



NZNO Governance Review recommendations

Kia ora Grant,

As you may know, an NZNO Governance (Board performance) review was completed late in 2020. Such reviews are an annual requirement for the Board (Constitution Section 10.8), and they are common across organisations. The Board agrees the evaluation process each year, but reviews are always conducted by an independent person or organisation.

In 2020 the Board decided to conduct an extensive external and independent Governance review. There were three reasons for this. Firstly, as stated, they are a constitutional requirement. Secondly, 2020 was a difficult and somewhat tumultuous year. Thirdly, an independent review of the NZNO Constitution was pending (and has now begun), and a review of how the Board functions was seen as essential preparation for that.

The Board has considered the Governance review report, received in November 2020, and has decided not to release it in full to members for reasons of professional sensitivity and confidentiality. This is also normal Board practice across organisations. However, the report made 33 recommendations and our decision has been to share these with interested members.

The recommendations indicate that the Board has some work to do but, excitingly, changes are happening. Some of the recommendations have already been acted on, such as the joining of the full Board to the Institute of Directors. Professional training in governance will be conducted for the full Board and NZNO management will also participate in this as a way to build team cohesion. Some of the recommendations, if followed, will require changes to the Constitution.

The review report has been approved by the Board and will be provided to the Constitutional review team. Meanwhile the Board will continue consideration of how best to implement the report's recommendations.

The terms of reference for the review and the list of recommendations are included below.

Andrew Cunningham

Governance Chair,
NZNO Board of Directors

Terms of reference

The reviewer will:

1. Enquire into Board performance in its governance role and activities in the past twenty-four (24)

months within the context of best practice governance standards, practices and conduct;

2. Enquire into the issues which may have arisen since the last governance review, and to establish why and how these issues have arisen and if appropriate make recommendations about how the processes could be improved;

3. Provide recommendations on Board/governance processes, and how these could be improved;

4. Make any additional comments and/or recommendations that are appropriate and relevant to the review

List of recommendations

Board Impact

1. Continue with annual evaluations of Board performance as per clause 10.8 of the Constitution.

Ethics

2. Review the Board Conflicts of Interests Policy and the Code of Conduct, including clarifying the consequences of breaching the code.

3. Improve the capability of the Chair with respect to Board ethics.

Determining Purpose

4. Dedicate more time and emphasis to the strategic plan.

5. Improve capability of the Chair with respect to determining organisation purpose.

An Effective Governance Culture

6. The Board set and role-model the expected organisational culture.

7. Dedicate more time and emphasis to setting and implementing organisational culture.

8. Improve capability of the Chair with respect to effective governance culture.

Holding To Account

9. The Board develops and assesses specific, measurable outcomes for the organisation and any direct reports (e.g. President, Kaiwhakahaere and Chief Executive Officer) no less frequently than annually.

10. The Board engages Directors with specialist Human Resources skills or independent, expert advisors (not internal NZNO Human Resources staff) to ensure a robust performance assessment process for any direct reports.

Effective Compliance

11. The Board improves its financial literacy.

12. The Board establishes a Board-level protected disclosures (whistleblower) policy.

Capability and Capacity

13. NZNO negotiates within the MECA for compulsory special leave for Directors to attend Board meetings.

14. A Board skills assessment is conducted annually with skills gaps highlighted to prospective Directors through the recruitment process.

15. Board applicants complete a standardised application form which at least a) outlines the NZNO governance role, the time requirement and skill gaps on the current Board, b) requires confirmation that they have read and understand the Growing Nurses Into Governance toolkit and c) requires them to stipulate their governance experience and prior professional governance training.

16. A more robust induction programme is implemented.

17. All Directors become members of the NZ Institute of Directors (or other relevant professional governance body as agreed with the Chair) when starting on the Board as part of their annual training budget.

18. To remain eligible for a second term on the Board, Directors must complete the NZ Institute of Directors 'essentials' courses (or similar, relevant governance courses) in their first three-year term unless the Chair recognises their prior learning or extenuating circumstances.*

19. Ongoing governance training be encouraged for all Directors and continue to be supported by the governance training budget.

Meetings, Communications and Teamwork

20. Reduce meetings to one day by a) clarifying the Board's key decisions, b) aligning the agenda more closely to strategy, c) improving trust between Directors and d) improving Chair capability.

Bi-Culturalism

21. The Board and Te Poari agree measurable bi-cultural outcomes as part of the organisation's strategic and annual plans, provide appropriate resources and ensure the organisation delivers the outcomes.

22. The Board, the Kaiwhakahaere, Te Poari and CEO work in a closer partnership to achieve agreed bi-cultural outcomes.

23. The Board conduct a strategic wānanga to clarify how the bi-cultural model enhances the purpose and vision of NZNO.

24. The Board review the Memorandum of Understanding (2000) between Te Rūnanga and NZNO to determine if it could still serve a purpose for the current organisation and, if so, update the Memorandum of Understanding as appropriate.

Board Relationship With Management

25. The Board prioritises discussions with the CEO concerning tenure and/or succession planning.

Board Composition

26. The Board be reduced from eleven to nine Directors. * 2

27. The Chair becomes an appointed position, advertised to members and non-members and carry a three-year term with the option to re-apply for a maximum of two further terms. Identification as being Māori or having a strong grasp of Māori perspectives and issues would be highly desirable.*

28. The President and the Kaiwhakahaere elected positions remain in place but be reduced to 0.5FTE paid positions (noting that the two roles serve somewhat different purposes). Any potential further increase in time be paid independently through operational budgets.

29. The Tumu Whakarae and Vice Chair roles remain in place to support the Kaiwhakahaere and the President.

30. Three positions elected from the membership remain in place.*

31. Two appointed Director positions be created to bridge skill gaps on the Board, be advertised to members and non-members and carry a three-year term with the option to re-apply for a maximum of two further terms. Identification as being Māori or having a strong grasp of Māori perspectives and issues would be highly desirable.*

32. An Appointments Panel be created for the three appointed positions. * 3

33. An annual honorarium pool of funds of \$100,000 (in addition to governance training funds) be created and be divided by the Board as they see fit. These funds are created via the cost savings arising from the recommendations in this report.*

*** Requires constitutional change to be effected.**

1= Governance Essentials, Not-for-Profit Governance Essentials, Finance Essentials and Strategy Essentials

2= The nine-member Board begins from the 2022 AGM. Two outgoing Directors would not be replaced or, if there are more or less than two outgoing Directors, the decision be made by a draw of straws.

3= The panel comprises the current/outgoing Chair, a member representative (not a Director of the current Board) and an independent each who have five or more years' professional governance experience. At least one panellist should identify as being Māori.

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