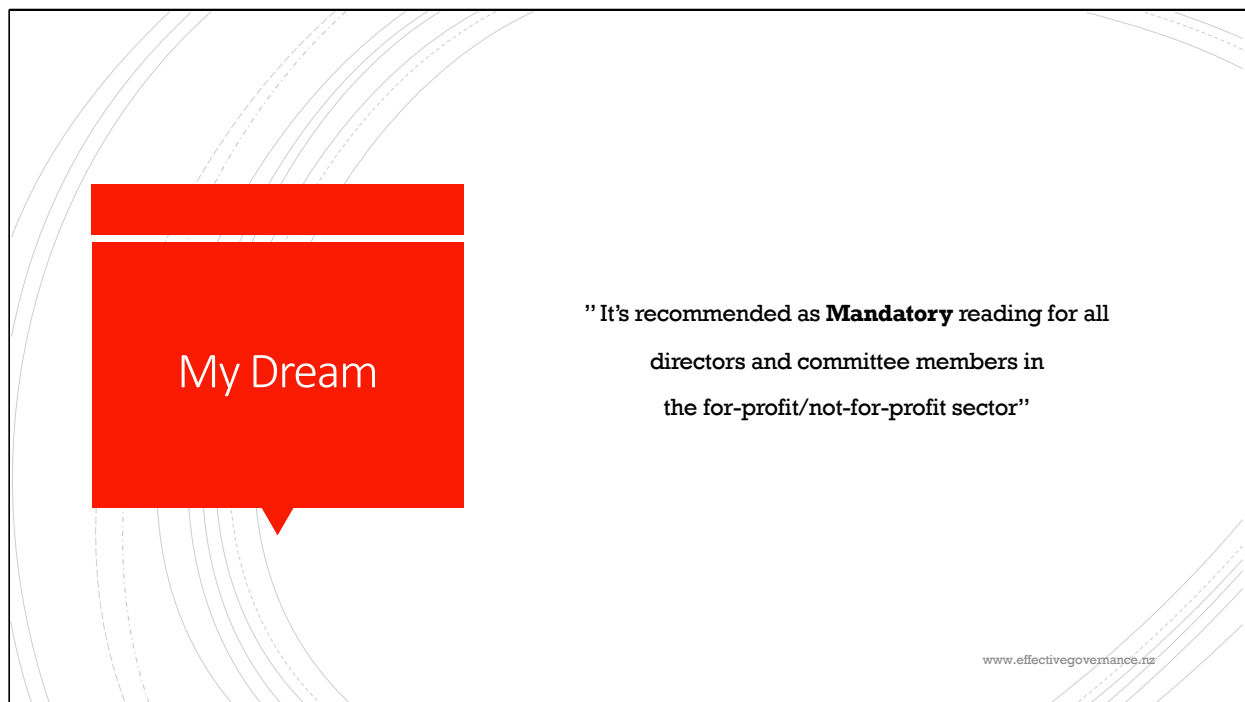
- Many people regard financials as boring. This is unfortunate.
- A measure of success or failure
- Cashflow statement e.g. your bank statement and budget
- Income and expenditure statement e.g. your credit card statement
  - Uses accrual accounting, shows if organisation is making a surplus or a loss
- Scan the financials - start with the totals for income & expenditure. Ask questions, make favourable comments for exceptional results
- A Finance committee or the existence of a Treasurer on the board does not absolve you from taking an interest in finances

**Universal appeal**

- Basics of good governance
  - same for any organisation
  - same in any country
- Book endorsed by:
  - Institute of Directors
  - Community Governance Aotearoa
- Book review by Steven Moe

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- The basics of governance for any organisation are the same, regardless of what act you operate under, or what country you live in. Although the book refers to not-for-profits (read for-purpose), with incorporated societies and charities in mind, it is applicable to other organisations
- Imagine my delight when I received my first international order from Australia.
- Two Australian peers reviews (three in NZ)



- The slide presentation, or a variation of it, can be found on the Effective Governance website
- Please grab the take away as you leave
- If you would like to purchase a copy of the book please fill in the paper or online at <https://www.effectivegovernance.nz/book-order/>
- Please the name of the event you attended in the "How did you hear about use?" box and I will pay the cost of shipping to you if you order today or tomorrow at the latest
- Discounts are available if you buy 3 or more books
- Thank you
- And here's to your success in the rewarding world of governance