An Evaluation Framework to Support Board Governance

Presentation by Jasmin Earle Consulting OACAO Annual Conference October 19th 2009

Agenda

- Purpose of this workshop
- Introductions
- What Does the Evidence Tell Us about Board Governance
- Gathering Our Own Evidence Simple Evaluation Framework
- Indicators of Effective Board Governance
- Self Assessment Tool to Measure Board Performance
- Knowledge Sharing and Questions



Purpose of this Workshop

- To review some evidence on board governance and sector trends and challenges
- To discuss effective practices in board governance and present indicators that all organizations can use to measure their own board performance
- To share a simple evaluation process that all boards can implement
- To share a simple self assessment tool that can help to focus the board's attention on areas for development



Key Challenges in Non-Profit Board Governance:

- Shifts from operational to policy governance boards
- Recruiting qualified board members due to:
 - Time demands
 - Concerns about liability
- Need for specific skills (finance, legal, communications, strategic planning)
- Board-staff relations clarity of roles
- Orientation and training opportunities for board members
- Changes to the Corporations Act, Income Tax Act
- New legislative demands

•NATIONAL STUDY OF BOARD GOVERNANCE PRACTICES IN •THE NON-PROFIT AND VOLUNTARY SECTOR IN CANADA, 2006:

•Grace Bugg,Sue Dallhoff,Strategic Leverage Partners Inc.



Key Trends & Challenges Facing the Sector

- Changing demographics:
- More service demand
- More variety of services requested
 - Population diversity
 - Graying volunteer base
- Shift in the funding environment:
 - Operating funding to program/project funding
- More funders to deal with
 - Increased accountability
- New information demands from funders
- NATIONAL STUDY OF BOARD GOVERNANCE PRACTICES IN
- THE NON-PROFIT AND VOLUNTARY SECTOR IN CANADA, 2006:



Key Trends & Challenges Facing the Sector

- More partnership, networks, and collaborations:
 - Insufficient evidence that it improves services
 - Often a condition of funding
- More charities and fewer people to lead:
- Public profile and marketing
- How to differentiate in the marketplace
- How to link with potential leaders
- Lack of resources: Funds, Skilled volunteers
- Aging capital assets
- Staff talent
- NATIONAL STUDY OF BOARD GOVERNANCE PRACTICES IN
- THE NON-PROFIT AND VOLUNTARY SECTOR IN CANADA, 2006:



Key Trends in Board Governance:

- Increased focus on governance
- Increased demand for and reduced supply of qualified directors
- Rising expectations and requirements for director
- Increased demand for efficiency and effectiveness
- More emphasis on both process and culture and the balancing of the two
- Increased demand for transparency & accountability
- Increased emphasis on performance measurement
- Increased attention being paid to risk management
- NATIONAL STUDY OF BOARD GOVERNANCE PRACTICES IN
- THE NON-PROFIT AND VOLUNTARY SECTOR IN CANADA, 2006:



Gathering Our Own Evidence – A Simple Evaluation Framework

Begin with an open discussion on excellence in board governance, what does it look like? There is literature to guide you!

- Do an assessment to tell you where you are on the continuum of good to great governance
- Determine your priority areas for development
- Design your learning plan
- Establish what success will look like
- Develop some mechanisms for measuring your progress



Gathering Our Own Evidence – A Simple Evaluation Framework

- Collect your evidence and analyze it at 6 month mark
- Refine your learning plan if required
- Develop some mechanisms for measuring your progress
- At 1 year mark your progress and celebrate your success
- Repeat the cycle with a new or refined learning plan

Indicators of Effective Board Governance

- The Board is accessible and responsive to clients, the community at large, funders and staff.
- Operates with responsibility, integrity, transparency and respects and upholds diversity and inclusiveness
- Regularly monitors and ensures compliance with applicable laws, bylaws and policies.
- Ensures that its policies and procedures fit the current and emergent needs of the organization.
- Protects its reputation and values public trust.
- Engages stakeholders in planning and evaluation.



Indicators of Effective Board Governance

- Educates itself about its roles and responsibilities.
- Regularly assesses board & committee, executive director and organizational performance.
- Ensures resources for the delivery of quality services.
- Ensures a safe and healthy environment for staff and clients.
- Ensures current risk & crisis management and emergency plans are in place and regularly updated
- Has succession plans in place for board and staff leaders
- Maintains positive relationships with its funders and donors



Self Assessment Tool : Areas that the Board should assess:

- Board expectations and board performance
- Attendance and level of engagement
- Leadership succession planning
- Sustainability planning
- How meetings are managed
- Information needs of the Board
- Understanding of legal, fiduciary and regulatory duties, conflict of interest
- Understanding of by-laws and how to apply them
- Understanding of director's liability



Self Assessment Tool : Areas that the Board should assess:

- Strategic planning and Board Work plans
- Monitoring and Evaluation of Plans
- Organizational and E.D performance
- Board, E.D. & staff relations
- Board and staff role clarity
- Policy making and Legislative requirements
- Board recruitment, orientation, development
- Board skills gaps
- Board member understanding of key information reports, eg financial statements, auditor's report

Practices that Support Improved Board Performance

- Annual retreat is a blend of setting goals for the organization and setting goals to improve governance
- Goals for the organization are realized by staff with Board support and oversight
- Governance goals are realized by the Board with support from the ED.
- Governance goals drive the Board's Learning Plan and Work Plan
- The Board's Work Plan reflects the annual goals set
- The Work Plan drives the creation of meeting agendas
- The Work Plan and Learning Plan are regularly monitored, refined and resourced appropriately
- There is an annual evaluation of the Work Plan
- Meeting agendas reflect the core functions of the board
- Meetings are a blend of strategic discussions and routine oversight and decision making
- Meetings are evaluated and continuously refined to improve group dynamics, background information to inform decisions, levels of participation, quality of discussions



Practices that Support Improved Board Performance

- There is a Board structure that describes scope of authority and relationships between committees and the Board
- Board members sit on Standing Committees, eg Audit, Executive, Nominations, Policy, Evaluation, Board Development.
- Standing Committees reflect the functional needs of the Board in its core areas of responsibility
- Standing Committees reflect the functional needs of the Board in its governance and policy making role
- There is an infrastructure to support Board recruitment, orientation, development, retention and succession
- Board expectations for attendance, quorum at meetings, participation in training events are enforced
- Conflict of interest is declared at the start of every meeting
- A Risk Management Strategy is in place and all incidents are debriefed to support strategy refinement



Board Self–Assessment Tool

GOOD

- 1. Vision is clear and influences decisions
- 2. Vision and Mission drive strategic goals during the planning process but are not referenced in concrete activities in the Board's work plan
- 3. Vision and Mission drive priorities and goals but these lack an evaluation component
- 4. Organizational performance is tracked and discussed but there is little reference to desired outcome
- 5. Community presence and reputation are discussed and action plans developed based on stakeholder feedback

GREAT

- 1. Vision is compelling and inspires excellence
- 2. Board leads short, medium and long term strategies which are based on the vision and mission and are continuously tracked and refined
- 3. Vision and mission result in concrete goals which have measures, timelines, responsibility and resources assigned
- 4. Organizational performance is tracked and there is strong focus on social impacts and short/long term outcomes
- 5. Community engagement is a core component of the Board's work plan and is consistently resourced, tracked and refined

Board Self–Assessment Tool

GOOD

- 6. There is a Board Manual setting out expectations, roles, rules and policies
- 7. The Board evaluates its performance annually
- 8. Policies, by-laws, relevant legislation is reviewed and reflects current needs
- 9. The roles of the Board and E.D.are defined and respected, with the E.D.delegated to manage operations and the board focused on policy and strategic planning
- 10. The Board Chair leads all aspects of managing and evaluating the E.D.

GREAT

- 6. The Board manual is regularly revised and all rules, policies and protocols are enforced
- The Board evaluates meetings, committee ToRs, work plans, board training using comprehensive tools and processes
- 8. All Board members understand by-laws, policies and relevant legislation and their implications for the organization
- 9. The roles of the Board and E.D. are understood by all members and discussion drift or role confusion is addressed immediately
- 10. The Board delegates to its Executive Committee all aspects of E.D. recruitment, oversight, evaluation and compensation

Knowledge Sharing & Questions

- Please feel free to share any successes from your organization
- Any questions or comments



Thank You & for any further inquiries please feel free to contact me at JasminEarle@rogers.com