Governance overview

Governance is about the checks and balances and expert advice that keep your business on track. It includes all the practices, processes and policies that help you guide your business in the right direction.

Governance is the responsibility of every registered director — whether your business has one or many. Even if you’re not officially a director, governance is good practice for all business owners. Good governance can help you grow your business, stay ahead of risks, improve compliance, and improve trust and reputation.

Our quick self-assessment tool will help you reflect on your current governance practices. Our pages, visualisations, templates, and quiz will help you think strategically about governance.

Check out the topics available in this section. Use the links or the navigation pane to browse through the pages.

New support for companies impacted by COVID-19

Business debt hibernation is a new scheme for companies, trusts and other entities affected by COVID-19 to manage existing debts until they can start trading normally again. Find out if it’s a good option for your business and how to get started.

Business debt hibernation (/covid-19/business-debt-hibernation/)

Self-assessment: Governance

Governing your business means taking care of the ‘big picture’ — things like finances, long-term strategy, and risk management. You’re probably doing some of these things already. Use this tool to reflect on how much governance you’re already doing and where you could improve.

At the end of this assessment you’ll get:

- a better idea of what you could focus on
- practical tips and links to expert advice.

5-10 minutes

Self-assessment: Governing your business

Importance of governance
Did you know...

Deciding what governance looks like for a small business depends on the size and stage of the business, the input needed, and the nature and level of risks, according to Liz Wotherspoon of The Icehouse, an Auckland-based business growth centre.

Next

It’s important to regularly look at the ‘big picture’ of a business — things like finances, long-term strategy, and risk management.

- Maybe — but it’s only relevant to bigger businesses
- Yes — it’s important for keeping out of trouble
- Yes — it’s important for making good decisions and doing the right thing
- Yes — it’s important for a wide range of reasons
- Absolutely — it helps to manage risk, build reputation, improve results and attract investors

Submit

Importance of governance

Did you know...

Governance applies to all businesses, including start-ups and those focused on achieving high growth, according to the Institute of Directors.

Next

Looking at the big picture is something I do in my business.

- No — I’m more interested in getting our paid work done
- Not really — but I think I have a natural understanding of the big picture
- Sort of — I have a few checks and balances in place
- Yes — I review the big picture fairly often
- Absolutely — I prioritise working ‘on’ the business to make sure everything’s on track

Submit

Finding time and people

Did you know...

Obviously, no one wants to miss a short-term forecast or sales goal. But it’s much more costly to focus your time and energy on today at the expense of planning for the long term, according to Harvard Business Review.

Next

I struggle to find the time for looking at the big picture of my business.

- Yes — I have no time at all for it
- Yes — I know I should find time, but I’m not sure how much I need
- Yes — I try to put time aside for it, but it’s never enough
- Sort of — I put time
aside for it and I’m working on finding more time  ○ No — I’ve freed up regular time slots to make reviewing my business a priority

Finding time and people

Did you know...

The people you choose to help govern your business need to bring specific skills that you’re missing and will be important to your business’s success, according to Forbes.

Next

I know how to find the right people to help me govern my business.

○ No — I have no idea where to start looking  ○ Not really — but I guess I’d ask people close to me  ○ Sort of — I’d look for people with skills that complement mine  ○ Yes — I’d ask other professionals with governance experience  ○ Absolutely — I’d use my networks, online databases, or specialist organisations to find the right experts

Submit

Directorship

Did you know...

Directors play an important role in making sure a business follows the law and stays financially secure, according to the Institute of Directors.

Next

I understand my legal duties as a director.

○ No — I didn’t know I had any duties  ○ Not really — but I know I should understand them  ○ Sort of — I know I’m responsible for keeping my business afloat  ○ Almost — I broadly know my duties but I can’t remember every one  ○ Absolutely — I know all my duties and I take each one seriously

Submit

Directorship

Did you know...

It’s important to understand your liabilities before joining a company as a director, according to the Institute of Directors. Ask about indemnities and Directors and Officers Insurance, and about any legal claims you might become responsible for.
I know how important it is to fulfil my director duties.

- I haven’t really thought about it
- Sort of — I guess it must be important
- More or less — it’s good for my business
- Yes — it keeps my business out of trouble
- Absolutely — it’s key for protecting my business and keeping me personally out of trouble

Submit

Risk management

Did you know...

Only a few businesses grow if they are completely risk-averse, but reckless decision making also causes business failure, according to the Institute of Directors. Effective risk management sits at the heart of good governance.

Next

I’ve identified current and upcoming risks to my business.

- Not really — I only know about things that have happened before
- Sort of — I know some of my current risks
- Mostly — I know most of my current risks and possible risks for coming months
- Yes — I know all my current risks and possible risks for coming years
- Absolutely — I regularly identify and document current risks and possible future risks

Submit

Risk management

Did you know...

Independent directors often play devil’s advocate and challenge conventional thinking when risk rears its head, according to the Institute of Directors. They can help a board take advantage of something exciting at the same time as ensuring the risk doesn’t outweigh the benefits.

Next

I have a clear plan for managing the risks to my business.

- Not yet — but I know I should
- Not really — but I know how to avoid the worst issues
- Sort of — I have strategies ‘in my head’ for dealing with risks
- Sort of — I have a good plan, but I haven’t written it down
- Yes — I have a regularly updated plan for identifying, prioritising, controlling, and monitoring each risk

Submit

Boards

Did you know...

Properly structuring your board could be one of the most important things to determine the success
of your business, according to Forbes.

Next

The benefits of having a formal board are:

- I’m not sure — but I don’t think a formal board is relevant to my business
- I’m not sure — but I’d like to find out
- They help keep businesses on track, but I don’t know the benefits in detail
- To make governance more structured and thorough
- To manage risks, seize opportunities, and stay on the right side of the law

Submit

Boards

Did you know...

What makes boards great? It’s not rules and regulations. It’s the way people work together, according to Harvard Business Review.

Next

A difference between an advisory board and a board of directors is:

- No difference at all — they’re the same thing
- Not sure — but I guess they have different responsibilities
- One advises and the other directs
- A board of directors has more powers
- Both give expert advice, but a board of directors has more authority and makes decisions that affect the business

Submit

Tell us about your business

Just one last step before your self-assessment results. So we can shape future tools and services around your needs, please tell us about your business size, location, age and industry.

Where is your business based? Please select...
Which of these best describes your industry? Please select...
How many employees do you have? Please select...
How old is your business? Please select...

Show my results

Checks and balances

Tips and tools to help you run your business effectively

What governance is and why it’s important
Governance means working ‘on’ the business, rather than ‘in’ it. This includes all the checks and balances you put in place to ensure your business runs smoothly.

Learn more
(/business-performance/governance/what-governance-is/)

Laying the groundwork for good governance

To oversee your business well, you need to make sure a few things are in place first. Find a list of those things here

Learn more
(/business-performance/governance/laying-the-groundwork-for-good-governance/)

Governance: Key things to review if you do it yourself

Not all businesses have board of directors. Even if you do it yourself, governance is worth taking seriously. Here’s how.

Learn more
(/business-performance/governance/governance-key-things-to-review/)

What it means to be a good director

As a director of your company, you need to know everything that you’re responsible for.

Learn more
(/business-performance/governance/being-a-good-director/)

Structured governance - boards

Find out about different types of boards, what they are and aren’t responsible for, and the basics of running a board meeting.

Learn more
(/business-performance/governance/structured-governance-boards/)

If you’re a director of your company, you’re responsible for a wide range of things. Take this quiz to test your understanding of your duties.

Get started
(/business-performance/governance/being-a-good-director/)

As a director of your company, you have a range of legal duties. Being a good director helps your company run well, stay afloat, and keep a good reputation.

Download [PDF, 2 MB]
(/assets/Uploads/Visualisations/your-duties-as-a-director.pdf)

Make sure all the mentioned things are in place to help you govern your business well.

Download [PDF, 1.8 MB]
(/assets/Uploads/Visualisations/governance-lying-the-groundwork.pdf)

Use this worksheet to make a plan for managing your risks.
Use our agenda template to help you plan your business review meeting.

Download [DOCX, 222 KB]
(assets/Uploads/Documents/diy-business-review-agenda-template.docx)

An agenda will help you structure each meeting and make the most of everyone's time. Download it here.

Download [DOCX, 226 KB]
(assets/Uploads/Documents/board-meeting-agenda-template.docx)

Subscribe to our newsletter

Subscribe form
Email required Enter your email address
You must enable JavaScript to submit this form

Sign up now