

What is a Board Evaluation and why do they matter?

A Board evaluation is a great opportunity for the Board of a non-profit organisation to take a good look at itself and consider how it operates, how effective are board members individually and collectively. Importantly, it is not a governance review, it is a review of Board performance and effectiveness.

A Board evaluation includes a review of how board meetings are conducted, what documentation is the board provided with in advance and is it fit for purpose; are all board members contributing to meetings? How are the meetings run and chaired? The evaluation should also include a review of board sub-committees, their terms of reference, the work they are doing and their reporting back to the full board. Board members' understanding of key governance functions including strategic planning, financial oversight, risk management and compliance should also be included.

Why is a Board Evaluation a good thing to do?

A Board evaluation is a good thing to do because it is effectively about continuous improvement. There will always be gaps in the workings of a board, bad habits creep in, people may not behave appropriately, for example, coming to meetings unprepared. Sometimes there can be too much documentation provided to the board, some of it not relevant to their work. This can be overwhelming for board members and can also cause them to be distracted from their governance role into management or operational issues. There will always be areas of the board's work that are not being done as well as they could be and the evaluation is an opportunity to identify these and do something about them. There may be conflict withing the board or tensions arising over issues, or personalities, and the evaluation is also an opportunity to air these issues.

What does the Charities Governance Code say about Board Evaluations?

There are 3 standards in the Code that refer to Board evaluations. There is one core standard which all charities should implement:

5.9. From time to time, review how your board operates and make any necessary improvements.

And there are two additional standards which more complex charities should implement:

5.13. Conduct a regular review that includes an assessment of:

- the effectiveness of your board as a whole, office holders and individual charity trustees;
- adherence to the board code of conduct; and
- the structure, size, membership and terms of reference of any subcommittees.

5.14. Do regular skills audits and provide appropriate training and development to charity trustees. If necessary, recruit to fill any competency gaps on the board or of your charity.

In 2021 and 2022, following reviews of compliance with the Charities Governance Code, the Charities Regulator reported that in both years, these were amongst the most common standards identified for causing charities to have to declare non-compliance with the Code.

How to go about a Board Evaluation

There are two ways to do a Board evaluation. The first is for the board to conduct a self-evaluation. This could be led by the Chairperson, or the Chair of a governance sub-committee. Questionnaires can be prepared using some templates that already exist:

[How do you conduct a board self-assessment? | Carmichael Ireland](#)

[Guidance Document - Board appraisal for Non-Complex Charities - V2.indd \(charitiesregulator.ie\)](#)

These templates should be reviewed and customised to reflect an organisation's needs and preferences and the questionnaires sent to board members. A problem that can arise with self-evaluations, is that some board members may be concerned about identifying certain issues or about the confidentiality of the process. One way to address this concern would be to have a facility to submit the answers anonymously, for example using MS Forms.

The alternative to the self-evaluation is to have an externally facilitated evaluation. Several organisations, including Carmichael, provide this service. Over recent years we have developed and improved the board evaluation service that we offer with a detailed questionnaire of over 80 questions that, again, can be customised, providing an opportunity for participants to give both quantitative and qualitative answers. The process usually involves the facilitator attending one board meeting and also having conversations with individual board members or small groups of board members to expand on some of the issues raised in the questionnaires. The facilitator then provides a detailed written report of the evaluation and meets with the board to discuss findings and recommendations. Importantly, this is not the end of the process. The findings and recommendations usually identify a need for actions to be taken, it is vital that that each one of these is implemented fully.

It is not usually the case that stakeholders, other than Board Members would be involved in the evaluation, with the exception of the CEO/Manager/Company Secretary if applicable. They should not receive the same questionnaire as board members, but with the consent of board members, the facilitator should meet with the CEO/Manager/Company Secretary to get their perspective on how the board is working in relation to relationship between Chairperson and CEO/Manager, how they feel they are being managed and also their view of board meetings.

What issues have been arising in Board Evaluations conducted by Carmichael?

Trends would include:

The evaluation serves as an opportunity for the board bring focus back to their governance role. Has the board drifted away from the key areas of responsibility, and strayed into management or operational issues?

The evaluation also causes some boards to review and confirm what authority has been delegated to the CEO/Manager and what matters are reserved for the Board for decision making. Over time, lines of responsibility can become blurred and the opportunity to clarify and remind is important. Included in this is an important reminder for Board Members not to interfere with other roles within the organisation, particularly that of CEO/Manager.

Losing sight of monitoring implementation of strategy is another problem that can arise for boards and the evaluation provides an opportunity to identify this and implement corrective action.

Some boards are very effectively focused only on governance but to such an extent that they lose sight of the detail of the workings of the organisation at management and operational level. A good practice is to put in place annual meetings between the board and individual members of the senior management team. Senior Management can give an overview of the work of their departments/teams and take questions, Board Members should be hearing, not interfering.

Another issue that the evaluation can reveal is the Board's influence, or lack of influence, on the culture of the organisation. What does the board think the organisation's culture is? Are they right? Would other stakeholders including staff, volunteers and services experience and recognise the same culture?

Other gaps identified in evaluations are the need for a succession plan to be put in place for the board and also to consider the make up of the board particularly in the context of diversity and skills. Most evaluations include a skills audit which can help identify what skills exist on the board, what skills are missing, and what training needs board members have.

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