Name of Service

Governance Manual

Contents

[Introduction 4](#_Toc473717773)

[Service Background 4](#_Toc473717781)

[Services provided 4](#_Toc473717783)

[Mission Statement 4](#_Toc473717785)

[Vision 4](#_Toc473717787)

[Values 5](#_Toc473717789)

[Organisational Structure 5](#_Toc473717791)

[Organisational Governance and Management 6](#_Toc473717792)

[Roles and Responsibilities 6](#_Toc473717793)

[Authority and delegation 6](#_Toc473717794)

[Board of Trustees/Directors 6](#_Toc473717795)

[Recruitment – Board Member 8](#_Toc473717796)

[Induction of a New Board Member 9](#_Toc473717797)

[Board Meetings 10](#_Toc473717798)

[Evaluation 11](#_Toc473717799)

[Policies and Procedures 11](#_Toc473717800)

[Insurance 12](#_Toc473717801)

[Stakeholder Relationships 12](#_Toc473717802)

[Strategic Planning 13](#_Toc473717803)

[Phases of Strategic Planning 13](#_Toc473717804)

[Guidelines to Ensure Successful Planning and Implementation 14](#_Toc473717805)

# Introduction

|  |  |
| --- | --- |
| **Purpose** | This document aims to provide a guide for the governing body of name of service. |
| **Scope** | Governance structures and members of name of service |
| **References** | |
| **Legislation** | [Charitable Trusts Act 1957](http://www.legislation.govt.nz/act/public/1957/0018/latest/DLM308796.html?src=qs)[Charities Act 2005](http://www.legislation.govt.nz/act/public/2005/0039/latest/whole.html)[Companies Act 1993](http://www.legislation.govt.nz/act/public/1993/0105/latest/DLM319570.html) [Financial Reporting Act 2013](http://www.legislation.govt.nz/act/public/2013/0101/latest/DLM4632829.html?src=qs) |
| **Standards** | [NZS 8134:2008, Health and Disability Services Standards](https://www.health.govt.nz/system/files/documents/pages/81341-2008-nzs-health-and-disability-services-core.pdf) – 1.2.1 Governance[New reporting standards for Charities](https://www.charities.govt.nz/new-reporting-standards/)[New statutory audit and review requirements](https://www.charities.govt.nz/new-reporting-standards/new-statutory-audit-and-review-requirements/)[Rules and the Charities Act 2005](https://www.charities.govt.nz/apply-for-registration/rules-and-the-charities-act-2005/) |
| **Guidelines** | The manual is based on guidelines published by [the CommunityNet Aotearoa resource kit](https://community.net.nz/resources/community-resource-kit/contents-of-the-community-resource-kit/), [Charities Commission](http://www.charities.govt.nz/), [Companies Office](http://www.societies.govt.nz/cms/charitable-trusts).  [A Directors Guide](https://www.iod.org.nz/Portals/0/Governance%20resources/122540-A%20Directors%20Guide.pdf)  [Charities Services Resources](https://www.charities.govt.nz/resources/)  [Not for Profit best governance practices (Institute of Directors NZ)](https://www.iod.org.nz/Governance-Resources/Resource-library/Not-for-profits)  [What makes a good Board](https://www.iod.org.nz/FirstDirectors/What-makes-a-good-board) |
| **Organisational Models** | [Introducing the Performance Improvement Framework](http://www.ssc.govt.nz/sites/all/files/pif-factsheet1-apr13.PDF)  [Best Practice Corporate Governance](http://www.applied-corporate-governance.com/best-corporate-governance-practice.html)  [Institute of Directors](https://www.iod.org.nz/)  [Ministry of Business and Innovation](https://www.business.govt.nz/) |
| **Definitions** | |
|  | Use the link. |

## Service Background

Summarise the historical background of the service.

## Services provided

Describe the services provided and who is funding them. You could list the name of the tier three services and locations of operation.

## Mission Statement

A mission statement answers the question: ‘Why do we exist?’ You need to state the timeframes and situations for the review of the mission statement. Such a review is the requirement of the HDSS.

## Vision

Your services/organisations vision focuses on the long-term goal and a vision statement answers the question: ‘What do we want to achieve?’ You need to state the timeframes and situations for the review of the vision statement.

## Values

Values are the operating philosophies or principles that guide your services/organisation's internal conduct as well as its relationship with your service users and other stakeholders. You need to state the timeframes and situations for the review of the values statement.

## Organisational Chart

# 

# Organisational Structure

The characteristic of the name of service [legal structure](https://diacommunitynet.cwp.govt.nz/resources/community-resource-kit/introduction-to-organisational-structures/) is as follows:

|  |  |
| --- | --- |
| **EXAMPLE:** [**Registered Charitable Trust**](https://diacommunitynet.cwp.govt.nz/resources/community-resource-kit/3-8-organisational-structures-charitable-trusts/) **– Trust Based** | |
| **Legislation** | [Charitable Trusts Act 1957](http://www.legislation.govt.nz/act/public/1957/0018/latest/DLM308796.html) |
| **Minimum people required** | 2 or more trustees |
| **Decision making** | By Board of Trustees |
| [**Liability of Trust members**](http://ip28.publications.lawcom.govt.nz/chapter+7+-+creditors+and+trading+trusts/liability+of+a+trustee+and+the+right+of+indemnity+against+trust+assets) | In general, limited personal liability exists provided decision makers act prudently and within the group’s purpose and, if a charity or trust , not for personal gain (specific provisions apply to [Company Directors](https://www.iod.org.nz/FirstBoardsFirstDirectors/FirstDirectors/Thelegalframework.aspx) and [Māori Land Trust Trustees](http://www.justice.govt.nz/courts/maori-land-court/make-an-application/maori-land-trusts-1/faq-maori-land-trusts)) |
| **Reporting requirements** | The Charities Commission requires notification and reports as identified in the [link](http://www.charities.govt.nz/) provided. All organisations registered under the [Charities Act 2005](http://www.legislation.govt.nz/act/public/2005/0039/latest/DLM344368.html) need to file an annual return (including financial statements) with the [Charities Commission](https://charities.govt.nz/im-a-registered-charity/annual-returns/), and notify changes to the name, address, balance date, rules, purposes, or officers of the charity to the Commission. |
| **Disposal of assets on liquidation** | [According to the Charities Act 2005](http://www.legislation.govt.nz/act/public/1957/0018/latest/whole.html?search=sw_096be8ed80cbdd34_disposal+of+assets+on+liquidation_25_se&p=1#DLM309942) |
| **Deed of Trust** | |
| The name of service Trust Deed or constitution is the Trust’s most important document as it sets out the organisation’s purpose and sets the rules under which it must operate. | |

# Organisational Governance and Management

## Roles and Responsibilities

|  |  |  |  |
| --- | --- | --- | --- |
| [Governance](https://www.iod.org.nz/Governance-Resources/Resource-library/Governance)– [Board of Trustees (BOT)](https://www.iod.org.nz/FirstDirectors/How-a-not-for-profit-board-works) or [Board of Directors (BOD)](https://www.iod.org.nz/FirstDirectors/What-do-directors-do) | | | |
| Roles and Functions: | | | |
| **Direction** | **Leadership** | **Control** | **Recruiting/Managing** |
| key stakeholder relationships | develop mission | [strategic planning](https://www.iod.org.nz/FirstDirectors/Focus-on-strategy) | manager/CEO |
| stakeholder accountability | risk management | policy development and approval | performance manage manager/CEO |
| The composition of the Board need to include representation of Māori, service users and family member (of service user). | | | |
| **Manager/CEO** | | | |
| Roles and Functions: | | | |
| operational management | employment and performance management of staff | service system development and management | operational planning |
| funder reports | reports to the BOT | funding applications | networking |
| Participation in service development and strategic planning. | | | |
| **Clinical/support and administrative staff** | | | |
| Roles and Functions: | | | |
| direct service delivery | implement best practice | report to the manager/CEO | implement policies and procedures |
| Participation in service development and strategic planning. | | | |

## 

## Authority and delegation

|  |  |
| --- | --- |
| **Financial delegation** | Refer to: Separation of financial duties |
| **General delegations** | Service Management: Delegation of duties |



## Board of Trustees/Directors

|  |  |  |
| --- | --- | --- |
| **Membership** | (you need to specify your particular services number or trustees or directors) | |
| **Officer Guidelines** | Refer to the [Charities Services](https://www.charities.govt.nz/im-a-registered-charity/officer-information/officer-kit/who-are-your-officers-and-what-do-they-do/) or the [Institute of Directors](https://www.iod.org.nz/FirstDirectors/The-different-roles) | |
| **Core roles of the Board** | ***values guardian*** | Articulating organisational values, mission and priorities to the wider stakeholder group. |
| ***facilitator*** | Arguing in support of grants and fostering relationships with key stakeholders. |
| ***political advocate*** | Having contact with MPs/people of influence as well as generating general political support. |
| ***buffer*** | Monitoring potential divergence e.g. between government/public departments and organisational  Interests. |
| **Core functions of the Board** | Setting and monitoring the organisation’s mission, purpose, direction, priorities and strategies within the boundaries of the organisation’s constitution and legal obligations. | |
| Actively involving key stakeholders in setting and monitoring the organisation’s mission and maintaining positive relationships with them. | |
| Specifying key outcomes and ensuring there are adequate resources (people and finances) to achieve these. | |
| Being accountable for the [management of the Trusts finances and stewardship of their assets.](https://community.net.nz/resources/community-resource-kit/financial-planning/) | |
| Appointing and supporting the manager/CEO and evaluating his/her performance. | |
| Organisational risk management. | |
| Developing policies that allow the organisation to best serve its stakeholders. | |
| Ensuring the governing body complies with statutory and contractual requirements and with the governing body’s own policies. | |
| Monitoring the organisation’s services and performance. | |
| Regularly scanning the environment in which the organisation operates to ensure that what it’s attempting to achieve remains relevant and achievable. | |
| Reporting, at least annually, to stakeholders. | |
| Setting standards for and evaluating its own governance performance. | |
| Maintaining a governing body succession plan. | |
| [Communicating with the Media](https://community.net.nz/resources/community-resource-kit/communicating-via-the-media/) | |
| [**Expertise/person specification of the Board Members**](https://www.iod.org.nz/FirstDirectors/What-makes-a-good-board) | The expertise, skill set of board members changes over time dependent on the organisations life stages.  Any one of the described skills below:   * Peer support/ support worker/clinical experience or background in delivering services in the mental health/addiction sector. * Financial expertise. * Legal knowledge. * Experience to represent service users. * Experience to represent families of service users. * Marketing skills. * Commitment to name of service’s mission/values/vision. * Funding expertise. | |
| **Governing Body [Officers](http://www.charities.govt.nz/resources/)** | The principles by which the governing body officers’ conduct themselves are:   * Acting in good faith and in the organisations best interest. * Take reasonable care in exercising their duties. | |
| **General Liability**  [**Trustee**](http://ip28.publications.lawcom.govt.nz/chapter+7+-+creditors+and+trading+trusts/liability+of+a+trustee+and+the+right+of+indemnity+against+trust+assets)  [**Director**](https://www.companiesoffice.govt.nz/companies/learn-about/compliance-requirements/directors-key-responsibilities) | Apart from the usual potential liability of an officer committing any crime (e.g. theft), officers may also be personally liable to third parties for breaches of trust or fiduciary duty, where they act outside the Trusts/Companies rules.  An officer may also be exposed to potential financial penalties if the organisations affairs are conducted in breach of its governing Act.  [Directors key responsibilities.](https://www.companiesoffice.govt.nz/companies/learn-about/compliance-requirements/directors-key-responsibilities)  [Duties of Trustees](http://ip31.publications.lawcom.govt.nz/Chapter+3+-+Trustees+duties/Duties+of+trustees) | |
| **Board Chairperson:** | | |
| **Responsibilities** | • Lead strategic planning.  • Manage relationships.  • Ensure risks to the organisation are managed.  • Manage the manager’s performance.  • Encourage all members to contribute to debate and decision-making.  • Manage governing body processes. | |
| **Secretary:** | | |
| **Responsibilities** | • Convening meetings and booking meeting venues.  • Dealing with correspondence.  • Preparing agendas for meetings (in consultation with the  chairperson).  • Taking the minutes of meetings.  • Ensuring back-up information is available at meetings where required. | |

|  |  |
| --- | --- |
| **Treasurer** | |
| **Responsibilities** | •Ensuring that the finances of the Trust are managed appropriately.  • Making recommendations to the governing body about income and  expenditure, investments and debts.  • Keeping records of all incoming and outgoing payments.  • Reviewing the annual statement of financial performance (profit and loss) and  statement of financial position (balance sheet).  • Ensuring that the annual audit process is undertaken in a timely fashion  according to legal requirements.  • Providing regular financial statements to the governing body and giving  explanations where required.  • Drawing up the annual budget in consultation with ………… and other  governing body members.  • Ensuring that sufficient funds are available at all times to support the  organisations liabilities. |

## Recruitment – Board Member

The following processes will be employed if a Board Member position is vacant:

|  |  |
| --- | --- |
| **Step No** | **Actions** |
| 1 | The Board of Trustees/Directors will meet to discuss and identify what skills/expertise will be required at this point in time. |
| 2 | An agreement on the requirements is reached. |
| 3 | The Board Members will identify a person who may fit the requirements. |
| 4 | Information about the possible Board member will be collated by approaching the person and using existing networks:   * their present activities * their background * their expertise * their interests |
| 5 | The obtained information will be presented to the Board Members. |
| 6 | The Board will decide which member will approach the person selected and explore if the person has an interest becoming a Board Member. |
| 7 | If the person is not interested – go back to step 3.  If the person is interested – provide the person with the governance manual and any other relevant information. |
| 8 | The Board Chairperson will invite the prospective Board member to meet with the Board of Trustees by sending an invitation letter stating the purpose of the meeting. |
| 9 | If both parties are still interested in pursuing the appointment as a Board Member, Police vetting will be initiated (offer of an appointment to the Board will be dependent on the results of the Police vetting). |
| 10 | The ‘Identifying and managing conflict of interest’ policy/procedure will be made available to the possible future Board Member.  The declaration of conflict of interest will be completed. |
| 11 | The Chairperson will send a letter of invitation from the Board to the person interested |

|  |  |
| --- | --- |
| 12 | If the person accepts an appointment as a Board Member will be made. |
| 13 | The Trust Deed or company registration will be adjusted to include the new member. |
| 14 | The new Board Member will receive an induction. |

## Induction of a New Board Member

|  |  |
| --- | --- |
| **Induction** | All new Board Members will receive a formal induction into their governance role and into the organisations operations as a whole. |
| **Purpose** | New Board members can contribute to the governing body’s work as soon as possible. |
| **Processes and Content** | * Meeting selected name of service staff for a presentation of the work they do. * Meeting the Chairperson of the Board for familiarization of the governance structure and processes. * Meeting the name of service manager/CEO for familiarization with operational processes.   Providing the new Board member with:   * The Governance Manual. * The Strategic Plan. * Board meeting details. * Audited accounts for the last few years. * Information about the role of Officer. |



## [Board Meetings](https://community.net.nz/resources/community-resource-kit/6-1-meetings-introduction/)

|  |  |
| --- | --- |
| **Purpose of the Board Meetings** | * To ensure the strategic direction is followed. * Risk and financial management occurs. * Administrative and legislative related tasks are attended to. |
| **Frequency/time of meetings** | add frequency and time |
| **Chaired** | By the chairperson of the Board. |
| **Agenda** | |
| **Routine Agenda**  (refer to Board meeting template) | * Health and Safety. * HR issues. * Quality. * Financial Report. * Manager’s Report. * Annual Board ‘Work Planner’ updates. * Complaints/Accidents/Adverse Events. |
| **Periodic Items** | * Evaluations and outcome data. * Funding reports (Performance Monitoring Reports). * Policy/procedures review and updates. |
| **Documentation** | * All Board meetings are documented. |
| **Committee Meetings** | |
| **Purpose** | Committee meetings are held when discussion on specific issues for the purpose of resolving issues or putting actions into place that are of a private or sensitive nature.  All Staff related issues are discussed in committee. |
| **Frequency** | as required |
| **Documentation** | * Committee meetings are recorded separately from the minutes and the records are kept by the Board’s secretary. |
| **Annual General Meeting (AGM)** [**for companies**](https://www.companiesoffice.govt.nz/companies/learn-about/compliance-requirements/meetings/shareholder-meetings) **for** [**charitable trusts**](http://www.community.net.nz/resources/community-resource-kit/6-2-meetings-formal-meetings/) | |
| **Frequency** | yearly add in month |
| **Purpose and Business** | (see Trust Deed) |

## Evaluation

|  |  |
| --- | --- |
| **Purpose** | To provide an opportunity to check that the governing body is following its mission, values, vision, strategic plan and the governance mandated policies and procedures.  To see if there are opportunities for change that could improve name of service’s performance/capacity/services. |
| **Frequency** | Yearly |
| **Processes** | * Employing an external facilitator.   or   * Self-evaluation. |
| **Self Evaluation Checklist** | * How is our relationship with our stakeholders? * How well the strategic is plan linking to the work of name of service? * Do we agree on what things we need to be doing and are we doing them well? * Did we allocate enough time to the right tasks throughout the year? * Have we met all legal requirements? * Contractual and funder requirements? * Are the name of service staff satisfied? * Are our meetings well run and the information we have is sufficient? * Do the Board members feel that their skills are being utilized and their contributions are valued? * How is the Chairperson performing? * Do we have a good relationship with the name of service manager? |

**CONSIDER**



**Organisational culture versus strategy?**

* People are *loyal* to culture not strategy.
* Culture provides resilience in tough times.
* Culture is your brand.
* Bad culture decisions are more damaging that strategic ones.
* Strategies can be copied but no one can copy your culture.
* Culture keeps people to rules far better than threats.

# Policies and Procedures

|  |  |
| --- | --- |
| **Purpose** | The governing body is fully responsible for selected policies and procedures in order to provide:   * A framework for processes and actions. * Consistent responses. * An understanding of legal and contractual requirements. * A way of setting and communicating the values of name of service both internally and externally. |
| **[Policies/](https://community.net.nz/resources/community-resource-kit/checklist-of-policies-and-procedures/)**  **[Procedures](https://community.net.nz/resources/community-resource-kit/checklist-of-policies-and-procedures/)** | The Board of Trustees are responsible for the development, implementation and review of the following policies/procedures:   * Maori Health Policy and Plan * Governance Manual * Financial policies and procedures   + Credit Card Use   + Koha and Donations   + Sensitive Expenditure   + Theft and Fraud   + Asset Management   + Cash and Cheque Management   + Separation of Financial Duties   + Service Management: Delegation of Duties   + Travel Management * Health and Safety * Identifying and Managing Conflict of Interest * Complaints Management * Adverse Event Management * Protected Disclosure * Organisational Risk Management * Business Continuity |

# Insurance

The organisation will ensure that the following Insurances are current:

|  |  |  |
| --- | --- | --- |
| Statutory Liability Insurance | Employers Liability Insurance | Professional Indemnity |
| Employment Disputes | Loss of Profits – Business Interruption | Material Damage |
| Contents | Commercial Motor Vehicle | Trustees/Directors Liability |

# Stakeholder Relationships

|  |  |  |
| --- | --- | --- |
| **Purpose** | Stakeholders are people/organisations who have an interest in name of service. Good governance demands that stakeholder interests are identified and appropriate relationships established and maintained. | |
| **Identification of name of service Stakeholders** | **Stakeholder** | **Relationship** |
| …………..District Health Board | Funder |
| ………………….. | ………………………. |
| ……………………… | ………………………… |
|  |  |
|  |  |
| **Stakeholder Involvement** | Communication and Involvement with name of service stakeholders will occur as follows:   * Yearly Stakeholder Survey. * Stakeholder attendance at the strategic planning meetings. * Stakeholder attendance at the annual general meetings. * Stakeholder review of specific policies and procedures. * Development of service agreements with:   + ……. * name of service attendance at the following stakeholder meetings:   + ….. . | |

# 

# Strategic Planning

|  |
| --- |
| **Setting the long term direction for the organisation is the governing body’s most important role.** |

[Strategic Planning](https://community.net.nz/resources/community-resource-kit/introduction-to-planning/) is a method for positioning an organization to take advantage of its future by:

* Capitalizing on its opportunities.
* Addressing its challenges.
* Providing the kind of leadership that masters change.

A strategic planning process incorporates an in-depth planning model that takes place over time with stakeholder involvement.

## Phases of Strategic Planning

|  |  |
| --- | --- |
| **Reference Overall Singular Purpose ("Mission")** | During planning, planners have in mind (consciously or unconsciously) some overall purpose or result that the plan is to achieve. For example, during strategic planning, it's critical to reference the mission, or overall purpose, of the organization. |
| **Take Stock – Internally and Externally** | This "taking stock" is always done to some extent, whether consciously or unconsciously. For example, during strategic planning, it's important to conduct an environmental scan. This scan usually involves considering various driving forces, or major influences, that might affect the organization. |
| **Analyse the Situation** | For example, during strategic planning, planners often conduct a "SWOT analysis". (SWOT is an acronym for considering the organization's strengths and weaknesses, and the opportunities and threats faced by the organization.) During this analysis, planners also can use a variety of assessments, or methods to "measure" the health of systems. |
| **Establish Goals** | Based on the analysis and alignment to the overall mission of the system, planners establish a set of goals that build on strengths to take advantage of opportunities, while building up weaknesses and warding off threats. |
| **Establish Strategies to Reach Goals** | The particular strategies (or methods to reach the goals) chosen depend on matters of affordability, practicality and efficiency. |
| **Establish Objectives Along the Way to Achieving Goals** | Objectives are selected to be timely and indicative of progress toward goals |
| **Associate Responsibilities and Time Lines With Each Objective** | Responsibilities are assigned, including for implementation of the plan, and for achieving various goals and objectives. Ideally, deadlines are set for meeting each responsibility |
| **Write and Communicate a Plan** | The above information is organized and written in a document which is distributed to identified stakeholders. |
| **Acknowledge Completion and Celebrate Success** | This critical step is often ignored which can eventually undermine the success of many of your future planning efforts. The purpose of a plan is to address a current problem or pursue a development goal. It seems simplistic to assert that you should acknowledge if the problem was solved or the goal met. |

## [Guidelines](https://community.net.nz/resources/community-resource-kit/strategic-planning/) to Ensure Successful Planning and Implementation

|  |  |
| --- | --- |
| A common failure in many kinds of planning is that the plan is never really implemented. Instead, all focus is on writing a plan document. Too often, the plan sits collecting dust on a shelf. Therefore, most of the following guidelines help to ensure that the planning process is carried out completely and is implemented completely -- or, deviations from the intended plan are recognised and managed accordingly. | |
| Involve the Right People in the Planning Process | Going back to the reference to systems, it's critical that all parts of the system continue to exchange feedback in order to function effectively. This is true no matter what type of system. When planning, get input from everyone who will responsible to carry out parts of the plan, along with representative from groups who will be affected by the plan. Of course, people also should be involved in they will be responsible to review and authorize the plan. |
| Write down the planning information and communicate it widely | Key stakeholders (employees, management, board members, funders, investor, customers, clients, etc.) may request copies of various types of plans. Therefore, it's critical to write plans down and communicate them widely. |
| Goals and Objectives Should Be ‘SMARTER’ | |
| Specific | Be specific in what goals name of service wants to achieve. For example, it's difficult to know what someone should be doing if they are to pursue the goal to "work harder". It's easier to recognize "Write a communication plan’. |
| Measurable | Ensure the goals can be objectively measured. |
| Acceptable | The goals need to be acceptable to the major stakeholders. |
| Realistic | The goals need to be able to be achieved. |
| Time frame | Define the times when each step of the goal needs to be achieved. |
| Extending | name of service needs to be capable to achieve the goals set. |
| Rewarding | The chance that name of service will implement the plan successfully is greater if the service is rewarded for its effort. |