

Z – Zenith – We Have Achieved Our Mission

Keeping Board Members Informed

HOW DO WE KEEP BOARD MEMBERS INFORMED?

Designing a Board Information System

Good governance depends on enlightened decision making. Board members in turn need to be knowledgeable about the organization's status and needs if they are to make sound decisions that advance its mission. Boards often say that the information they receive hinders rather than facilitates good governance and strong leadership. They protest that they are overwhelmed with large quantities of irrelevant information, that they don't get enough information, or that they receive material too late to devote serious attention to it. An effective board information system should focus decision making, stimulate participation, and support an appropriate balance of responsibility between board and staff.

Types of board information

Management consultant John Carver describes three types of board information:

Decision information is used to make decisions, such as establishing selection criteria for the chief executive. It looks to the future and is not designed to measure performance.

Monitoring information enables the board to assess whether its policy directions are being met. It looks to the past and provides a specific survey of performance against criteria. An example is an annual review of an organization's strategic plan.

Incidental information is for the general information of the board and not related to board action. Committee reports are frequently in this category.

Too often, board information is primarily incidental information. Although such material is useful for maintaining an overall impression of the administration of the organization, it is not usually specific or substantive enough to help board members make decisions or monitor the organization's success at carrying out its mission.

Establishing a system

Establishing and maintaining a board information system is the joint responsibility of the board chairperson, board members, the chief executive, and staff who work with the board. The board should discuss:

- what information it needs to do its job
- how often it wants this information
- in what form it needs the information

Given this board feedback, the staff can establish the content, format, and frequency of information they will provide the board.

Characteristics of good board information

Barry S. Bader, a consultant and author specializing in hospital governance, identifies seven guidelines for developing effective board information:

1. CONCISE

Is the information communicated as quickly or as briefly as possible?

2. MEANINGFUL

Is the information presented in relationship to a significant factor, such as a goal set by the board, past performance, or comparative data?

3. TIMELY

Is the information relevant to the current agenda?

4. RELEVANT TO RESPONSIBILITIES

Does the information help the board or board committee discharge its responsibilities?

5. *BEST AVAILABLE*

Is the information the best available indicator of the situation or condition being described? Can better information be provided?

6. *CONTEXT*

Is it clear why this information is important?

7. *GRAPHIC PRESENTATION*

Could the information be presented better graphically than in words?

Basic Ingredients of a Board Information System

Every board must decide for itself exactly what information it needs. For most organizations, however, the following checklist is a starting point:

At least two weeks before each board meeting:

- Agenda
- Information about issues for discussion, when appropriate o
Financial information
- Committee reports

At least two weeks before the board meeting at which it is discussed: v Annual budget

- Audit report
- Strategic plan

After each board meeting:

- Minutes
- Notice of next meeting

Monthly:

- Financial report
- Significant published articles about the organization

Quarterly:

Financial report

Regularly, when appropriate:

- Memo from chief executive summarizing current activities, accomplishments, and needs
- Updated material for board handbook
- Advance copies of publications, brochures, or promotional material a Annual report

http://www.ncnb.org/askncnb/fag4__5.htm