

# THE BOARD *of 21C*



## Tips & Tools To Re-engineer Your Board

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- ◆ As A Board, Where Are We?
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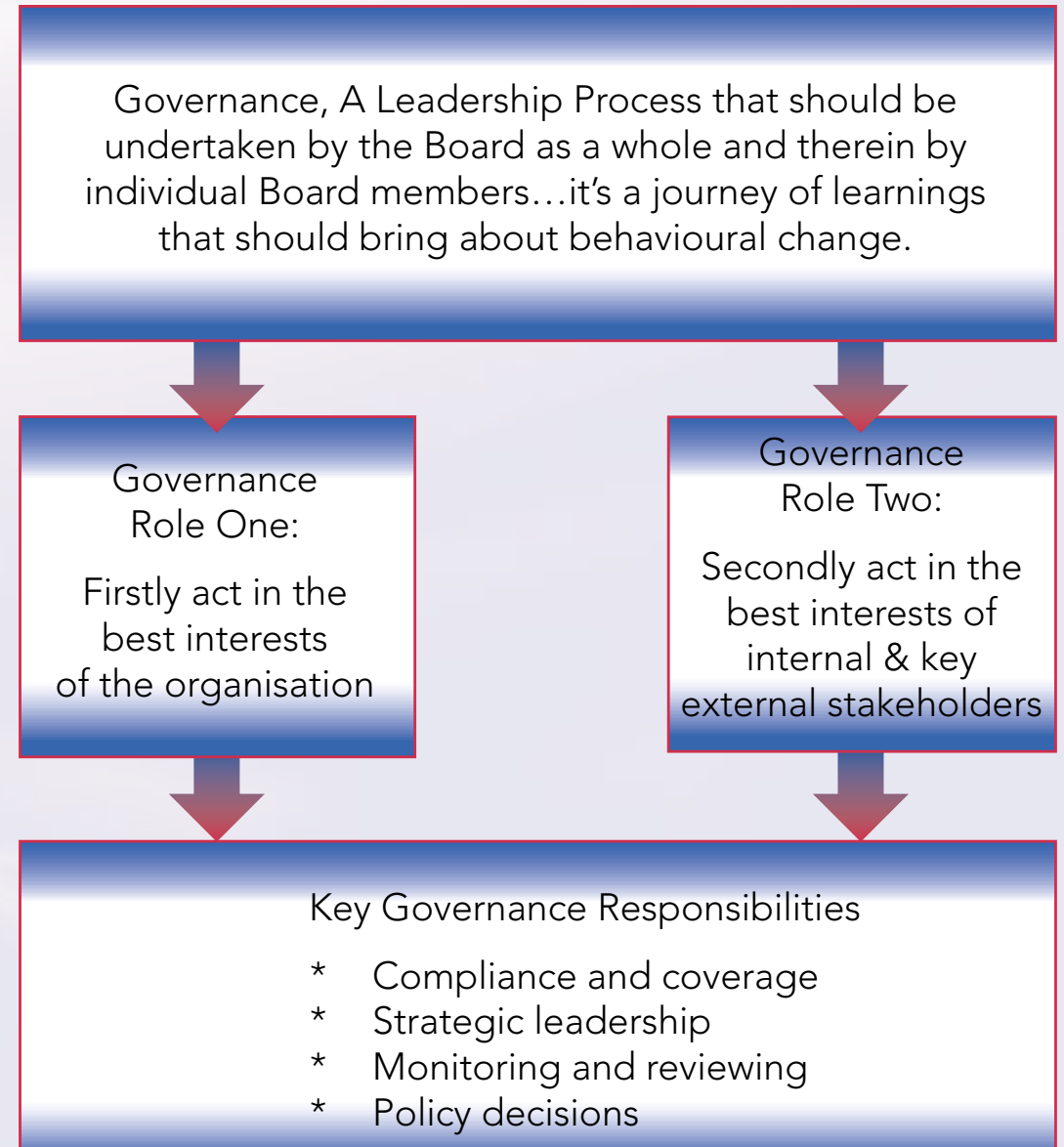
# ***Governance In A Nutshell***



# What Is Governance?

Governance is a leadership process that is undertaken by the Board as a whole and therein by individual Board members.

Contemporary Boards use governance principles, policies, procedures, tools and resources to ensure individual Board members and the whole Board's work is undertaken in the best interest of the organisation and in the best interest of its internal and external stakeholders, in particular the members.



# What Is A Board & The Purpose It Serves?

A Board is a group of skilled and experienced individuals appointed or elected to direct and control the company or association, the organisation.

The Board's purpose is to translate the wishes of the organisation's owners, its members and stakeholders into organisational performance.



# What Is A Board & The Purpose It Serves?

The Board is foremost a voice from ownership to management and only secondarily a link in the other direction.

The Board should focus on what the organisation stands for, the vision, mission, values and core business, rather than what the organisation does.

Boards should focus on the organisational ends/the key result areas, whilst management develops and delivers the means/the strategic objectives.



# What Are The Key Governance Roles Of Boards?



# What Are The Key Governance Responsibilities Of Boards?

## 1. Compliance & Coverage

Boards need to ensure the organisation is compliant (behaviours) with and has coverage (documentation and resources) against:

- \* Local, State and Commonwealth Governments' legislation and regulations
- \* Industry and/or Government Standards and Quality Systems
- \* Contracts and Funding and Service Agreements etc.
- \* Constitution or Memorandum and Articles of Association.

# What Are The Key Governance Responsibilities Of Boards?

## 2. Strategic Leadership

The Board needs to ensure that it, amongst other things:

- \* employs, works with and builds the relationship with the Chief Executive Officer
- \* causes the development and driving of the vision, mission, values, core business, desired future, key result areas and organisational performance measures
- \* keeps the organisation in mission or maintenance mode, not muddling mode
- \* continuously monitors, understands and addresses the current and future internal and external challenges and opportunities facing or confronting the organisation.

# What Are The Key Governance Responsibilities Of Boards?

## 3. Monitoring & Reviewing

The Board needs to ensure that it robustly monitors the organisation's performance on a monthly/quarterly basis against agreed performance categories such as finances, stakeholder satisfaction, quality, strategy and contractual outcomes and within each category the various key performance indicators.

The Board also needs to ensure that it robustly monitors and reviews the agreed strategy (strategic plan) and how it is delivering the vision, mission, values, desired future and key result areas in light of the ever changing internal and external environments and available resources.

# What Are The Key Governance Responsibilities Of Boards?

## 4. Policy Decisions

A Board should ensure that:

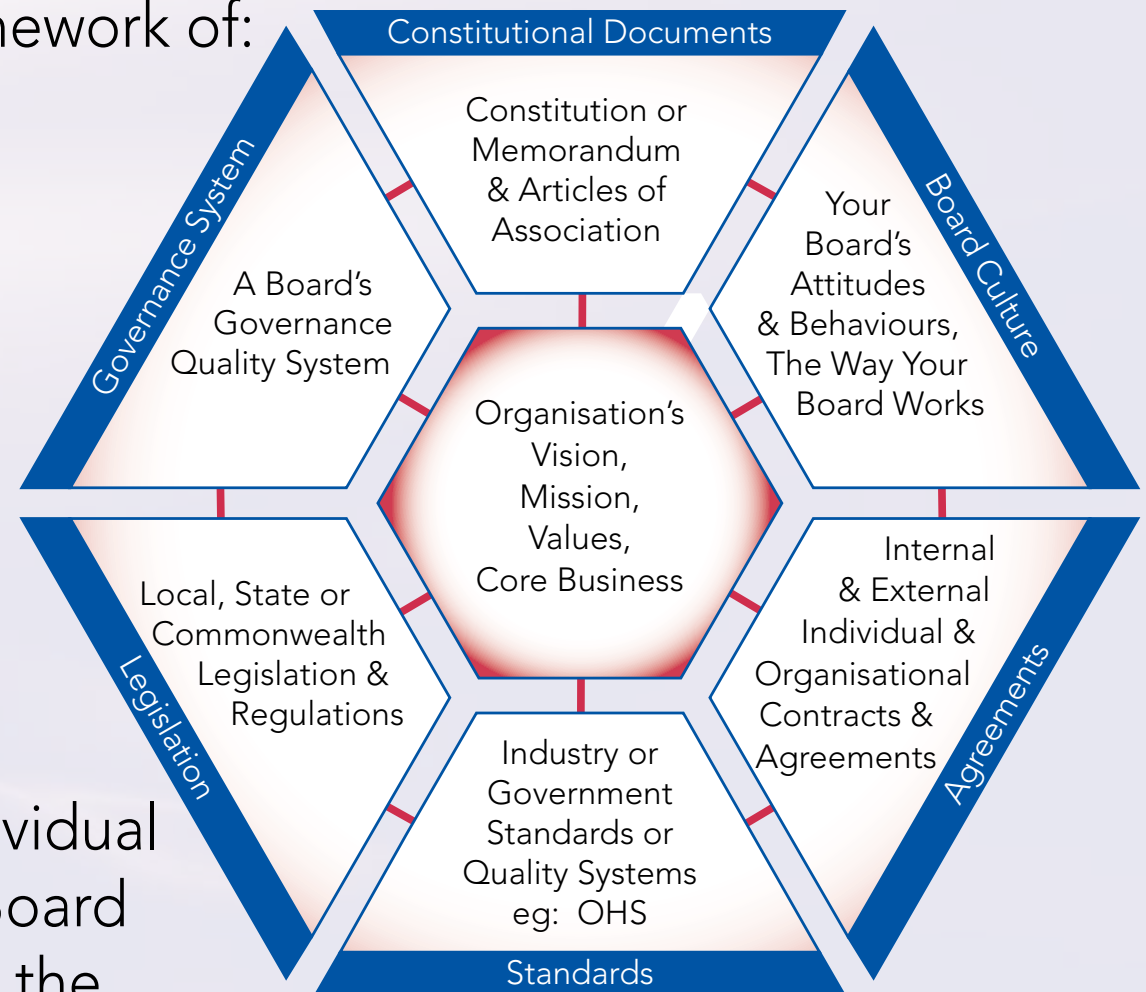
- \* all decisions are made and actions undertaken against agreed governance principles, policies, procedures and indicators
- \* they consistently use or develop new governance policies, procedures and indicators as they undertake their work
- \* they annually review their existing governance documentation.

# What Is The Framework That Should Create The Behaviour Of Boards?

Boards should work within a framework of:

- \* Constitutional documents
- \* Board Culture
- \* Agreements
- \* Standards
- \* Legislation
- \* A governance system

This framework should assist individual Board members and the whole Board shape its behaviours...its work in the boardroom.



# How Should Boards Govern?

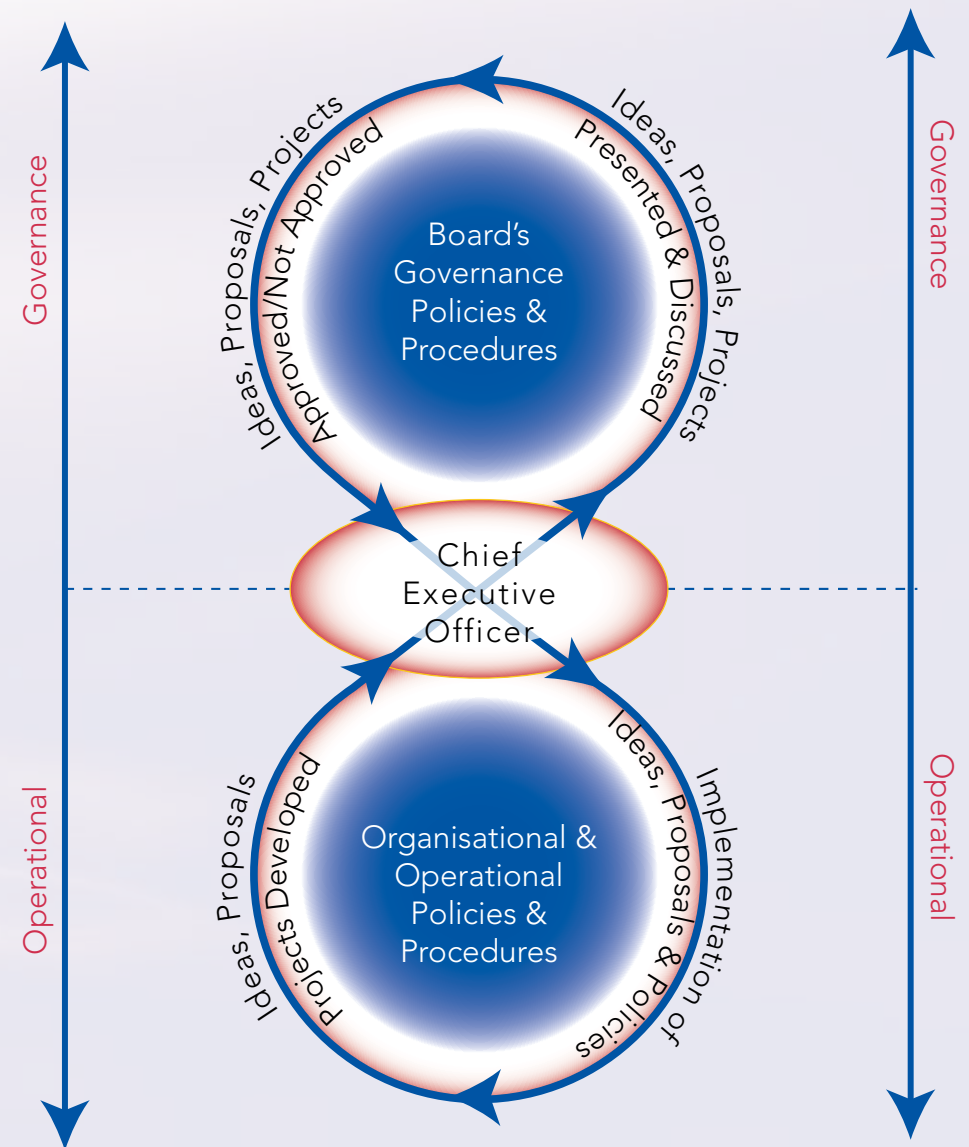
Fundamentally there are two internal mechanisms that cause the work of a Board:

- \* the management puts forward ideas, documented reports, proposals, feasibility studies or business plans to a Board
- \* a Board puts forward ideas, directives or decisions for the management to research, develop, action and report on.

When management puts forward an idea, proposal, feasibility study or business plan to a Board, they discuss this within the context of the framework described on page 12; in particular its governance policies and procedures.

# How Should Boards Govern?

When a Board puts forward ideas, directives or decisions, management or senior managers should implement these within a Board's governance policies and procedures and/or the organisational or operational policies and procedures.



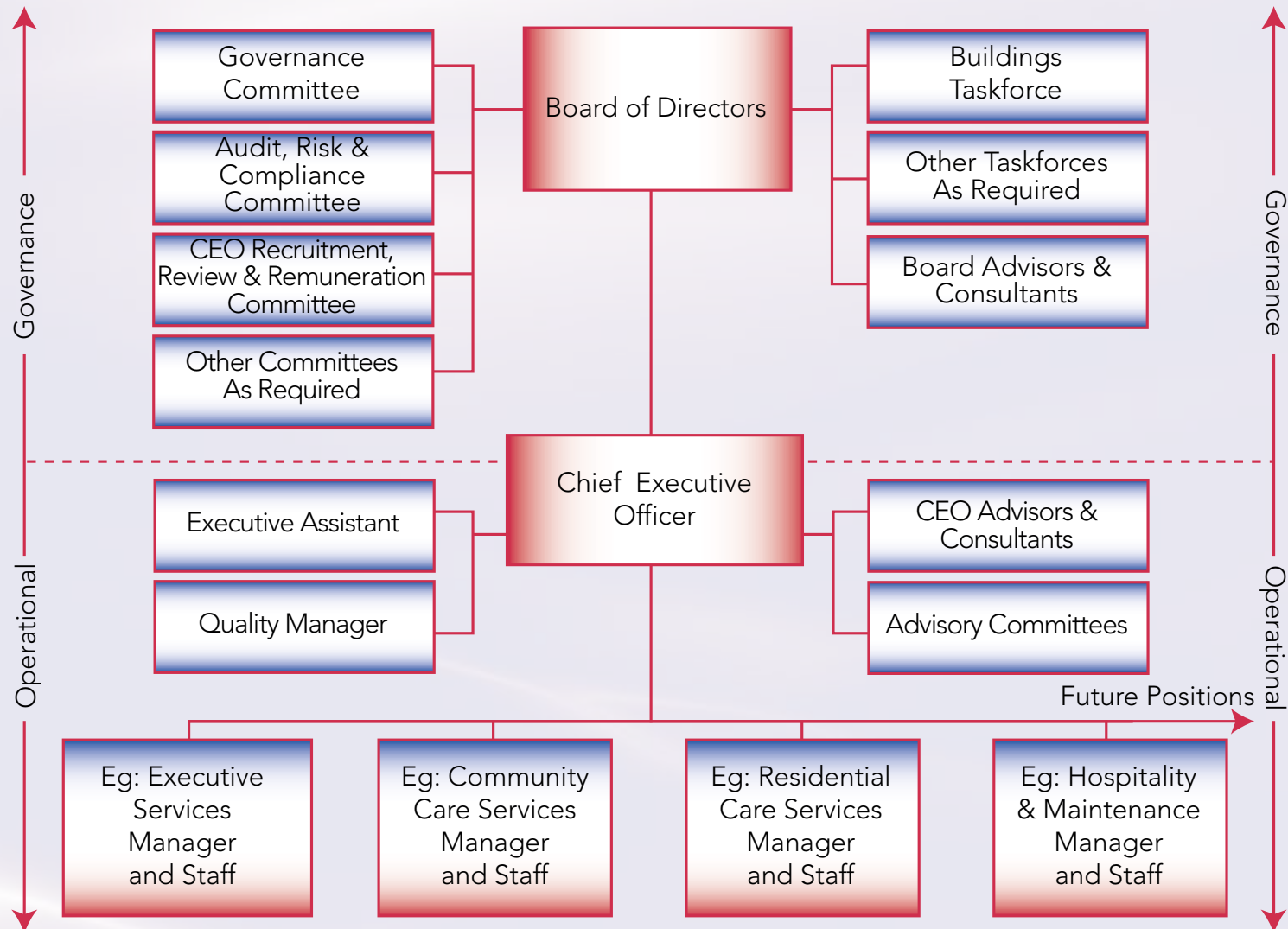
# Boards Stay Above The Line, CEOs Manage Below The Line

If a Board truly understands and operates in governance mode, its behaviours and decisions should be above the line.

The Chief Executive Officer is the only person in the organisation who:

- \* works in two domains, governance and operational
- \* utilises both governance policies and procedures and organisational policies and procedures to undertake their work.

# Boards Stay Above The Line, CEOs Manage Below The Line





# ***As A Board, How Are We Operating?***

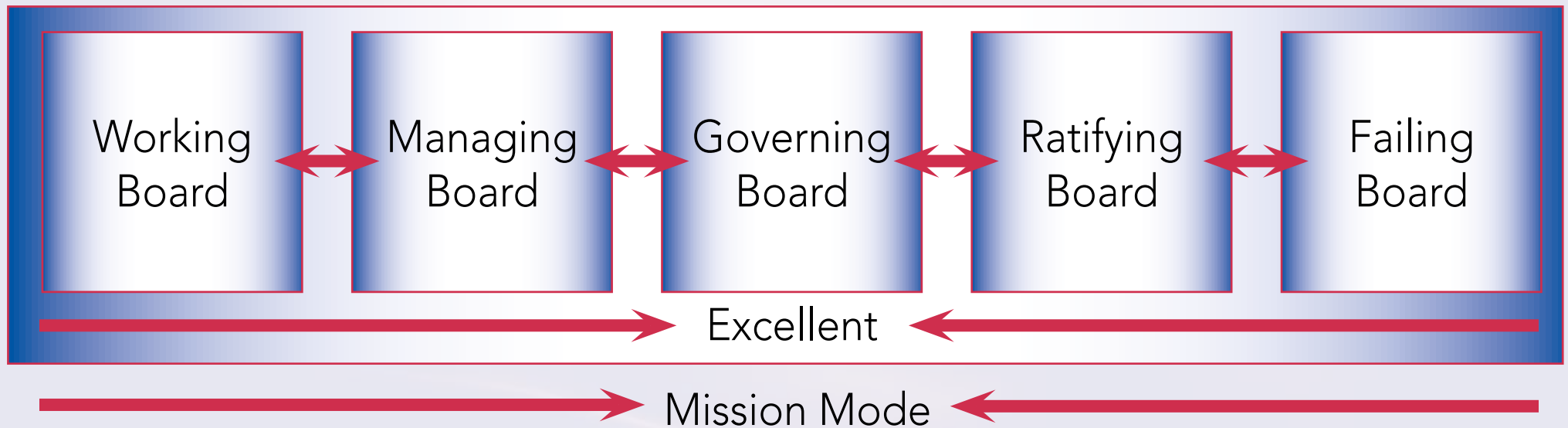
# The Five Ways Boards Might Function

All Boards have their own unique attitudes, characteristics and behaviours which are driven by individual Board members:

- \* commitment to the organisation's vision, mission, values and core business
- \* heads and hearts, their personalities, power and politics
- \* understanding of governance and its practical application in the boardroom.

# The Five Ways Boards Might Function

There are five modus operandi that reflect the way Boards might work:



# The Five Ways Boards Might Function

Working Board	Managing Board	Governing Board	Ratifying Board	Failing Board
Service Manager or Service Co-ordinator	Manager does/doesn't need assistance	Highly skilled Chief Executive Officer	Board doesn't do much, doesn't govern	Manager struggling, often overwhelmed
Typically Small-Medium organisation	Board & management role confusion	Board governing, management managing	Board rubber stamps most things	Typically a financial mess or near disaster
Board managing, not governing	Board sets tasks or projects	Focus on vision, mission & values	Board in decline, laid back or lazy	Organisation is in muddling mode
We are "a service", we are not a business	Board is hands on, gets hands in the business	Obtains & implements governance system	Organisation is in maintenance mode	Board or management relationship strife
Service mentality, limited understanding of an organisation	Key focus is on administration and finance	Board know roles and responsibilities	Hands off the business	Walking backwards into the future, looking at the glorious past
No Strategic Plan, ad hoc planning	Short term horizon, reactive behaviours	Hands around the business	No governance system	Bereft of leadership, focus on direction
Trying to raise \$, trying to keep things going	Board managing, management managing	Heads and hearts connected and going forward	Mainly heart, little head	Desperate struggles to get extra \$

# Re-engineering Tips

Australian Business  
Excellence Awards



**19TH  
ANNUAL  
BUSINESS  
EXCELLENCE  
AWARDS  
ARE YOU  
IN TOP  
GEAR?**

 SAI GLOBAL

# Step One: Establish The Need

The Chairperson, Chief Executive Officer and/or an individual Board member either:

- \* reflects on the Board's governance behaviours, processes and tools against their own governance experiences and knowledge; or
- \* knowingly, or unknowingly recognises the need for better governance behaviours, processes and tools, but maybe unsure how to achieve these; or
- \* is part of, or recognises a Board crisis and becomes focused on the governance issue/s and seeks solutions. There is nothing like a crisis to get a Board focused.

# Step One: Establish The Need

## Tools & Tips

	Yes	No
* <i>Attend specific governance conferences.</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Undertake governance courses or workshops.</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Read current governance articles or presentations.</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Speak with Board members from other organisations.</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Reflect upon what your Board truly does, their behaviour, the processes they use, the timeframes or the items they discuss and the results they deliver.</i>		

# Step Two: Create A Sense Of Urgency

Are there like-minded Board members or the Chief Executive Officer with whom you can communicate your observations, reflections, concerns or ideas for improvement?

Document and present critical data or information which focuses:

- \* either on the potential, or actual crisis, or
- \* the opportunities and ideas for improvement in the Board's governance structure, model, system, processes, tools etc.

The overall aim is to create a sense of urgency and required actions that cannot be avoided: confront the facts.

# Step Two: Create A Sense Of Urgency

## Tools & Tips

	Yes	No
* <i>Can I identify and communicate with key individuals who may be of the same opinion and be interested in my views?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Can I prepare and communicate critical issues, information and possible potential solutions with power and dramatic effect to these key individuals through the use of a draft paper or a digital presentation?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Do I understand the power, politics and personalities of my Board?</i>	<input type="checkbox"/>	<input type="checkbox"/>

# Step Three: Form A Powerful & Guiding Coalition

Form a powerful and guiding coalition of key individuals who are prepared to:

- \* engage other champions of change
- \* present a paper or digital presentation to the whole Board, which raises the critical issues and potential solutions
- \* engage and educate remaining Board members, thereby guiding the whole Board to a common understanding and agreement for practical action/s
- \* bring "loose canons onto the ship", on the inside of the process, rather than have them shooting from the outside.

# Step Three: Form A Powerful & Guiding Coalition

## Tools & Tips

	Yes	No
* <i>Have I contacted and discussed the situation and solutions with other champions of change?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Have I amended my draft paper or digital presentation taking into account the feedback I've received?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Have the champions of change agreed on a paper or presentation strategy?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Have we considered an indicative strategy, its risks and potential positive or negative consequences?</i>	<input type="checkbox"/>	<input type="checkbox"/>

# Step Four: Educate Directors To Understand Issues

Enable all Board members to educate themselves and understand their own, and the whole Board's issues and ideas for improvement through such mechanisms as:

- \* attending governance conferences
- \* reading provided governance articles and presentations
- \* meet with or have other organisations' Board members or consultant/s as guest speakers
- \* undertake a Board Self Assessment or Governance Due Diligence Assessment.

The above are empowering ways to bring about self recognition as well as whole group recognition of the issues.

# Step Four: Educate Directors To Understand Issues

## Tools & Tips

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| * <i>Have I collected 12-24 governance articles and with each set of Board papers sent out one article that is focused on a Board issue that needs addressing? (Directors are expected to read the article prior to the Board meeting.)</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| * <i>At the Board meeting can we spend a maximum of 10 minutes identifying and agreeing on the practical actions or improvements that can be implemented?</i>   | <input type="checkbox"/> | <input type="checkbox"/> |

# Step Five: Determine The Governance Model

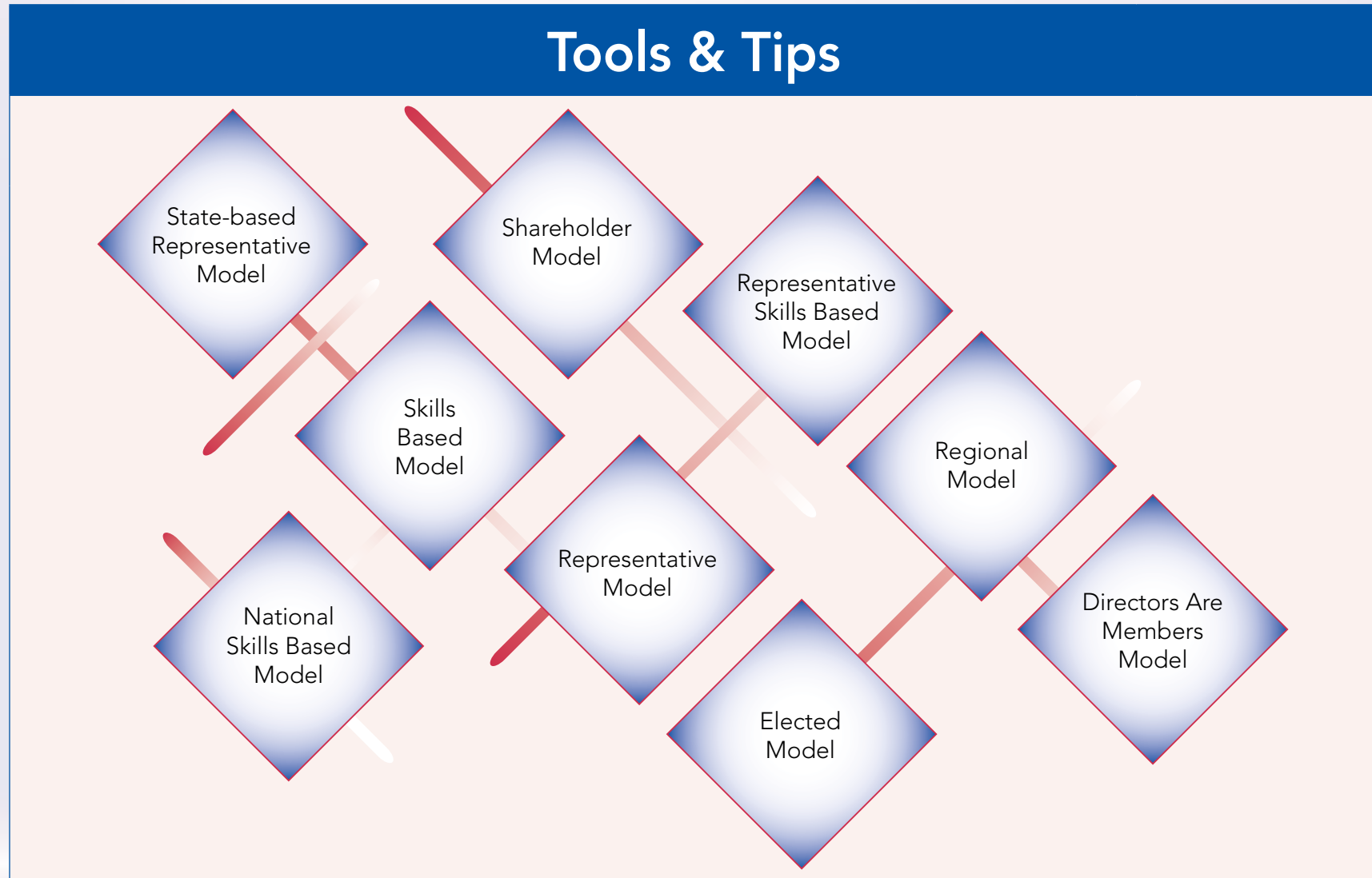
Discussing and determining a Board's governance model is fundamental for the determination of future Board positions, numbers and skills, as well as appointing and/or nominating potential Board members for members to elect.

No matter what a Board's governance model, whether representative, state-based, shareholder, regional or purely an elected model, determining the Board positions and therein the required skillsets and mindsets can substantially contribute to the establishment of an excellent Board.

Remember there is no one governance model/s that fits all Boards.

Once a governance model has been determined a governance structure can be determined and established.

# Step Five: Determine The Governance Model



# Step Six: Determine The Core Business

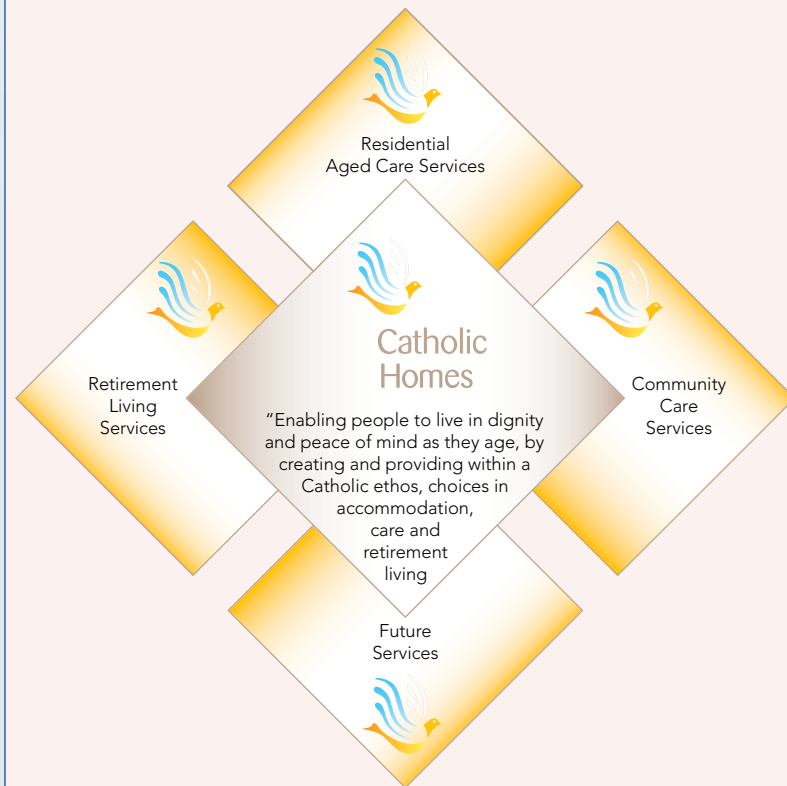
A Board and/or an organisation's Leadership Group (Board, Chief Executive Officer, Senior Management Team) should determine the organisation's core business.

The core business is the organisation's reason for being or 'raison d'être', not what products or services it develops or delivers.

A Board should drive the core business whilst management and staff deliver the core business via the organisation's various products and/or services, eg: in aged care high care, dementia care, day services, palliative care, low care etc. (refer to example model).

# Step Six: Determine The Core Business

## Tools & Tips



Example:  
Catholic Homes for the Elderly Victoria

\* Does our Board have an agreed core business statement?

Yes No

\* Is our Board truly clear about the core business statement, what it means and its role in driving it?

# Step Seven: Determine The Board Positions & People That Align To The Core Business

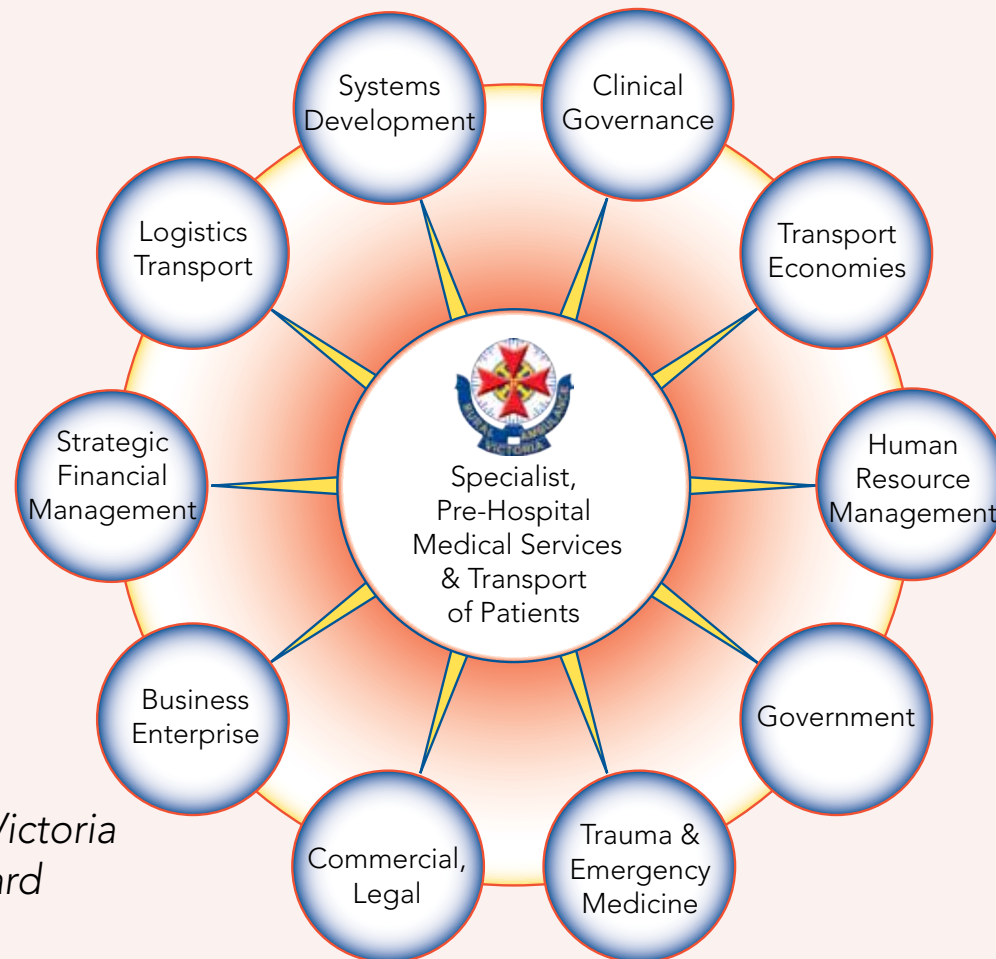
A Board and/or Leadership Group should determine the organisation's core business and align Board positions to the core business.

Elect or recruit people who have the appropriate skills, knowledge and experience to the Board positions.

A Board drives the core business, whilst management and staff deliver the core business via the organisation's products and services.

# Step Seven: Determine The Board Positions & People That Align to The Core Business

## Tools & Tips



*Example:  
Rural Ambulance Victoria  
Core Business/Board  
Skillsets Model*

# Step Eight: Determine Who's On & Who's Off The Board

Using the results of a Board Self Assessment, Conflict Of Interest Assessment, Governance Due Diligence Assessment or a Board education workshop is a powerful way for either the whole Board, or individuals to determine if they should remain on the Board.

At the heart of the matter either the chairperson or a governance committee of the Board may need to ask individual members to:

- \* consider their future on the Board
- \* step down from the Board

At worst a vote will need to be taken at a Board meeting.

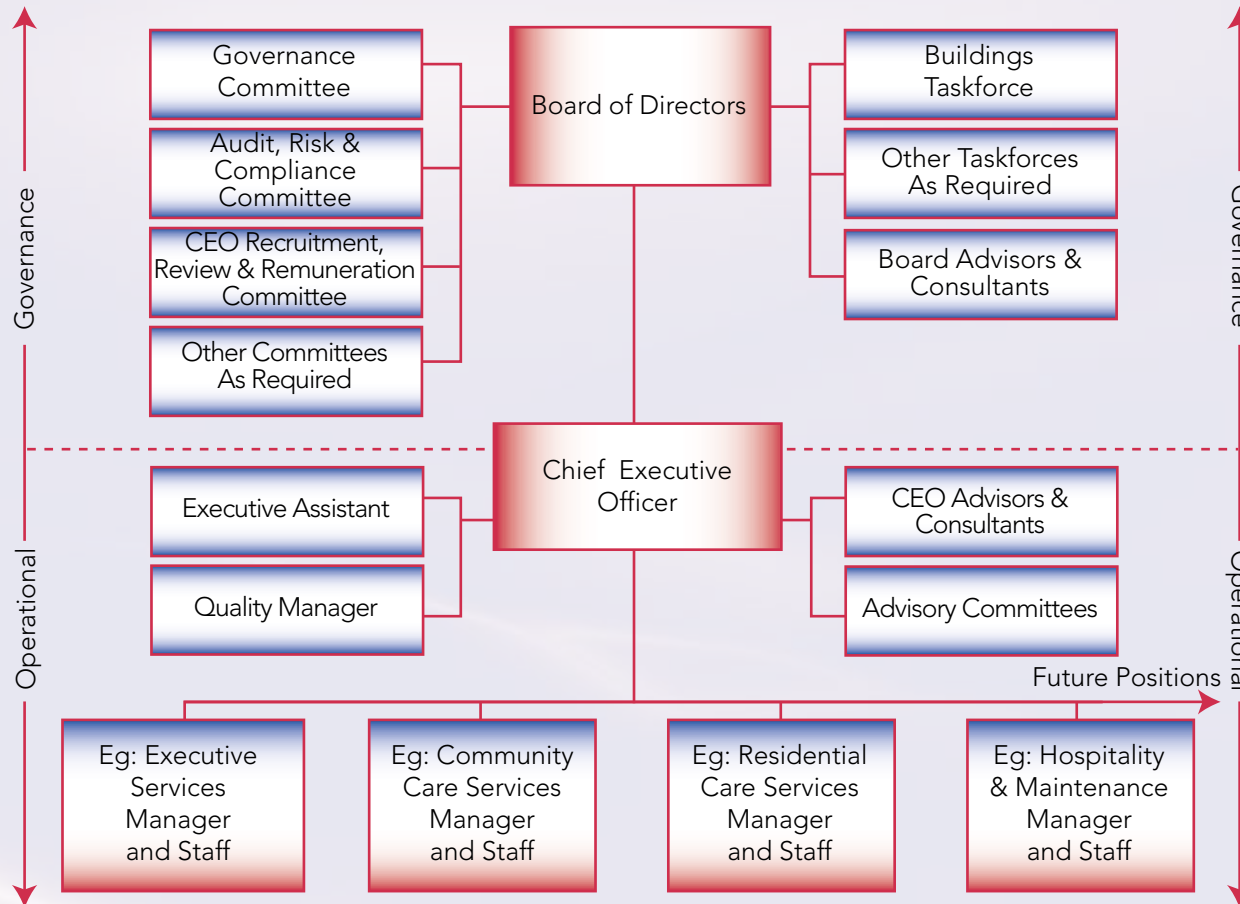
# Step Eight: Determine Who's On & Who's Off The Board

## Tools & Tips

	Yes	No
* <i>Has the Chairperson, whole Board, individual Board members or the Governance Committee determined:</i> <ul style="list-style-type: none"><li>• <i>who should stay</i></li><li>• <i>who should go?</i></li></ul>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Will Board members remain whose hearts and heads are connected, who are not all head or all heart?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Rather than "pussy footing around" consider using a courteous, but focused approach directly and openly to people.</i>		

# Step Nine: Determine The Future Governance Structure, Committees & Taskforces

Once a Board has been re-engineered, it should focus on its current and future governance structures: Board, committees and taskforces.



# Step Nine: Determine The Future Governance Structure, Committees & Taskforces

## Tools & Tips

	Yes	No
* <i>Have we discussed and documented our governance structure?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Do we have Committees and Taskforces and do they have Terms of Reference?</i>	<input type="checkbox"/>	<input type="checkbox"/>
* <i>Do our Committees and Taskforces only undertake the work of the Board not the Chief Executive Officer?</i>	<input type="checkbox"/>	<input type="checkbox"/>

# Step Ten: Terms Of Reference & Position Descriptions

Contemporary Boards have and use Board position descriptions.

Both specialist Board positions and general positions should have position descriptions.

Documents like this provide current and future Directors with clarity about matters such as:

- \* specific details of their positions
- \* roles and responsibilities
- \* objectives and outcomes
- \* resources and timeframes.

Board committees and taskforces should also have terms of reference.

# Step Ten: Terms Of Reference & Position Descriptions

## Tools & Tips

\* Have we got comprehensive Board position descriptions, Committee and Taskforce terms of reference?

Yes No

# Step Eleven: Develop Or Obtain A Governance System

Whether a Board develops its own governance system or purchases one, the key components of a comprehensive governance system are:

- \* Governance principles, policies, procedures and indicators
- \* Board position descriptions and terms of reference
- \* Articles and presentations, links and references
- \* Models and flowcharts
- \* Packages, tools and templates.

# Step Eleven: Develop Or Obtain A Governance System

## Tools & Tips



Yes No

- \* Does our Board have a comprehensive, practical and easy to use governance system?
- \* Does it provide principles, policies, procedures, indicators, tools, position descriptions, terms of reference and resources?

# Step Twelve: Develop A Board Plan Of Action

With the renewed/new Board now in place and the whole Board, or majority of Board members prepared to take action, key questions can be raised:

- \* what are the remaining governance issues to be addressed and what are the actions to be undertaken?
- \* who will facilitate and guide the process of Board development?
- \* have we the necessary skills, knowledge and experience to address these issues and actions?
- \* what are the resource requirements and timeframes?

A Board Plan of Action may be developed and incorporated in the Board Annual Program of Work.

# Step Twelve: Develop A Board Plan Of Action

## Tools & Tips

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| * <i>Discussing issues is one thing, documenting is another. Documentation assists in communication issues and actions and recording the process and timeframes.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| * <i>Develop a concise Board Plan of Action. Actions may be transferred into the Board Annual Program of Work.</i>   | <input type="checkbox"/> | <input type="checkbox"/> |

# Step Twelve: Develop A Board Plan Of Action

<b>Board Plan of Action</b>			
<i>Action</i>	<i>Who/Taskforce</i>	<i>When</i>	<i>Status</i>
<i>Read governance articles and attend conferences</i>	<i>Whole Board</i>	<i>End Dec</i>	<i>To Do</i>
<i>Identify how we are governing</i>	<i>Whole Board</i>	<i>End Oct</i>	<i>To Do</i>
<i>Develop a project brief</i>	<i>Taskforce</i>	<i>End Nov</i>	<i>To Do</i>
<i>Identify and contract a Consultant</i>	<i>Chair</i>	<i>End Sept</i>	<i>Done</i>

# Re-engineering Tools



# Re-engineering Tools

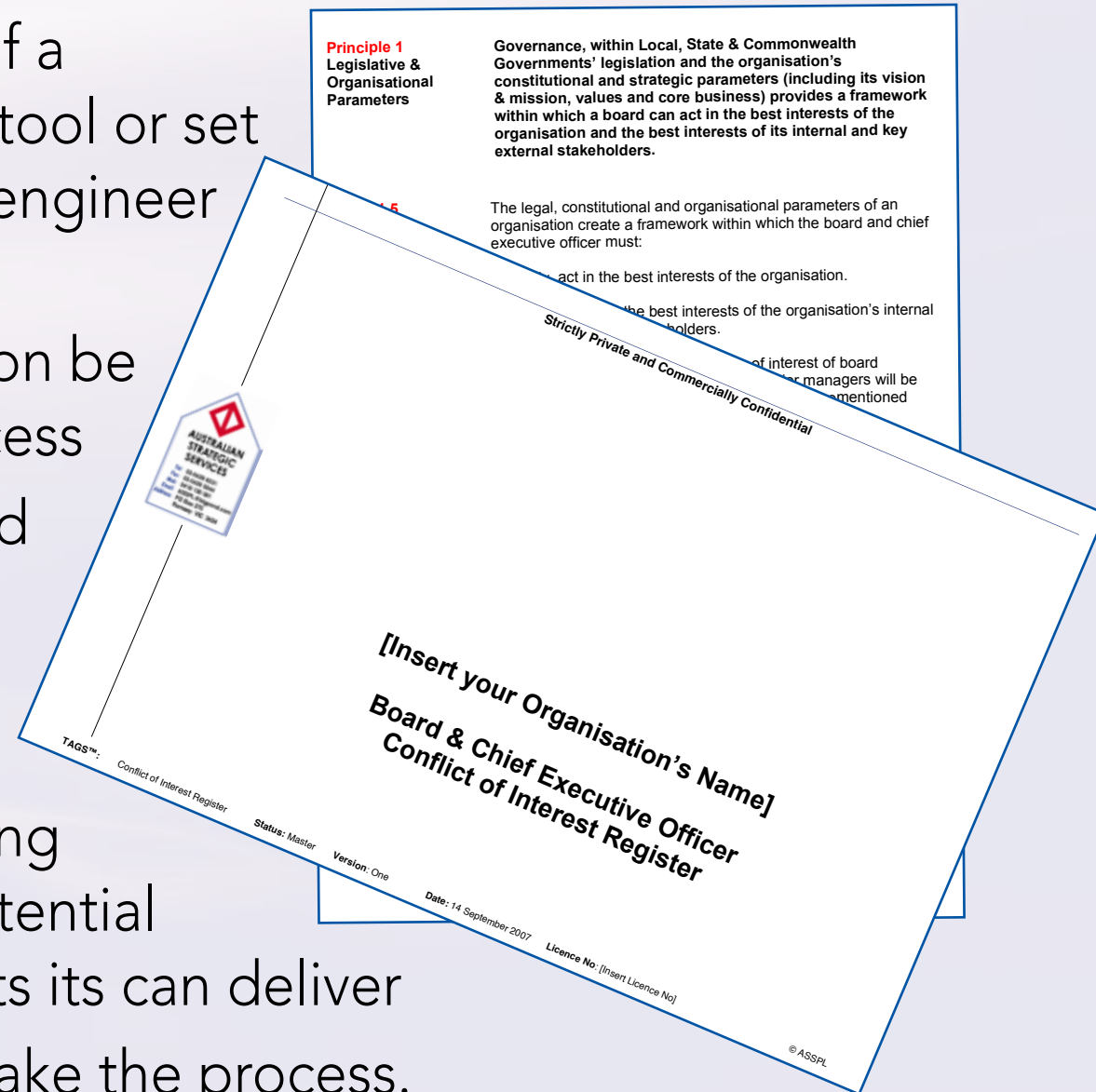
There are a variety of re-engineering documents, tools and associated processes that can be used to undertake such tasks as:

- \* bringing Board members to reality, and an understanding of where they are at or how they are behaving
- \* educating Board members about themselves, their behaviours or processes
- \* removing Board members
- \* downsizing a Board
- \* moving from a representative model of governance to a skills based model of governance
- \* ensuring specific governance policies and procedures are utilised eg: Conflict of Interest policies and procedures.

# Re-engineering Processes

It is well worth remembering that if a particular governance document, tool or set of tools is going to be used to re-engineer your Board, it is critical that:

- \* an objective, independent person be considered to facilitate the process
- \* there is a focus on the issues and solutions, not the person/s or event/s, don't get caught up with personalities
- \* you know what the re-engineering tool is, how to use it and the potential impacts, consequences or results it can deliver
- \* the Board has agreed to undertake the process.



# Tool One: Board Governance Analysis

Strictly Private and Commercially Confidential

[Insert your Organisation's Logo]

[Insert your Organisation's Name]

## Board Governance Analysis Tool

TAGS™: Board Governance Analysis    Status: Master    Version: One    Date: 14 September 2007    Licence No: [Insert Licence No]

Current Board Focus & Beliefs			Future Board Focus & Beliefs		
Roles	Board's Focus	Past & Present Orientation/ Compliance Driven	Roles	Board's Focus	Future Orientation/ Compliance Driven
External Role	Compliance & Coverage 10-20%	Strategic Leadership 5-10%	External Role	Compliance & Coverage 5-10%	Strategic Leadership 50-60%
Internal Role	Monitoring & Reviewing 60-70%	Policy Decisions 10%	Internal Role	Monitoring & Reviewing 5-10%	Policy Decisions 10-20%

Currently the Board's focus and roles are:

- \* primarily internally directed, dealing with past and present information and issues that are compliance driven
- \* externally directed toward compliance and coverage matters
- \* limited in time and application to strategic leadership and policy decisions
- \* past and present oriented, with an emphasis on being compliance driven

In the future the roles and focus of the Board will:

- \* show a significant shift from a past and present orientation to a future orientation, which is performance driven
- \* show a significant shift from compliance & coverage and monitoring & reviewing to strategic leadership and policy decisions
- \* be primarily externally focused, seek to understand and position the organisation in the ever changing aged care industry
- \* undertake a shift within the Transition Strategy contained at the rear of this Review

TAGS™ Board Governance Analysis    Status: Master    Version: One    Date: 14 September 2007    Licence No: [Insert Licence No]    © ASSPL (2)

**Instructions**

This is an example Board Governance Analysis Tool

The primary purpose of the Board Governance Analysis Tool is to enable a board to undertake a self-assessment of its current and future focus and behaviours.

**Step One:** Fill in your organisation's name and logo throughout the tool.

**Step Two:** Refer to page 2 of this tool which provides an example of a board's current and future focus and behaviours. Follow the two tools on page 2 are several example descriptions or statements about the current and future board's focus and behaviours.

**Step Three:** Your board may wish to use the blank templates on page 3 to determine its current and future position.

**Step Four:** On pages 4-7 are questions, answers and strategies that can assist your board to put in place strategies to change their focus and the way they work or deliver their services.

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 Email: asspl@bigpond.com.au

Board Governance Analysis    Status: Master    Version: One    Date: 14 September 2007    Licence No: [Insert Licence No]    © ASSPL (1)

# Tool Two: Conflict Of Interest Tool

**Principle 1  
Legislative &  
Organisational  
Parameters**

Governance, within Local, State & Commonwealth Governments' legislation and the organisation's constitutional and strategic parameters (including its vision & mission, values and core business) provides a framework within which a board can act in the best interests of the organisation and the best interests of its internal and key external stakeholders.

**Policy 1.5  
Conflict of  
Interest**

The legal, constitutional and organisational parameters of an organisation create a framework within which the board and chief executive officer must:

act in the best interests of the organisation.

the interests of the organisation's internal

Strictly Private and Commercially Confidential

**Procedur  
Actions 1**



[Insert your Organisation's Logo]

[Insert your Organisation's Name]

**Conflict of Interest and  
Pecuniary Interest Tool**

TAGS™: Pecuniary Interest

Status: Master Version: One

Date: 17 September 2007

Licence No: [Insert Licence No]

© ASSPL

**Instructions**

Tool:

Board Conflict of Interest and Pecuniary Interest Tool  
This Tool is to be used for the purposes of identifying conflicts of interest, pecuniary or non-pecuniary that current or potential Board Members have or may have, and outlining a policy of dealing with any such situation that arises.

Purpose:

The Board Conflict Of Interest & Pecuniary Interest Tool has been designed to assist boards and/or individual board members to identify, discuss and address actual, perceived or potential conflicts of interest or pecuniary interests; an area many individual board members find difficult to discuss, let alone address.

A conflict of interest is a clash between private interest and the interests of the board/organisation. There are two types of conflict of interest – pecuniary and non-pecuniary. A pecuniary interest is an interest that a person has in a matter which has a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated – relative, partner or employers for example. A non-pecuniary interest may include family relationships, friendships, positions in associations and other interests conflict with the organisation and do not involve financial gain or loss.

In addition to the more detailed tests for a conflict of interest outlined in this Tool, a general test is if either of the following questions are answered in the affirmative:

- \* Is it likely I could be influenced by personal interest in carrying out my Board duties?
- \* Would a fair and reasonable person believe I could be so influenced?

Affirmative answers to these questions could give rise to an actual or potential conflict of interest.

Board members must:

disclose to the board actual or potential conflicts of interest which may exist or might reasonably be thought to exist in carrying out the activities of the board; and  
At the request of the board, within seven (7) days or such further period as may be allowed, take such steps as are necessary and reasonable to remove any conflict of interest or pecuniary interest referred to above.

Master Organisation	Version: One	Date: 17 September 2007	Licence No: [Insert Licence No]	Arthur Tom	Denise Flower	Daisy Smith
Board member is on the board/chief executive/Staff of a similar organisation. may not be a direct	Yes	Yes	Yes	No	No	No
wife/partner/family member is also on the organisation.	Yes	No	No	No	No	No
and/wife/partner/family member board member has a conflict of interest or a pecuniary interest.	Yes	Yes	Yes	No	No	No
board member's husband/wife/partner/sibling is the chief executive officer or a manager of the organisation.	No	No	No	No	No	Yes

TAGS™: Pecuniary Interest

Status: Master

Version: One

Date: 17 September 2007

Licence No: [Insert Licence No]

© ASSPL (2)

# Tool Three: Board Governance Due Diligence Tool

**Strictly Private & Commercially Confidential**

**Organisation's Logo**

**Organisation's Name**

**Governance Due Diligence Checklist**

**Instructions**

This is an example Governance Due Diligence Checklist. The primary purpose of the Governance Due Diligence Checklist is to enable a board to undertake an internal audit of the key components or processes of governance.

This tool does not provide a 100% checklist of all the governance principles, policies, procedures, indicators, documentation or tools that should form part of a comprehensive and contemporary governance system.

This tool is typically used at a board meeting or board retreat, by the whole board; the chairperson should facilitate the session.

Step One: In the first two columns, place a "Yes" or "No" against each item.

Step Two: In the Required Actions, Who and Timeframe columns in the relevant actions, people and timeframes.

Step Three: If you have any other governance items that need to be reviewed, document these items in a new row found at the end of the listed items.

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Item	Governance	Yes	No	Document:	Required Action	Who	Timeframe
1.	Constitution/Memorandum of Association			Document: Yes	Undertake a Board Self Assessment	BOD	Nov 07
2.	Governance Standards/Principles			Document: Yes	Complete Skills Matrix	BOD	Feb08
3.	Governance Policies & Procedures			Document: Yes	Obtain Board/CEO Delegation Schedule	BOD/ CEO	Mar 07
4.	Governance Indicators/Key Performance Indicators			Document: Yes	Develop Board Induction Manual	BOD	ASAP
5.	Governance Tools, Templates, etc.			Document: Yes	Set dates for Board Annual Workshops	BOD	Dec 07
6.	Board Annual Program Of Work			Document: Yes	Need to obtain templates	BOD	Oct 07
7.	Board Annual Training Plan			Document: Yes	Need to obtain templates	BOD	BOD Mtg
8.	Board Self Assessment Tool			Document: Yes	Need to obtain templates	BOD	Feb 08
9.	Board Skills Matrix			Document: Yes	Need to obtain templates	BOD	Feb 08
10.	Board/CEO Delegation Schedule			Document: Yes	Review Terms Of Reference	BOD	ASAP
11.	Board Induction Manual	Yes	No	Document: Yes			
12.	Board Annual Workshop	No	Yes	Document: Yes			
13.	Board Position Descriptions	No	No	Document: Yes			
14.	Chairperson Position Description	No	No	Document: Yes			
15.	Terms Of Reference for each Board Committee	No	Yes	Document: Yes			
16.	Terms Of Reference for each Board Taskforce	No	Yes	Document: Yes			

TAGS™: Governance Due Diligence C'list Status: Master Version: One Date: 13 September 2007 Licence No: xxxxx

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# The Five Way Board Self Assessment Tool



# Five Ways Boards Can Function: Working Board

Working Board	Yes	Partially	No
<p>1. Unlikely to have a Chief Executive Officer, more likely to have a service oriented manager or co-ordinator, who has come up through the ranks. Focus on services, not the organisation.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>2. Typically a start-up or small organisation, usually a State-based Association Incorporated legal entity.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>3. Board mainly doing the work of the manager/co-ordinator, acting as a management team rather than a Board.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Working Board

Working Board	Yes	Partially	No
<p>4. Board heavily involved in the service, hands in the business. "We are a service." Often confusion between Board positions and volunteer positions.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>5. Focus on day-to-day operations, a service/operational mentality, not an organisational mentality. Usually in mission mode, though can fall into maintenance mode.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>6. Task oriented, immediate time horizon. No strategic plan, no risk management or performance management systems, typically no governance system.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Working Board

Working Board	Yes	Partially	No
7. Primary role of Board is managing the service, recruiting volunteers and/or trying to raise funds/finances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Five Ways Boards Can Function: Managing Board

Managing Board	Yes	Partially	No
1. A dominating Board which is management oriented, with limited understanding and no practical application of governance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Often in crisis management, with role confusion between Board and Chief Executive Officer/ manager or the Board transitioning to governance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Board often knows a lot about the service, assigning tasks to the Chief Executive Officer/ manager. Inwardly focused, limited knowledge of the current and future industry trends.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Managing Board

Managing Board	Yes	Partially	No
<p>4. Board is hands-on and proud of it and is challenged by the idea of governance. "What else will we do"?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>5. Focus on day-to-day operations, a service/operational mentality, not an organisational mentality. Usually in mission mode, though can fall into maintenance mode.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>6. Task oriented, immediate time horizon. No strategic plan, no risk management or performance management systems, typically no governance system.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Managing Board

Managing Board	Yes	Partially	No
7. Primary role of Board is managing the service, recruiting volunteers and/or trying to raise funds/finances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Five Ways Boards Can Function: Governing Board

Governing Board	Yes	Partially	No
<p>1. Competent to highly skilled and experienced Chief Executive Officer, who appoints competent to skilled and experienced managers. "We are a community business".</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>2. Transitioning to, or has arrived at a point where the Board governs and managers manage. The focus is on getting the organisation into mission mode, out of maintenance or muddling mode.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>3. Board focused on vision, mission, values, desired future, key result areas and organisational performance. Typically a Company Limited By Guarantee (Not For Profit).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Governing Board

Governing Board	Yes	Partially	No
4. Basic to comprehensive governance system: principles, policies, procedures, indicators, toolbox and resources.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Moving to or is focused on strategic leadership, compliance and coverage, policy based decisions and monitoring and reviewing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Board has its hands around the business, not in the business. Introduction and use of a comprehensive governance system, real change in the Board structure and model.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Governing Board

Governing Board	Yes	Partially	No
<p>7. Head and heart connected, solid relationship with Chief Executive Officer, formal training and self assessments, a Board budget.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# Five Ways Boards Can Function: Ratifying Board

Ratifying Board	Yes	Partially	No
1. Employs a good Chief Executive Officer, stays out of the way, "thank goodness". Chief Executive Officer knows it all, we don't have to do much or put in much.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Board approves whatever the Chief Executive Officer presents, the rubber stamp gets a good workout, Board members "trust" the Chief Executive Officer...until something happens.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Typically, an average organisation with average services, but the Board is in decline or disarray.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Ratifying Board

Ratifying Board	Yes	Partially	No
4. Focus on stability, organisation is in maintenance mode. Tired old Constitution or Memorandum and Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Hands off the business, know little about the service or budgets. Lazy, out of touch, unaware, either limited or diminishing attendance from Board members.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. May have a few governance policies, but not used. Limited performance management. Poor accountability, Board members who are old friends, "the club".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Ratifying Board

Ratifying Board	Yes	Partially	No
7. Rubber stamp, in it for the status, something to do, "the feel goods".	<input data-bbox="1386 587 1503 703" type="checkbox"/>	<input data-bbox="1659 587 1776 703" type="checkbox"/>	<input data-bbox="1933 587 2049 703" type="checkbox"/>



# Five Ways Boards Can Function: Failing Board

Failing Board	Yes	Partially	No
1. Competent Chief Executive Officers and Board members leave, managers resign, poor attendance, high turnover. More turkeys than eagles. "Its hard to find Board members".	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Often a financial mess, consumed by cashflow pressures, Chief Executive Officer/managers stressed. Disagreements and division.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Organisation or service is in muddling mode, quality or standards issues, little performance management. Government moving in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Failing Board

Failing Board	Yes	Partially	No
4. Relational strife between Board members and Chief Executive Officer/manager and or staff, distrust or disconnection. Power, politics and personalities, no vision, no desired future!	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. "Walking backwards into the future looking at their glorious past". Board usually way behind Chief Executive Officer/manager and staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Confused, aren't sure what to do, no clarity of roles and responsibility. Bereft of sound leadership and direction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Five Ways Boards Can Function: Failing Board

Failing Board	Yes	Partially	No
7. Board struggles, organisation barely survives, Board is focused on organisational survival, limited knowledge of the industry.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



# My Next Actions

My Next Actions	Who	Time	Status (To Do, Underway, Done)

# "SS Community Business" Service Excellence, Business Excellence

"Boards Govern,  
Managers Manage"

For further information, a copy of this presentation, other presentations or to discuss your Board's requirements contact:

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