

A3 – Checklists

1 Improving Board logistics

- Who is responsible for writing your Board and Committee meeting agendas? How are the agendas reviewed before being finalised?
- Does your Board evaluate the effectiveness of the Board meeting agendas as part of the overall process of evaluation?
- Does your Board allocate time effectively for each item on the agenda? How many minutes go on basic administrative procedures, presentations and actual Board discussion?
- Are agenda items or discussions regularly cut short at the end of Board meetings due to lack of time? How could this be addressed in your schedule setting?
- How much time do 'AOB' (Any Other Business) agenda items take up in your Board meetings?
- Would Non Executive Directors be willing to keep a log for a month or two on the total time they devote to your Board? Do any Non Executive Directors feel it could be used more effectively?
- How much informal discussion time does your Board meeting system offer between Directors and Managers?
- Has your Board reviewed its current meeting schedule (bimonthly, quarterly, one-day, half day, etc) recently? Is the current meeting set-up the most effective?
- Is there a person or office responsible for Board meeting and administration logistics? Has this been formally set up with written duties?

2 Typical agenda

The typical agenda for a Board meeting should include the following:

- Approval of the minutes of the last Board meeting
- Operational, procedural and compliance issues
- Managing Director/ Chief Executive's report
- New initiatives
- Business outlook
- Review of ongoing projects and operational issues
- Finance Director's report
- Review of the company's financial performance
- Strategic issues
- Any other business
- Date of next meeting

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3 Board papers

The papers required for a Board meeting include:

- The Agenda
- Minutes of the previous meeting
- Management accounts
- Managing Director/ Chief Executive's report
- Papers relating to specific agenda items
- Finance, Audit and Risk management reports
- Recent correspondence
- Corporate and Business Plans

4 Typical items required for Board approval

Typical items required for Board approval include:

- Issuing of capital
- Changes to the capital structure of the company
- Hiring and firing of the Management Team
- Significant investments and acquisitions
- Disposals
- Loans
- Company's long-term objectives and strategy
- Annual operating and capital expenditure budgets
- Major capital projects
- Changes to the company's Management Team
- Risk management strategy
- Health and Safety policy
- Environmental policy
- Annual report and accounts
- Approval of major contracts

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5 Approving Board minutes

- Look over minutes from the last Board meeting. The minutes should record the meeting in such a way that should a decision subsequently be scrutinised it can be 'stood over' by the Board
- How closely do you personally review minutes of the previous Board meeting before voting to approve them?
- Have there ever been cases where the wording of an issue recorded in the minutes is not how you recall it originally being phrased?
- Is Director satisfaction with company procedures included in the Board evaluation process?
- What administrative process do the minutes follow, and do final minutes always go to the full Board for approval?
- Check your latest Board minutes for qualifying phrases such as 'concerns were raised' and 'extensive discussion followed' to ensure that the minutes reflect accurately the discussion that took place

6 Boardroom communications

- Does it take a long time to read through the company's minutes books? Does the Board need to adopt a more concise approach to minute taking?
- While reading through the minute book, try viewing the material with the fresh eye of an outside analyst. Is there enough material here for a knowledgeable outsider to obtain a good understanding of the company? Would there be obvious omissions or useless material?
- Consider drawing up a list of staff your new Directors should meet with
- If an index page is included with the Board papers, consider adding a checkline next to each listing, and asking Directors to tick items they consider most useful (or least useful). Also, ask for comments on further material that they would like to receive
- Ensure that the quality, quantity and timeliness of information that goes to the Board are included in your Board and Managing Director/ Chief Executive evaluation plan?
- For a new Director, consider designating a current member of the Board to act as a short-term 'mentor', introducing him/her to key people and answering his/her questions
- How effectively does the company's internal process for assembling Board papers work?
- What share of the time at a typical meeting of your Board is taken up by presentations to the Board?
- On average, how long before a Board meeting do the Board papers arrive at a Director's office? Do you have a firm target deadline on this?

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7 Utilising internal resources

- Have your Board and Managing Director/ Chief Executive agreed on a policy for Board contacts with the Management Team? Do you as a Director personally feel comfortable making such contacts?
- What are the key areas of the company that are most crucial to success in your business (finance, technology, sales, legal, manufacturing, HR, etc)? Does your Board have regular two-way contact with managers in the most important of these areas?
- Does the performance evaluation plan for the managers of these areas include an assessment of their relationship with the Board?
- Does your Finance Director know which financial reports your Board considers most important to do its job (and is your Board receiving them)?
- Ask the head of your company's key administrative areas (legal, internal audit, etc) to prepare brief reports suggesting ways they could provide more value to the Board
- Does your Board contain talent among its Non Executive Directors that could serve as the Board's 'liaison' with these offices, for example a solicitor/barrister to liaise with the legal office and someone with specific finance background to liaise with the Finance Director, etc? Should this be a consideration in your future Board recruiting?
- Consider how internal company resources could better help your Board with its own internal functions (evaluation, succession planning, administration, etc.)
- How often do members of the Management Team and other managers participate in Board meetings? Do your Directors find their presentations useful?
- Is the information you receive from internal resources clear and informative?
- Are your Board Committees making the best use of internal resources?

8 Developing strategy in the Boardroom

- Review your company's current strategic plans. How much Board input went into shaping it? Are there specific areas of weakness your Board needs to address?
- Ask individual Directors to prioritise the elements of your strategic plan. Do most have the same view?
- Does your Board regularly review company strategic plans for such items as changes in the external environment or warning signs of failure?
- Review the company's overall strategic planning process in flowchart fashion. Where is the Board of Directors involved?
- Establish who of your present Board members have strategy planning skills, as well as career background in specific areas vital to your long-term strategy
- Review your Board for experience in managing particular strategic events (insolvency or trading difficulties, major mergers or spinoffs, share splits, etc)

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- Develop a brief list of the Board's duties or decisions that have been particularly difficult to resolve. Could any of these benefit from holding a Board 'Away Day' on the topic?
- Have any Board members participated in Board 'Away Days' with other companies? What suggestions do they have on ways to improve your Board's 'Away Days'?

9 Start-Up Boards

- Do Non Executive Directors hold a strong equity interest in the new company, either as initial investors or by purchasing stock out of their own personal finances?
- Was the initial group of Directors selected for specific strategic reasons (as opposed to happenstance or politics)? Can you name the strategic role for each?
- Can each member of your start-up Board finish the following statement: 'My contribution on this Board will be.....' in a way that would satisfy the other members as to the value they add?
- How many members are on your Board? (five to eight is probably ideal)
- Does the Board have a plan for its own development to meet the company's needs as it grows?
- Does the Board have its own terms of reference, addressing matters such as size, board compensation, tenure, committees and independence?
- Within the start-up Board, are founders, capital representatives and managers in general agreement on strategic goals and targets, and timelines for their achievement?
- Does at least one Director have leadership experience with a company larger than your own?
- For IPO (Initial Public Offering) companies, how many Board members have previous experience with an IPO?
- Are there any members of your Board whose resignation would have serious repercussions for the company?

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10 Family/closely-held Boards

- What are the benefits and negatives that your family ownership structure brings to your company's governance?
- How many 'independent' Board members are there?
- How formal are your Board meetings? How often do they take place? How long do they last?
- Does the Board discuss succession planning with the Managing Director/ Chief Executive on at least a yearly basis? Does a firm, accepted succession plan exist?
- Has your company had any problems with the concerns of minority shareholders?
- How many of your present Directors serve as outside Directors on other Boards?
- If your Board currently lacks outside talent, try drawing up profiles of potential Directors who could make a valued addition to your Board
- Does your Board have 'constituent' members who tend to represent a segment of the family?
- Does your company have a long-term estate plan that deals with inheritance issues, division of assets, tax concerns, and so on? Is it generally supported by all?
- Has the company considered 'semi-Board' ideas, such as family or an outside expert advisory Board?