



# The Charter

A single point of truth and tool for regular reflection

## The concept

A charter sits at the top of a board's body of governance work. It is, in the best sense, a single point of truth: the document to which trustees or directors return when questions arise about how the board itself is meant to operate, and the instrument against which the board's own conduct can be tested. It is, at the same time, a tool for regular reflection. The fact of having a charter is less valuable than the practice of reviewing it, testing it against experience, and amending it where the organisation has grown or its context has shifted.

A working charter would ordinarily address the following, at a minimum: the role of the board and the role of the secretariat; the board's composition, its committees, and the basis on which members are remunerated; the professional development of trustees or directors; the management of conflicts of interest; the preparation and handling of board materials; the scheme of delegations; trustee or director responsibilities and duties; the accountability relationships that flow to and from the board; and the rhythms of meeting and reporting, including the AGM.

## In practice

We were engaged to design the charter for a new post-settlement governance entity. The charter had to hold, within a single instrument, the tikanga and kawa of the iwi, the requirements of the Charitable Trusts Act and the standards of Charities Services, and, where a commercial arm sat alongside the governance body, the requirements of the Companies Act. The work could not be approached as a legal drafting exercise alone. It called for a structure in which the statutory obligations did not crowd out the tikanga, and in which the tikanga was expressed in a form that would nevertheless stand up to external scrutiny. The resulting charter placed kawa and tikanga as the interpretive ground on which the rest of the document stood; each subsequent section was framed so that the statutory requirements could be discharged in a manner consistent with, rather than in tension with, those cultural foundations. The entity continues to use the charter as its single point of truth and as an annual reflection tool for the board.

## Questions we asked in designing the charter

- What are the tikanga and kawa of the iwi or collective, and how should they shape the interpretive ground on which the rest of the charter sits?
- What must the charter contain to discharge the requirements of the Charitable Trusts Act, the Companies Act where applicable, and the standards of Charities Services, and how is each of those tested at review?
- Where do the statutory frameworks sit in tension with the tikanga, and how is that tension to be held and managed rather than resolved away?
- How is the role of the board distinguished from the role of the secretariat, and how is the delegation between them recorded?
- How are trustee or director responsibilities and duties expressed in language that is intelligible both to external regulators and to the communities the entity serves?
- What is the rhythm by which the charter itself is to be reviewed and, where necessary, amended, and who owns that process?