CONSCIOUS GOVERNANCE

Masterclass

in Governance for Purpose

Leading-edge strategies & tactics
for nonprofit executives
& Board members

Neighbourhood Houses Tasmania

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For decades of resources/articles/examples/templates, go to
www.consciousgovernance.com

Contents

Strategic Awareness

- Strategic Awareness is the process of fusing Awareness to Strategy, and incorporating real world knowledge of industry, global trends and possible futures.
- Awareness is the key to perceiving and receiving unlimited possibilities and to seize new opportunities; analysis alone will never be adequate.
- Strategically aware leaders are open to the possibility that the existing strategy and the current organization's mission itself may need to change.
- Continuously 'Being the Question' expands your zone of awareness by helping create a more accurate picture of a problem, or phenomenon and a wider range of alternatives. By asking the question, you come up with different ways of interpreting problems and novel solutions to them.

Awareness without strategy often results in being mesmerized in the potential possibility realm, bouncing from idea to idea almost at random without the need or strategy to carry it through in physical reality.

Strategy without awareness leads to dangerous practices that are not fluid and do not take into account the changing environment.

Awareness can be of great value:

- To help you determine whether a choice you are making is the most rewarding choice
- To help you determine what to do when you feel stuck
- When the data is conflicting
- When there are insufficient data or the data seems to support several different options equally
- When there is too much information
- When you have to make a decision on the spur of the moment
- When your vision has grown cloudy or you feel overwhelmed
- When it all seems too difficult

Developing a *culture* of strategic awareness in:

The Board

Select the right people: skills and attributes

- No fixed point of view
- Willing to be the question
- Willing to receive everything without judgment
- Willing to both analyze and listen to intuition
- Take a prosperity mindset over scarcity

Develop a strategic induction program

- Provide the relevant papers
- Utilize the culture of the Board
- Provide questions you expect new directors to consider and use
- High expectations from the outset
- Demonstrate how you live the vision and mission every day

Design meetings to facilitate strategic thinking & strategic awareness

- Make every meeting a planning session-structure the agenda
    - Add the vision statement to the agenda
    - Staff reports aligned to strategy
    - Professional development of Board iv. Staff presentations to Board
    - Changes to strategic environment section
- Dashboard reporting
- Briefing materials prior to meeting
- Don't allocate timings to sections of the meeting. It should be fluid.

Structure interactions to facilitate strategic awareness

- Value disagreements as an opportunity to seek creative new approaches
- Remind your team when two people have the same opinion, one is unnecessary!
- Provide them with a cheat sheet: Strategic Questions Every Board Member Should Ask
- Make it a standard to ask "Why?" before "How?"

- o "Why tackle it?"
- o "Why does it matter?"
- o "Why shouldn't we proceed?"
- Teach importance through assigning an Organization Skeptic
- Ask different board members to:
    - o Provide viewpoint from their business or community perspective
    - o Provide viewpoint of a specific stakeholder group by taking on that persona
- While encouraging vigorous debate, keep things issue-oriented
- Insist on multiple options

Benefits

- Strategic awareness will keep the Board engaged
- It taps into their skills, networks and awareness
- Leads to better decision-making
- Minimizes the "operational" tendency of many Boards
- Ensures the staff/CEO and Board work as a team, not abdicating responsibility to the staff

The 3 lies of scarcity

Belief 1: *"There is not enough."*

Most people have a fear that there will not be enough, and they function from the certainty that there will not be enough and someone has to miss out. The messages of advertising and marketing constantly focus on this belief.

Fear that there will not be enough is at the heart of the breakdown in our relationship with money. One of the common beliefs around money is that we don't have enough of it, that there is not enough to go around. Most people function from the certainty that there will not be enough, which is why we are seeking security. We don't just think things are scarce; we think from a condition of scarcity. It's not just that we believe things are scarce; we have a mindset or a frame of reference that no matter what's happening, there is not enough.

Belief 2: *"It is hard."*

We are constantly being reminded that all good things do not just happen, they are a result of hard work. The common limitations that we create include beliefs such as: "If it were easy, then
everyone would do it/have it." Or, "Nothing worthwhile is ever easy."

In the nonprofit sector, we often hear: "Raising funds is getting harder, getting a grant is more difficult, it is harder to get people to donate and it is harder to get people to volunteer".

Belief 3: *"This is just the way things are."*

This belief is one of the most powerful beliefs, as it makes us not question the first two. This is the most invisible and pervasive of the beliefs, and takes away from us the ability to truly choose.

This belief has the power to turn us into victims or to blame all on predetermined destiny, rather than being individuals who have the power to choose all.

Developing a *culture* of strategic awareness in:

The senior leadership team

Environmental scanning

Environmental scanning is a process of ongoing and active scanning of the environment to identify weak signals of change that are starting to appear in areas typically not looked at by the day to day operations of the organization. The significant value of environmental scanning is that it provides a focus away from the here and now, and provides the opportunity to look at the risks and opportunities (or are they the same thing?) from a wider perspective.

There are a number of ways to conduct environmental scanning:

- The **Internal/collective method** is where you task staff to collect information they think is interesting, contribute this to an electronic Scanning folder each month together with a paragraph on how this might affect the sector or services, and then review this on a regular basis.
- The **External/assigned method** is where you assign this to a person, they subscribe to a variety of websites, blogs, journals, etc., identify information of interest, analyse the information and file according to agreed criteria, and provide a monthly report on emerging signals and possible implications.

Scenario Planning
Scenarios are stories that are created from possible, plausible futures, and are used to inform planners about what might be so this can be taken into account today. Scenario planning is a systematic way of creating these stories, which can then be used to test the robustness of your strategies.

Backcasting
Backcasting is a process of looking at what could be happening into the future and reviewing the implications for strategy right now.

Developing a *culture* of strategic awareness in:

The staff

Mindset:
Ensure that the language of the strategic plan is used

Behaviour:
Align the reporting, reward and performance management system directly with the strategic directions, especially the CEO and senior leadership team

Symbols:
Have the key elements of the strategic directions in public places, develop appropriate symbols e.g. strategy scorecard wall, innovation awards.

Processes:
Ensure all internal processes are reviewed in-line with strategic directions

Powerful questions for every Board member

1. What's not working? What do we need to do about it?

2. What are we missing?

3. What would it take for this to happen?

4. Is this directly related to our vision, and how can we align it more closely?

5. Are we dealing with the real issues or merely symptoms of those issues?

6. How will this decision impact our community and stakeholders?

7. How will our stakeholders – donors, community leaders, regulators etc. – react to this?

8. How will this impact our image in the community?

9. What other options might get us to the same or a better place?

10. What additional questions should we be asking?

11. What will be our indicators of success?

12. Are we asking the right questions?

13. What is our policy on that? (If none, "What issues are critical in drafting an appropriate policy?")

14. Is this policy still relevant/the best way to handle situations such as this?

15. What do we want to hear about the progress and how frequently do we want to hear it?

16. Did the changes we made do what we wanted them to do?

17. If we couldn't do it this way, how else might we do it?

18. If we don't have the budget for this, how can we do this without it being in the budget?

Sample Board Meeting Agenda

<table>
<tr>
<td colspan="3">Board Meeting
25th June, 2018 at 2:15pm – 4:30pm
Macquarie Room, 60 Martin Place, Sydney

<i>Note: A ** next to an agenda item means this is for noting only, and may be voted as accepted as a block item. Board members may request that the Chair take an item off the Block Agenda item and insert into the main agenda for discussion.</i></td>
<td><i>The Block Agenda item technique is a powerful tool that reduces the amount of time spent on reports that should be for noting only. This is sometimes called a Consent Agenda.</i></td>
</tr>
<tr>
<td colspan="4"><i>Insert your Vision statement here
The Chair & CEO should use this to focus the discussion</i></td>
</tr>
<tr>
<td></td>
<td>Who is Responsible?</td>
<td>Status/ Action</td>
<td></td>
</tr>
<tr>
<td>1.0 ATTENDANCE

1.1 Present

1.2 Apologies

1.3 Declaration of Interest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.0 CONFIRMATION OF MINUTES OF MEETING
2.1 Meeting held on 16th February 2018

2.2 Noting of ** Block Agenda items</td>
<td></td>
<td>Minutes for approval</td>
<td>All members declare they have read the minutes from the previous meeting.

Always ask if any Board member would like to take any item off the Block agenda and insert it into the main agenda for discussion. Chair's privilege to grant this or not</td>
</tr>
<tr>
<td>3.0 CORRESPONDENCE</td>
<td></td>
<td></td>
<td>This should only have correspondence addressed to Chair or Board, or which has significant strategic importance</td>
</tr>
<tr>
<td>4.0 BOARD OPERATIONS

4.1 Finance/Audit/Risk/Security C'tee

4.2 Governance C'tee

4.3 Internal audit/Compliance C'tee

4.4 (If Health) Clinical Governance C'tee</td>
<td></td>
<td></td>
<td></td>
</tr>
</table>

5.0 STRATEGIC PLAN: 2018 – 2020			
5.1 Summary of key directions		Verbal Report	This item is used only when first introducing the Strategic Plan for the Board to approve, and is deleted at subsequent Board meetings.
5.2 Strategic Plan		Paper for Approval	This is the formal process for approval of the Strategic Plan, and any amendments required by the Board.
5.3 Action Plan summaries (prior to June 2018 start dates)			
Action Plan 1.1: Develop membership eligibility criteria, change name and promote to sector		Paper for Approval	The Action Plans due to start soon or in progress prior to this Board meeting.
** Action Plan 1.4: Develop membership services to attract and retain members and reduce reliance on membership fees		Paper for Noting	Action Plans 1.2 and 1.3 do not appear as they are not due to start until later in the year
~~Action Plan 1.6: Implement membership database system that is responsive to member needs and organization's requirements~~			Action Plan 1.6 – Do not take completed Action Plans out of the agenda. Mark them in such a way that the Board knows they are completed. This reminds the Board of progress, and when enough have been marked as completed, it is time to start the planning process again.
** Action Plan 1.8: Develop Information Resource Centre		Paper for Noting	
** Action Plan 2.1: Introduce new base level Affiliate professional award		Paper for Noting	
** Action Plan 2.2: Develop policy for award recognition of wider range of tertiary degrees		Paper for Noting	
Action Plan 2.3: Identify and incorporate non-finance degrees for accreditation as Associate		Paper for Discussion	

6.0 PROFESSIONAL BOARD DEVELOPMENT-Stakeholder strategic issues		Verbal Report	Every second or third meeting, external stakeholders to present for 20 minutes on key strategic issues in their organisation/sector, implications for your organisation, 5 minutes for Board questions/ discussion
7.0 STAFF PRESENTATION-Operational strategic issues		Verbal Report	Every second or third meeting, staff to present for 20 minutes on key strategic issues in their area of responsibility, 5 minutes for Board questions/discussion.
8.0 CHANGES TO STRATEGIC ENVIRONMENT (Strategic Gossip)			Any issues likely to have a strategic impact or challenge assumptions.
9.0 NEXT MEETING			

The Secret to Managing Risk

When asked to define risk, most chief executives describe one of the following:

- Something negative that happens to the organization
- The potential for loss
- Fraud
- Negative publicity

When their staff describe risk, the descriptions get even more dire:

- A pain in the neck
- Too complicated and difficult
- Something we have to do
- A compliance issue
- Not much use in our day to day work

Risk is not inherently good or bad; it is more about the things that happen outside our expectations that might have an impact on our ability to achieve the strategic initiatives of the organisation.

The two main formal definitions of risk are from Standards Australia (Australia) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO, USA). They are very similar in intent, and focus on the strategic potentiality of risk, rather than the negative loss point of view. For example, the Australian/New Zealand Standard AS/NZS 4360/2004 defines risk as:

> *The chance of something happening that will have an impact on goals.*

Risk management is defined as:

The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects

What would it be like if risk was viewed as just another way of looking at potential opportunity and innovation? What if risk management was viewed as innovation?

What is Your Point of View on *Risk?*

Questions to help define your point of view on risk

- How do our staff view risk?
- How do our leadership team view risk?
- How does the chief executive view risk?
- How does the Board view risk?
- What would it take for all organizational risk stakeholders to view risk as strategic advantage?

Risk as strategic opportunity is more a mindset than a process. This mindset includes:

- An awareness of risk possibility from points of view of staff, Board and key stakeholders
- Risk is seen as possibility and advantage, not compliance and protection
- Every risk treatment also includes a strategic opportunity
- Risk as innovation is embraced by the whole organization at all levels

Why do we manage risk…really?

The point behind risk management is to:

1. Identify all the potential risks,
2. Rank them according to potential to occur and possible impact if they do occur,
3. Determine the quality of existing controls on the risks,
4. Develop new controls and strategies for the risks (called "treatment" in risk jargon),
5. Monitor these and
6. Extract strategic advantage from the whole process.

A simple process which is often made very complicated and difficult by the points of view that people hold about what risk is. And most organizations do not extract strategic advantage from the risk management process.

Risk management is the conscious awareness of all the risks involved in the organization, the strategic advantage of these risks, and the ease with which these risks can be managed. Though risk is inherent within all business opportunities, many leaders prefer to be risk averse. This can lead to missing opportunities. The very nature of business endeavours and success demands leaders to have a willingness to receive everything without judgment.

How risk is defined and acted upon is all a matter of choice of the leaders. Nonprofit leaders can choose to view risk as bad, complex and to be avoided, or as a strategic advantage and potential source of innovation that can enable the organization to undertake activities that others might not even consider.

Identifying risk: You have to start somewhere

Identifying risks involves you not having a fixed point of view of what constitutes risk, and involving others who have different points of view about the organization, and therefore different points of view about risk.

Who have points of view about your organisation that matter to you?
You may think of:

- Board
- Staff who can add value
- Sessional staff, contractors, others who conduct programs on our behalf
- People affected by our services: clients, volunteers, members
- Union or staff representative groups such as Safety committee Funding bodies such as Bank, government agency, grant giver
- Regulatory entities
- Politicians who may have an electoral or portfolio interest
- Suppliers
- Media

Also, identify the risks that are identified with your:
- Asset register P&L
- Strategic and Business Plan OH&S reports
- Benchmark against other organisations (swap risk registers/plans)

The Risk Survey & Risk Library

After the relevant stakeholders have been identified, decide whether to send them the Risk Identification Survey, or conduct a short telephone interview aimed at completing the Risk Identification Survey over the telephone (make sure to use a spreadsheet). The risk survey should be short and easy to complete. It should not be daunting. Point out that you are collecting their views about the risks they perceive the organisation faces, from their point of view.

Possible questions

List all major activities/projects you are involved in relevant to the organisation. For each activity/ project:
- Describe perceived risk and how it might occur
- Your rating: Potential to occur (high, medium, low)
- Your rating: Impact if it does occur (high, medium, low)
- How do we turn this to strategic advantage?

Compile the returns into a spreadsheet

Potential to Occur Rating

3	Almost Certain	Is expected to occur in most circumstances
2	Moderate	Might occur at some time
1	Rare	May occur only in exceptional circumstances

Impact if Does Occur Rating	**Financial (incident or annual)**	**Human**	**Business Interruption**	**Environmental**	**Reputation**	**Strategic**
3 Catastrophic	Above $100,000	Death or complete incapacitation	Critical service loss more than 2 months	Long term harm	Public or Government enquiry	Loss of funding body, partner or consumer support
2 Moderate	from $40,000-100,000	Injury, hospital or formal treatment over protracted period	Program service loss for one month or more	Moderate harm	Government or community concern	Opportunities not identified or implemented
1 Low	Up to $40,000	First aid	Loss of program service up to a month	Brief pollution	Resolved by day to day management	Minor operational changes

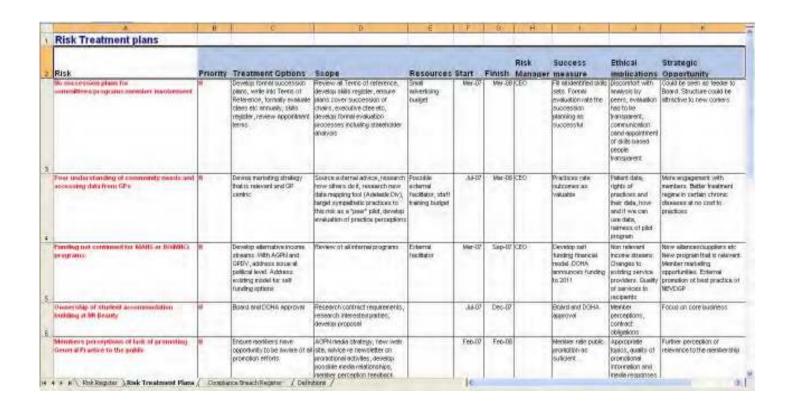| **Risk Control Rating**	**Score if Yes**	**Score if Partly**	**Score if No**
Does the control effectively address the risk?	1	3	5
Is the control officially documented and communicated?	1	2	3
Is the control in operation and applied consistently?	1	2	3

Risk Categories Examples

- OH&S and safety
- Facilities/equipment
- Financial
- HR
- QIP
- Strategic
- Image/Reputation

The Risk Library

Category	Risk	Potential (/3)	Impact (/3)	Control (/5)	List of Controls	Risk Level (Pot+Impact +Control)	Priority	Date Reviewed	Risk Manager
Financial	Overreliance on limited funding streams	3	2	5	Identified some relevant avenues of resource, are mentioned in strategic plan	10	High	25-Nov-08	
Financial	Inappropriate insurance coverage	3	2	5		10	High	25-Nov-08	
HR	Succession planning of key positions	3	2	5	None	10	High	25-Nov-08	
QIP	Security procedures for data security	3	3	3	Access passwords, levels of access, policy and procedure	9	High	25-Nov-08	
OH&S and safety	Keeping track of staff and their safety-isolation and remoteness	3	2	3	All have mobile phones (check coverage), appointment book re movement, procedure to check with people if they are running late(needs to be written)	8	High	25-Nov-08	
OH&S and safety	Enrolment issues for programs-safety and service issues and not knowing behaviour triggers	3	2	3	None in adult ed and Day program, but good in HBO. Have a referral form, but doesn't meet needs	8	High	25-Nov-08	

The Risk Treatment Plan

CONSCIOUS GOVERNANCE

The Board's Role in managing risk

1. The Board's role is to agree on and monitor the 3 or 4 critical risks facing the organisation

Regular Board reports that analyse these critical risks, their monitoring and treatment provide the Board with strategic information regarding the key drivers of the business. The Boards role in monitoring these risks is not to ensure they don't occur, but to turn these risks into strategic advantage.

2. The Board is responsible for approving and monitoring the risk management policy

This responsibility is among one of the Board's most important, as it commits the Board and the organisation to best practice risk management (for sample policies, email steven@consciousgovernance.com)

3. Establish key performance indicators (KPIs) for the Chief Executive Officer

One of the most effective ways to ensure that staff, especially the CEO, treat risk as the strategic advantage it can be, is to establish one or two KPI's for the CEO that reflect the risk monitoring and management responsibility of that position. This tends to focus attention.

4. Embed risk into the strategic discussions and analysis of the Board

Risk awareness can best be embedded in the organisation if some simple guidelines are followed:

1. When conducting strategic planning, conduct a SWOR (not a SWOT) analysis ie Strengths, Weaknesses, Opportunities and Risks. These risks can then be added to your risk library, and provide further opportunities for identifying strategic advantage.
2. Only accept project plans or action plans if a risk element has been added to the project plan. For example, an action plan might have the headings of:
   - Scope

- Start date
- Finish date
- Project Manager
- Resources
- Success Measures
- Ethical implications
- Risk

(Once the risk has been identified, the management of that risk is quite easy)

3. When deliberating on decisions at the Board meeting, ask the risk question:

   "What are the risks inherent in this proposal, and how can we turn these risks into strategic advantage?"

All of these measures ensure that risk is an ongoing strategic process, not a compliance issue.

Where are the potential Board members & how do I make sure I get the good ones?

_____

How do I establish performance management for the Board?

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BOARD AUTHORITY AND LEADERSHIP

What is a Director?

Directors and Officers

A "director" is one who is a director by virtue of valid resolution of appointment to the Board. A "director" is also any person who acts like a director, or a person in accordance with whose instructions the directors are accustomed to act. The word "director" also includes a person who acts and is treated like a director although no formal appointment has been made.

"Officers" include the secretary, public officer and executive officers of the company specifically and all employees generally. An executive officer is defined as a person, by whatever name called and whether or not he is a director of the body who is concerned, or takes part, in the body's management. Officers have almost all of the personal liabilities of directors.

The Corporations Act includes a broader concept of a "director", and the obligations will include the directors, company secretary, executive officer, and can include any person occupying or acting in the position of director (by whatever name called, and whether or not validly appointed or authorised to act), or any person in accordance with whose directions or instructions the directors of the company are accustomed to act. Thus simply because a person is not appointed a director, does not mean that, where they occupy a management role, they can escape the obligations.

Responsibility (to the public)

The Board is responsible to the general public through the Board's credibility as an exemplary Governing body through the standards it espouses within the organisation, by promoting ethical practices amongst its members, and through the compliance with the duties of Directors at law.

There are three duties of Directors at law (Common law, plus Corporations Act and ACNC).

Every individual on the Board has the following three duties:

1.The Duty of Care: to "act as an ordinary, prudent person would in a like circumstance. This requires

diligent, attentive, informed participation".

2. The Duty of Loyalty: to "act in good faith, in the best interests of the organisation. This means do not act so as to harm the organisation or to benefit personally at the expense of the organisation". (S181) Each director is required to

1. act only within the powers of the organisation for the purposes for which they are conferred

2. to act with the required care and diligence

3. to avoid conflicts of interest (S191-195)

4. to act for the benefit of the organisation (S181)

5. not to use the information acquired as a director for personal gain (S183) and

6. to retain their independence

3. The Duty of Obedience: to "act to ensure the organisation operates in keeping with the laws and rules governing its formation and status and in accordance with its own bylaws and mission".

Non-compliance with any of these duties of care may result in criminal actions taken against the Board and the individuals involved.

Creating a strategic recruitment plan

- Determine the organization's overall needs in relationship to the realization of its vision
- Define the specific jobs that must be done to meet those needs and the skill sets and characteristics required to do those jobs
- Specify your expectations of those you will recruit to the board (e.g., attendance at meetings, , involvement on committees, Board culture expectations)
- Create Board Charter to outline expectations
- Brainstorm the types of people that might want to take on these jobs, where you would be most likely to find them and how you can best connect with them
- Think about what you can offer people who agree to serve. Be sure you can answer the question, "Why is your organization worthy of their support?"
- Determine how you can cultivate these individuals so that they will be responsive to your invitation
- Consider how you will approach "the ask" to ensure that when one accepts a role on the board that he/she meets the responsibility at the level you require

Board skills analysis: *Organizational*

Skills	Current Board Skills	Desired Skills (Based on Gaps or Strategic Plan Requirements)
Organisational and financial management		
Special program focus (eg disability)		
Strategic planning		
Finance-accounting, investments		
Fundraising		
Government regulations/law		
Government representation		
Marketing/PR		
Risk		
Personnel		
Representation		
Age		
Gender		
Race/ethnic background		
Geographic Location		
Organisational nominee		
Life Skills		
Self employed		
Salaried		
Other Boards/committees		
Member		
Consumer of services		
Other		
Personal Attributes		
Networks		
Business experience		
Organisational awareness		

Board skills analysis: *Personal*

Use the following grid to identify critical leadership gaps on your board.
Begin by listing down the vertical axis those characteristics you would like represented on your board. You need to determine those characteristics that would best strengthen your board. On the horizontal access, list each of your current board members. Put a check mark where a match currently exists. The empty boxes will plainly show the characteristics you should be targeting in potential board members. This will help you identify people more easily because your search will be limited. Adapted from Dr Terrie Temkin, CoreStrategies4Nonprofits

CHARACTERISTICS	A	B	C	D	E	F	G	H	I
Willing to share talents to help achieve the vision									
Asks "why" before "how"									
Probes									
Sees the big picture									
Anticipates costs (dollars, time, etc.)									
Takes calculated risks									
Seeks alternative solutions									
Is a contingency planner									
Is curious									
Is accountable									
Is comfortable with uncertainty									
Represents "mature" value system									
Represents "baby boomer" value system									
Represents "Gen-X" value system									
Represents "Millennial" value system									
Thinks abstractly									
Thinks concretely									
Thinks in random sequences									
Thinks in linear sequences									
Is detail oriented									
Stays in conversation when facing conflict									

Expectations Worksheet

If you want board members to meet your organization's expectations you must be clear about what those expectations are. To help you articulate them, use this worksheet to think through those behaviors that would demonstrate the desired performance and result in the best functioning board possible. Where possible, state your expectations in measurable terms – e.g., Board members are expected to be at all board meetings. Don't hesitate to list something out of fear that people won't give the time or energy to follow through. People live up (or down!) to our expectations.

	Expectation
Commitment to the mission:	
Attendance:	
Preparation for meetings:	
Involvement at meetings:	
Planning:	
Fiduciary responsibility:	
Leadership development:	
Personal giving:	
Fund raising efforts:	
Advocacy:	
Putting the organization before personal benefit or other organizations:	
Involvement on committees:	
Adapted from Dr Terrie Temkin, CoreStrategies4Nonprofits	

Standards Commitment Letter

	Standards Commitment Letter	Action
	Each Director recognizes and agrees to uphold the following standards of behaviour:	
1	To take personal responsibility for contributing impartially to the decisions of the Board, with no thought given to personal gain	
2	To actively seek adequate knowledge about the business of the organization	
3	To provide positive input into the development of organizational policy	
4	To provide strong support for the long term strategies of the organization	
5	To accept the need to sufficiently prepare for Board meetings and decisions, and to insist on sufficient information to enable informed debate and decision making	
6	To perform the assignments delegated by the Board	
7	To delineate and state personal positions vs organizational positions on controversial matters to better enable the Board to make informed decisions for the betterment of the organization	
8	To devote sufficient time to the duties of a Director	
9	To uphold high ethical standards at the Board level	
10	To tender a resignation if unable to uphold any of the above Standards of Behaviour	

Where do we find capable Board members?

Using your Board Skills Analysis, where might you find the best people?

Consider:

1. Universities

2. Think tanks

3. Through real estate agents

4. Talk to government officials and the media to find out who they go to for information related to your mission

5. Relevant magazines/media

6. Talk to those who sit on all the other boards and see who they would recommend

7. Blogs

8. Have board members go to lunch with board members from other organizations with similar missions to see who is rotating off that might be good

9. Corporate community affairs offices

10. Advertise

11. In our virtual world, do they need to live local?

Board Referral Form

NAME_____

(H) PHONE_____ (W) PHONE_____ (C) PHONE_____

HOME ADDRESS_____

_____

BUSINESS ADDRESS_____

_____

PROFESSION_____

KNOWLEDGE/INTEREST IN ORGANIZATION_____

_____

SPECIAL SKILLS_____

COMMUNITY INVOLVEMENT PAST AND PRESENT_____

_____

REPRESENTS_____GROUP(S)

OTHER REASONS FOR CONSIDERING_____

_____

_____

REFERRED BY_____

PHONE_____ DATE_____ USE MY NAME: YES_____ NO_____

For Board Development Committee Use only

CONTACT DATE_____

INTEREST LEVEL_____

FURTHER ACTION RECOMMENDED_____

_____

ACTION TAKEN_____

Adapted from Dr Terrie Temkin, CoreStrategies4Nonprofits

Now to cultivate

1. Immediately put on mailing list
2. Somebody should meet with prospective Board member and have a conversation – without selling, making any promises – find out what they feel they would bring to the table
3. Put on committees, Task Force etc
4. Find out what would they want to get out of involvement with your organization
5. When you ask, make sure you go through those expectations again

CONSCIOUS GOVERNANCE

Board Evaluation & Accountability

Why do Board evaluations?
When is the best time?
What are the key problems with Board evaluations?
What are the different types of Board evaluations?
How do we establish the evaluation questions?

Sample Board evaluation

Board Evaluation Note: These questions are intended to assess the effectiveness of the Board collectively and Directors individually, not management.	The Board collectively 1=poor 5=very effective	My input as individual Director 1=poor 5=very effective	Short description of processes or behaviors that provide evidence to support your rating of the Board collectively (dot points)	Recommended remedial action (how we can do it better)
Q1				
Q2				

How to remove an unproductive Board member

Please bear in mind that the following strategies should only be considered once a Board has its own house in order. This means it must: be strategically focused, have robust reporting mechanisms on strategy, risk and operational matters as well as Board meetings that are efficient and interesting. A Board succession plan, along with performance management practices should also be in place.

Performance Management strategies
- High expectations from the beginning
- Board evaluation
- Personal Goal setting
- Role of the Governance subcommittee

Structural Strategies
- Term limits
- Constitution
- In-camera session of Board meeting

Perception Management Strategies
- Advisory Committee/Council
- Patron
- Skills analysis for re-election

Review your Board member selection process.
Ensure the screening process for the appointment of new directors is effective.

Review your Board induction process.
Ensure incoming Board members truly understand the high expectations the Board has, the performance management regime, and the consequences of non-performance.

Review your Board performance management processes.
The best time to introduce these performance management strategies is when they are not needed. If they are needed, then introduce them on a progressive basis.

Prepare your Directors for success on your Board with:
Induction Insights for Directors

Induction Insights for Directors is a 10-part video companion that walks you through your induction material: everything from extracting insight from your financial reports to reducing micromanagement around the Boardroom so you can stay focused on creating the future for your organization. This video walk-through is designed to work with your existing induction program to build director confidence and skill before the first board meeting.

Some of the modules include: Extracting strategic insights from your financial reports, How to stop micromanaging -- operational vs strategic and Tips on what to look for in your constitution, rules and by-laws

Begin a two-week free trial by visiting: https://conscious-governance.mykajabi.com/

The Complete Guide to Strategic Planning

This eBook is a no-more-business-as-usual approach to the art of steering your organization and positioning it for the future. Author Steven Bowman has had over 30 years' experience as a CEO, Chair and facilitator, and has been taught by some of the world's best strategic planners. He has refined the process to be both impactful, inspirational and hyper-effective.

This has been borne out by hundreds of testimonials from organizations that have used the process and experienced the ongoing results. The processes described in this book break many of the rules of traditional strategic planning, but result in truly strategic plans, that fundamentally change the way the Board and the organization work. This field guide is for anyone wishing to drive change in their community, their sector and their organization.

Your Price: 45 USD

Order your copy today from:

http://strategicawarenessessentials.com/shop/the-complete-guide-to-strategic-planning

Neighbourhood Houses Tasmania (NHT) - the peak body supporting the 35 Neighbourhood Houses

NHT provides support, training, advocacy and lobbying for our member Houses across Tasmania and represents the network of Houses in government and community sector forums. The services that we provide to our members include delivering an annual conference and regional meetings, news and information on current issues, delivery of funding, training and other resources, advocacy and lobbying to government, representing the network on state boards and reference groups.

Key NHT resources

NHT has considerable governance resources on its website for committees and staff of Neighbourhood Houses including:

- The **Governance and Resources web page** of the NHT Website includes the DHHS – Neighbourhood Houses Strategic Framework, and
    - **Management Committee Handbook** for Neighbourhood Houses
- **The Guides, Policies and Procedures Toolbox** which has Template Policies and Procedures for Houses to adapt along with everything from meeting agendas, conflict resolution, Performance appraisals etc **An index with links to all the documents.**

It can be found at **http://nht.org.au/resources/guides-policies-and-procedures-toolbox/toolbox/**

And if you can't find what you need please call and ask! 03 6228 6515

HR Advice and support for Committees

NHT has brokered a group buy for Houses with Quartz Consulting so that committees and Management can get access to Tasmanian based HR expertise and advice.

NHT has a help desk – if you've got a question or want to talk through a governance issue –

CALL! 03 6228 6515

Governance training 101

John Hooper (EO) and Jonathan Bedloe (Development Officer) from NHT can come to your House and run 2- 3 hour governance training with the committees and managers - for FREE. We're not Steve Bowman of course ☺

Financial Reporting

NHT has a House financial report which tracks all grants Budget vs Actual and produces a one pager which we encourage committees to consider using and adapting if they're not happy with their current financial report

Committee Meeting 9 December 2016

Profit and Loss Summary 2016/17

1 July 2016 to 21 November 2016

Program	Funding agreement end date	Budgeted/Forecast Income - 2016/17	Income Received to Date	Budgeted Expense 2016/17	Actual expense to date	% Actual expended vs Budgeted expense
DHHS NH Funding	30/06/2017	$xxx	$xxxx	$xxxxxxx	$xxxxxxx	39.47%
TCF Example	30/06/2017	$xxxxx	$xxxxx	$xxxxx	$xxxxxx	41.39%
Council Grant	30/06/2019	$xxxxx	$xxxxxx	$xxxxxxx	$xxxxxx	38.79%
Totals		$xxxxx	$xxxxxx	$xx	$xxxx	

%age of year used   39.45%

Green = OK
Orange = Under control   see notes in Financial Summary document
Red = Problem   see notes in Financial Summary document

Other useful pages on the NHT website:

- The events Menu, which includes information on the Conference, training NHT is running, and other events **http://nht.org.au/events/**
- Community Development toolkit and other resources: **http://nht.org.au/resources/community-development/**
- Information on Reporting on Outcomes**: http://nht.org.au/reporting-on-outcomes/**
- Key NHT Reports and publications: **http://nht.org.au/resources/publications/**