

Board Meeting Governance Assessment

Governance means setting policies and evaluating results or behaviors for compliance, and holding people accountable. The board meeting is the epicenter of director-wisdom and management-expertise. What do your meeting agenda items, and the time you invest in them, say about your board's governance versus management? Are you gaining all you can from the talent invested?

Grade *each* item on your agenda by giving it one of the numerical scores below. When you finish, add up the scores and divide by the number of items you scored.

10 = pure governance; congratulations! 7 and better you are very governance and big-picture oriented; your board is "leadership" oriented. 6 and below suggest that your Board is into operational details and may be micromanaging; examine what you're doing and ask why and make some adjustments.

For a different perspective, weight the score by actual time spent. For example, one items scored 8 and another 4, will average 6. However, if ¼ of an hour was invested in the item scored an 8, and ¾ of an hour on the item scored a 4, then the weighted score is only a 5 [(0.75 x 4) + (0.25 x 8) = 5] {you may want to decide on a common denominator such as 6 or 10 minute intervals or "meeting units."}

10	The discussion or debate item on the agenda deals entirely with the future, five or more years ahead. It deals with direction. <i>For example, should we be plain vanilla or full service? For example, should we downplay bricks and mortar in exchange for e-commerce?</i>
8	This item is a major company affair. The issue is "what's the right thing to do," not how do we get it right. It has a future impact even though rooted in current times. Examples include: a connection to meeting the needs of primary beneficiaries; connecting beneficiaries' needs as interpreted from market research or general market information and trends; it is about whether it is the right thing f to do and not with whom we would contract to provide it or how it will work.
8	This item deals with the macro (outside) environmental trends, or trends of the communities we serve over long periods — five or more years. For example: financial trends reflect in charts over periods longer than a year: ratios, ALM analysis, etc., with a strong connection to relevant future issues such as elements of the Strategic Plan or long-range objectives in the business plan.
8	This item could amend the big ideas of the Strategic Plan (vision, mission, etc.) or cause an amendment the board's Governance Policies—the roles of the board or the executive.
7	The item emerged from the current or last month financial but directly relates to a key performance measure that is not in the proper range or direction, and has consequences for long-term viability.
3	The item emerged from the current or last month and has a narrow scope of effect. <i>. For example, it is a question regarding an expense item that is different from a month ago. It's primarily a budget issue.</i>
2	Item is operational in nature, that is, it is management's job, and something the Board has hired management to do. <i>For example, it is an amendment to goals for operations or operating policies; a discussion of operating matters such as personnel issues, collections, delinquencies; an action not on the consent agenda on routine operational issues such as loan and share rates, allowance for loan and lease loss adjustments, approval to charge off loans, etc.</i>
0	The item presented is neither related to the business plan nor contains information requested by the Board.