

**New Zealand Risk group  
Combined Establishment Group meeting  
Thursday 1 June 2000**

**Present**

Stephen Thornton, Warwick Smith, Steve Brazier, Alistair Sheat, Neil Britton, Gary House, Janet Gough, Germana Nicklin, Phillippa Howden-Chapman, Karen Cronin, Bruce Taylor, Steve Vaughan, Karen Price, Janine Clemons, Roger Estall

**Apologies**

Bill Birch, Roger Morris, Mandy Woods, David Elms, Mike O'Hara, Barry Borman, Howard Lee

**Confirm Agenda**

Main focus – commentary and discussion on work to date with a view to sending out concrete proposals to wider group.

**Report of Working Group 1 (Constitution)**

**Note that the draft contains the words of intent. Specific wording will be dictated by the Act governing incorporated societies.**

Name:

1. New Zealand Society for Risk Management
- 2 Risk Management Association of New Zealand

Bruce pointed out that whichever name is chosen it must avoid connotations of being exclusive. Neil noted that neither of these proposals was intended to be exclusive, and also noted that the objectives are more the objectives of a 'society' than an 'association'.

Mick, supported by Warwick, noted that he has a concern in that his particular interests were assessment or analysis rather than management. Neil noted that the working group had used AS/NZS 4360 as a basis and that assessment and analysis were included within the management concept.

Need to include clarification within the constitution that "management" is understood to include "assessment" and "analysis" as per the Australia New Zealand Standard.

Option 1 was preferred.

Purpose

Initial proposal:

*A learned society to improve the practice of risk management in New Zealand.*

Key aspect – advancing knowledge.

Alistair was concerned that 'learned' has a connotation of being academic, and may put some people off.

**Suggested improvement:**

*To improve the knowledge and practice of risk management in New Zealand*

Objectives

The working party felt that the issue of 'accreditation' was some way in the future and was not considered at this stage. Therefore this did not form part of the objectives. The six presented cover a wide range.

Germana wondered if the last one should include practice. It was felt that this component was well covered in the other objectives (specifically point 3).

Phillippa raised the issue of New Zealand specific objectives.

**Modify bullet point 2**

*To encourage the application of best practise risk management methodology in the New Zealand context*

**Modify bullet point 3**

*To develop knowledge about management of risk.*

Bruce suggested a new first Objective

*To promote the principles and theory of risk management*

It was agreed that it would be left to Working Group 1 to review these suggestions and also to review the ordering of the objectives (currently in no particular order).

Membership

Individuals and organisations?

There was some discussion about the implications of two classes of membership, and specifically about the voting rights or organisations (and their nominees).

It was agreed that there should be two classes of membership. The working group had tended to the view that organisations should not have voting rights. Nominated persons could be given ordinary voting rights. The only time that 'voting' is relevant is at AGMs. At any other time the society can treat organisations in any way it likes.

**Consensus:** At Roger's suggestion it was agreed that the membership would be differentiated to members and associates (this satisfied Germana's concerns about non-voting rights for organisational members). The document will be reviewed so that both terms will be used throughout.

Management

The intention of the working group was to keep the committee small, and not to 'load it up' with Officers. Therefore there would only be two officers, Chair and Secretary. The committee would have five 'ordinary' members, making a committee of seven. The 'Treasurer' could either be a member of the committee or someone employed for the purpose. Under the Incorporated

Societies Act the Chair and Secretary must be elected, but there isn't a need for the Treasurer to be elected (i.e. may be appointed).

Before discussing the proposed number of members Neil suggested that we include the idea of different categories of membership. The intention is to ensure that the management committee has as wide a representation as possible.

There was some considerable discussion about the four categories given. The working group explained their rationale. The concept of disclosure was agreed as being very important, but most of the people present who had not been involved in the working group discussion felt that the use of four categories was on the one hand too limiting, and on the other hand it could be difficult for some people to specify a single category.

The purpose of disclosure was to encourage members to vote so that the committee would have a wide range of interests.

It was generally agreed that the objective was good, but the instrument was not well constructed.

It was noted that some societies **require** representatives from different groupings.

Suggested rewording along the following lines;

*Candidates for election will be required to provide details of their qualifications and experience in the context of the objectives of the society.*

The four categories may be useful for the committee in reviewing their representativeness prior to co-option.

Need a way of sending a signal to the broader membership.

As Germana pointed out the working group may have been able to fit everything into these four categories, but that someone from the outside might have difficulty doing so immediately.

Consensus was that we should

- ? remove the requirement for a candidate to specify one of the four categories for the ballot paper (but see below),
- ? require full disclosure of the interests and expertise of those standing for office or the committee, and
- ? ensure that there is a statement on the ballot paper requesting that voters have regard to the importance of ensuring that there is a mix of disciplines and interests represented on the committee.

In addition there needs to be a statement that puts an obligation on the management committee to review the representation of expertise and interest on the committee (including the areas of legal, economic, social and technical) and to consider the option of co-opting additional members should there be any obvious imbalance.

Reverting back to Objectives, Karen Cronin proposed and it was agreed that that the 'old' first bullet point should read "To bring together .....involved in all aspects of risk management".

Committee size was agreed.

#### Staggering of committee

(i.e. half election) Agreed.

#### Re-election

Add a note that there is a maximum of 3 (two year) consecutive terms.

#### Interim management committee

The names on the application for incorporation will form the Interim Management committee and their names will be on the application for incorporation (the first five names of the fifteen required).

Names proposed were the four working group convenors (Neil Britton, Karen Cronin, Alistair Sheat), Steve Thornton (as Chair of the convenors) and Karen Price (legal representation required).

This process will be proposed to the 'November' meeting (the 'Incorporation meeting') and if agreed, the Interim Committee will apply for incorporation and prepare to conduct an election.

#### Registered Office

Agreed

#### Timing (modified)

Incorporation meeting



3 months

Elected Committee



AGM

2 months

(Note that this timing was reviewed later)

The Interim committee may need to be given authorisation to set fees. (Alternatively, it may be possible for us to set a fee prior to incorporation so that we can sign people up – and get a fee from them – at the incorporation meeting –Karen Price to check.)

#### Business of the AGM

Bullet Point 2 adapted to add "including strategic directions" after "Annual Business Plan".

Option of video conferencing (incorporating teleconferencing) was agreed (it is enabling but not prescriptive). The management committee will write a rule to cover it.

### Powers and duties of the Management committee

Germana noted that the Management committee also needed to draft the Business Plan. Roger pointed out that "proper conduct of the [Society's] affairs" incorporates drafting the Business Plan.

It was agreed that there should be wording somewhere that indicates that the Committee should prepare a draft Business Plan.

### Loans

Steve Vaughan noted that if we were to wish to do something like run a major international conference not being able to raise a loan could cause a problem.

It was agreed that some wording would be included that would allow loans to be raised with the formal approval of an AGM.

### Local groups

Reposition provisions regarding local groups in the final Constitution.

Bruce raised the issue of special interest groups as well as local groups. It was agreed that the words 'special interest groups' should be added to 'local groups' i.e. groupings by interest rather than geographical area.

Karen noted that this could allow a safety valve that removed the danger of one group taking over the society.

Mick and Karen suggested replacing 'local' by 'special' to incorporate interest and geographical groupings (note that local groups are not allowed to have bank accounts).

### Finance

Question as to whether the purpose of subscriptions should be specified in the constitution. It was agreed that subscriptions should cover core activities.

Bruce raised question as to non-profit function. As an incorporated society we are not allowed to do anything towards pecuniary gain. Effectively we are non-profit, but it doesn't need to be stated.

Agreed that special groups will not have separate bank accounts.

### Disputes procedure

Need a clause to avoid costly arbitration. Mechanism needs to be put in.

### Possible gaps

Karen raised issue of bringing the Society into disrepute. Termination is dealt with earlier. The words 'of good character' will be brought in with the specific wording.

## **Process for approving the Constitution**

Steve Thornton proposed that prior to the Incorporation meeting we send the Constitution out and that those present at the meeting will vote on the Constitution.

Karen Price proposed that if anyone wants to make a change at the Incorporation meeting they need to offer an alternative wording (in writing) prior to the meeting. This can then be discussed at that meeting.

Karen Price offered to put together a draft full Constitution based on standard formats and the specific wording agreed by this meeting.

See later discussion on timing.

## **Report of Working Group 2 (Communication)**

Karen Cronin presented a summary of the working group meetings, and talked to the report of this group.

### **Issues raised**

#### Editorial questions about newsletter

Karen sees the newsletter as a practical method of keeping in touch – in the nature of a broadsheet. There is a clear distinction between what is intended as internal communication and what is external (accepting that the internal 'newsletter' will be available to outside sources not least through associate members). The Web site aspect is another issue and there would need to be a degree of scrutiny and accountability. Janine suggested that the Web site could have a public and private section.

#### External communication

The Web site will be the main means of publication. A hard copy information brochure will also be put out.

The issue of having a spokesperson for the Society was raised. The New Zealand Statistical Society was raised as a model – they have a committee that provides technical response.

'Government' involvement should refer to 'Parliamentary' involvement.

Neil noted that we will have to deal with branding (logos, colours etc) reasonably soon.

## **General discussion**

Steve Thornton suggested that Working Groups 2 and 3 could usefully work together to present to the Incorporation meeting. It was suggested (and agreed) that this combined group should start working on the structure of the Business Plan, and developing key components (including nature of activities and costings).

Neil noted the need to make provision in the Constitution for one of the Management Committee members to be the editor or communications 'director'

Working Group 1 will also need to look at the other required elements of setting up a group ('mechanicals', including initial branding) so as to be able to determine the level at which the initial fee should be set. Essentially the initial fee will need to cover the running of the election plus initial branding work (logo etc.)

Karen brought up the issue of the other activities required before establishment. Many of these will be co-ordinated by the Interim Management Committee. Steve Thornton noted that the working groups would probably continue through this period assisting the Interim Committee.

### **Report of Working Group 3**

Alistair presented and discussed the report of working group 3.

Steve Thornton noted that a number of the activities mentioned will form part of the business planning activity.

### **General discussion**

Neil suggested how we could go linking areas of use of risk management (as opposed to looking specifically at training). The particular aspect of risk management that an individual is involved in is not important – it is the links between that activity and other aspect of risk management.

Working groups will take the objectives and look at how we are going to address all of these issues.

#### **Striking fees**

How do we deal with anticipating activities for the first 12 months? Working group 1 can anticipate core functions. By the end of the year we will have a better idea. There are setup costs that won't be recurring.

First fees need to be paid at the Incorporation meeting or as soon as possible thereafter (concurrent with the call for membership). At the very least they need to be sufficient to fund the Society through to the first AGM (when fees for future activities can be set).

### **Next steps - Timing**

Roger raised question as to why we need to wait until November for the Incorporation meeting.

The Constitution could be completed by the end of July. Draft Business Plan and Constitution will be circulated to the establishment group.

Any member of the establishment group can submit a proposal for change, but these need to be submitted in redrafted form (as alternatives) by 14 August. Working group 1 will make any recommendations or changes by end of 1<sup>st</sup> week in September and sent out to the full prospective membership.

Constitution and Draft Business Plan will be sent out to full mailing list at end of first week in September.



The Incorporation meeting will therefore be in late September will have two activities:

- ? to consider and approve the Constitution, and
- ? to consider and work on the draft business plan.

Setting up the society with require three motions to be put to the meeting seeking

- (1) agreement to establish a society
- (2) approval of the proposed constitution
- (3) approval of the Interim committee

**Meeting closed at 5.30pm**

**Time line**

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|----------------------------|--|
| <b>28 July</b>             | <b>Working Group 1 to complete formal Constitution</b><br>Working Groups 2 and 3 to complete core components of draft Business Plan  |
| <b>31 July</b>             | Constitution and draft Business Plan to be circulated to full establishment group (Working Groups 1,2 &3)  |
| <b>14 August</b>           | <b>Suggestions for changes to Constitution to be sent to Working Group 1 (as redrafted document including all necessary changes)</b><br>Suggestions for changes to draft Business Plan to be sent to Working Groups 2 and 3. |
| <b>8 September</b>         | All changes to be made   |
| <b>11 September</b>        | Proposed Constitution and draft Business Plan to be circulated to full mailing list  |
| <b>Last week September</b> | <b>Incorporation Meeting</b>   |