

## REMIT to RiskNZ AGM 2017

### Adoption of a Governance Code of Practice

Notice is hereby given of our (Mike Wood and Chris Peace) intention to move and second adoption of the following motion:

**“The AGM resolves to implement the following Governance Code of Practice which is attached to and forms part of this resolution”.**

Explanatory note:

*Unlike companies which are required by law to follow certain governance standards (particularly publicly listed companies), not-for-profit Incorporated Societies have few prescribed governance requirements. Nevertheless, good governance is key to sustainability and efficient realisation of the objectives of any organisation, and delivers important benefits to bodies such as RiskNZ, including:*

- *improved operational performance*
- *improved strategic direction and planning*
- *effective management of risk*
- *improved member and other stakeholder engagement and communications*
- *increased likelihood of delivery of its purpose.*

*Conversely, poor governance practices can lead to a lack of transparency and respect in its decision-making, inefficiency and squandering of scarce resources, poor quality work, and resentment and divisiveness. Any resulting erosion of trust on the part of the members and other stakeholders can ultimately threaten the viability of the organisation.*

*The Code of Practice attached establishes the principles of good governance to be upheld across RiskNZ. Many members will be familiar with similar documents from bodies such as the Institute of Directors, the Financial Markets Authority and the NZX. The dominant themes of the Code of Practice attached are:*

- *Transparency*
- *Integrity*
- *Ethical behaviour*
- *Respect*
- *Competency*
- *Engagement (internal and external)*
- *Efficient use of resources*
- *Effective management of risk.*

*Adoption of this Code of Practice sits well with the current review of the Incorporated Societies Act 1908 which, based on the report and recommendations of the NZ Law Commission, appears likely to require the adoption of principles of good governance into the operations of Incorporated Societies.*

Note: Terminology in the Code of Practice such as “Society” and “managing committee” reflects the language used by the Registrar of Incorporated Societies to avoid the need for change in the event of name changes by the Society.

# RiskNZ Governance Code of Practice

The following practices of governance are applicable to all aspects of the activities of RiskNZ Inc ('the Society') and shall be given effect by Officers, the managing committee, other administrative structures established by the Society, General Meetings of members, and by staff.

The Chair of the Society has primary accountability for encouraging and monitoring application of the Code of Practice and shall report on this matter to each Annual General Meeting.

## **1. Primacy of Purpose, Constitution and Rules, Business Plan and Budget**

- The Society shall use its resources to fulfil the Purposes of the Society and for no other purpose. It shall do so in compliance with its Constitution and Rules.
- All activities undertaken by the Society shall be consistent with the scope and requirements of the annual business plan and budget as the primary means to demonstrate to members that its resources are being applied to fulfil the Purposes of the Society and for no other purpose.
- Individual projects developed pursuant to the annual business plan shall be supported by individual business cases that include financial, risk management, timing and resourcing implications.

## **2. Accountability to members**

- The activities and practices of the Society shall recognise that the Society is primarily an organisation for individuals with professional expertise and accordingly respect the professional experience of its members and wherever practicable, draw on that experience to enhance decision making.
- The Society shall take all reasonable steps to ensure that its operating procedures and practices demonstrate accountability to its members and provide transparency of decision-making.
- With the exception of matters that are either commercially sensitive or relate to the privacy of individuals, any information in the possession of the Society shall be available on request to members on request.
- The Society shall provide adequate opportunities for members to raise questions and express any concerns about its operations.
- Consultation with members shall be informed, professional, and conducted in a manner that demonstrates that matters raised by members are given careful consideration and responded to in good faith.
- General Meetings of members shall be conducted in the manner prescribed by the Constitution and Rules of the Society in a way that facilitates participation by as many members as is practicable. As much advanced notice of meetings as is practicable shall be provided and procedures shall enable members to propose additions or amendments to matters for discussion.

- The practicalities of meetings taking place without all attendees in the one location shall be taken into account in a manner that ensures effective participation by all in attendance. The integrity of voting arrangements shall be assured including ascertaining voting rights and the eligibility of votes.

### **3. Duties of responsible persons**

The Society shall take all reasonable steps to ensure that the persons responsible for its operations (including Officers, the managing committee and members of specialist committees, and employees/contractors) act at all times with reasonable care and diligence by providing them with guidance and instructions on matters including the following:

- Compliance with this Code of Practice;
- Respect for members;
- Acting at all times in good faith in the best interests of the Society and for its Purposes;
- Not improperly using information or their position to further their private or other interests;
- Disclosing and managing any actual or potential conflicts of interest;
- Ensuring that the financial affairs of the Society are managed responsibly;
- Not agreeing to the Society incurring obligations that they do not reasonably believe will be fulfilled.

### **4. Risk management**

The Society shall ensure that the risks associated with its decisions are correctly understood over the course of making such decisions, are in the best interests of and transparent to its members, and that the performance of controls that modify risk are monitored.

### **5. Quality**

The Society shall ensure that its actions are fit for purpose and to this end shall

- Make all reasonable endeavours to ensure the competency of its actions and accuracy of its communications;
- Obtain and act in accordance with legal advice from its Honorary Solicitor on matters concerning interpretation of the Constitution and Rules and other matters in the discharge of its legal obligations, and in accordance with financial advice from its Auditor on matters concerning the financial statements.

### **6. External communications**

- Only those with specifically delegated authority to do so shall speak or issue written statements on behalf of the Society that relate in any way to managing risk.
- Such delegated authority shall only be granted to persons with demonstrable expertise to speak professionally and authoritatively.