TE TIRA AHU PAE

HEI HĀPAI WHAKAMANA

Board Policy Manual

RATIFIED

17 April 2023

17.04.23 Motion #2: The Board moves to ratify the Board Policy Manual.

TABLE OF CONTENTS

General Principles	3
Responsibilities Of The Board Of Board Members	4
Expectations Of Board Members	5
Governance Policies	6
Code Of Ethics	6
Strategic Direction And Planning	7
Financial Governance	7
Conflict Of Interests	8
Risk Management	8
Board Committees And Working Parties	9
Audit And Risk Committee Terms Of Reference	9
General Manager Employment Committee Terms Of Reference	11
Board Meetings	12
Monitoring Operational Performance	13
New Board Member Induction	13
Board And Board Member Professional Development	13
Chairperson Role	14
Indemnities And Insurance	14
Reimbursement Of Board Member's Expenses	15
Board-General Manager Interrelationship Policies	16
Delegation To The General Manager	16
General Manager Authority	16
General Manager Remuneration	17
General Manager Performance Assessment	17
General Manager Delegation Policies	18
Overarching General Manager Limitation	20
Budgeting And Financial Planning	20
Financial Management	20
Remuneration And Benefits	20
Protection Of Assets	21
Communication & Support To The Board	21
Emergency General Manager Succession	22
Employment Conditions	22
Public Affairs	22

General Principles

On behalf of the members, Te Tira Ahu Pae is responsible for the stewardship and future well-being of the association. The Board should exercise leadership, enterprise, integrity and judgement in directing the association so as to provide assurance of its continuing and lasting prosperity.
In discharging their responsibilities, the Board and individual Board Members have a duty to act in the best interests of Te Tira Ahu Pae as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Board Members' first duty and loyalty must be to the legal entity.
It is the duty of the board to represent the interests of its members [students].

Governance defined – the role of the Board

Governance might be described as:
The exercise of Association leadership through the establishment and monitoring of necessary controls and strategic direction setting so that the association is equipped to respond to the changing circumstances and situations in the external and internal environments in order to meet the expectations and demands of owners (Members) and other key stakeholders.

In summary the Board:

1. Provides leadership to Te Tira Ahu Pae ensuring that it achieves continuing prosperity in the best interests of Te Tira Ahu Pae and its stakeholders.
2. Ensures an appropriate mix of Board Members whether through interaction with key stakeholders resulting in the appointment and election of appropriately skilled personnel.
3. Establishes Te Tira Ahu Pae's purpose, values and sets the strategic direction as the basis for further planning, e.g. annual and longer-term planning.
4. Sets and delivers the associations Te Tiriti aspirations, ensuring Te Tira Ahu Pae is Te Tiriti led.
5. Determines the appropriate culture for Te Tira Ahu Pae and models behaviours that both reflect and promote the desired culture.
6. Establishes governance policies that provide the framework for the management of Te Tira Ahu Pae e.g. financial, human resource, asset management policies etc and ensures that internal processes and procedures are designed to provide effective controls and serve as the basis for reporting to the Board as required.
7. Employs the General Manager and monitors management and association performance against Board-established criteria.
8. Identifies and monitors the management of Association risks.
9. Ensures that the association complies with all internal and externally imposed compliance requirements.
10. Establishes and maintains an effective interrelationship with stakeholders.

In brief, governance involves the Board in the process of ensuring that Te Tira Ahu Pae is well managed without the Board itself becoming involved in the operations except as required by its legislation or as a consequence of exceptional circumstances.

Responsibilities of Board Members

1. Meeting legal requirements

The Board's first duty is to the legal entity. In meeting this duty the Board must ensure that all legal requirements under the relevant Acts are met and that the entity is protected from harmful situations and circumstances in the interests of current and future stakeholders. The Board also has a responsibility to its various stakeholders to ensure that the available resources are used to deliver the 'right outcomes' to the 'right people' in the 'right way'.

In particular Board Members have the following obligations:

a) To act in good faith in the interests of all members of Te Tira Ahu Pae
b) To encourage and support the Te Tiriti aspirations of Te Tira Ahu Pae
c) To exercise their powers for a proper purpose
d) To avoid conflicts of interests
e) To act honestly
f) To act with reasonable care and diligence
g) Not to make improper use of either their position on the Board or information gained while in that role.

Board Members, either individually or collectively, are potentially liable if they act illegally or negligently.

2. Governance philosophy and approach

The Board will govern Te Tira Ahu Pae with an emphasis on:

- Representing student interests and ensuring student well-being.serving the legitimate collective interests of the present members of Te Tira Ahu Pae and accounting to them fully for the performance of Te Tira Ahu Pae and for the Board's stewardship of that performance.
- remaining up to date in terms of key members' concerns, needs and aspirations.
- developing a future focus rather than being preoccupied with the present or past.
- providing leadership in the exploration of strategic issues rather than becoming distracted by administrative detail.
- behaving proactively rather than reacting to events and others' initiatives
- bringing a diversity of opinions and views to bear on its decisions.
- the development and expression of a collective responsibility for all aspects of the Board's performance; and
- continuing improvement in Board and individual Board member effectiveness; and the interests of Te Tira Ahu Pae as a whole.

2. Direction of executive performance (if applicable)

The Board will:

a) Select, monitor and, if necessary, replace the General Manager.
b) Maintain an up-to-date framework for defining the Board's expectations of the General Manager's performance including the setting of a clear annual performance agreement.
c) Provide regular, honest, and rigorous performance feedback to the General Manager on the achievement of such expectations.
d) Ensure there are positive conditions for the motivation of the General Manager and ensure that there is adequate training.
e) To support the General Manager in their role.

4. Interaction with the media

In all contact with the media the delegated President shall be the sole spokesperson on all operating matters relating to Te Tira Ahu Pae. The President may delegate aspects of this responsibility as appropriate.

5. Other

The Board will perform such other functions as prescribed by law or assigned to the Board under Te Tira Ahu Pae's governing documents.

Expectations of Board Members

To execute these governance responsibilities, Board Members must, so far as possible, possess certain characteristics, abilities, and understandings:

1. Board Members responsibilities

Board Members must fulfil their fiduciary duty [trust with regard to the relationship between a board member and beneficiary] to act in Te Tira Ahu Pae's best interest at all times regardless of personal position, circumstances or affiliation. They should be familiar with Te Tira Ahu Pae's constitutional arrangements and be aware of, and fulfil, the statutory and fiduciary responsibilities of a Board Member. The Code of Ethics and Conflict of Interests policies provide direction to Board Members and the Board in addressing key ethical issues.

2. Strategic orientation

Board Members should be future oriented, demonstrating vision and foresight. They are expected to think conceptually, taking a 'helicopter' or 'big picture' perspective. They should be able to synthesise and simplify complex information and ideas. Their focus should be on strategic goals and policy implications

rather than operational detail. They need to understand and focus on issues that are central to the success of Te Tira Ahu Pae.

3. Integrity and accountability

Board Members must demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on - and remain collectively accountable for - all Board decisions even if these are unpopular or if individual members disagree with them. Board Members must be committed to speaking with one voice on all policy and directional matters.

4. Informed and independent judgement

Each member of the Board must have the ability to provide wise, thoughtful counsel on a broad range of issues. They must have (or be able to develop) a sufficient depth of knowledge about Te Tira Ahu Pae's business in order to understand and question the assumptions upon which strategic and business plans and important proposals are based, and to be able to form an independent judgement as to the probability that such plans can be achieved, or proposals successfully implemented. Each Board Member must be willing to risk rapport with fellow Board Members in taking a reasoned, independent position.

5. Financial literacy

Because the Board must monitor financial performance, Board Members must be financially literate. They should be able to read financial statements and understand the indices used for evaluating Te Tira Ahu Pae's performance. To achieve this appropriate training and support will be provided.

6. Industry and sector knowledge

Each Board Member is expected to bring a level of knowledge and interest sufficient to contribute to the Board's deliberations and considerations on behalf of the association and its members.

7. Participation

Each Board Member is expected to enhance the Board's deliberations by actively offering questions and comments that add value to the discussion. Each should strive to be at ease with fellow Board Members participating in a constructive manner that acknowledges and respects the contribution of others at the table including the executive team. Board Members must be able to accept challenges from others without becoming defensive. In order to foster teamwork and engender trust Board Members should be willing to reconsider or change their positions after hearing statements of others' reasoned viewpoints.

Governance Policies

Code of Ethics

The Board is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

Board Members shall:

1. Act honestly and in good faith and honesty at all times in the best interests of Te Tira Ahu Pae as a whole.
2. Declare all interests that could result in a conflict between personal and associational priorities.
3. Exercise diligence and care in fulfilling the functions of office.
4. Make reasonable enquiries to ensure that Te Tira Ahu Pae is operating efficiently, effectively, legally and ethically in the pursuit of its Association goals and strategies.
5. Maintain sufficient knowledge of Te Tira Ahu Pae's business and performance to make informed decisions.
6. Must not agree to Te Tira Ahu Pae incurring obligations unless he or she believes that such obligations can be met when required.
7. Attend Board meetings and devote sufficient time to preparation for Board meetings to allow for full and appropriate participation in the Board's decision making.
8. Put the needs of Te Tira Ahu Pae and the Massey University students they represent before their own needs.
9. Ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of Te Tira Ahu Pae's business.
10. Not disclose to any other person confidential information other than as agreed by the Board or as required under law.
11. 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.
12. Abide by Board decisions once reached notwithstanding a Board Member's right to pursue a review or reversal of a Board decision.
13. Not to make, comment, issue, authorise, offer or endorse any public criticism or statement having or designed to have an effect prejudicial to the best interests of Te Tira Ahu Pae.
14. Ensure that all Members are treated on an equitable basis.

The Board shall:

1. Make every reasonable effort to ensure that Te Tira Ahu Pae does not raise community, supplier or member expectations that cannot be fulfilled.
2. Meet its responsibility to ensure that all staff employed by Te Tira Ahu Pae are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.

3. Carry out its meetings in such a manner as to ensure fair and full participation of all Board Members.

Strategic Direction and Planning

An essential element in the Board's leadership role is its responsibility to set the strategic direction for Te Tira Ahu Pae. Accompanying this is an ongoing responsibility to identify association priorities, monitor progress against the strategic goals and objectives and view and approve annual business plans and the annual budget. Accordingly, the Board will annually:

1. In partnership with management, establish and review Te Tira Ahu Pae's Purpose, vision, association strategies and priorities.
2. Review annual business plans to ensure alignment with the strategic direction, priorities and association strategies.
3. Schedule a programme of strategic dialogue at Board meetings that reflects the priorities as defined by the Board and that creates opportunities for the Board and management to think strategically about future issues of strategic importance to Te Tira Ahu Pae's wellbeing and success.

Financial Governance

The Board has a core duty to ensure the financial integrity and viability of Te Tira Ahu Pae. This entails oversight of all financial processes and systems, regular review of financial results and, annually, approving Te Tira Ahu Pae's financial plan and budget and financial announcements. Accordingly, the Board will:

1. Develop, review and monitor the implementation of governance level financial policies.
2. Provide guidance on budget parameters and priorities and approve the annual budget and financial plan including capital expenditure.
3. Approve expenditure outside budget parameters.
4. Review and approve the full-year financial statements, reports and outcomes.
5. Receive and approve the Audit and Risk Committees' annual plan and scheduled reports.
6. Review and approve regularly scheduled financial statements and reports, i.e. for each Board meeting or at the Board's request.

Conflict of Interests

The Board places great importance on making clear any existing or potential conflicts of interest for Board Members.

Conflicts of interest may occur:

- *When a Board Member, or their immediate family or business interests, stands to gain financially from any business dealings, programmes or services provided to Te Tira Ahu Pae.*
- *When a Board Member offers a professional service to Te Tira Ahu Pae.*
- *When a Board Member stands to gain personally or professionally from any insider knowledge if that knowledge is used for personal or professional advantage.*

1. Any business or personal matter which could lead to a conflict of interest of a material nature involving a Board Member and his/role and relationship with Te Tira Ahu Pae, must be declared and registered in the Register of Interest.
2. All such entries in the Register shall be presented to the Board and minuted at the first Board meeting following entry in the records.
3. All conflicts of interest must be declared by the Board Member concerned at the earliest time after the conflict is identified. Normally there will be the opportunity at the commencement of each Board meeting for conflicts of interest to be declared.
4. The Board shall determine whether or not the conflict is of a material nature and shall advise the individual accordingly.
5. Where a conflict of interest is identified and/or registered, and the Board has declared that it is of material benefit to the individual or material significance to the association, the Board Member concerned shall not vote on any resolution relating to that conflict or issue.
6. The Board Member shall only remain in the room during any related discussion with Board approval.
7. The Board will determine what records and other documentation relating to the matter will be available to the Board Member.
8. All such occurrences will be minuted.
9. Individual Board Members, aware of a real or potential conflict of interest of another Board Member, have a responsibility to bring this to the notice of the Board.
10. Where a Board Member has an ongoing material conflict of interest, this Board Member must consider resignation from the Board. However, resignation should not occur where this will result in serious detriment to the Board or to Te Tira Ahu Pae.

Risk Management

The Board will identify and evaluate the principal risks faced by Te Tira Ahu Pae and ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital. Accordingly, the Board will:

1. Ensure that robust risk management policies and processes are developed and monitored addressing all areas of associational risk and that the Board is kept abreast of all key Association risks areas and strategies in a timely manner.
2. Ensure that suitable internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of the association's resources.
3. Ensure that the association is governed and managed in accordance with its constitution and policies.
4. Ensure that proper accounting records are kept.
5. Ensure prompt investigation of any material shortfalls or breaches in compliance or risk management standards.

Board Committees and Working Parties

The Board will establish committees and working parties only to support it in its governance work. The work of committees and working parties should not conflict with the General Manager's (if applicable) delegated responsibilities.

1. Committees and working parties shall have Terms of Reference defining their role, life span, procedures and functions, and the boundaries of their authority, reviewed annually.
2. Board Committees and working parties may co-opt outside members from time to time in order to bring additional skills, experience or networks.
3. Committees and working parties shall not exercise authority over staff nor shall they delegate tasks to any staff unless the General Manager or Board has specifically agreed to such delegations.
4. Unless explicitly empowered by the Board, committees or working parties cannot make binding Board decisions or speak for the Board. For the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Board.
5. Committees and working parties will not mirror operational divisions, departments or staff functions.

Audit and Risk Committee Terms of Reference

1. Purpose

The purpose of the Audit and Risk Committee is to assist the Board in discharging its responsibilities with respect to overseeing all aspects of financial and non-financial reporting, control and audit functions and associational risk.

2. Membership

a) The Audit and Risk Committee shall be appointed by the Board from among Board Members and shall consist of up to four members.
b) The convenor of the Audit and Risk Committee shall be appointed by the Board.
c) The Committee shall be structured to include members with (1) financial skills including the ability to read and analyse financial statements, (2) a good understanding of business and financial risks and related controls and control processes (3) a sound knowledge of the industry and a commitment to and knowledge of core service delivery principles and practices.
d) A quorum shall be 3 members, one of whom shall be the convenor.

3. Operating Principles

a) The Committee may have in attendance such members of management and such other persons as it deems necessary to provide appropriate information and explanations.
b) All Board Members shall be entitled to attend all meetings of the Audit and Risk Committee.
c) The Committee shall have the right to go 'in committee' as required. Into Committee is a tool used to ensure confidentiality where info discussed or decided is not shared outside of the committee.
d) The convenor shall call a meeting of the Audit and Risk Committee if so requested by any Committee member, the Board, the internal audit manager or the external auditors.
e) The convenor shall draw up an agenda to be circulated at least one week prior to each meeting. The agenda shall be distributed to the members of the Committee, the external auditors and other invitees.
f) The financial controller, programme managers and the external auditors shall be given adequate notice of all meetings and shall have the right to attend and speak.
g) Meetings shall be held at least four times each year or as and when necessary. Meetings are to be held (1) at the planning stage of the external audit (2) prior to the Board meeting approving the annual report and financial statements (3) at scheduled times during the year in accordance with the committee's planned programme.
h) The Committee will develop an annual audit plan that shall be reviewed and authorised by the Board.
i) The Committee is authorised to obtain external resources as required to assist with its work.
j) The Committee will give notice to management of its programme and requirements for access to key financial and other personnel and all relevant records.

k) The Committee shall report to the Board after each committee meeting or as specified or requested by the Board. Committee meetings shall be minuted, a copy to be tabled at the following Board meeting. Additionally, the Committee shall submit an annual report to the governing body summarising the committee's activities during the year and the related significant results and findings.

l) The Committee shall annually conduct an assessment of its effectiveness and the contribution of individual Committee members. Changes in personnel, roles or responsibilities shall be determined by the Board.

4. Responsibilities

a) Identification of the broad risk parameters within which Te Tira Ahu Pae operates and to bring to the Board's notice all such risks as the Committee feels should be addressed by the Board.

b) Oversight and monitor of the effectiveness of the General Manager's risk management programme and periodically to report to the Board on the effectiveness of this.

c) Liaison with internal and external auditors.

d) Review of audit findings and the annual financial statements.

e) Review of the integrity of the General Manager's financial and non-financial reporting to the Board.

f) Oversight of compliance with statutory responsibilities relating to financial and non-financial disclosure.

g) Review of internal financial systems and accountabilities

h) Ensuring that recommendations highlighted in the internal audit reports are actioned by management.

i) Supervision of special investigations in areas of financial and non-financial performance when requested by the Board.

In addition, the Audit and Risk Committee shall examine any other matters referred to it by the Board.

5. Authority

a) The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from the General Manager who shall co-operate with any request made by the Committee.

b) The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with relevant experience and expertise if it considers this necessary.

c) The Audit and Risk Committee shall have no executive powers with regard to its findings and recommendations other than those bestowed by the Board.

General Manager Employment Committee Terms of Reference

1 Purpose

The purpose of the Committee is to assist the Board to ensure that there is an effective and positive partnership between the Board and its General Manager.

2. Membership and professional assistance

1. The Committee shall consist of three Board members one of whom shall be the Chair of the Board.
2. The Board will appoint the chair of the Committee who shall not be the Chair of the Board.
3. The Committee may engage professional advice and assistance as required, in accordance with a budget approved by the Board.
4. The Committee's terms of reference and membership shall be reviewed and confirmed annually at the first meeting of the Board following the Annual Meeting.

3. Functions

1. The function of the Committee is to facilitate the Board's thinking about the General Manager performance management framework and to lead the implementation of the performance management process on behalf of the Board. In particular, the Committee is expected to:
2. Maintain oversight of the General Manager performance management philosophy and recommend changes to the Board as necessary.
3. Recommend the adoption of a General Manager Recruitment Specification and, thereafter, conduct an annual review of that document to ensure that:
    a. it reflects an up-to-date view of the basic position requirements.
    b. it documents foreseeable challenges facing the Board and the demands these are likely to place on the position of General Manager.
    c. it sets out a current view of the attributes required to succeed in the position in terms of knowledge, skills, experience, and attitude/orientation.
4. Maintain oversight of the General Manager Employment Agreement to ensure that there is alignment between the Board's and the General Manager's respective expectations.
5. Work with the General Manager to prepare an annual General Manager Performance Plan agreeable to the Board and the General Manager that:
    a. sets out the key results that must be achieved by the General Manager that reflect the Board's priorities and which require the General Manager's personal attention.
    b. sets out any other matters requiring attention that the Board expects the General Manager to take direct personal responsibility for.
    c. identifies any particular expectations about how the results should be achieved (including relevant behavioural considerations) that would be material to an assessment of the General Manager's performance.

    d. identifies and agrees the support required from the Board in order to facilitate the achievement of the General Manager's performance plan and their general success in the role.
    e. specifies how the achievement of key results will be measured.
6. Review the content of the performance plan in the context of ongoing General Manager performance monitoring and recommend to the Board any changes necessary to maintain its focus and relevance.
7. Review in the context of the performance management of the General Manager, the delegation of authority to the General Manager (including the application of Limitation policies) and, as appropriate, recommend changes to the Board.
8. Continuous performance monitoring and feedback to the General Manager. The Committee shall take particular responsibility for the periodic review of the General Manager 's performance in respect of:
    a. The implementation of Board-agreed strategic and business plans and the application of agreed Association values.
    b. The implementation of the General Manager Performance Plan (progress in respect of which shall normally be reviewed not less frequently than every four months, with a formal end-of-year review at the conclusion of the period covered by the performance plan).
9. Discuss with the General Manager annually, their assessment of the performance of their direct reports in relation to succession planning.
10. Agree, in consultation with the General Manager, the appointment from time to time of an acting General Manager.
11. Review the General Manager's remuneration as required by their employment agreement and recommend adjustments as appropriate to the Board.
12. In undertaking these functions, the Committee will be responsible for ensuring that the Board is engaged in appropriate steps in the process:
    a. to ensure that these reflect the view of the Board as a whole; and
    b. that the Committee's work does not compromise the accountability of the Board as a whole for the performance and successful discharge of the role of General Manager.

Board Meetings

The majority of Board business will be conducted in Board meetings. In order to ensure effective meetings, the following principles apply:

1. The Board will make the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and, within a defined policy framework, by delegating as much as possible to the General Manager.
2. The Board will ensure that reports and proposals for the Board are timely, contain content and are formatted so as to reinforce and support the Board's governance role.
3. The Board will develop a work plan covering the next 12 months that (1) ensures the Board regularly reviews progress towards the achievement of the strategic direction/strategic plan and relevant strategic issues (2) provides assurance that all relevant compliance requirements are addressed, and (3) improves Board performance through education and continuous focus on its governance effectiveness.
4. The General Manager will, in consultation with the Chairperson, establish the agenda for each Board meeting although each Board member is free to suggest the inclusion of item(s) on the agenda. The focus of the meeting will be a topic(s) drawn from the work plan. All Board members have the opportunity to contribute to the agenda.
5. The Board will normally meet once every month; however, Board meetings may be scheduled at other times or at other frequencies as determined by the Board.
6. Board members are expected to have read their papers and be prepared fully for Board meetings. Whenever possible personal queries and matters of clarification should be pursued prior to the meeting.
7. Board members are expected to be active in providing input into Board decision-making and dialogue.
8. Board meetings will be conducted in an open and constructive manner, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
9. In most instances Board decisions will be reached by consensus. When necessary, the Board may, however, call for a vote.
10. Board members will receive their Board papers at least five working days prior to the meeting.
11. Other than in extraordinary circumstances, substantive papers or matters requiring Board consideration will not be received and acted upon at the meeting at which these are presented.
12. Others (e.g., staff) may participate in Board meetings at the Board's discretion. Such attendees will respect the Board's integrity and accountability and will thus accept any constraints imposed by the Board or the Chairperson on their participation and presence.
13. The Board may hold 'Board only' sessions at its discretion. Such sessions which will usually be scheduled prior to or at the commencement of the meeting should not exclude the General Manager from deliberations on matters to which his/her role as the Board's chief adviser would be compromised.

Monitoring Operational Performance

The Board has a duty to oversee and monitor the performance of the operational association.

1. The General Manager will report to the Board on the performance of Te Tira Ahu Pae at a frequency and to a standard specified by the Board.
2. All such reporting should be targeted at the Board's interests and duties rather than a description of management actions.

New Board Member Induction

The Board will provide to all new Board Members a thorough induction into the affairs of both the Board and Te Tira Ahu Pae at large.

1. All prospective Board Members will be provided with all relevant information.
2. Upon appointment/election and prior to attendance at their first Board meeting, new Board Members will receive a copy of the Board Manual including Governance policies, Articles/Constitution and other relevant legal governance documentation, current and recent meeting papers, an associational chart, contact details for other Board Members and key staff, a glossary of key terms, definitions and acronyms, and the current year's meeting schedule.
3. Meet with the Chairperson for a governance familiarisation. This meeting may be held as a group session or with individuals.
4. Meet with the General Manager for an operational familiarisation.

Board and Board Member Professional Development

The Board's value-adding role requires that the Board as a whole and all Board Members have access to professional development relevant to the role and duties of Board Membership.

1. The Board will make every reasonable effort to facilitate training for all Board Members and for the Board as a whole to maximise its value-adding contribution to the association.
2. An annual Board development budget will be established that provides for both Board and individual Board Member development, the quantum of this budget item to be determined on a year-by-year basis.
3. All costs associated with governance effectiveness will be designed to ensure the development of the highest standard of governance including meeting costs associated with effective communication with owners and other key stakeholders, surveys and associated analysis, focus groups, the costs associated with external audit and other independent third-party reviews or consulting input.

Chairperson Role

The Chairperson provides leadership to the Board, ensuring that the Board's processes and actions are consistent with its policies. As appropriate, the Chairperson represents the Board and the association to outside parties. It is expected that the Chairperson will promote a culture of sustainability, collaboration and co-operation, modelling and promoting behaviours that define sound Board Membership.

The Chairperson will chair Board meetings ensuring that:

1. Meeting discussion content is confined to governance matters as defined in the Board's policies.
2. All Board Members are treated even-handedly and fairly.
3. All Board Members are encouraged and enabled to make a contribution to the Board's deliberations.
4. The Chairperson has no authority to unilaterally change any aspect of Board policy.
5. The Chairperson will ensure that that Board develops and implements processes and systems that result in Board effectiveness including:
    a. The development, review and monitoring of Te Tira Ahu Pae's strategic plan and risk management.
    b. Board Member and office holder succession planning.
    c. Board Member and Board professional development.
    d. Board performance assessment.
    e. Serving as a mentor to individual Board Members.
    f. Overseeing the stakeholder interface.

    Nb. Some or all of these tasks may be delegated to a Board committee e.g. Audit and Risk Committee.
6. The Chairperson will ensure that Board meetings are properly planned including the development and distribution of Board papers in a timely manner and that the minutes accurately reflect the deliberations and decisions of the Board.
7. The Chairperson will ensure that all Board decisions are understood by Board Members and accurately recorded.
8. With the approval of the Board the Chairperson may establish a regular communication arrangement with the General Manager in which there is an exchange of information. This might also provide an opportunity for the General Manager to use such sessions as a sounding board for proposed actions or to check interpretations of Board policy. However;
    a. The Chairperson will recognise that such sessions are not used to 'personally' supervise or direct the General Manager.
    b. The Chairperson will maintain an appropriate professional distance from the General Manager to ensure objectivity and attention to governance matters and concerns,

c. The Chairperson will not inhibit the free flow of information to the Board necessary for sound governance. Therefore, the Chairperson will never come between the Board and its formal links with the General Manager.
d. The Chairperson may delegate aspects of the authority accompanying the position but remains accountable for the overall role. The chair does hold the casting vote in the event of a tied decision/vote.

Indemnities and Insurance

Te Tira Ahu Pae may provide Board Members with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Board Members, to the fullest extent permitted by the relevant legislation.

Reimbursement of Board Member's expenses

Te Tira Ahu Pae will reimburse all reasonable expenses incurred by Board Members in the carrying out of their role. Expenses must be within approved budget parameters. [refer financial policies for more information].

Board-General Manager Interrelationship Policies

Delegation to the General Manager

The Board delegates to the General Manager responsibility for implementation of its strategic direction/strategic plan while complying with the General Manager Delegation policies.

1. The General Manager is the sole linkage and point of accountability between the Board and the operational association.
2. The Board will view General Manager performance as identical to total management performance so that the achievement of successful association outcomes will be regarded as successful General Manager performance.
3. Only the Board acting as a body can instruct the General Manager. Typically, all instruction to the General Manager will be via policy.
4. The Board will make clear Te Tira Ahu Pae's strategic direction including performance indicators to be applied by the Board when reviewing the associations and the General Manager's performance.
5. The Board will make clear to the General Manager in writing any limits it chooses to place their freedom to take actions or make decisions that the Board deems to be unacceptable within the delegation, allowing the General Manager any reasonable interpretation of these policies (further defined in the General Manager Authority policy).
6. The General Manager is responsible for the employment, management and performance evaluation of all staff employed/contracted to the association.
7. Neither the Board nor individual Board Members will 'instruct' staff in any matters relating to their work.
8. Provided that the General Manager achieves the outcomes sought by the Board and does so in a manner consistent with the Board's policies and Te Tira Ahu Pae's values, the Board will respect and support the General Manager's choice of actions.
9. The expert knowledge and experience of individual Board members is available to the General Manager.

General Manager Authority

1. As long as the General Manager applies 'any reasonable interpretation' of the Board's policies, i.e., does not set out to defeat the stated intent or the spirit of the policies, they are authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.
2. Acknowledging a Board member's right to have access to information necessary to meet their duty of care to the association, the General Manager may refuse instructions or requests from individual Board members or from unofficial groups of Board members if, in their opinion, such requests or instructions are:

a. Inconsistent of conflicts with the Board's policies,

b. are deemed to make unjustifiable or unreasonable intrusions into the General Manager's or other staff member's time; or

c. are an unjustifiable cost to the association.

3. The General Manager must notify the Chairperson of the use of point 2.

General Manager Remuneration

General Manager remuneration will be decided by the Board as a body based on terms and conditions that reflect the association performance and executive market conditions.

1. Association performance will be only that performance revealed by the monitoring system to be directly related to criteria given by the Board in policy**.**
2. Remuneration will be competitive with similar performance within the marketplace based on achievement of the Board's strategic direction and strategic goals while complying with the Executive Limitations Policies.
3. A committee process may be used to gather information and to provide options and recommendations to the Board for its consideration and decision.

General Manager Performance Assessment

The General Manager's performance will be continuously, systematically and rigorously assessed by the Board against achievement of the Board-determined strategic outcomes and compliance with General Manager Delegation policies. The Board will provide regular performance feedback to the General Manager.

1. The Board's assessment of the General Manager's performance will be against only those performance indicators that have been agreed upon at the commencement of the performance year.
2. The standard applied to all facets of the performance assessment shall be that the General Manager has met or can demonstrate compliance with the intent or spirit of the Board policy/statement.
3. The Board may monitor any policy at any time using any method.
4. The Board may use any one or more of the following three methods to gather information necessary to ensure General Manager compliance with Board policies and thus to determine its satisfaction with that person's performance:
    a. General Manager reporting,
    b. Advice from an independent, disinterested third party, or
    c. Direct inspection by a Board approved Board member or group of Board members.

General Manager Delegation Policies

Board Members' duties and the delegation to the General Manager

Board Members have a duty of care under the law. While the enactment of certain elements of this can be delegated, there are other elements that most Boards determine should not be. No General Manager should reasonably expect that his or her Board will give or grant an unbounded delegation. This is where the General Manager Limitations policies are intended to have effect, denying the General Manager access to certain operational actions or decisions that the Board considers are off limits. This is not to say, however, that such actions or decisions should not be completely off limits. It is simply that these are matters (usually because of the risks involved) that the Board wants to consider for itself as an essential component of its duty of care.

When confronted with an approach by the General Manager seeking permission to breach a Board-set limitation or stating that the action must be taken, the Board might choose one or other of the following responses:

a) After consideration it might resolve that the delegation is too narrow and that the freedom to take such actions should be included within the delegation. The Board might then change the policy to reflect the expanded delegation.
b) It might decree that the issue or decision requires the Board's authority and thus would exercise this and, in so doing, accept all accountability for the consequences of the action taken. In other words, the limitation would stand.

The scope of the policies

In setting the limitations a Board should be conscious of the need to make every best attempt to address all foreseeable matters that it wishes to cover. By starting with a broad statement of limitation and then working down through to more detailed statements, a Board can, with some confidence, create a delegation that should stand the test of time and occasion. However, there may be some circumstances that will cause the accuracy of the policies to be tested.

The limitations, once adopted, should be sufficiently detailed and well-considered so that the Board can be confident that it can accept the General Manager's '*reasonable'* interpretation of the policy and subsequent action. In demonstrating that a 'reasonable interpretation' has been made, the onus is on the General Manager to show that he or she has not set out to 'defeat' the policy while making every reasonable effort to honour both the 'written word' and its intended 'spirit'.

Using the policies to determine General Manager freedom to act

Whereas in developing the policies the Board works from the 'general to the specific', the General Manager, in interpreting the policy works from the 'specific to the general'. Having first established that the action is consistent with the association's purpose or the outcomes it must achieve, the General Manager would check to see if the proposed action is 'within bounds'. To determine this, the General

Manager might first check to see if there is a specific prohibition. This is most likely to be found in the more detailed statements within the policy, e.g. the numbered detail. If there is nothing specific but the General Manager is still unsure, he/she might then move to the next level and check the head statement for each policy to see if this provides guidance. Some interpretation might be required. For example, the Financial Management policy statement might commence by stating that the General Manager must *"… ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten the association's financial integrity."* The General Manager might need to examine a proposed action to be sure that no such harm could occur. If still in doubt, the General Manager might go to the highest-level limitations statement (couched more generally still and embracing all the Limitations policies) and ask whether the proposed action, *"… is in breach of the law, is imprudent, contravenes any association specific or commonly held business or professional ethic or is in breach of generally accepted accounting principles."* The General Manager should now be able to make a *reasonable interpretation* of the Board's polices. He or she would either take the proposed action with confidence that it is within the delegation or refer it to the Board for a Board-level decision and subsequent action. If, however, there is still doubt, the General Manager would approach either the chairperson or the Board to seek guidance on an interpretation of the policy.

There is an important distinction to be made at this point. When the General Manager approaches the Board (or the chairperson) for this final exchange, he or she is not asking permission to act. Rather the approach should be to seek confirmation that the Board intended its General Manager to have the freedom to make the decision or take the action; in other words, to check the interpretation. This is a subtle but crucial distinction. At this point, the Board might declare that, in setting the policies, it did not anticipate such a circumstance. Given the opportunity, it would have included a further prohibition that was designed to make clear to the General Manager that this action was not within his/her prerogative. The Board would thus be obliged to change its policy accordingly. Alternatively, the Board might declare that it is perfectly comfortable that the General Manager should determine whether to act or not. The decision then lies with the General Manager as does accountability for the outcomes of the action or decision taken.

Spirit and intent

The challenge for both the Board and the General Manager lies in the determination and acceptance of the General Manager's '*reasonable'* interpretation. It is at this point that the 'trust' component of the Board-General Manager interrelationship is put to the test. The Board must 'trust' that the General Manager has made an honest interpretation of the policy/ies and has taken an action with genuine intent, full integrity, and professional competence. In turn, the General Manager must 'trust' that the Board, having defined a boundary and thus created certain freedoms, will honour its policies.

The policies are not designed to be used as a punitive tool by the Board nor should the General Manager regard them in a laissez-faire or careless manner. Ideally, no part of any policy should constrain a General Manager from taking actions or making decisions that are in the best interests of the company. The Board must accept that a General Manager cannot be held to account for that which they cannot

control; nor should there be accountability for that which, under normal circumstances, cannot be known. A General Manager, however, can and should be held to account for ensuring that there are adequate systems and processes in place to manage all that can or should be known and controlled.

Subject to regular review

As with all other Board statements, the General Manager Limitations policies should be subject to regular review. The key to an effective review is that the Board achieves a level of satisfaction with the General Manager's demonstration of compliance with the policies. Ideally, the General Manager Limitations policies are reported against and, at the same time, reviewed by the Board on a scheduled basis. Certain of them, for example, the budgeting policy, have a logical time for review, i.e., when the budget is presented. Others might be scheduled for review at a date determined by the Board.

Overarching General Manager Limitation

The General Manager must not take, allow or approve any action or circumstance in the name of Te Tira Ahu Pae that is in breach of the law, is imprudent, which contravenes any association specific or commonly held business or professional ethic or is in breach of generally accepted accounting principles.

Budgeting and Financial Planning

Budgeting and financial planning for any financial year or the remaining part of any financial year shall be designed to ensure the achievement of the Board-determined outcomes. In developing the operational financial plan and budget and without limiting the scope of the foregoing, the General Manager must not:

1. Fail to demonstrate (a) a credible projection of revenues and expenses, (b) separation of capital and operational items, (c) projection of cash flows, and (d) disclosure of planning assumptions.
2. Create financial risk beyond Board-determined parameters.
3. Plan expenditure in any financial year that would result in default under any of Te Tira Ahu Pae's financing agreements or cause insolvency.
4. Fail to include/accommodate medium to long-term financial plans/projections and long-term business direction.
5. Design a financial plan that anticipates the achievement of a 'bottom line', materially different from that determined by the Board, e.g. a predetermined surplus, acceptable deficit or balanced budget.
6. Fail to provide for the Board's developmental and other expenditure.

Financial Management

The General Manager is responsible for the day-to-day financial management of the association. In carrying out this duty he/she must ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten the association's financial integrity. Without limiting the scope of the foregoing, the General Manager must not:

1. Use any associational funds, or enter any contracts or accept other liabilities, other than for the furtherance of Board-approved purposes and priorities.
2. Expend more funds than have been received in the financial year unless offset by approved borrowings or approved withdrawals from reserves.
3. Allow undisputed invoices from suppliers of goods and services to remain unpaid beyond trade credit terms agreed with those suppliers.
4. Authorise expenditure beyond the level established by the Board.
5. Fail to meet all government-imposed compliance requirements or payments on time and to standard.
6. Acquire, encumber, or dispose of land or buildings.
7. Neglect to ensure that there are limitations on expenditure and adequate controls on the use of credit or other purchase cards by card holding staff.

Remuneration and Benefits

In managing the setting and review of salaries and benefits, the General Manager must not make decisions or promises that would in any way cause or threaten financial harm to the association. Without limiting the scope of the foregoing, the General Manager must not:

1. Change their remuneration.
2. Create obligations that cannot be met over the projected period of the individual's term of employment or over a period for which revenues can realistically be projected.
3. Cause unfunded liabilities to occur or in any way commit Te Tira Ahu Pae to benefits that incur unpredictable future costs.
4. Make promises or offer a guarantee of long-term employment under circumstances when such guarantees or promises cannot realistically be honoured.

Protection of Assets

The General Manager shall not fail to take all prudent and reasonable actions to ensure that Te Tira Ahu Pae's assets, physical and intellectual, are protected against all foreseeable damaging circumstances. Without limiting the scope of the foregoing, the General Manager must not:

1. Permit any unauthorised person to handle cash.
2. Process the receipt or disbursement of funds outside of controls acceptable to the duly appointed auditor.

3. Allow the assets to be insured for less than is considered necessary for prudent risk-management.
4. Fail to protect the association, its Board Members, or staff against claims of liability.
5. Make any purchase of goods or services without protection against conflict of interest.
6. Fail to protect intellectual property, information, and files from loss, improper use, improper purposes, or significant damage.
7. Fail to ensure that there are appropriate and effective security systems in place to adequately safeguard against loss, common damage or theft of staff, customer, and association property.
8. Fail to maintain a current assessment and evaluation of the risk factors that could conceivably disrupt Te Tira Ahu Pae's effective and efficient operation and ensure that there are plans and systems that, in the event of disruptive events, will allow continuity of business.

Communication & Support to the Board

The General Manager shall not permit the Board to remain uninformed about issues and concerns essential to the meeting of its duty of care, the carrying out its responsibilities and the meeting of its accountabilities to its owners and key stakeholders.

The General Manager must not:

1. Neglect to provide support and information in a timely, accurate and understandable fashion addressing the various issues to be monitored by the Board.
2. Neglect to provide financial reports that make clear:
   a) significant trends
   b) data relevant to agreed benchmarks and Board-agreed measures.
   c) further Board financial data as determined by the Board from time-to-time.
3. Fail to inform the Board of significant external environmental trends, adverse media publicity, achievement of, or progress towards the achievement of, the Board's Strategic Direction and annual plan or changes in the basic assumptions upon which the Board's policies are based.
4. Fail to inform Board Members when for any reason there is actual or anticipated non-compliance with a Board policy.
5. Neglect to inform the Board of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise in relation to matters affecting Te Tira Ahu Pae.
6. Fail to ensure that the Board is provided with the necessarily wide range of views and perspectives in support of effective decision-making.
7. Fail to bring to the Board's notice such occasions when it is in breach of its Board Processes policies particularly when this relates to the General Manager's ability to carry out their responsibilities.
8. Fail to deal with the Board as a whole except when responding to individual requests for information or requests from Board committees or working parties.

Emergency General Manager Succession (requires Board approval)

The Board recognises that one of its major risks is the loss of key personnel, particularly its General Manager. To this end the General Manager must not fail to ensure that there is in place an emergency management regime that can operate in the event of unexpected loss of his or her services. There must also be at least one person capable of responding to Board concerns and requirements at a level necessary for effective governance.

Employment Conditions

In exercising the delegation for the management of staff, the General Manager must not fail to ensure that there is provided a workplace environment conducive to sound workplace practices, consistent with workplace legislation and Te Tira Ahu Pae's core Association values.

The General Manager must not:

1. Fail to provide staff with clear guidelines as to their rights, entitlements, and workplace obligations.
2. Fail to provide staff with 'equitable', 'safe', 'dignified' and 'fair' working conditions as defined in relevant workplace legislation.
3. Deny to any employees their right to an approved and fair internal grievance process.
4. Refuse employee access to the Board to express a grievance when:
    a) The internal grievance process has been properly followed; and
    b) The grievance asserts that the General Manager has breached a Board policy to his or her detriment, and/or;
    c) The grievance asserts that the Board has not provided adequate protection of the staff member's human rights.
    d) There is verifiable evidence of this.
5. Access to the Board is via the Chairperson.
6. Fail to ensure that all staff members are acquainted with their rights under this policy.

Public Affairs

The General Manager shall not undertake, approve or in any way support any action that is directly or indirectly demeaning or derogatory or in any way damaging to Te Tira Ahu Pae.