

Monitoring the Board's Performance:

Adopting standards

Just as staffs are monitored and regularly evaluated, the board and management should also undertake regular evaluation of its performance. In order to do this, the board needs to set standards that form a measure of its role and functions. For many organisations this may represent a rather daunting exercise but the value of setting standards is enormous. Standard setting and evaluation helps the board decide where its energies may be best used to ensure continuous quality improvement and identify board member's training needs and gaps in expertise.

Definition of Standard

Standards are recognised as a description of an agreed level of performance. They may at times be called 'objectives' or 'performance criteria' or 'principles'.

Standards have been defined as *"explicit statements developed by people in a field of work regarding the combination of knowledge, skills, attitudes and personal qualities which are needed within specific work contexts"*¹

Effective standards need to be easy to understand, realistic, measurable and resourced.

Why have standards?

Standards are a tool used to compare activities that are common across organisations working in comparable industries. Many industries have minimum standards set by a regulatory body (eg [Education and Care Services National Regulations](#) for childcare services).

These standards can be used as the basis for accreditation processes, ensuring services/projects/organisations utilise quality assurance programs when measuring their performance against specific standards set by a funding or regulatory body.

The same reasoning applies to an organisation's board. The creation of internal standards helps to measure the performance of an organisation's board against its undertakings and to develop consistent management procedures. Internal standards for boards are often established following consultation processes with relevant stakeholders.

Industry standards can provide guidance that is relevant to developing internal standards to measure a board's performance.

¹ NCOSS - The Body Corporate Report 2000 p. 13

Ideally internal standards will:

- give clear and consistent guidance on agreed levels of practice
- suggest ways that the board can demonstrate continuous improvement
- help organisations and boards acknowledge the tasks they are doing well
- help boards to identify aspects of their functions that need further improvement
- identify aspects that may be incorporated into organisation planning
- identify aspects that may be incorporated at broader level planning
- act as a basis for organisational and individual development
- demonstrate accountability to an organisation's stakeholders
- allow for innovative approach and flexibility to form a measure appropriate to the resources of the board.

They may also be required to be met by funding bodies.

External board standards

There are two sources of external standards for boards to meet. Those set by:

- External funding bodies in contracts where compliance is required
- Regulators, to comply with legal requirements.

Internal board standards

Internal standards will reflect the mission, vision and values of the organisation as well as the functions of the board.

Transparency and consensus are crucial when developing internal board standards. These processes will provide standards with authority and acceptance both within and outside the organisation.

Transparency means that information regarding the organisation and the board is available to all interested parties. The concepts of openness, impartiality and participation which are non-discriminatory are essential to ensure transparency.

Consensus (usually general agreement) is arrived at by a process that takes into account the views of all parties concerned whilst reconciling any conflicting arguments.

Processes that the board may undertake to compile and set standards

The setting of board standards ideally is an outcome of consultation and agreement by all working party members and the full board. They should be written taking into account the resources and skills of the board and its capacity to meet and undertake a standard.

When setting board standards the organisation needs to seek the views of all the relevant stakeholders.

To achieve this, a working party of interested people is formed selected from board members, staff, clients and outside stakeholders. The working party should be small enough to allow for effective decision making and sufficiently diverse to ensure a broad range of views.

Methodologies for consulting

Potential consultation processes include:

- Setting up meetings with groups, individuals to gain feedback about the organisation
- Randomly distributing surveys to specific services and/or stakeholders (staff, volunteers, clients, carers, etc)
- Forming focus groups with an independent facilitator
- Assessing issues that have arisen from funding contracts, annual planning, compliance with regulatory requirements and historical evidence.

Writing a standard

A standard is an outcome of the consultation research and process consists of:

- A summary statement of the standard
- A description of attributes
- Monitoring tools and measures
- Goals (ie what is to be achieved and aimed for)
- Information about what is required to achieve standard.

Suggested areas of standard formulation

Areas they covered include:

- Accountability
- Organisational development
- Human resource management
- Planning and evaluation
- Policy development and systems
- Leadership and promotion
- Efficiency and effectiveness
- Access and equity to the organisation and its services
- Board performance (governance)
- Financial management systems
- Information management.

References

The National HACCC Standards 1998

In 2012, what was formerly the Home and Community Care (HACC) Program was split into the Commonwealth HACC Program and NSW Community Care Support Program (CCSP). The [Community Care Common Standards](#) replaced the HACCC National Standards (1998) on 1 March 2011 and cover:

- Standard 1: Effective management
- Standard 2: Appropriate access & service delivery
- Standard 3: Service user rights & responsibilities

Resources

McGuire, Linda (2003) Benchmarking Community Services: “nailing Jello to a tree” in *Journal of Contemporary Issues in Business & Government*, Curtin University, Vol. 9 No 1 May 2003

NCOSS Sector Support

- [Templates and Resources](#)
 - [Board Delegations](#)
 - [Board Performance Review](#)
 - [Roles and Responsibilities of Boards Members of NSW Incorporated Associations](#)
 - [The Board and the CEO: Building an effective relationship](#)
 - [Good Governance](#)
 - [Ethical Frameworks: Codes of ethics and conduct](#)
 - [Qualities of Good Leadership](#)

Institute of Community Directors Australia

- [To whom is my board accountable?](#)
- [Board effectiveness quiz](#)
- [Keeping your board fresh – Spotting the need for change](#)

Australian Centre for Philanthropy and Nonprofit Studies

- [Developing Your Board](#)
- [Board Evaluation](#) Includes Free Board Evaluation Tool

Board Connect

- [Board Evaluation Policy Template](#)

NB: The above websites were accessible on 15 December 2015. If the links do not work search on the title of the document or go directly to the organisation’s website