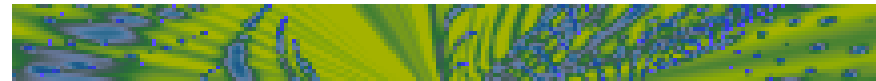




Canadian Mental
Health Association
Ontario



Good Governance

Board Evaluation

Risk Management

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Objectives

How to be a good responsible board member?

- Explore approaches and tools for board evaluation
- Understand risk and how to address it

Reflection: What is the new normal in today's environment?

Board Evaluation

● Objectives

- Assess board effectiveness in fulfilling its roles and responsibilities - ACCOUNTABILITY
- Identify strengths and areas for improvement - LEARNING
- Other??

● Responsiveness

- Analysis
- Action plan

● Frequency

- Ongoing
- Every 1-2 years

Keys to Evaluation

- **Begin with end in mind**
 - What are you assessing?
- **Create a culture of measurement**
 - What behaviours, actions are modelling evaluation?
- **Ensure all contributors benefit**
 - How do board members benefit from evaluation?
- **Get better over time**
 - How can we learn and improve our methods?

Areas of Board Evaluation

- **Composition and Competencies**
 - Including nominations and succession processes
- **Responsibilities, Structures and Processes**
 - Including fulfilling best practices, by-laws (as per the board's governance model), information quality
- **Behaviour and group dynamics**
 - Including participation in decisions, problem-solving abilities, teamwork, meetings
- **Relationship with CEO**
 - Including communication, trust, feedback
- **Competency of the Chair**
 - Including skills in facilitation, meeting management and helping the board do its work

Individual Board Member Evaluation

- Competencies
- Knowledge (in particular areas)
- Team player
- Attendance and participation
- Continuous learning
- Follow through
- Other???

Tools and Methods

● Informal

- Ongoing: reflections on meetings, approaches, dynamics

● Formal

- Surveys: internal, external (consultant); online, offline
- One-on-one interviews/conversations
- Focus groups

● Board and Board Member

- Self-evaluation
- Objective evaluation

What are the pros and cons?

Risk – A Definition

- ...any uncertainty about a future event that threatens your organization's ability to accomplish its mission

Three Dimensions

1. **Hazard** – preventing an exposure to harm.
2. **Uncertainty** – coping with uncertainty and change.
3. **Opportunity** – harnessing opportunities to one's advantage.

Risk Management – A Definition*

- ...a discipline for dealing with the possibility that some future event will cause harm.
- Key questions:
 - What can go wrong?
 - What will we do?
 - If something happens, how will we pay for it?
 - Other questions re: Uncertainty and Opportunity

Four Choices of Risk Management*

1. Avoiding risk by choosing not to undertake certain types of activity
2. Transferring risk to third parties through insurance, outsourcing, etc.
3. Mitigating risk through preventive and detection control measures
4. Accepting risk, recognizing the benefits of doing so outweigh the costs of transfer or mitigation

Wicked Questions

- When is not taking a risk a risk? How do we support risk-taking?
- How can we be true to our values and performance of our mission while complying with conflicting government directives?
- How independent are our boards in light of funder/policy restrictions? What's the risk?
- How can we celebrate success as we fail?

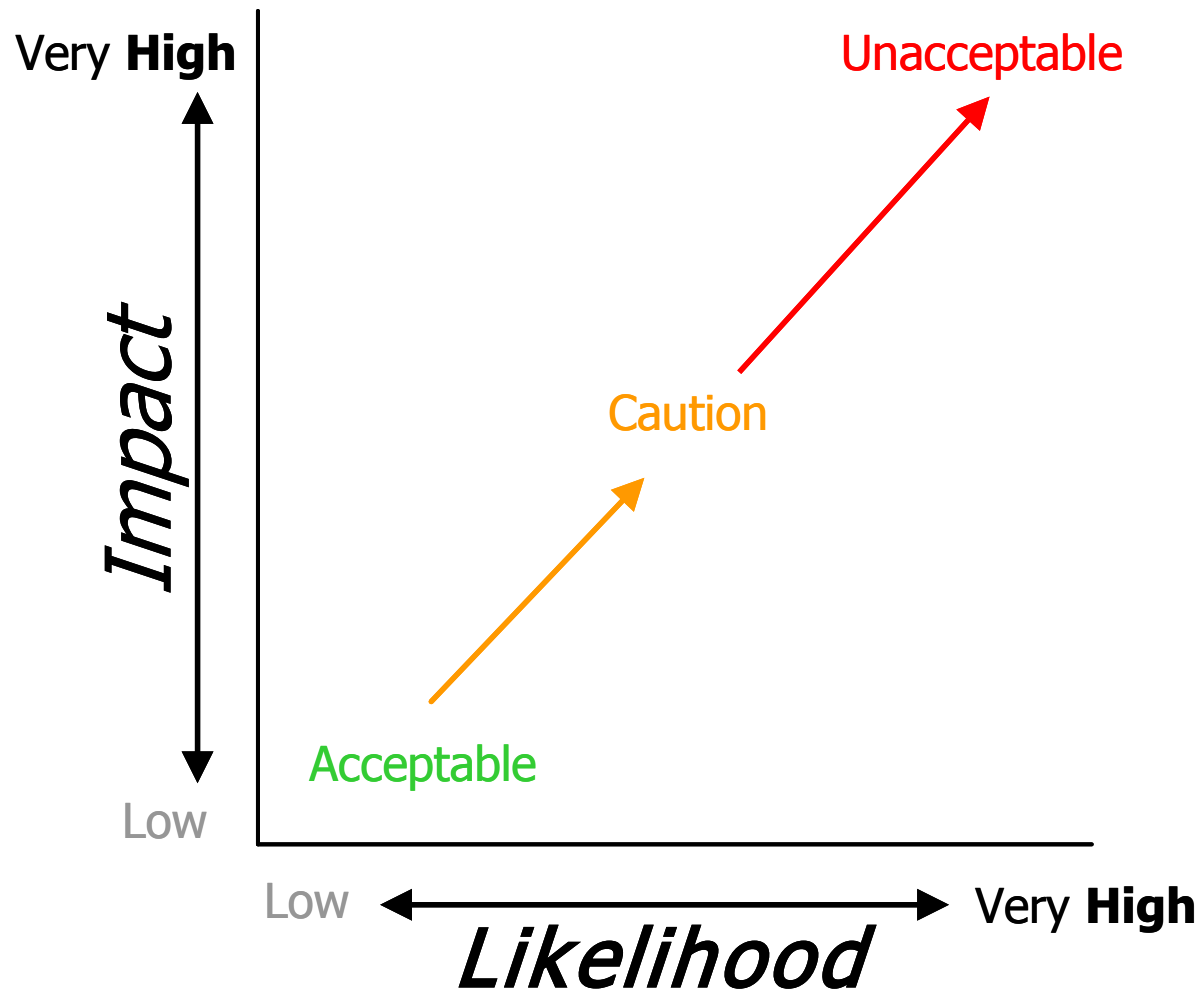
Nonprofit Assets*

Areas risk might reside in:

- People - board, volunteers, staff, clients, donors
- Property – facilities, equipment, materials, copyrights
- Programs and Services
- Financial Condition – funds, grants, contributions
- Goodwill – reputation, includes appeal to prospective volunteers, donors, clients and staff

Mapping Risks

Risk Assessment Chart



Impact – on ability to achieve mission and objectives
Likelihood – of event occurring given protections in place.

- ‘Hot spots’ – issues in the upper right quadrant

Getting from Here to There

- What do we already have in place?
- What are we missing?
- What do we need to invest in?
- Other?