

Board Governance Operational Policy

1 Introduction

- 1.1 This policy aims to set out the principles underlying the role of the Hauora Taiwhenua Rural Health Network (HTRHN) Board. HTRHN is a collective organisation to advocate for the health and wellbeing of rural New Zealanders. Our vision is to grow healthy and thriving rural communities.

2 Purpose of HTRHN Board

- 2.1 The purpose of the HTRHN Board is to provide leadership of HTRHN as an organisation as well as providing leadership of the rural health and wellbeing professions and promoting the health of rural New Zealanders.

3 Responsibilities of the Board

- 3.1 The Board will:

- Cultivate a sense of group responsibility with close attention to achieving a high level of governance excellence
- Govern the organisation through careful design and review of written policies that reflect the Board's values, focusing on the long-term effects of these
- Maintain a commitment to excellence in all matters coming before it
- Not allow any officer, individual or committee of the Board to hinder or be an excuse for not fulfilling Board commitments and responsibilities.

- 3.2 The Board will govern with an emphasis on:

- Outward vision rather than inward concern
- Encouragement of diversity of opinions and views, noting the Chair has a role to manage conflict within the Board
- Strategic leadership rather than administrative or operational detail (see table below for guidance)
- Collective rather than individual decisions
- Future rather than present focus
- A clear distinction between Board and CE roles
- Pro-activity rather than reactivity
- Modelling desired behaviours.

STRATEGIC vs. OPERATIONAL THINKING	
Strategic Thinking (Board) Longer term Conceptual Reflective learning Identification of key issues/opportunities Breaking new ground Effectiveness ‘Hands-off’ approach ‘Helicopter’ perspective	Operational Thinking (Executive) Immediate term Concrete Action/doing Resolution of existing performance problems Routine/on-going Efficiency ‘Hands-on’ approach ‘On-the-ground’ perspective

4 The Importance of the Values and Articles of Te Tiriti o Waitangi

- 4.1 HTRHN is committed to the values and articles of Te Tiriti o Waitangi. The enabling mechanism is a collegial, respectful and supportive working relationship with Te Rōpū Ārahi, formalised through a separate Kawenata signed by HTRHN and Te Rōpū Ārahi.

5 Board Functions in General

- 5.1 The general functions of the Board are:

- Protection of the organisation’s financial position
- Adopting and regularly reviewing the strategic plan, including goals and objectives and milestones of short and long-term success
- Adopting an Annual Business Plan and budget for financial performance and monitoring results against non-financial performance objectives and the budget
- Reviewing its own processes and effectiveness
- Adopting clearly defined delegations of authority from the Board to the CE and confirming delegations below the CE
- Ensuring the organisation has all the necessary internal reporting systems and controls along with the appropriate monitoring etc
- Ensuring that external communication with members, and other stakeholders, and internal communications within HTRHN are of the highest standard to maintain “brand” and team cohesiveness.

- 5.2 The Board will always recognise the trust placed in it by its members and demonstrate this:

- By behaving with the utmost integrity and professionalism in everything it does
- Through their attitude, expressed as appropriate behaviour towards the members (and the community at large)
- By gathering information from the members about their concerns, needs, demands and fears, and encouraging them, when appropriate, to engage with the organisation

- By remaining up to date in matters concerning the members' interests and communicating back to them as appropriate.
- 5.3 As HTRHN is an Incorporated Society it is bound by the Incorporated Societies Act which states that officers' duties are owed to the society (the organisational entity), not the members of the society.
- 5.4 The Board's role is to provide strategic and professional direction to the CE on how HTRHN can best fulfil its purpose.

6 The Governance/Management Interface

- 6.1 The Board is responsible for employing the CE.
- 6.2 In respect of the Board's policy and advocacy role, the Board needs to keep abreast of changes in government policy and the health sector environment as these may require HTRHN to change its position. Likewise, Board members need to continue to remain "in touch" with the views of members.

7 Management

- 7.1 HTRHN staff are appointed by, and accountable to, the CE. They are responsible for the day-to-day operational activities of the organisation. They work within HTRHN's strategic direction and within the parameters delegated by the Board. Through the CE they must provide suitable reporting to enable the Board to effectively monitor their performance.
- 7.2 Both the Board and management have a responsibility to observe the boundaries between governance and management and manage their own responsibilities. Important principles that should be upheld are as follows:
- The Board, and particularly the Chair, has the primary responsibility to ensure operational lines are not breached. They must ensure the Board is not involved in operational matters except in respect of policy development and advocacy.
 - The Board and the Chair should resolve any issues involving staff through the CE.
 - The relationship between the CE and Chair is a key relationship. Focusing on the role that a CE plays, the Chair must also consider the skills and experience of the individual occupying that role.
 - Staff (other than the CE) may be permitted to attend Board meetings at the absolute discretion of the Board.

8 The Strategic Role

8.1 Strategic Governance

8.1.1 A fundamental role of any Board is that of strategic governance, namely:

- to set the strategic direction of the organisation
- to help guide the organisation's path through an uncertain future
- to ensure the organisation achieves what it should.

8.1.2 These requirements are continuous and ongoing. Strategy should not just be confined to an occasional strategic retreat or an impromptu discussion.

8.2 Risk Awareness

8.2.1 Before formulating or confirming the strategic direction, the Board should have an effective system in place to help it identify potential barriers to success. The Finance and Risk Committee (FAR) should regularly review the main strategic and operational risks facing the organisation, and report back to the Board.

8.2.2 There should be clear policies in place that define the boundaries within which the CE and management operate, and the Board should also be satisfied that there are contingency plans in place to deal with risks that cannot be controlled or mitigated.

8.3 Strategic Direction

8.3.1 The Board, with input from Council, is responsible for determining HTRHN's strategic direction. This direction should be reviewed every year with a major review every three years.

9 The Role of a Board Member

9.1 In terms of their general responsibilities, Board members should do the following:

- Recognise and always act consistently with their responsibilities to the organisation
- Think conceptually and see the 'big picture'. They should focus as much as possible on the strategic goals and overall progress in achieving those rather than on operational detail
- Demonstrate the highest ethical standards and integrity in their personal and professional dealings. They should also challenge unethical behaviour by other Board members
- Have the intellectual capacity to understand the issues put before them and make sound decisions on HTRHN's plans, priorities and performance
- Demonstrate cultural competency and a commitment to Te Tiriti o Waitangi, recognising the organisation's role in health advocacy and its relationship

with Te Rōpū Ārahi. Board members should actively seek to understand and support Māori perspectives and equity in health outcomes.

- Bring to the Board objectivity and independent judgement based on sound thought and knowledge
- Be prepared to ask the tough questions and be willing to risk rapport with fellow Board members to take a reasoned, independent position
- Engage constructively with fellow Board members, management and staff, in a way that respects and gives a fair hearing to their opinions. To foster teamwork and engender trust, members should be willing to reconsider or change their positions after hearing the reasoned viewpoints of others
- Be willing to act on and remain collectively accountable for all decisions even if individual members disagree with them. Board members must be committed to speaking with one voice once decisions are taken
- Be fully prepared, punctual and regularly attend for the full extent of Board meetings. Members are expected to enhance the quality of deliberations by actively asking questions and offering comments that add value to the discussion
- Be informed and knowledgeable about HTRHN's business and the matters before the Board. They should have read the Board papers before meetings and keep themselves informed about the issues affecting rural health
- Be financially literate. They should not rely on other members who have financial qualifications but should undertake their own training to improve their own financial skills where necessary.

10 The Role of the Chair

- 10.1 On any Board, it is the role of the chair to ensure that the Board is exercising sound governance and has appropriate policies and structures in place.
- 10.2 At HTRHN, the Chair is the principal spokesperson for the organisation. The Chair can be expected to field media enquiries and will often lead advocacy activities, usually in conjunction with the CE.
- 10.3 The Chair is not the “boss” in the traditional sense but, rather, is a “first among equals”. A good chair has a focus on welding a Board and the CE into an effective leadership team. A culture of trust and openness is vital, especially between the Chair and the CE.
- 10.4 As part of the role of the Chair there is a need to meet regularly with the CE, to review the organisation's general direction against strategic objectives.

11 The Role of the Finance, Audit and Risk (FAR) Committee and Chair

- 11.1 The Finance, Audit and Risk Committee (FAR) and the Chair of FAR have the responsibility of ensuring HTRHN is financially sound and operates appropriate, effective financial systems, including those which govern the organisation's investments.

- 11.2 The FAR Chair chairs FAR meetings and reports to the Board at each meeting on the activities and recommendations of FAR, as well as providing an annual report which summarises any significant results and findings.
- 11.3 The FAR Committee maintains a register of all major risks identified that could impact on HTRHN. A risk mitigation strategy must be in place and maintained for any significant risks so that the resultant risk is acceptable.
- 11.4 The FAR Committee will oversee the Health and Safety plans and outcomes for HTRHN reporting on any serious incidents or hazards at each Board meeting.

12 Key Elements in a Successful Board/CE Relationship:

- 12.1 Governance commentators regularly observe that “the most important thing that any Board does is to appoint a CE”. The nature of the relationship between a Board and its CE is a key to the success of the entity.
- 12.2 Other important elements are:
- Having clarity from the Board and the CE in respect to their respective roles with both understanding the need to support the other, the differences between governance and management, the Board’s role in respect of policy and advocacy, and their mutual expectations
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 - Ensuring there are appropriate and robust reporting and information systems in place, so that the CE knows what the Board requires and that the Board has confidence in what is being reported
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 - Ensuring there is a fair and ethical process for CE performance evaluation
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 - Having a good and clear working relationship between the Chair of the Board and the CE
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 - Ensuring the CE helps the Board to understand the issues faced by HTRHN.

13 Annual Review of CE’s Performance

- 13.1 An annual review of the CE’s performance is undertaken by the Chair.

14 Health and Safety Obligations

- 14.1 Under the Health and Safety at Work Act (2015), Board members have a duty to exercise due diligence to ensure that the organisation complies with the obligations of the Act.
- 14.2 A separate Health and Safety Policy and Board Health and Safety Charter sets out these obligations.

15 The Board's Monitoring Role

15.1 The monitoring and evaluation of HTRHN activity by the Board is a vital role in respect of the Board's stewardship. The monitoring and evaluating should be against pre-established criteria and should tie in with HTRHN's strategic plan.

16 Review of Monitoring Priorities

16.1 The Board's strategic plans, operating environment and personnel will change from time to time. It is useful to have a regular review of the key priorities for reporting and monitoring.

17 Financial Monitoring and Reporting

17.1 A very important part of the Board's monitoring role is in respect of HTRHN's financial management. While management has the day-to-day financial responsibilities, and FAR assists the Board in carrying out its duties in financial monitoring and reporting, the Board retains its governance role over this and has overall responsibility.

18 Other Factors to Be Aware Of

18.1 There are several key factors the Board should be aware of. These are briefly summarised below.

18.1.1 Annual Capital and Operating Budgets

- The Board approves these documents, based on FAR's recommendations, which detail the ways HTRHN will achieve the requirements it has set.

18.1.2 Monthly Reporting

- Management will provide monthly reporting to the Chair of FAR who will report to the Board at each Board meeting. It will also provide a record of how HTRHN is meeting its financial objectives. The reports will include the period end Income and Expenditure (financial performance) and the Balance Sheet (financial position).

18.1.3 Approval of Internal Policies

- The Board will approve Governance related policies. All other operational policies will be delegated to the CE for approval.

18.1.4 Annual Financial Report

- The financial report is signed off by the Chair and the Auditor.

19 Board Composition and Appointments

- 19.1 The Board will be a skills-based Board. It is not intended to be representative of any, or all, of its Chapters.
- 19.2 When seeking nominations for the Board, the Board will provide the Council with the skills matrix of any current Board members. When voting for Board members, Council should take into account the skills mix that any new members could add to the Board.
- 19.3 The Board will consist of:
- a Chair elected by the Council
 - four persons elected by the Council
 - two persons appointed by Te Rōpū Ārahi.
- 19.4 The term of all Board members is two years with a maximum of three consecutive terms.
- 19.5 The Board has the ability to co-opt the outgoing Chair, or any other Board member, for a defined period following the Annual General Meeting to support the transition.
- 19.6 The Board will elect FAR representatives including the Chair.

20 Succession Planning

- 20.1 Succession planning is important to all organisations but particularly to HTRHN where much of the knowledge of the organisation is retained by the CE and/or the Chair of the organisation.
- 20.2 The Board should consider who might be a natural stand-in for key positions such as Chair, FAR Chair and CE and ensure the individuals have experience as understudies to the roles.
- 20.3 The value of succession planning needs to be acknowledged and accepted to ensure continuous coverage of Board duties and the retention of knowledge on the Board. It would be useful for such plans to cover not only Board members – and in particular the Chair – but also the CE.
- 20.4 To support effective leadership transitions, the Board may co-opt the outgoing Chair or any other departing Board member for a defined period following the Annual General Meeting. This arrangement enables continuity, facilitates knowledge transfer, and provides support to incoming Board members as they settle into their roles. The duration and scope of this transitional support should be clearly defined and agreed upon by the Board, ensuring it aligns with governance best practice and the organisation's strategic needs.

21 Board Meetings

21.1 A Board meeting is the most tangible evidence of the Board's role and should be stimulating, challenging and satisfying to the participants. Meetings should concentrate on:

- desired strategic achievements and understanding of the environment and issues impacting on HTRHN's ability to achieve its goals
- the risk factors that impede or disrupt HTRHN from achieving the desired results.

21.2 Board meetings should focus on policy, advocacy and governance issues rather than operational minutiae. Members should also ensure that they are well prepared for meetings. Often, it is the preparation and other work undertaken outside of a formal meeting that ensures a productive meeting.

22 Meetings and the Role of the Chair

22.1 In Board meetings a Chair's role is very important. A good chair will be involved in the planning and agenda for each meeting. The Chair will ensure that there is a strong governance and advocacy focus in all Board activities. The Chair should also:

- ensure that discussions are on topic and within discussion time
- elicit information and watch for lost attention
- model supportive behaviour
- manage any conflict
- summarise accomplishments.

23 Meetings with or Without the Chief Executive

23.1 As the person responsible for the operation and management of HTRHN, the CE is expected to attend all Board meetings except for those times when the Board wishes to meet without the attendance of CE and staff (Board only time).

24 Meeting Protocols

24.1 The following protocols shall apply whenever a meeting is held:

- The Chair shall call the meeting to order and establish if there is a quorum and call for apologies and conflicts of interest.
- The Chair shall call for items of general business before proceeding through the agenda. The Chair has absolute discretion to choose to revise the order of agenda items.
- All discussion at the meeting shall be directed through the Chair.
- At the meeting Board members shall always maintain courtesy and professionalism.

- The Chair shall endeavour to run the meeting to time. They have the right to bring the discussion to a close early should it be necessary. The matter may be held over for the next meeting if considered necessary.
- Where a formal decision by the Board is required, a motion shall be put. A seconder shall then be called for. Once this has occurred the Chair shall open the issue for discussion. Following that a vote shall be called. The motion is passed if a majority of Board members, present at a meeting that has a quorum, vote in its favour.
- If a member believes that the rules of HTRHN or these protocols are not being followed correctly they may call for a “point of order”. The Chair shall listen to the point, determine whether there is a valid case and rule accordingly. The Chair’s ruling should only be challenged in extreme circumstances.

25 Minutes

- 25.1 Management shall arrange for minutes to be taken. These minutes shall not be verbatim but shall aim to provide a summary of key discussion points and decisions.
- 25.2 The draft minutes of the meeting shall be endeavoured to be circulated within one week of the meeting.

26 Council and Chapters

- 26.1 There are currently nine chapters within HTRHN. They are as follows:
- Rural General Practice / Te Whare Taumata o Ngā Tākutatanga Taiwhenua
 - Rural Hospitals / Te Whare Taumata o Ngā Hōhipere Taiwhenua
 - Rural Nurses NZ / Te Whare Taumata o Ngā Nēhi Taiwhenua o Aotearoa
 - Students of Rural Health Aotearoa / Te Whare Taumata o Ngā Tauria Taiwhenua o Aotearoa
 - Rural Communities Aotearoa / Te Whare Taumata o Ngā Hapori Taiwhenua o Aotearoa
 - Rural Midwifery and Maternity / Te Whare Taumata o Ngā Kaiwhakawhānau me te Whare Kōhanga Taiwhenua
 - Rural Scientific, Technical and Allied Health / Te Whare Taumata o te Mātauranga Pūtaiao Hangarua
 - Te Whare Taumata o Whānau Whānui
 - Rural Health Research and Education / Te Whare Taumata o te Mātauranga Taiwhenua.
- 26.2 The Chapter Representatives are elected (two per Chapter) and appointed by each Chapter to form the Council.

27 Conflicts of Interest

- 27.1 Potential or actual conflicts of interest are an important issue for any Board. To protect the integrity of HTRHN Board members and its staff, conflicts of interest need to be properly disclosed and managed.

27.2 The Board will maintain a Register of Interests in which Board members may record relevant interests and potential conflicts (refer HTRHN Conflicts of Interests Policy).

27.3 The Board and Board members need to:

- Identify conflicts of interest (primarily the responsibility of the individual member)
- Disclose and record conflicts of interest in the Conflicts of Interests Register as well as verbally at any Board meeting
- Manage the conflict of interest – decide what action (if any) is necessary to best avoid or mitigate any effects of the conflict of interest (primarily the responsibility of the Board). See Conflicts of Interest policy.

28 Duty of Confidentiality

28.1 Matters concerning HTRHN finance, membership data and information relating to individuals, or any other confidential matters determined by the Board, are strictly private and should not be discussed with anyone other than Board members or the relevant HTRHN staff member.

29 Communication with Members and the CE

29.1 The Board's Relationship with Members

29.1.1 The Board will use its best endeavours to familiarise itself with issues of concern to Members.

29.1.2 Where a member raises a material issue with a Board member, the Board member will immediately refer that matter to the CE for consideration, copying in the Chair. Unless the matter is plainly not likely to involve the Board in contention, the Board member will not express an opinion until the CE has had the opportunity to brief the Board member and/or the Board on the matter.

29.1.3 Board members will not express personal opinions on matters which are, or are likely to be, the subject of a Board decision.

29.2 The Board's Relationship with the CE and Staff

29.2.1 The position of CE links the organisation's governance with the organisation's management. All Board authority is delegated through the CE.

29.2.2 The direct relationship between the Board and the CE is via the Chair who will be the conduit for communication, supervise the performance review and ensure that performance is to the satisfaction of the Chair.

29.2.3 Together, the Board and the CE must ensure that appropriate reporting systems are in place and maintained to provide adequate and timely

information to the Board. The CE must obtain Board approval to the terms of financial and signatory delegation immediately below the CE.

- 29.2.4 Between Board meetings, the Chair will continue the link between the Board and the CE. The CE will keep the Chair informed on all material matters. The CE will be available to the Board to provide advice where appropriate as directed through the Chair.
- 29.2.5 All communications between Board members and HTRHN staff, will be via the CE, apart from minor administrative matters.
- 29.2.6 All communications between Board members and the CE will be directed through the Chairperson, apart from minor matters.
- 29.2.7 The Board should follow the media protocols policy that sets out how the Board and Board members will manage communication with stakeholders, the community and the media. See HTRHN Media Protocols Policy.

30 Board Performance Evaluation

- 30.1 Board performance evaluations are now very common and are often enthusiastically welcomed by Board members, who see them as an excellent way of taking stock of their Board's governance.
- 30.2 It is considered good governance practice for a Board to undertake such evaluation and, therefore, it should occur on a regular basis.
- 30.3 In relation to the HTRHN Board, the Board shall review its own performance annually, having regard to the Board's strategic objectives and annual plan.

31 Liability and Protection from Legal Claims or Proceedings

31.1 Board's Discretion

- 31.1.1 The Board may indemnify members, employees, office holders and committee members at their discretion. The prerequisites for exercise of the Board's discretion are that the person involved has acted in good faith, with reasonable care and in the performance or intended performance of HTRHN's functions.

31.2 Insurance

- 31.2.1 Board members are covered by director's liability insurance which covers their activities undertaken while acting as a Board member. It does not however cover conduct that is in bad faith, executed without reasonable care, or is not in the performance or intended performance of HTRHN's functions.
- 31.2.2 An important provision of most insurance policies is early notification to the insurer of any claim or potential claim i.e. at the earliest

opportunity which is usually as soon as it comes to the notice of the member and/or the Board. Failure to notify in a timely fashion may result in exclusion from cover.

32 Induction

- 32.1 A letter of Congratulations will be sent to new Board members following the election results.
- 32.2 Prior to their first Board meeting new Board members will meet with the CE to understand the workings, structure and function of HTRHN (no assumptions to be made regarding prior knowledge).
- 32.3 Prior to their first Board meeting new Board members will meet with the Chair and their responsibilities as Board members will be explained and understood, and their letter of commitment signed.
- 32.4 New Board members will take questions of governance to the Chair, and questions regarding operational matters to the CE.
- 32.5 New Board members are expected to familiarise themselves with the financials of HTRHN as a matter of due diligence.

33 Board Governance Policies

- 33.1 It is important that the Board has a regularly reviewed set of policies that provide a framework for its governance role.
- 33.2 In addition, HTRHN has the following policies or documents that are of relevance, which new Board members should read and understand:
 - HTRHN Constitution and Chapter Charters (x 9)
 - Conflicts of Interest Policy
 - Confidentiality and Intellectual Property Policy
 - Credit Card Policy
 - Delegations of Authority
 - FAR - Terms of Reference
 - Fraud and Corruption Policy
 - Media Protocols Policy
 - Privacy Policy
 - Protected Disclosures (Whistleblowing Policy)
 - Receiving of Gifts, Benefits and Hospitality Policy
 - Register of Interests
 - Reserves Policy
 - Suspected Fraud and Corruption Reporting and Investigation Policy
 - Travel Policy

34 Board Compensation and Allowances

- 34.1 The Chair, Board Members, Subcommittee Chairs and Kaumātua are each paid an annual fee for their services. This fee is set by the Council and is reviewable from time to time. No person is able to claim more than one fee at any one time.
- 34.2 The current fee schedule is as follows:
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|--------------------------|----------|
| • Chair | \$52,500 |
| • FAR Subcommittee Chair | \$14,525 |
| • Board Member | \$12,000 |
| • Kaumātua | \$2,500 |
- 34.3 These fees are for providing services (described earlier in this document) to HTRHN for an annual period. If a person resigns their position within any year, they will only receive payment for the pro-rata period served.
- 34.4 The fees cover meeting all requirements of being a Board member including, but not limited to:
- Preparing for meetings
 - Travelling to meetings
 - Attendance at meetings
 - Attendance at other meetings to represent HTRHN
 - Any other reasonable duties requested to meet the needs of HTRHN
- 34.5 HTRHN will also pay travel and accommodation costs, as per the approved Travel Policy, for Board meetings and other meetings agreed in advance by the Chair. Travel should be arranged to minimise overnight accommodation expenses. For readily available destinations, travel to/from the meeting can often be achieved in one day. For other destinations it would be expected that travel could be managed within one night's accommodation.
- 34.6 HTRHN will pay the Conference Registration Fee, including the conference dinner, for attendance at the annual National Rural Health Conference run by HT, along with travel and one night's accommodation. For those on limited incomes, there is provision to cover the cost of a second night's accommodation. (This also applies to Te Rōpū Ārahi). This is in recognition that a Board meeting will be run in conjunction with the Conference.
- 34.7 HTRHN will allocate an annual budget for Board Training. This budget needs to be distributed equitably across members by the Chair, over a number of years. The budget allocated recognises the limited ability/funding of a small charitable organisation. Board members should notify the Chair of any proposed training required early in the financial year so that this can be prioritised for funding alongside other requests and the need for Board-as-a-whole training.
- 34.8 Board members are able to claim up to \$500 per year for attendance at one other rural national health conference (or similar), if they have no alternative source of funding (e.g. an employer). This can be for conference fee, travel and/or accommodation and claims must be accompanied by receipts.

- 34.9 Attendance at International Conferences will be considered on their merits on application. These are expensive undertakings and there would need to be a clear benefit documented for HTRHN to be able to financially support such applications.