

Board Forward Business Schedule

Board Business

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Introduction

The purpose of this paper is to introduce a new model for the Board Forward Business Schedule.

Proposal

The diagram which can be found in appendix A has been adapted from the Bob Garrettⁱ model. The original model was developed generically with the private sector in mind however is in large part applicable in the public sector.

For background information Garratt suggests there are two main dimensions of the Boards role, which he calls 'conformance' and 'performance'.

Conformance involves two main functions external accountability including compliance with legal and regulatory requirements and accountability to shareholders or other stakeholders, and supervision of management through monitoring performance and making sure that there are adequate internal controls.

In contrast the performance dimension is about driving the organisation forward to achieve its strategy. This again consists of two main functions policy formulation and strategic thinking to take the organisation forward. These four main functions of Boards are shown diagrammatically overleaf.

The principle is that in general Boards should spend time in all four quadrants. The emphasis will depend to some extent on Board maturity, for example start-up compared with relatively mature. It is a useful tool to test board agenda schedules against.

	Short term focus on 'conformance'	Long term focus on 'performance'
External Focus	<p><i>Accountability</i></p> <ul style="list-style-type: none"> • Ensuring external accountabilities are met, e.g. to stakeholders, funders, regulators. • Meeting audit, inspection and reporting requirements 	<p><i>Policy formulation</i></p> <ul style="list-style-type: none"> • Setting and safeguarding the organisation's mission and values • Deciding long-term goals • Ensuring appropriate policies and systems in place
Internal Focus	<p><i>Supervision</i></p> <ul style="list-style-type: none"> • Appointing and rewarding senior management • Overseeing management performance • Monitoring key performance indicators • Monitoring key financial and budgetary controls • Managing risks 	<p><i>Strategic thinking</i></p> <ul style="list-style-type: none"> • Agreeing strategic direction • Shaping and agree long-term plans • Reviewing and deciding major resource decisions and investments.

Figure 1: The main functions of Boards (adapted from Garratt, 1997:45-7)ⁱⁱ

The quadrants in the adapted model have been coloured coded to enable quick and easy interpretation of the items on the Board schedule, this includes clear visibility that all quadrants are being given an appropriate and adequate amount of attention.

The Board schedule for 2013-14 (appendix B) has been formatted using the adapted model which demonstrates the concept.

Actions Required of the Board

The Board are requested to comment on the proposed approach for the Board Forward Business Schedule, and to approve implementation. If approved the update will be instigated at the March 2014 Board.

ⁱ Bob Garratt is a pracademic and international consultant on board evaluation and development, corporate governance and strategic thinking.

ⁱⁱ Cornforth, Chris and Chambers, Naomi (2010). The role of corporate governance and boards in organisational performance. In: Walsh, Kieran; Harvey, Gill and Jas, Pauline eds. Connecting Knowledge and Performance in Public Services: From Knowing to Doing. Cambridge: Cambridge University Press, pp. 99–127.