



NPO Governance Issues

QUICK-GUIDE:

AGENDA ITEMS AND QUESTIONS FOR BOARD MEETINGS

This quick-guide is aimed at helping board members of non-profit organisations to address a wide variety of governance issues when meeting. Board members of NPOs have the responsibility to govern the organisation. This responsibility cannot be shifted – parts of it may be delegated, but the board still carries the responsibility. The board meeting is an opportunity for board members to apply their insights, skills and knowledge to govern the organisation effectively and responsibly. Meeting time should not be taken up by needless arguments and administrative tasks. How meeting time is used can significantly impact on the governance of the organisation. Issues being discussed at board meetings should be purposeful and the results should be by design.

Here are some agenda items and pertinent questions for non-profit board meetings:

1. Welcome & Introductions

- Invite board members to briefly share any significant development in their area of work. The board can collectively assess whether those developments are relevant to the organisation.

Question to consider:

What emerging issues in the external environment are relevant to the organisation?

2. Absentees & apologies

- Monitor and deal with chronic absenteeism. The board may decide to annually prepare a brief report on board attendance as a way to encourage attendance.

Questions to consider:

Is board attendance up to standard?

Are board members participating diligently in the affairs of the organisation?

3. Minutes of the previous meeting

- Minutes should be prepared and circulated well in advance. The minutes should be read thoroughly before the meeting. Reading the minutes at the board meeting cuts into valuable meeting time and does not allow for sufficient reflection.

Question to consider:

Have the minutes been prepared and circulated on time?

4. Matters arising

- This is to allow for issues flowing from the previous meeting – that are not part of the standing agenda items. The minutes should clearly identify resolutions taken and tasks allocated.

Question to consider:

Have all tasks allocated at the previous meeting been executed? If not, why not?

5. Strategy & Programmes

- The board is responsible for deciding on the vision and strategy of the organisation. Progress towards the vision should be monitored at board meetings. The programme report (and all other reports) should be circulated and scrutinised ahead of board meetings.

Questions to consider:

- What are the most important strategic issues facing the organisation?
- Are the organisational activities aligned with the organisation's vision and mission?

6. Financial Management

- The board should ensure that the organisational resources are used effectively, efficiently and responsibly in pursuing the organisation's vision. Financial oversight is the collective responsibility of the board and not only that of the treasurer.

Question to consider:

- Does the allocation of financial resources reflect the organisation's strategic priorities?

7. Resource Mobilisation

- Board members should constantly consider potential resource opportunities that will benefit the organisation – this includes human resources, services, donations-in-kind, and financial donations. The board should participate and keep track of relationship-building efforts with potential donors.

Questions to consider:

- Are board members introducing the organisation to potential supporters/donors?
- What potential services and donations-in-kind can the organisation attract?

8. Compliance

- Issues that should be covered include: legal compliance, review of founding document, risk management, conflict of interests, taxation and compliance with contractual obligations.

Questions to consider:

- Has the organisation got risk management and conflict of interest policies?
- Are all legal and donor reports submitted on time?
- Are board members required to disclose any conflict of interests?
- Has the board got an IT management policy?

9. Human Resources

- The board must ensure that proper systems are in place to monitor compliance with employment-related legislation. The board should also ensure suitable staff recruitment, development and appraisal takes place.

Question to consider:

- Has the organisation got a strategy to recruit, develop and retain staff?

10. Recruitment & Orientation

- The board should have a strategy to identify and build relationships with potential board members. The CEO or staff should not, on their own, decide on new board members. This would be similar to handpicking your boss. New board members should be adequately orientated.

Questions to consider:

- Has the organisation got a strategy to identify potential board members?
- When last did the organisation complete a skills audit of the board?
- Are board members sufficiently orientated when joining the organisation?

11. CEO Evaluation & Succession

- A healthy and strong relationship between the board and CEO is essential for the success of an organisation. The board must evaluate the CEO and ensure that there is a well-defined succession plan in place.

Questions to consider:

- Is the relationship between the board and the CEO constructive and adding value to the organisation?
- Has the organisation got a CEO succession plan in place?
- What last did the board evaluate the CEO's performance?

12. Board Development

- The board should consider its own development. The board carries the primary governance responsibility in the organisation and should be properly equipped for the task.

Questions to consider:

- When last did the board receive training on governance?
- Has the board got a budget for governance training?
- How will the board familiarise itself with the new King Code of Corporate Governance?
- Should the board invite speakers to selected board meetings to speak about governance issues?

13. Board Evaluation

- The board should, by way of example, also evaluate itself. A brief informal self-evaluation session at each board meeting should be considered. More formal evaluation sessions should be scheduled every year and time should be allocated to monitor progress on areas that need improvement.

Questions to consider:

- How did the current meeting go?
- How can the next meeting be improved?
- When is the board's next evaluation session taking place?

Remember:

Board meetings should be designed to promote creativity, leadership, innovation, collective insight, healthy interaction, ongoing reflection and continual improvement.