

Governing Process Policy

Adopted: 14 December 2010

Review date: June 2011



This policy sets out the role and responsibilities of the board

1.0 Criteria for becoming a Trustee of the Music & Art Waikato Trust (*hereafter referred to as Arts Waikato*)

1.1 The board of Arts Waikato consists of nine trustees and is made up of the chair and deputy chair and 7 other trustees appointed under the terms of the Trust Deed.

1.2 Trustees should demonstrate the following competencies:

LEADERSHIP

Trustees must be able to demonstrate leadership skills, both in directing the organisation and to stakeholders.

STRATEGIC THINKING

Trustees must have the ability to think strategically and consider the wider perspective of issues. They must be able to distinguish between governance and operational matters.

COMMITMENT TO EXCELLENCE

Trustees must have a commitment to excellence, both personally and for the organisation as a whole.

COMMITMENT AND ADDING VALUE

Trustees must be interested in the arts and creative sector in general and in the greater Waikato region. They must be able to commit the time and effort required to carry out their role as a board member effectively. The board should strive to add value to the organisation in terms of strategic direction and through its decision-making process.

DECISION MAKING

Trustees must have the ability to consider and make decisions which benefit the organisation. They must demonstrate good judgement, common sense and independence of thought, allowing for a wide perspective on issues.

HONESTY AND INTEGRITY

Trustees must be able to demonstrate honesty and integrity at all times. This includes being non-negotiable in their personal values.

INTERPERSONAL AND COMMUNICATION SKILLS

Trustees must have good interpersonal skills, including the ability to interact and communicate with people from a wide variety of backgrounds.

ORGANISATIONAL AWARENESS

Trustees must have knowledge of the organisation, its structure and the issues which are important to members as a whole.

FINANCIAL UNDERSTANDING

Trustees must understand financial matters and their implications for the organisation.

EXPERIENCE

Trustees will desirably have had some experience in the arts and be familiar with the organisation and its operation within the greater Waikato region

2.0 Values

The following values are core to Arts Waikato and its operations:

Kaitiakitanga

We Care

- For and about the arts
- About the Waikato Region
- we use every \$ we receive wisely

We lead & Guide

Manaakitanga

Support

- we support others to achieve their goals and develop their creativity

Respect

- for people and ideas
- We do what we say we are going to do

Connect

- We create connections between people, ideas, places and information

Excellence

Improve

- We continually seek to learn and improve

Act

- We do
- We are proactive and not reactive
- We are ethical

Impact

- We make a measurable difference

Creativity

Embrace

- we invite and embrace new ideas

Inspire

- we inspire others

Celebrate

- We celebrate achievements and acknowledge successes

3.0 Preparation of Trustees for their role

Individuals being appointed, to the Arts Waikato board should both understand the obligations they will be taking on and be adequately prepared to take up the role of an Arts Waikato trustee. It is desirable that the individual should both complete due diligence with the chair prior to nomination and be adequately prepared for membership of the Arts Waikato board through an appropriate induction and training programme.

3.1 DUE DILIGENCE

Individuals considering nomination as an Arts Waikato trustee should gain an understanding of:

- (1) the personal accountabilities and obligations of being a Arts Waikato trustee;
- (2) the trust deed of Arts Waikato;
- (3) any legislative or regulatory framework applicable to Arts Waikato;
- (4) the responsibilities they are undertaking;

- (5) the risks of being a trustee;
- (6) the organisation, what it does and its objectives;
- (7) the last annual report;
- (8) the current financial position;
- (9) trustee expenses reimbursement policy; and
- (10) any potential conflicts of interest.

The individual should discuss with the chair the time commitment required, including the time outside board and committee meetings reading board papers and other material, and resolve any concerns they may have about Arts Waikato.

4.0 Trustee induction

All trustees are expected to contribute to board meetings to the best of their ability. To facilitate this Arts Waikato will guarantee a thorough orientation into the affairs of both the board and Arts Waikato as a whole, its issues, current concerns, staff, current financial position, etc.

4.1. All prospective trustees will be provided with all relevant information.

4.2 Prior to attendance at their first board meeting, new board members will:

- (1) receive a copy of the *Trustees' Handbook*, which includes a copy of all the governance policies; the CNZ governance guide "Getting on Board"; previous year's accounts; an up-to-date copy of year-to-date financial statements, and the strategic and 90 day plans;
- (2) meet with the chair for a governance familiarisation. This meeting may be held as a group session or with individual new trustees; and
- (3) meet with the CEO for an operational familiarisation.

5.0 The board's job description

- 5.1 The board is responsible for the long-term health and prosperity of the community arts sector in the greater Waikato region
 - 5.2 The board charts the direction of Arts Waikato and monitors management's performance on behalf of stakeholders/ funders
 - 5.3 The board fulfils its responsibilities by ensuring that:
 - (1) the external environment is regularly scanned in order to identify risks, issues and opportunities
 - (2) its policies are relevant and the ways in which programmes and services are provided are appropriate;
 - (3) Arts Waikato has the capacity to implement policy and to manage its affairs;
 - (4) risks regarding type, level and quality of programmes and services provided (or not provided) are understood and that means are in place to manage these risks; and
 - (5) Stakeholders receive an adequate explanation of what Arts Waikato set out to accomplish, what it accomplished, and the choices that were made and why.
 - 5.4 The board regularly reviews whether Arts Waikato is the best vehicle for achieving its purpose and is prepared to change direction or cease operating in the interests of this purpose
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6.0 Linkage to stakeholders

Stakeholders are defined as all the organisations / individuals who have an interest in what we do and/or whom without our organisation would not exist. This includes funders, service beneficiaries, partner organisations, and the arts and wider community in general. Staff and trustees are internal stakeholders, but this policy is referring to external stakeholders

- 6.1 The board will at all times recognise the trust placed in it by the stakeholders and the requirements and expectations of the board of Arts Waikato, demonstrating this:
 - (1) through their attitude expressed as appropriate behaviour towards the stakeholders (and the community at large);
 - (2) by showing loyalty to the stakeholders;
 - (3) by gathering information from the stakeholders about their concerns, needs, demands and fears;
 - (4) by remaining up to date in matters concerning the stakeholders' interests; and
 - (5) by reporting to the stakeholders on a regular basis on the performance of the organisation.
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7.0 Policy making

- 7.1 Policies are designed to provide clear, unambiguous guidelines for the implementation of the various operational elements of Arts Waikato. Policies provide continuity and a consistent point of accountability. Once a policy is adopted, the board will speak with one voice about that policy. Governance policies are concerned with the 'what and the 'who for' issues (ends). Management / operational policies relate to the 'how' issues (means).
 - (1) The board at a formally constituted Board meeting will approve all governance policies.
 - (2) Individual trustees, the CEO, staff members and stakeholders of Arts Waikato may notify the need for new policies or alterations to existing policies.
 - (3) All governance policies will be systematically reviewed by the board as a whole.
 - (4) All governance policies shall be available to all trustees, to the CEO and to staff as appropriate via the CEO
 - (5) All operational policies are the responsibility of the CEO to develop, implement and review.

8.0 Code of ethics and proper practice

8.1 Arts Waikato is committed to the adoption of ethical conduct in all areas of its responsibilities and authority. Accordingly;

TRUSTEES :

(Individually)

- (1) shall act honestly and in good faith at all times in the interests of Arts Waikato and its stakeholders, ensuring that all stakeholders, particularly its members, are treated fairly according to their rights;
- (2) shall carry out their duties in a lawful manner and ensure that Arts Waikato carries out its business in accordance with the law and the terms of its own constitution;
- (3) shall act in accordance with the principles of the Treaty of Waitangi;
- (4) shall avoid conflicts of interest in so far as this is possible. Where such conflicts arise, the trustee/s concerned will act within the terms of the board's conflicts of interest policy;
- (5) shall be diligent, attend 75% of board meetings per annum, arrive punctually and devote sufficient time to preparation for board meetings to allow for full and appropriate participation in the board's decision making;
- (6) shall observe the confidentiality of non-public information acquired by them in their role as trustee and not disclose to any other person such information;
- (7) shall act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role;
- (8) shall interact with the board and Arts Waikato in a positive and constructive manner;
- (9) shall be loyal to and supportive of the board, abiding by board decisions once reached; and
- (10) shall not do anything that in any way denigrates Arts Waikato or harms its public image.

THE BOARD:

(Collectively)

- (1) shall meet regularly to monitor the performance of management and Arts Waikato as a whole, and to do this the board will ensure that appropriate monitoring and reporting systems are in place and that these are maintained and utilised to provide accurate and timely information to the board;
- (2) shall ensure that there is an appropriate separation of duties and responsibilities between itself and the CEO and that no one has unfettered powers of decision making;
- (3) shall ensure that the independent views of trustees are given due consideration and weight;
- (4) shall ensure that stakeholders are provided with an accurate and balanced view of Arts Waikato performance including both financial and service provision;
- (5) shall regularly review its own performance as the basis for its own development and quality improvement; and
- (6) shall carry out its meetings in such a manner as to ensure fair and full participation of all trustees.

9.0 Governance philosophy

9.1 The board will govern with an emphasis on:

- (1) outward vision rather than inward concern;
- (2) encouragement of diversity of opinions and views;
- (3) strategic leadership rather than administrative detail;
- (4) collective rather than individual decisions;
- (5) future rather than present focus;
- (6) a clear distinction between board and CEO roles;
- (7) pro-activity rather than reactivity; and
- (8) modelling desired behaviours.

9.2 The board will:

- (1) cultivate a sense of group responsibility with close attention to achieving a high level of governance

excellence;

- (2) govern Arts Waikato through careful design and review of written policies that reflect the board's values, focusing on the long-term effects of these;
- (3) maintain a commitment to excellence in all matters coming before it. It will establish a code of ethics and proper practice that is binding on all directors; and
- (4) not allow any officer, individual or committee of the board to hinder or be an excuse for not fulfilling board commitments.

10.0 Work planning and agenda setting

10.1 To achieve its governance outcomes in a manner consistent with its policies, the board will follow an annual work plan that: (1) focuses on issues in its Strategic Plan; and (2) continually improves board performance through education and evaluation of effectiveness. The annual work plan (attached) will be updated as required and circulated prior to each board meeting alongside all the other board meeting material.

11.0 Conflicts of interest

11.1 The board places great importance on making clear any existing or potential conflicts of interest for its directors. All such conflicts of interest shall be declared by the trustee concerned and officially documented in a Conflicts of Interest Register. Accordingly:

- (1) any business or personal matter which is, or could be, a conflict of interest involving the individual and his/her role and relationship with Arts Waikato must be declared and registered in the Conflicts of Interest Register;
- (2) all such entries in the Register shall be presented to the board and minuted at the first board meeting following entry in the record;
- (3) where a conflict of interest is identified and registered, the trustee concerned shall not vote on that issue. Only with the unanimous agreement of all other trustees present may the trustee concerned participate in any board discussion on that topic. Failing such agreement being reached, the individual shall either refrain from participation or leave the room; and
- (4) When the chair is aware of a real or potential conflict of interest involving one or more trustee, the chair must take whatever steps are necessary to ensure that the conflict is managed in an appropriate manner according to this policy.
- (5) Individual trustees, aware of a real or potential conflict of interest of another trustee, have a responsibility to bring this to the notice of the board.

11.2 Examples of conflicts of interest are:

- (1) when a trustee or his/her immediate family or business interests stand to gain financially from any business dealings, programmes or services of Arts Waikato;
- (2) when a trustee offers a professional service to Arts Waikato and;
- (3) when a trustee stands to gain personally or professionally from any insider knowledge if that knowledge is used for personal or professional advantage
- (4) associations with arts groups, funders, local bodies or other stakeholders whom are either beneficiaries or benefactors.

12.0 Confidentiality

- 12.1 The objective of meetings of the board is to bring together ideas of trustees in free and open discussion. However, there will be times when an issue arises which may need to be treated with discretion. These are to be handled as outlined below.
- 12.2 'In committee' sessions:
- When necessary, it is general business practice that 'in committee' sessions are held during meetings. This is used when issues which need to be discussed are sensitive, and trustees need to be totally comfortable that what is said in the confines of the meeting room will not be repeated outside the meeting.
- 'In committee' sessions are held to:
- (1) discuss commercially sensitive matters;
 - (2) discuss personal and personnel issues; and
 - (3) enable an open and frank discussion.
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13.0 Media & communications policy

- 13.1 Only the chair and the CEO are authorised to comment publicly on the affairs and policies of Arts Waikato. Generally the chair may comment on matters that are the responsibility of the board and the CEO will comment on matters of operational significance. The chair and CEO may delegate comment to trustees and staff on strategic and operational matters respectively.
- 13.2 The chair, CEO and representatives of Arts Waikato shall not support any action or public statement that is derogatory or in any way damaging to Arts Waikato.
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14.0 Cost of governance

- 14.1 The board recognises that poor governance is a cost to the organisation and therefore will invest in training and development to increase its governance capability and performance.
- 14.2 All new trustees will receive a formal orientation programme (see trustee induction, Section 1.3).
- 14.3 The board will provide training for all trustees in order to enhance their capacity for governance excellence.
- 14.4 The board will carry out an annual review of its performance.
- 14.5 All costs associated with governance training will be prudently incurred, though designed to ensure the development of the highest standard of governance. Governance development costs are allocated for orientation of new trustees; for attendance at workshops, seminars or conferences; for external audits/performance reviews; and for meeting costs and other costs associated with effective governance (for example, focus groups).

15.0 Chair's role description

- 15.1 The chair assures the integrity of the board's processes and occasionally represents Arts Waikato to outside parties. Accordingly:
- (1) the chair ensures that the board behaves consistently with its own rules and those legitimately imposed upon it from outside Arts Waikato;
 - (2) meeting discussion content will be only those issues which, according to board policy, clearly belong to the board to decide, not the CEO;
 - (3) deliberation will be fair, open and thorough but also timely, orderly and kept to the point;
 - (4) the authority of the chair consists in making decisions that fall within topics covered by board policies on governance process, except where the board specifically delegates portions of this authority to others. The chair is authorised to use any reasonable interpretation of the provisions in these policies;
 - (5) the chair is empowered to chair board meetings, with all the commonly accepted power of that position (for example, ruling, recognising);
 - (6) the chair has no authority to make decisions (such as creating, re-creating or varying) about policies created by the board;
 - (7) the chair acts as the conduit between the board and the CEO;
 - (8) the chair may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him; and
 - (9) the chair may delegate this authority but remains accountable for its use.
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16.0 Board evaluation

- 16.1 The board will carry out a formal evaluation of its activities annually. This will be done in two parts:

Internal evaluation: This will look at how the board works together and will include the following assessments:

- (1) assessment of chairperson by all other board members;
- (2) assessment of each board member by all other board members; and
- (3) self-assessment by each board member.

External evaluation:

- (4) assessment of board by CEO; and
- (5) The board may choose to have this carried out and collated by an outside consultant and the results will be confidential to Arts Waikato board and CEO

. The current method for achieving steps 1,3, & 4 is by way of an online evaluation as offered by the NZ institute of directors via the SPARC website.

- 16.2 Assessment of policy effectiveness in achieving the outcomes and objectives of the trust
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17.0 Board committees

- 17.1 The board has the authority to establish both standing and ad hoc advisory committees to assist in their work. Standing committees will be limited to the following:
 - (1) CE Review committee; and
 - (2) Board recruitment & development committee.
 - 17.2 Committees shall develop their own terms of reference, endorsed by the board, clearly defining their role, procedures and functions, and the boundaries of their authority.
 - 17.3 Committees may co-opt outside members from time to time in order to bring additional skills, experience or networks.
 - 17.4 Committees cannot exercise authority over staff nor shall they delegate tasks to any staff unless the CE has specifically agreed to such delegations.
 - 17.5 All ad hoc committees are automatically disestablished once they have completed their work and have reported to the board.
 - 17.6 All standing committees' terms of reference will be reviewed annually, including their membership and the results of their work. Committees cannot make binding decisions. For the most part the function of committees is to solve problems for and/or make recommendations to the board on which the latter, and only the latter, has the power to make decisions or policy.
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