



## BOARD PRACTICE

### About the Organisation

The name of the organisation is Heart Kids New Zealand Incorporated (Heart Kids NZ or HKNZ). The organisation is an incorporated society (incorporated on 23 July 1984, number 256938) (NZBN: 9429042696902).

The organisation was registered as a charity with Charities Services on 22 November 2007 (registration number CC20102). The organisation is subject to the laws of New Zealand and specifically the [Incorporated Societies Act 1908](#) and Charities Act 2005.

The organisation is governed by Rules (Constitution) that were approved by a vote of members on 16 February 2013. The Rules are available to view via Charities Services (managed by the New Zealand Companies Office).

The balance date of the organisation is 30 November.  
See the organisation's [website](#) for the latest strategy and activities.

### Organisation Purpose

The purpose of the organisation is described in the HKNZ Rules. For completeness, they are described here:

*Heart Kids NZ seeks to provide lifelong support to all those affected by congenital heart defects. Heart Kids NZ understands that Heart Children may need help and support not only during their early years, but throughout their lives.*

*The purposes of Heart Kids NZ are:*

- a) To support Heart Children and their Whānau.*
- b) To give practical and financial support to Heart Children and their Parents.*
- c) To educate Heart Children and their Whānau about CHD and the support available to them.*
- d) To educate the public about the needs of Heart Children and their Whānau.*
- e) To fund equipment for Heart Children.*
- f) To provide representational advocacy for Heart Children and their Whānau; and*
- g) To carry on any other charitable purpose which may seem to Heart Kids capable of being conveniently carried on by Heart Kids.*

*The organisation's purposes are exclusively charitable, except insofar as it may undertake, in order to achieve its charitable purposes, activities that are ancillary to its charitable purposes.*

### **General Governance Structure:**

The organisation is governed by a Board. The current Board Members of HKNZ are listed on the [website](#). The HKNZ Board comprises of:

- Up to six Category 1 Members representing their region elected at the AGM (or if a midterm vacancy arises the Board may appoint a Category 1 Member from that region), and
- Up to four other co-opted persons, possessing skills of value to HKNZ additional to those of the elected members.

### **Role of the Chairperson and Vice-Chairperson**

Each year the Board elects a Chairperson and Vice-Chairperson. The Chair's role includes:

- chairing meetings of the Board
- managing the Chief Executive Officer (CEO) relationship, including:
  - liaising with the CEO on operational matters and escalating any issues to the Board as needed
  - assisting the CEO with external stakeholder relations and engagement
- providing an interface between the Board and Management
- attending meetings to provide updates and receive member feedback and perspectives regarding the organisation's initiatives.
- prepares the agenda with the support of management, who will distribute meeting papers electronically prior to a meeting.
- Liaising with the Board Secretary, who reports directly to the Board, prepares the minutes of Board meetings. Draft minutes are submitted to the Chair for approval and then distributed to Board members.
- Being the public spokesperson or delegating to CEO or another spokesperson on specific issues.
- Continually monitoring and reviewing the CEO's performance to ensure performance is in line with expectations and undertaking a formal review at least annually.

The Vice Chairperson will deputise for the Chairperson in their absence or at their request.

The role of Chairperson commands no greater level of proficiency than any other Board Member. It is accurate however to suggest that the role of chair commands some different skills especially in strategic and governance leadership.

### **Liability Insurance**

HKNZ provides all its Board Members with, and pays the premiums for, Professional Indemnity, Statutory and Employers Liability insurance cover while acting in their capacities as Board Members.

### **Role of the Board**

The Board as a whole is responsible for the success of the organisation. All Board Members generally have the same legal responsibilities.

The Board supervises the affairs of the organisation, including all policy and operational matters.

The Board holds legal responsibility for the organisation, including under Incorporated Societies and Charities legislation and other relevant legislation (for example the Health and Safety at Work Act 2015).

The Board's role includes:

- setting the strategic direction of the organisation in alignment with its purposes.
- monitoring the day-to-day affairs of the organisation.
- overseeing the organisations performance to ensure its strategic objectives are met.
- ensuring the organisation is a sustainable and viable entity.
- engaging with management, including supporting Branches and members.
- engaging with management in relation to its strategic planning for members.
- approving the annual financial plan and budget, the preparation of accounts and the annual report.
- making every reasonable effort to ensure that the organisation does not raise community, supplier or stakeholder expectations that cannot be fulfilled.
- ensuring appropriate risk management and compliance frameworks are established and maintained.
- ensuring the organisation maintains high standards of ethical and organisational behaviour.
- monitoring the culture and wellbeing of the organisation's people.
- promoting organisational values and expected behaviours.
- engaging with relevant stakeholders.
- appointing, and managing the performance of the CEO.
- overseeing succession planning for the CEO and senior management; and
- holding management to account.

In practice, day to day leadership and management of the organisation is delegated to the CEO and, through that person, to staff. The Board will review and approve delegations of authority from time to time.

The Board has the power to conduct or authorise investigations into or consult independent experts on any matters within the Board's scope of responsibility. Board members may, with the prior approval of the Chair, seek independent professional advice where they consider it necessary to carry out their duties. The reasonable cost of doing so will be borne by the organisation.

### **Composition**

The Board acknowledges and confirms the members' rights to appoint the Board Members in accordance with the Constitution. In doing so it is understood that such appointees will come to HKNZ with a background of what it is like to live with a child with a congenital heart condition/live with own heart condition and other skills / abilities.

Whilst recognising the individual skills, strengths, and weaknesses of those appointed as Board Members, HKNZ and the Board as a whole, have a desire that there is a wide range of capabilities, competency, diversity, and skills around the Board table to meet the organisation's needs. Diversity can be achieved by several means and covers many elements – the Board seeks to achieve a diversity of thought, experience,

and an appropriate skill base / capabilities around the board table in the context of those that the members elect to the Board.

As such the Board has not set prescriptive rules for matters such as gender, ethnicity or other diversities but is working with the general principle - that to optimise the Board capabilities, gaps will be filled through the appointment of Board Members.

The essential and desired core capabilities for Board Members are detailed in the HKNZ Board Member Position Description.

### **Induction and training**

The Chair will ensure that new Board Members are appropriately inducted onto the Board including receiving a copy of the Rules, Charters and relevant Board papers, minutes, policies, and briefings from senior management. The Board will ensure there is ongoing training and development for all Board Members to enable them to perform their role to high standards of governance practice.

### **Meetings**

The Board shall hold such meetings as it considers necessary for the performance of its functions.

Meetings may be attended in person or by telephone or videoconference. Ideally the Board makes decisions by consensus.

The Board will meet approximately 5 times a year and will hold additional meetings as the occasion requires. The duration of each meeting is approximately half a day. Time should also be allowed for committee meetings, preparatory work, and travel. Board Members are expected to have carefully reviewed all board papers and related material sent to them for meetings. The Board will conduct its meetings in such a way as to ensure fair and full participation of all Board Members. The Chair may allow management speaking rights.

### **Remuneration and Reimbursement**

The role of Board Member is unpaid. However, the organisation will reimburse the reasonable, approved expenses of Board Members in attending Board meetings or any committee(s) thereof (such as taxis, flights, and accommodation). The Chair approves expense claims by Board Members and the CEO.

### **Board Committees**

The Board has the following standing committees. Other standing committees or part-time committees (taskforces) will be formed when it is necessary to facilitate efficient decision making.

#### Finance Risk and Audit Committee (FRAC)

Consists of at least three Board Members. It assists the Board to fulfil its responsibilities in relation to oversight and strategic guidance about financial performance and reporting, internal controls, risk management systems, related party transactions, external audit function, and compliance with applicable laws and regulations.

### Human Resources Committee (HR)

Consists of at least three Board Members. It assists the Board in overseeing people policies and strategies including remuneration frameworks and CEO performance and remuneration. The committee also assists the Board in fulfilling its responsibilities relative to health and safety matters.

### Marketing Fundraising and Public Relations Committee (MFPRC)

Consists of at least two Board Members. It assists the management leaning on the expertise and knowledge of specific Board Members.

### **Board/Management relationship**

The Board links the organisation's governance and management functions, through the CEO. Board authority is conferred on management by delegation through the CEO. The Board will agree an annual performance plan with the CEO under which they are authorised to make decisions, within their delegation, directed at achieving the organisation's strategic goals.

Between Board meetings, the Chair is expected to maintain informal contact with the CEO, to be kept informed by the CEO on all important matters, and to be available to the CEO to provide counsel and advice where appropriate. Only decisions of the Board acting as a body are binding on the CEO.

### **Evaluation of Performance**

The Board is expected to undertake an annual evaluation of its performance (including the Chair and individual Board Members), and the Chair will report back to the Board on this. Board Committees will also be evaluated from time to time. The IoD NZ Director Competency Framework for Board competency will be used when measuring performance.

Read in conjunction with this document:

- HKNZ Board Member Code of Conduct