

Board Members Competency Guidelines

October 2016

1. Introduction

The purpose of these guidelines is to set out the competencies which Board members of Te Rūnanga o Ngāti Ranginui should display in order to represent their beneficiaries well.

2. Policy

2.1 General Competencies

- (a) *Informed Business Judgement*: The ability and intelligence to make sensible, astute, business decisions and recommendations based on reasonable assumptions and factual information.
- (b) *Entrepreneurial*: An entrepreneurial talent for contributing to the creation, not merely the preservation, of beneficiaries' value.
- (c) *Wide Perspective*: The ability to see the wider picture, and the implications and impact of issues in the broader sense.
- (d) *Integrity*: High ethical standards and integrity in all personal and business dealings.
- (e) *Common Sense*: Sound practical sense in everyday matters.

2.2 General Competencies

- (a) *Organisational Awareness*: The ability to see the overall strengths and weaknesses of the Rūnanga Board, the manner in which they are driven, and the impact of the Board's decisions upon them.
 - (b) *Extra Organisational Awareness*: An understanding of the position of the Runanga in its market in relation to its environment, the nature and impact of its beneficiaries and other beneficiaries, and the strategic advantages in its industry section and geographical locations which may influence opportunities and threats.
 - (c) *Compatibility and Prioritisation*: The ability to ensure that strategies, budgets and business plans are compatible with the Board's vision and mission and, in monitoring performance, to identify and focus on those issues that are of significance to the Trust Board.
 - (d) *Change Awareness*: The ability to be alert and responsive to the need for change, to encourage new initiatives and to implement new policies, structures and practices.
 - (e) *Governance*: The ability to distinguish between issues and actions of governance as distinct from management and to not directly be involved in management matters.
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2.3 Analytical Competencies

- (a) *Financial Literacy*: The ability to interpret financial statements and statistical information such as statements of financial position, income & expenditure statements and cash flow statements, and to understand the use of financial analysis methodologies.
- (b) *Critical Faculty*: The ability to probe the facts, challenge assumptions, identify the advantages or drawbacks of proposals, provide counter-arguments and ensure discussions are penetrating and constructive.
- (c) *Information Oriented*: The confidence to ask for information on matters of significance and relevance and ensure it is available to enable informed judgements/assessments to be made.

2.4 Character Competencies

- (a) *Honesty and Accountability*: Truthfulness and trustworthiness, without compromise of moral principle, and willingness to act on and remain accountable for Board decisions.
- (b) *Commitment*: The energy, commitment and motivation for the time and contribution necessary to properly meet the Board's requirements and discharge its responsibilities.
- (c) *Courage*: The strength of character and boldness to pursue one's own convictions, and to probe, penetrate and achieve full understanding, in the face of adversity.
- (d) *Objectivity*: Independence from Rūnanga management and any business or other relationship that could materially interfere with the exercise of independent judgement.
- (e) *Conflicts of Interest*: The acumen to identify and declare conflicts of interest on any issue coming before the Board.

2.5 Communication / Interaction Competencies

- (a) *Communication*: The ability to articulate opinions, rationales, and points clearly, logically and concisely, and participate in Board discussions with courtesy, respect and a sense of humour.
- (b) *Adaptability*: The ability to adopt a flexible approach in team interaction and to alter stances when appropriate.
- (c) *Listening*: The ability to listen impartially, not be selective, and recall and take into account key points.
- (d) *Teamwork*: The ability to work harmoniously within a group, to recognise and value the contributions of other Board members in a diplomatic manner, and to support and accept majority Board decisions.

2.6 Knowledge Competencies

- (a) *Director Responsibilities*: An understanding of the regulatory, legal, fiduciary and ethical requirements affecting directors.
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- (b) *Business Management Practices:* Familiarity with up to date business management techniques and related ethics.

Business Environment: Awareness of major external influences on the general Trust Board and commercial environment including political, economic, social, and technological issues.

- (c) *Board Structure:* An understanding of the roles, processes, and relationships of the Board and its members.
- (d) *Performance Appraisal:* An understanding of the key performance indicators of the Board and its Chief Executive and of the Board itself.
- (e) *Financial:* An understanding of legal and accounting financial reporting standards and of accounting principles and practice.
- (f) *Marketing:* An understanding of marketing techniques and practices.
- (g) *Information Technology:* An understanding of the use of systems for storing, retrieving and transferring information.
- (h) *Special knowledge:* Awareness of any special strategic / sectoral / tikanga or other issues that may impact on the particular business of the Board.

2.7 While it is not expected that all Board members will be fully competent in all of the above competencies it is expected that individuals will take steps to identify areas for personal development and focus their growth as Board members on these.
