



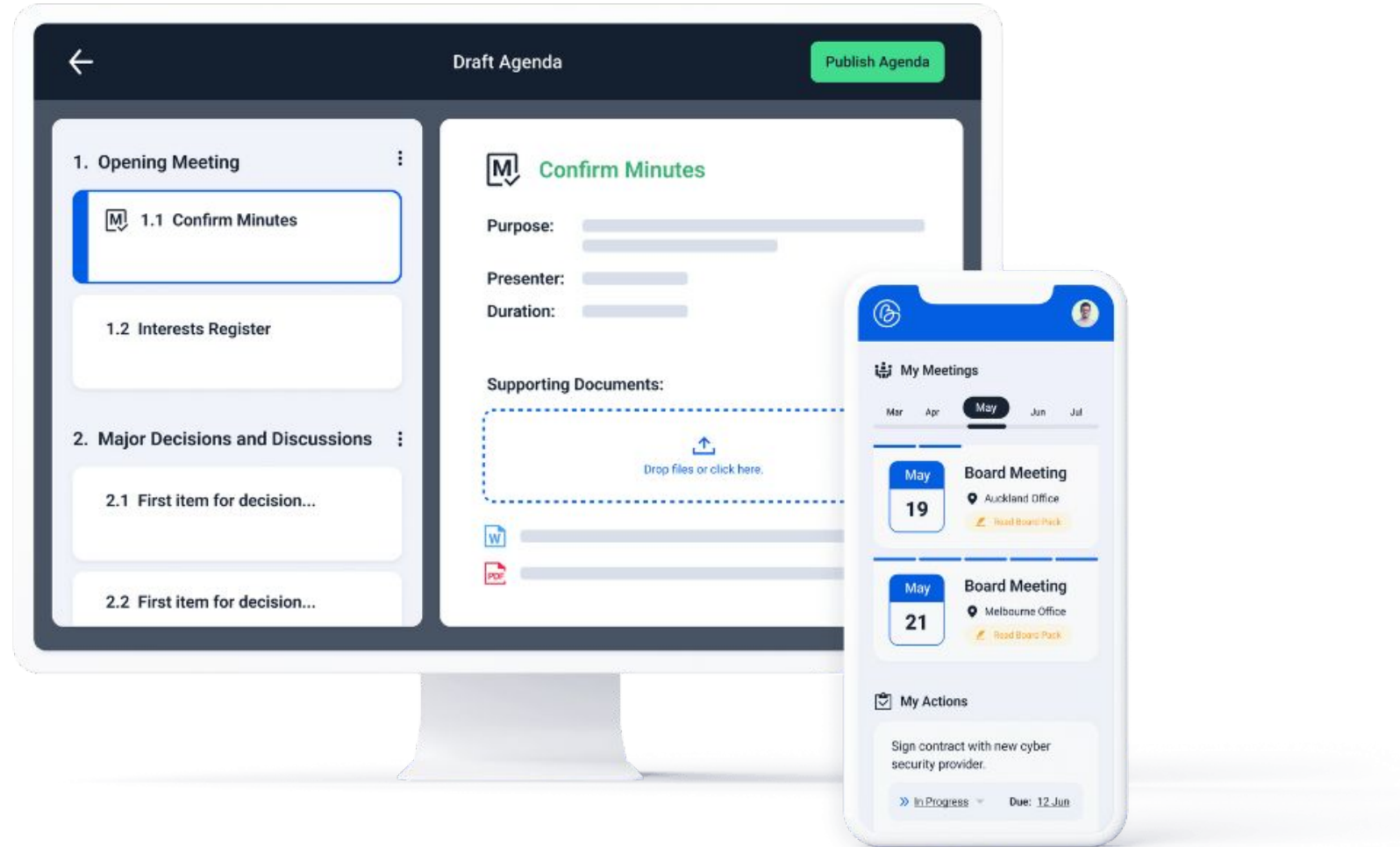
**Webinar**

# Options for board evaluations that work

**With Special Guest - Margot Foster**









**Making the fundamentals of  
governance free and  
easy to implement**



**Margot Foster**

Founder  
**The Boardroom  
School**



**Steven Bowman**

Managing Director  
**Conscious Governance**



**Julie Garland  
McLellan**

Founder and CEO  
**The Directors Dilemma**



# What is a Board Evaluation? Internal or external, big or small.

A board evaluation is a systematic and structured assessment process conducted to evaluate the effectiveness and performance of a board of directors.

Evaluations can include a review of the board's composition, structure, meeting and decision-making processes, communication dynamics, strategic planning, risk management, and adherence to corporate governance principles.

They can be conducted internally or externally and lead to recommendations for improvements to culture, governance and performance.

In addition, boards can review themselves regularly using an internal assessment process.

Whatever the process the purpose is about learning and improvement not criticism.



# Why Do A Board Evaluation: Because There Is No “Boss” Of The Board

**If the board doesn't take responsibility for its performance then members or shareholders will: think Qantas.**

Evaluations are an opportunity to confirm that:

- Duties and responsibilities, financial and non-financial, are understood and met
- Organisation purpose and good governance principles are understood
- The board is properly led and functions as a cohesive group founded on trust, honesty and robust discussion
- Decision-making responsibility hasn't been abrogated in favour of management or that the board isn't “managing”
- Meetings are conducted efficiently and effectively with strategy the focus, with directors prepared
- Risk, compliance and strategy are an essential focus
- The relationship between the board and management is productive and cooperative



# The Board Decides Who Will Participate depending on purpose and scope



01

All directors

02

Possibly CEO

03

Possibly senior management

04

Never staff

**The CEO and senior management:** The CEO employs and is responsible for staff including senior management.





01

The Board itself: an internal review

02

Internal legal counsel or general counsel

03

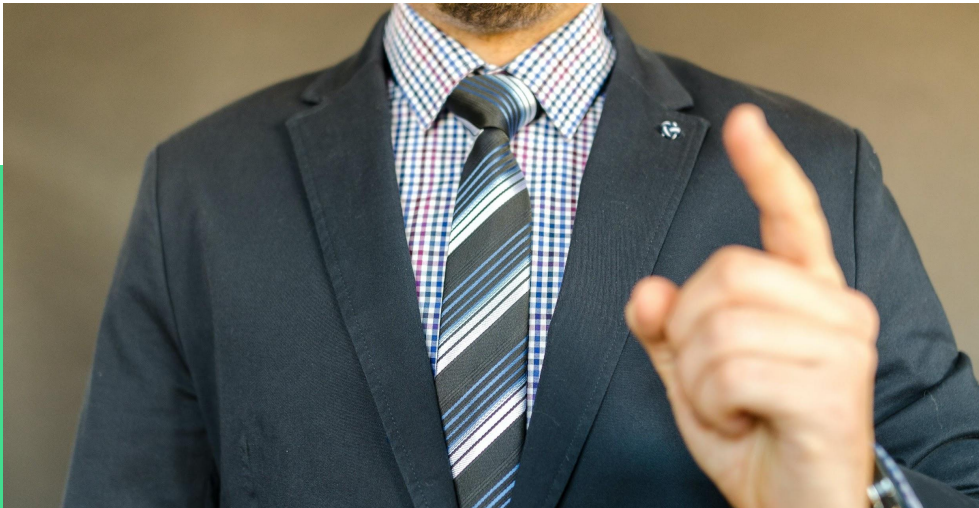
An external consultant

- Executive search firms
- Individual consultants
- Law firms
- Regulatory bodies
- Governance institutes and associations

# Who Does Board Evaluations



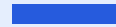
# What topics can a board evaluation cover? Everything!



- Director skills and experience
- How decisions are made and the manner in which they are made
- Individual director contribution
- Board composition and its diversity
- Governance documents review including constitution, policies and charters
- Strategic performance & creative thinking
- Risk and compliance focus & management
- Culture and communication: the tone from the top
- Understanding of role clarity: board and management



# More themes & topics



- Meeting conduct and timing
- Meetings, agendas and papers
- Board dynamics and interpersonal relationships ❤️
- Strategic direction, cohesion and performance
- Risk and compliance oversight and management
- The leadership of the chair
- Director understanding of duties and responsibilities
- Relationship with members/shareholders and/or stakeholders
- Board trust and ethics
- Focus on creativity, curiosity and change
- Succession planning



# The External Review Process



- Engagement and scoping
- Preparation and data collection – research including board papers, policies, plans, reports, financial info
- Director interviews and surveys or questionnaires
- On-site visits and interviews – industry dependent plus depends on agreed scope of work
- Board meeting attendance and observation
- Assessment of governance protocols and board processes
- Assessment of board and individual director performance
- Analysis, reporting and recommendations



# Frequency of External Reviews



01

Best practice about every 3 years

02

Boards generally find 2 years is too short a time

03

Rarely is a prescribed frequency included in the constitution

04

Frequency could be included in the board charter as a guide

05

Include in board calendar and budget accordingly



# Resistance to External Reviews

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- Resistance by boards where “we’ve always done it this way, we’re fine” is the mantra
- Cost (an excuse)
- We’ll do it next year (the never never excuse)
- Resistance by directors who might have stayed too long (if no term limits)

- don’t see the need to renew and rejuvenate; think their contribution remains invaluable
- Feel they’ll be booted simply to be replaced by someone not like them
- Think they’re the “boss” and shouldn’t have to go through such a process
- Enjoy the benefits of the “club”



# The Internal Review

- 01** In camera sessions at the beginning or end of board meetings – reflections without staff
- 02** Self-evaluation surveys at the end of each meeting
  - One director sums up and reports back – a rating of x/x plus summary
  - Each director completes for self reflection and/or submission of form for compilation and distribution
  - Discussion at the next meeting of the feedback
- 03** Nomination Committee assessment
  - Depends on membership of the committee and the scope of the Charter
- 04** Annual board retreats
  - Round table discussion or managed conversation
- 05** Annual skills assessment – before AGMs or to fill a casual vacancy
- 06** 360 assessments of each other and the chair
- 07** End of meeting Talking Points



# Questions to include in an internal post-meeting review: a sample



- Did everyone prepare properly for the meeting and participate
- Was the agenda structured to maximise the available time
- Were decisions made or deferred
- Were the papers sent on time
- Did the papers contain the information enabling decisions to be made
- Did the meeting run to time
- Did anyone dominate the meeting to the exclusion of others
- Were discussions polite and courteous
- On a scale of 10 this meeting rates...







# Role of The Nominations Committee in Board Evaluations: Cons

- Conflicts of interest depending on composition
- Inherent biases and limited objectivity
- Potentially a narrow, insider focus
- Lack of relevant experience
- Challenge of volunteer time availability
- Argument at board level about the type and scope of the evaluation
- Who will receive the report and how will the results be dealt with if controversial or critical
- Risk of lack of rigour



# Role of The Nominations Committee in Board Evaluations: Pros

- 01 Internal knowledge about directors and board/ organization performance
- 02 Know the strengths and weaknesses of directors
- 03 Understand the various pressures on the organization eg financial
- 04 Conflicts of interest can be minimized depending on composition
- 05 Efficient and focused
- 06 Less of an imposition on directors
- 07 Cost saving for small organisations





# Assessing Board Leadership: The Chair



## Best practice about every 3 years

- Selection process ie not a default of last man/woman standing or the volunteer
- Skills and experience
- Leadership style: bossy, directory, consultative, consensus with intention
- Ability to encourage collegiality and courtesy at the board table
- Ability to give constructive feedback
- Capacity to ask the right questions



# Assessing How The Board Conducts Its Meetings



- Are they structured for maximum productivity or for reviewing reports
- Are they organized to maximise contribution and debate
- For boards where committees do a lot of work are they effective in delivering recommendations to the board

- Is there an environment where frank and honest discussion can be had (or are people having side conversations by text/email)
- Do directors trust each other and have confidence in their respective knowledge and skills
- Is there trust in and an ability to challenge management



# Assessing Director Contribution

- 01 Evaluate each director's skills and knowledge
- 02 Manner of contribution
- 03 Behaviours when interacting with fellow directors
- 05 Perceptions of personal interests influencing decisions
- 06 Distinction between oversight and management
- 07 Not sticking to the agenda and wandering off topic, wasting time



# Evaluating New Directors

- An external assessment after a year on the board
- They often want feedback for their personal benefit
- Want to know how they can best fit in and contribute
- The board can get a sense of how they're feeling and performing
- Can lead to a coaching arrangement with the consultant or a fellow director



# Effecting Change


- No point doing a review, internal or external, for the sake of it
- Recommendations need to be owned by everyone
- Chair and CEO to work out a plan to give effect to recommendations
- CEO needs to be open to making changes that fall within his/her bailiwick
- Perhaps set up an implementation working group to guide and oversight the process
- Include an agenda item to report on implementation
- Use meeting evaluations to assess progress on applying recommendations
- HR surveys for staff to gauge effect of changed process/performance on org culture and performance





# Templates for you

## → Board Evaluation Template

ORGANISATION NAME  YOUR LOGO

**Board Evaluation Process**


- One Director is appointed to provide feedback post each Board meeting and appointed as the 'reviewer'. The reviewing Director to be announced at the commencement of the meeting.
- The Evaluation Form will be provided in the Board papers as part of the pack.
- The Evaluation Form needs to be returned to XYZ within 7 days of the CEO sending out the draft minutes. XYZ will review and provide the feedback to the Chair and CEO.
- The full evaluation feedback will be attached to the meeting Minutes (unless there is a need to censor any comments).
- ABC will be the first 'reviewer' followed by DEF and thereafter rotate through the directors.

Meeting No: 123      Date:

No.	Questions	Comments
<b>Papers</b>		
1.	Were papers relevant and clear? Did reporting include a risk assessment, financial considerations and alternatives where relevant?	
2.	Was the level of detail appropriate, succinct, and simple? (For Example, was there appropriate use of dashboards?)	
3.	Was the focus of the following standard reports appropriate? <ul style="list-style-type: none"> <li>• CEO</li> <li>• Finance</li> <li>• [other specified reports]</li> </ul>	
<b>Conduct of the Meeting</b>		
4.	Did the agenda facilitate decision making and assist the Board focus on appropriate matters?	
5.	Was the meeting orderly, were people well prepared, did discussion flow smoothly?	
6.	Was sufficient time allocated to each main topic?	
7.	Was the greatest amount of time devoted to the most important issues	
8.	In addition to the Board members, were the appropriate executives in attendance or available?	
9.	The Chair acted as a facilitator to: <ul style="list-style-type: none"> <li>• remain focused on priorities for the meeting, Keeping discussions on track</li> <li>• ensure participation by all</li> <li>• balance exploration of topics with momentum in decision making</li> </ul> ensure clarity of matters, alignment, agreement, resolutions and outcomes.	
<b>Board Functions</b>		
		Comments

## → Board Evaluation Form

Organisation name

 YOUR LOGO

**Board Meeting Evaluation Form**  
For self-completion by Directors

Check List	Exceeds Expectations	Expects	Below Expectations
1 The agenda was clear and sensible.	5	4	3 2 1
2 The meeting agenda and papers were distributed in a timely manner.	5	4	3 2 1
3 Written reports were clear, relevant and of the right length.	5	4	3 2 1
4 Discussions were on target and suitably focussed in terms of detail and priority.	5	4	3 2 1
5 Board Members were prepared and participated appropriately.	5	4	3 2 1
6 Education and briefings provided were relevant and helpful.	5	4	3 2 1
7 Board and management Roles & Responsibilities were clear.	5	4	3 2 1
8 Board discussion focussed on strategy, policy and compliance.	5	4	3 2 1
9 Objectives of the meeting were accomplished.	5	4	3 2 1
10 The meeting ran on time.	5	4	3 2 1

Comments and suggestions:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Director: \_\_\_\_\_ Date: \_\_\_\_\_

Template provided by Margot Foster AM OLY - <https://www.linkedin.com/in/margotfosteram>





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# Webinar Schedule

Feb - April 2024

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71.	Setting the strategic board agenda	On Demand
72.	Setting the tone at the top: Leading with board culture	On Demand
73.	Options for board evaluations that actually work	On Demand
74.	The first 100 days - The 4 key elements of board induction	Feb 29
75.	Does governance need a reboot? Time to think about Governance 4.0?	Mar 7
76.	Psychosocial risks / preventing sexual harassment in the work place	Mar 14
77.	How to work practically with AI in the boardroom	Mar 28
78.	Risk as a strategic Board conversation	April 4



# Masterclass Schedule

**Feb - April 2024**

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**Managing conflict of interest (2 modules)**

**Feb 27**

**Writing better board papers (4 modules)**

**Mar 4**

**Due diligence before directorship (1 module)**

**Mar 4**

**How to run a board meeting (3 modules)**

**Mar 7**

**The foundations of governance (3 modules)**

**Mar 12**

**AI tools for board admins and company secretaries (2 modules)**

**Mar 19**

**Writing better board papers (4 modules)**

**Apr 9**

**Creating Effective board minutes (3 modules)**

**April 16**



**Thank you**

