

# **SAMPLE BOARD PERFORMANCE EVALUATION:**

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The following questionnaire is based on emerging and leading practices to assist in the self-assessment of an individual director or the full board's performance. It is not intended to be all-inclusive.

When completing the performance evaluation, consider the following process:

- Select a coordinator and establish a timeline for the process.
- In addition to board members completing the form as a self-evaluation, ask individuals who interact with the board members to provide feedback.
- Ask each board member to complete an evaluation by selecting the appropriate rating that most closely reflects his/her performance and the board's as a whole related to each practice.
- Consolidate into a summarized document for discussion and review by the board.

For each of the following statements, select a number between 1 and 5, with 1 indicating that you strongly disagree and 5 indicating that you strongly agree with the statement.

Select if the point is not applicable or you do not have enough knowledge or information to rank the organization's board on a particular statement.

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<b>COMPOSITION AND QUALITY (Select the rating for each statement)</b>	0	1	2	3	4	5
Qualified board members are identified by sources independent of management.						
Board members have the appropriate qualifications to meet the objectives of the board's charter, including appropriate financial literacy.						
The board demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively.						
The board demonstrates appropriate industry knowledge and includes a diversity of experience and backgrounds.						
Members of the board meet all applicable independent requirements.						
The board participates in a continuing education program to enhance its members/ understanding of relevant risk, reporting, regulatory and industry issues.						
The board monitors compliance with corporate governance regulations and guidelines.						
The board reviews its charter annually to determine whether its responsibilities are described adequately.						
New board members participate in an orientation program to educate them on the organization, their responsibilities and the organization's activities.						
The board chairperson is an effective leader.						
The board, in conjunction with the nominating committee (or its equivalent), creates a succession and rotation plan for board members, including the board chairperson.						
<b>LEGEND: 0= insufficient knowledge/1=Strongly disagree/5=Strongly agree</b>						

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<b>UNDERSTANDING THE ORGANIZATION</b> <b>(Select the rating for each statement)</b>	0	1	2	3	4	5
The board takes into account significant risks that may directly or indirectly affect the organization. Examples include: <ul style="list-style-type: none"> <li>• Regulatory and legal requirements</li> <li>• Suppliers and customers</li> <li>• Market and competitive trends</li> <li>• Financing and liquidity needs</li> <li>• Business continuity</li> <li>• Organization reputation</li> <li>• Strategy execution</li> <li>• Management’s capabilities</li> <li>• Management override</li> <li>• Fraud control</li> <li>• Organizational pressures</li> </ul>						
The board considers, understands, and approves the process implemented by management to effectively identify, assess, and respond to the organization’s key risks.						
The board understands and approves management’s fraud risk assessment and has an understanding of identified fraud risks.						
The board considers the organization’s performance versus that of its peers in a manner that enhances comprehensive risk oversight. This may include comparison of industry trends.						
<b>LEGEND: 0= insufficient knowledge/1=Strongly disagree/5=Strongly agree</b>						

<b>OVERSIGHT OF FINANCIAL REPORTS &amp; INTERNAL CONTROLS</b> <b>(Select the rating for each statement)</b>	0	1	2	3	4	5
The board considers the quality and appropriateness of financial accounting and reporting, including the transparency of disclosures.						
The board reviews the organization’s significant accounting policies.						
The board makes inquiries of the independent auditor, internal auditors, and management on the depth of experience and sufficiency of the organization’s accounting and finance staff.						
The board reviews the management recommendation letters written by the independent and internal auditors and monitors the process to determine that all significant matters are addressed.						
The board ensures that management takes action to achieve resolution when there are repeat comment from auditors, particular those related to internal controls.						
Adjustments to the financial statements that resulted from the audit are reviewed by the audit committee, regardless of whether they were recorded by management.						
The board is consulted when management is seeking a second opinion on an accounting or auditing matter.						
<b>LEGEND: 0= insufficient knowledge/1=Strongly disagree/5=Strongly agree</b>						

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<b>OVERSIGHT OF AUDIT FUNCTIONS</b> (Select the rating for each statement)	0	1	2	3	4	5
The board understands the coordination of work between the independent and internal auditors (accounting staff) and clearly articulates its expectations of each.						
The board appropriately considers internal audit reports, management's responses and steps toward improvement.						
The board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance.						
The board considers the independent audit plan and provides recommendations.						
The board reviews the audit fees paid to the independent auditor.						
The board comprehensively reviews management's representation letters to the independent auditor, including making inquiries about any difficulties in obtaining the representations.						
<b>LEGEND: 0= insufficient knowledge/1=Strongly disagree/5=Strongly agree</b>						

<b>ETHICS AND COMPLIANCE</b> (Select the rating for each statement)	0	1	2	3	4	5
Board members oversee the process and are notified of communications received from governmental or regulatory agencies related to alleged violations or areas of non-compliance.						
The board oversees management's procedures for enforcing the organization's code of conduct.						
The board determines that there is a senior-level person designated to understand relevant legal and regulatory requirements.						
The board oversees the organization's hotline or whistleblower process, reviews a log of incoming calls and or complaints, and understand the legislation and procedures to prohibit retaliation against whistleblowers.						
An annual performance evaluation of the board is conducted and any matters that require follow-up are resolved and presented to the full board.						
<b>LEGEND: 0= insufficient knowledge/1=Strongly disagree/5=Strongly agree</b>						

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PROCESS AND PROCEDURES (Select the rating for each statement)	0	1	2	3	4	5
The board develops a calendar that dedicates the appropriate time and resources needed to execute its responsibilities.						
Board meetings are conducted effectively, with sufficient time spent on significant or emerging issues.						
The level of communication between the board and relevant parties is appropriate; the board chairperson encourages input on meeting agenda's from committee and board members, management, the internal auditors, and the independent auditor.						
The agenda and related information are circulated in advance of meetings to allow board members sufficient time to study and understand the information.						
Written materials provided to board members are relevant and concise.						
Meetings are held with enough frequency to fulfill the board's duties and at least quarterly, which should include periodic visits to organization locations with key members of management.						
The board maintains adequate minutes of each meeting.						
The board, or an assigned committee, regularly review management incentive plans to consider whether the incentive process is appropriate.						
The board periodically reviews, or meets with the committee responsible for reviewing, the organization's disclosure procedures.						
The board respects the line between oversight and management.						
All board members attend scheduled board meetings.						
Board members come to meetings well prepared.						
<b>LEGEND: 0= insufficient knowledge/1=Strongly disagree/5=Strongly agree</b>						

Reproduced by minor modification from *Appendix C: Sample board performance evaluation form*, from *The Effective Not-for-Profit Board – Governance of Not-for-Profit Organizations*, Deloitte & Touche, 2013  
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