



**The Property Institute of New Zealand**

**Property and Valuation Standards Board  
Terms of Reference 2021**

## **Background**

In accordance with the Rules of the Property Institute of New Zealand (PINZ) dated 13 June 2012. The PINZ Board (PINZ Board) established a Standards Board (the Board) to carry out such functions and to have such powers consistent with the Rules<sup>1</sup>.

The PINZ bylaws<sup>2</sup> provided the appointment of a representative member of a community to the Board.

Consistent with its establishment, the Board has powers to issue Practice Standards, Guidance Papers, Protocols and other such related advice to members. That requires verification by of the NZIV Council to become enforceable under the Valuers Registration Board (VRB) disciplinary procedures and verification by the PINZ Board on all other matters.

The Board was previously named as the Property and Valuation Standards Board (since 2001) and originally established as the Ethics and Standards Board in 2000.

## **Purpose**

The objective of the Board is to develop guidance for PINZ members.

The Board will develop new guidance papers and valuation protocols as well as update existing guidance papers and promulgate International Valuation Standards, as prepared by the IVSC.

### **The Board will:**

- Develop and/or amend guidance papers and valuation protocols for the verification of the NZIV Council.
- Provide vision and leadership to industry in the areas of valuation and property standards.
- Maintain international relationships with the API and IVSC and similar membership bodies.
- Maintain relationships with key stakeholders in New Zealand such as the various PINZ community groups, the Valuers Registration Board and other similar bodies.
- Maintain a key relationship with the NZIV, given the bulk of the standards cover valuation matters.
- Provide education to members about standards.
- Communicate to members where there are any changes or new standards.

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<sup>1</sup> Rules of the Property Institute of New Zealand 13 June 2012 s 8 - 11

<sup>2</sup> Bylaws of the Property Institute of New Zealand April 2018 s 4 - 19

- Generally, answer queries and concerns from members.
- Participate and respond to future trends that may impact on standards; and
- Participate with other relevant organisations on technical and professional valuation issues.

## **Authority of the Board**

The Board shall report to the PINZ Board and NZIV Council and shall be accountable to the PINZ Board and NZIV Council for the exercise of its responsibilities. In carrying out its responsibilities, the Board must, always, recognise that primary responsibility for operations of PINZ rests with the Chief Executive Office (CEO).

The Board has no executive powers, except those that may be expressly provided by the CEO to the Board, PINZ Board and NZIV Council.

The Board has the authority to issue Guidance Papers that require the verification by of the NZIV Council to become enforceable under Valuers Registration Board (VRB) disciplinary procedures.

The CEO authorises the Board, within the scope of its role and responsibilities and through its processes to:

- Obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information).
- Discuss any matters with external parties (subject to confidentiality considerations).
- Request the attendance of any employee, including the CEO, at Board meetings; and obtain external legal or other professional advice, as considered necessary to meet its objectives subject to approved delegation levels of the CEO.

## **Composition and Tenure**

### **Board membership**

The CEO and the PINZ Board is responsible for making recommendations for the appointment of Board members to the Board to vacant positions, with the support of the Chair. The appointment of the Chair will be conducted by the Board.

The Board will comprise of up to (10) members who will be appointed by the PINZ Board.

- a) Up to eight Members of the Board will be from the membership of PINZ.
- b) A member of the PINZ Board.
- c) A member of the NZIV Council.
- d) A member of the External Reporting Board XRB.

- e) The Board may invite a Member of the API to attend meetings.
- f) The composition of the Board should be open to, and encourage diversity, in accordance with the PINZ Diversity Policy. (Yet to be written)

The Board members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Board and be a representation of various disciplines within the property industry.

The Board may invite, from time to time, up to two specialists to assist in addressing specialised valuation issues in an advisory capacity and are not members of the Board.

### **Term of office**

Members of the Board appointed in accordance with this TOR shall hold office for a term of two (2) years and may serve a maximum of four (4) continuous terms.

A member of the PINZ Board and NZIV Council will be appointed to the Board annually.

Tenure of a member of the Board will commence from the 1st of January in any given year.

To promote continuity of expertise, the Chair will be appointed for a period of two (2) years.

The Chair will preside over all meetings of the Board.

If the Chair is absent, a Chair for the meeting will be elected from amongst members of the Committee present at the meeting.

### **Vacation of office**

A position on the Board becomes vacant if the Board member:

- Becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under a law relating to mental health.
- Has reached the end of their appointed term; resigns from office by notice in writing.
- Is terminated from their position by the Board, on reasonable grounds relating to poor performance and/or serious misconduct.
- Is not present at two (2) consecutive Board meetings without leave of absence from the Chair; or
- Is directly or indirectly interested in any contract or proposed contract with PINZ and or/ NZIV and fails to declare the nature of the interest.

## **Filling a casual vacancy**

If a casual vacancy occurs on the Board, the Board may appoint a Member to fill the vacancy for the remaining term of the retiring member of the Board, subject to this TOR.

## **Roles and responsibilities of Board members**

### **Conduct of Board members**

Members of the Board are expected to understand and observe all relevant legislative requirements. Board members are expected to:

- Attend all scheduled meetings and no substitute can be offered.
- Contribute the time needed to study and understand the papers provided and seek advice if required.
- Understand the operating environment of PINZ and NZIV, its strategic objectives, corporate governance requirements, prevailing social and economic conditions and the risks affecting the delivery of outputs.
- Bring to the notice of the CEO or delegate, any technical or professional valuation issue that may impact, or have the potential to impact, on PINZ or NZIV and/or its Members.
- Apply analytical skills objectively and with judgement.
- Express opinions constructively and frankly, ask questions that go to the fundamental core of the issue and through the Board Chair pursue independent lines of enquiry.
- Avoid any conflict of interest and inform the Board where actual or perceived conflict may become apparent; and
- Contribute to an effective decision-making process that is in the best interests of PINZ.

## **Accountability and responsibilities of the Chair**

### **The Chair is responsible for:**

- Ensuring all relevant information, decisions and recommendations are communicated to the CEO or his/her delegate.
- Representing the Board to external parties.
- Ensuring regular Board meetings are held, with the support of the nominated PINZ staff member providing secretarial support to the Board.
- Encouraging other Board members to attend meetings; and
- Preparing an agenda for the meetings with the assistance of the CEO or his/her delegate.

**In meetings, the Chair will:**

- Prioritise agenda items and if necessary, set time limits.
- Lead the meeting through the agenda, keeping discussion relevant and decision- making clear and encouraging broad participation, e.g. ensuring everyone gets a chance to talk.
- Note motions and amendments and put these to the meeting to be voted on.
- Sign the minutes after they have been confirmed as an accurate record of the previous meeting; and ensure meetings are run in accordance with this TOR.

The performance of the Chair will be reviewed as part of the overall Board performance evaluation.

**Conflicts of Interest**

Existing conflicts of interest and personal interests must be declared at the time of appointment to the Board. External Board members should consider past employment, consultancy arrangements and related party issues in making these declarations.

The Chair should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

At the beginning of each Board meeting, Board members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda.

Where required by the Chair, the member will be excused from the meeting or from the Boards consideration of the relevant agenda item.

Details of potential or actual conflicts of interest declared by members and action taken will be appropriately recorded.

**Confidentiality**

Members must ensure that issues discussed, and opinions expressed at meetings remain confidential. Board members should not circulate the meeting papers beyond other members.

Board members must not use or disclose information obtained by the Board.

**Induction**

New members will receive relevant information and briefings on their appointment to assist them to meet their Board responsibilities. Where relevant, PINZ and NZIV may also support Board members to attend appropriate conferences or workshops to further their application of the Board's role and function.

## **Meetings**

### **Frequency and location**

The Board will meet at least four (4) times per year.

Meetings may be conducted face to face, via means of telecommunication or by circular resolution. It is desirable that at least one meeting is held face to face and costs will be subject to an allocated budget unless otherwise approved by the CEO.

The Chair is required to call a meeting if requested to do so by the CEO. A Board Member may request the CEO to call an additional meeting of the Board if there are urgent matters that they believe should be attended to prior to the next scheduled meeting or if the matter/s cannot be dealt with via a teleconference.

### **Meeting papers**

The Chair of the Board is responsible for setting the agenda, in consultation with the CEO or his/her Delegate.

Board members may submit items for consideration by the Chair to be included in the meeting agenda. Urgent issues may be raised by members at meetings through general business.

Meeting papers are prepared and collated by the PINZ Governance Secretariat with support from the PINZ CEO delegate providing administrative and secretarial support.

Papers are to be circulated to all Board members at least five (5) working days prior to meetings, wherever possible.

Minutes of meetings, cleared by the Chair, will be prepared, and provided to members as draft minutes no later than ten (10) working days after a meeting. Minutes will then be formally endorsed at the following meeting.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Board each year in conjunction with the CEO and PINZ annual calendar.

### **Attendance at meetings and quorums**

A quorum will consist of half of the total number of existing Board members, and must include the Chair of the Board, or the elected Chair in accordance with clause 3.2. The specialists invited to the meeting are not Board members and will not be included in a quorum or entitled to a vote.

External representatives may be invited to attend meetings, as determined by the Chair of the Board. The Board may also request the Chair of the PINZ Board, Chair of Council and the CEO or other employee to attend Board meetings or participate in certain agenda items.

## **Telecommunication meetings**

A meeting may be held by means of a telecommunication meeting, provided that the number of Board members participating is not less than a quorum required for a meeting. The following provisions apply to a telecommunication meeting:

- All persons participating in the meeting must be linked by telephone, audio-visual, video meeting software (Zoom) or other instantaneous means for the purpose of the meeting.
- Each of the persons taking part in the meeting must be able to hear and be heard by each of the other persons taking part at the commencement of the meeting and each person so taking part is deemed to be present at the meeting.
- At the commencement of the meeting each person must announce his or her presence to all other persons taking part in the meeting.
- A person may not leave a telecommunication meeting by disconnecting his or her telephone, audio-visual or other communication equipment unless that person has previously notified the Chair.
- A person may always conclusively be presumed to have been present and to have formed part of a quorum during a telecommunication meeting unless that person has previously notified the Chair of leaving the meeting; and
- A minute of proceedings of a telecommunication meeting is sufficient evidence of the proceedings and of the observance of all necessary formalities if the minute is certified to be a correct minute by the Chair.

## **Out of session papers**

Where possible all decisions will be made at Board meetings and formally recorded in the minutes of that meeting. When the Chair determines that urgent matters require the Board's approval between meetings then:

- Board members will be provided with a paper and the decision sought.
- Board members will preferably be given a minimum of five (5) working days to consider the paper, wherever possible.

Decisions made from a session will be formally recorded in the minutes of the next scheduled Board meeting and out of session meetings will be managed in process by the Governance Secretariat.

## **Working Groups of the Standards Board**

The Board may form sub committees or working groups to undertake specific work on drafting or reviewing documents that will be adopted by the Board to both direct and guide members. Working Groups may also be requested to advise on specific matters that fall within the Boards' scope.



## **Secretariat support and administration delegate**

The CEO will appoint a Governance Secretariat support to the Board. The functions of the Secretariat are to:

- Provide support services for meetings in consultation with the Chair, including preparation of minutes, preparation and circulation of the agenda and meeting papers, and any other agreed requirements.
- Co-ordinate the drafting of all correspondence, letters of advice and other material; and
- Co-ordinate research on issues being considered.

## **Reporting**

The Board will, at each PINZ Board and NZIV Council meeting report to the Board and Council on its operation and activities during the period. The report should include:

- A summary of the work the Board performed to discharge its responsibilities during the year; and
- Details of meetings, including the number of meetings held during the relevant period, and the number of meetings each Board member attended.

The Board can report directly to the PINZ Board or NZIV Council on significant issues at other times. Any reports to the PINZ Board or NZIV Council will be provided to the CEO for comment prior to transmittal. In addition, at any time the Board Chair may request a meeting with the PINZ Board.

## **Performance evaluation**

At the close of each meeting the Chair will ask the Board members for feedback, including suggestions for improvement, on:

- Relevance of the Agenda.
- Quality and timing of the submitted papers; and
- Presentations Performance of Board members; and
- Others present overall effectiveness of the meeting.

The Chair of the Board will initiate a review of the performance of the Board at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the CEO and PINZ Board and NZIV Council) with appropriate input sought from the CEO, Board members, senior management, and any other relevant stakeholders, as determined by the CEO. The CEO, PINZ Board and NZIV Council may undertake any further review of the performance of the Board that may be deemed necessary. The CEO must advise and seek counsel from the PINZ Board and NZIV Council prior to undertaking any action against the Board because of the review process.

### **Review of TOR**

At least once every two years, or as required, the Board will review this TOR in conjunction with the CEO and approval of the FAR Committee to ensure continued relevance to the operations of PINZ and NZIV Council. Amendments to this Charter must be approved by the CEO and recommended by FAR Committee.

### **Review protocol**

<b>Policy reviewed and approved by:</b>	<b>Date Implemented:</b>	<b>Next Review Date:</b>
PINZ Board	October 2021	October 2023