

Board Charter New Zealand Red Cross National Board

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Definitions

Area Councils	Councils made up of elected Members for the purpose of coordinating activities in a designated area
Board	The National Board which is the governing body of NZRC, made up of both elected and co-opted Members
Board Charter	Guidelines for NZRC governing body, the National Board
Constitution	Rules of NZRC; recognising the Geneva Conventions of 1949 and additional protocols of 1977; under the statutes of the International Red Cross and Red Crescent Movement; and as required by the Incorporated Societies Act 1908
Executive	Employees of NZRC
Federation, IFRC	International Federation of the Red Cross and Red Crescent Societies,
Foundation	A fund established under the Charitable Trusts Act 1957 to financially protect, promote and encourage the work of NZRC
Human Resource Manual	Policies for the executive employed by NZRC
ICRC	International Committee of the Red Cross
Members	Members of NZRC who have agreed to adhere to and promote the fundamental principles of the Movement; Members have the right to vote and stand for office. All Members are considered also to be Volunteers as they are expected to give time to NZRC in some way. Members may belong to one Branch and/or one or more groups but can only be registered with one Area Council. Members may nominate and elect members of Area Councils and Branch committees.
Members' Handbook	NZRC Members 'Handbook containing guidelines for the general Membership and Volunteers
Movement	Comprises ICRC, Federation, and 186 national societies worldwide
National Council	Highest authority of NZRC, gives policy direction to the National Board, adopts the Strategic Plan, and accords National Honours and Awards and further duties as set out in the Constitution.
NZRC	New Zealand Red Cross incorporated in 1931
President	President of the NZRC, elected by the National Council
Society and Organisation	New Zealand Red Cross Incorporated
Volunteers	People who donate their time and services to the NZRC who may or may not be Members.

1. Purpose of the Board Charter

Refer Handbook 5.5

This Charter outlines how the Board guides, governs, sustains, protects, and develops NZRC in accordance with the Society's goals.

This Charter is adopted by the Board and publicly available on NZRC's website.

This Charter provides the terms of reference for the Board, its roles, its conduct and its tasks. It is consistent with the obligations set out in NZRC's Constitution and further developed in NZRC's Members' Handbook, and with Board policies that may be determined from time to time.

This Charter will be reviewed by the Board every two years, but may be modified at any time by the Board.

The Charter should be read in conjunction with the Constitution and the Members' Handbook

2. Purpose of the Board

Members of the Board have been elected or co-opted to provide leadership, to determine and ensure the implementation of the strategic and financial goals of NZRC.

In order to fulfil this purpose NZRC, the Board will:

- govern in accordance with the fundamental principles of the Red Cross Movement, the Geneva Conventions of 1949, and the additional protocols of 1977;
- recognise and respect the views, efforts and contributions of Members;
- have regard to the statutes of the Movement issued by the Joint Statutes Commission of the ICRC and the Federation; and
- act in accordance with the current strategic plan, operating plan, and other policy documents of NZRC.

3. General Powers of the Board

Refer Constitution Article 4.3 and Handbook 5.2

The powers of the Board, its members and Board committees, are determined by the Constitution, the laws of New Zealand, corporate governance best practice, and the policies of the NZRC. The Board represents the Members and the Movement.

In order to meet its legal and regulatory obligations, and to effectively discharge its duties, the Board may delegate nominated functions to specialised Board committees; individual, Board members or specialist advisors co-opted by the Board. Delegation does not, however, discharge the Board from its duties and responsibilities. The Board, at all times, must bear in mind its fiduciary duties and responsibilities under the Incorporated Societies Act 1908.

4. Responsibilities and Functions of the Board

The Board shall add significant value to NZRC and ensure its long-term success and shall:

- protect and enhance the rights and interests of NZRC Members and other key stakeholders, retain full and effective control over NZRC, and provide strong leadership;
- determine and uphold the NZRC's values, adhere to high moral standards and ethical behaviour, and fulfil the Board's role with diligence, striving to gain trust and respect at all times;
- provide strategic direction to NZRC by ensuring that a national strategic plan is developed for NZRC within the framework of relevant strategies and plans adopted by international components of the Movement, and that is monitored and reviewed regularly;
- through the Chief executive provide direction to management in accordance with the Constitution and Members' Handbook and policies adopted or directions given by the National Council;
- bring independent and informed judgment to bear on decisions of NZRC, including NZRC policies;
- appoint, monitor, counsel and, if necessary, dismiss the Chief Executive;
- oversee the prudent management of Red Cross's assets and ensure the financial health and sustainability of Red Cross, protect and grow the assets, ensuring all funding is used in accordance with the aims of New Zealand Red Cross;
- approve major capital expenditure, and NZRC annual plan and budgets and review and monitor implementation;
- approve the Annual Report and consolidated financial statements and auditors certificate and refer them for adoption by the National Council
- ensure compliance with applicable laws and regulations;
- accept responsibility to 'grow its people', grow the organisation, and, by so doing enhance the effectiveness and value of NZRC to the wider community;
- monitor NZRC's overall risk management strategy;
- review and propose amendments to the Constitution; and
- review and amend the Members' Handbook

The functions of the Board are to complement the functions of NZRC's management.

5. Composition of the Board and Succession Planning

Refer Constitution Article 4.1

The Board may have a maximum of 11 members. This includes six ordinary members plus the President, a national youth representative elected by the National Council, and not more than three co-opted Members.

The Board should be mindful of succession planning to ensure that institutional knowledge of the Board is retained; recognising the composition of the Board may change at each election. The Board should, from time to time, determine the skill gaps to ensure through co-option, where necessary, that the Board remains robust, with a complete set of skills and competencies.

NZRC will provide opportunities for professional development to ensure that all Board members fully understand their role on the governing body and are capable of fulfilling that role.

6. Induction of New Board Members

New candidates be encouraged to understand their obligations and the financial and legal status of NZRC before accepting nomination. This will help to ensure that candidates understand the roles and responsibilities, and the time commitment required, both at Board meetings and between such meetings.

When a new Board member is elected or appointed, an induction programme will be provided to enhance the member's understanding of NZRC, the Movement, and the Board's governance role.

The new member will be introduced to key management and staff, familiarised with the facilities, and provided with an up-to-date Board folder.

Members will be expected to keep themselves up to date with changes and trends in the sector and the Movement, as well as with general trends in the economic, political, social, environmental, and legal climate plus an understanding of how the power of humanity protects the vulnerable in both New Zealand and overseas.

7. President and Vice-President

Refer Constitution Article 5.2

Under the authority of the National Council, the President shall lead the Board.

It is the President's responsibility to chair Board meetings, facilitate discussion, ensure that all members present participate, and that deliberations result in clear decisions.

The President represents NZRC in its relations with the Movement, with other organisations and with other stakeholders.

When necessary, the President may delegate some of these functions to another Board member or, with the consent of the Board, to any other Member of NZRC.

In the absence of the President, the Vice-President will be Acting President. The Vice-President may also undertake other duties at the President's request.

8. Chief Executive

The chief executive is appointed by the Board and is accountable to the Board, through the President, for the successful operations of NZRC.

The Board sets annual performance targets for the chief executive, based on the strategic plan. The remuneration committee assesses the performance of the chief executive and reports back to the Board.

The Board has delegated to the chief executive responsibility for the following:

- strategy –making recommendations on significant strategy and implementing the strategic directions provided or approved by the Board;
- financial performance – developing the annual budget for approval by the Board and managing day-to-day operations within budget;
- risk management – maintaining effective risk management frameworks, and providing the Board with timely and relevant information on the risks faced by NZRC and how they are managed;
- senior management selection – making appointments, determining terms, and evaluating performance, and
- social responsibility – managing the day-to-day operations in accordance with standards of social, ethical, and environment practices set by the Board.

At least once a year, the Board will review the financial and non-financial delegations of authority to the Executive.

9. Board Etiquette

Board members are at all times representing NZRC.

There may be occasions when individual Board members require formal information from the Executive. However, unless a direct approach has been authorised by the Board, it is important that any such requests are channelled through the President and the chief executive. This is to ensure the effective governance and management of NZRC, and that Board members do not at any time undermine the authority of the President or chief executive.

Exception here is the administration of the audit and risk committee through the chief financial officer.

10. Communications

All communications with media will be through either the President or chief executive alternatively their delegated authority.

Email is increasingly used as a means of communication. It is legally accepted as part of an organisation's records and can be open to public scrutiny. Email must always be used appropriately, sparingly, and in accordance with Board policies. The adoption of any social media communications must adhere to appropriate Board policies including that of social responsibility.

11. Board Meeting Operation

Refer Constitution Article 4.8

The Board will meet at least quarterly, with further meetings called at the discretion of the President. In addition, the Board should meet at least once a

year to focus on strategic issues, and meet with selected key stakeholders as appropriate.

At the beginning of each year, the Board should prepare an annual work plan including strategic planning, operating plan approval, review of risk management, Board evaluation, the Chief Executive's performance review, the annual budget, the annual meeting, etc.

It is crucial to the success of the Board's work that members work together cooperatively while at the same time exercising sound independent judgement. All members should participate fully and frankly in discussions, and should ensure that they have a sound working knowledge of the matters under discussion.

The agenda, executive reports, minutes of previous meetings, and any other pertinent Board papers, should be circulated at least seven calendar days before each meeting.

12. Board Committees

The Board has the power to appoint Board committees who report back to the full Board.

Currently, the Board has three permanent committees: Audit and Risk, Remuneration, and Honours and Awards. In addition, the Board may, from time to time, establish other committees. For example, as at April 2010, international and transformation steering group committees had been established.

The terms of reference of all Board committees will be annexed to this Charter.

Unless otherwise agreed by the Board, there will be a minimum of three Board members appointed to each Board committee. The President shall be an ex-officio non voting member of all Board committees. The chair of each committee will be appointed by the Board.

The Board may co-opt specialists for their knowledge to any Board committee.

The minutes of all Board committee meetings will be circulated to the full Board. The committee chair will report back on those proceedings at the next Board meeting.

Appointments to Board committees will be confirmed by the Board, on the President's nomination, at the first Board meeting following the NZRC's annual meeting.

Any costs of Board committees will be identified and provided for in the annual budget.

Board committees are generally made up of members with expertise in specialist areas. The effectiveness of these Board committees depends on securing the confidence and trust of each member. Appointments to Board committees or working groups rely on full participation and professional reporting back to the full Board.

13. Register of Interests and Disclosure of Interests

The Board will maintain a register recording and detailing the individual interests of each Board member.

The purpose of this register is to ensure that the Board is aware of any conflict of interest that may arise in any matter before the Board or NZRC.

All the interests of individual members should be recorded, including their appointments to, or membership of, any other organisation. It is the Board member's obligation to ensure the accuracy and completeness of their declared interests.

This Register will be maintained by the Board secretariat services, included in Board papers, and will be updated by the Board at the commencement of each meeting.

Board members are obliged to notify the President or the Board where matters for discussion may result in a possible conflict of interest for the Board member.

Determination of a conflict of interest will be made by the President, who will also determine whether a Board member may deliberate on a matter of possible conflict and/or vote on any resolution required. Any challenge to the President's adjudication will require a full Board vote which is final.

14. NZRC Budget

Fiscal responsibility is a key role of the Board.

For each financial year, the Executive will prepare a comprehensive operating plan and budget for the Board to approve, based on the Board's strategic plan.

The operating plan and budget will reflect the strategic imperatives approved by the Board, both short and long term. In addition, the operating plan and budget will reflect any particular matters, objectives, allowances, project outcomes, and directions that the Board may determine.

The budget will have regard to the sustainability of the NZRC, fiscal prudence, and protection of the NZRC's assets, plus cash and funding requirements, including the provision of any capital expenditure.

The draft operating plan and budget will first be considered by the audit and risk committee prior to consideration and adoption by the full Board.

The budget should be approved before the commencement of the financial year to which it applies.

The execution of the budget and the NZRC's financial operations will be undertaken by the Executive in accordance with delegated authorities. Any proposed deviation from the operating plan or budget, or any unforeseen impact, must be reported to the Board.

15. Board Budget and Members' Reimbursement of Expenses

An allocation for reasonable and actual expenses forecast to be incurred by Board members in properly carrying out their duties will be included in the annual budget. These expenses might include, for example, air and taxi fares,

accommodation, telecommunications, vehicle expenses, postage and stationery, and other such incidentals approved by the Board.

The allocation for Board expenses will also include provision for governance, professional development and other training, Board functions, including national meetings of the membership including the National Council, annual and special meetings, plus any functions that the Board may determine appropriate in the year ahead, with a contingency allowance for unexpected expenses.

Expenses incurred by Board members in carrying out their duties are reimbursed following submission of a claim form, approved by the delegation process, supported by relevant evidence and receipts, to the chief financial officer. In the case of the President, the claims shall be signed by the chair of the audit and risk committee, or such other Board member approved by the Board.

Where a submission for expenses is subject to query, the President shall be the sole arbitrator.

16. Services to the Board

NZRC Executive will provide support to the Board as necessary.

The chief financial officer will:

- provide secretariat services to the Board, its committees and working groups as required;
- ensure that meetings are appropriately minuted, review the minutes with the chair of the meeting to confirm that they are a true reflection of proceedings and determinations, and then circulate the minutes to members for confirmation at the next meeting;
- ensure that, as soon after the meeting as possible, meeting participants receive notice of all matters requiring action together with a deadline for completion;
- manage the process for the collation and distribution of Board papers for timely consideration by the Board, committee, or working group members.

The Board should take time annually to review the content, size, and timeliness of Board papers and the style of Board minutes.

17. Ethical Standards

NZRC ethical values are driven by the Board and the Chief Executive. Each Board member is expected to lead by example and demonstrate trust, integrity, honesty, sound judgment, respect, accountability, diligence, and commitment.

18. A Good Employer

The Board will always seek to ensure that NZRC is seen as a good employer.

All executives are valued and important to NZRC. They will be treated in accordance with the Fundamental Principles, the laws of NZ, and NZRC policies. Policies will encompass fair and equitable treatment of all executives regardless of age, sex, ethnicity, or disability.

The health and safety of all Executives, Members and Volunteers are paramount. Work practices and requirements will reflect that priority.

The Board will seek to ensure that all Executives receive compensation in keeping with their services and responsibilities, having regard to NZRC's ability to pay such compensation, and to the non-profit sector within which NZRC operates.

19. Provision of Professional Services by Board Members

It is generally accepted that Board members will not provide paid professional advice to the Board on Board-related business, or to the Society on Society-related business.

Board members may suggest members of the appropriate profession to provide such advice which can be accepted or rejected by the Board.

20. Independent Professional Advice

With the agreement of the President, or, failing that, the agreement of the Board, any Board member is entitled to seek independent professional advice.

Such advice may be sought in regard to any matter or commitment by NZRC where independent professional advice would assist the Board to reach a decision. Similarly, appropriate IT, legal, financial or other specialist advice may be sought where there is a possible conflict of interest with the Executive.

Approved independent professional advice will be reimbursed by NZRC, and such advice will be made available to all Board members.

21. Board Policies

The Board should develop their own set of governance policies and review these policies from time to time. These policies refer to processes and standards of the Board, as distinct from the management policies covering operational procedures.

22. Board Folder

The Board should maintain an up-to-date Board folder to be given to each new Board member at their induction. The folder should contain all key documents for governing the Society.

23. NZRC Foundation

The NZRC Foundation financially protects, promotes and encourages the work of NZRC by establishing separate investment funds which can be used, from time to time, as the Board sees fit. The purpose, terms, and rules are incorporated in a trust deed. There is a memorandum of understanding between the Foundation's trustees and NZRC for the use of these funds.