WEBINAR SERIES
NSW OFFICE OF SPORT

Board Performance and Evaluation Framework

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Board Performance & Evaluation Framework

- Board evaluation
- Benefits
- Framework
- Process
  - Dysfunctional boards
- BESAT
- Context tool
  - Rating scale
- Conclusions
- Questions

Board Performance & Evaluation Framework

- What is a Board evaluation program?
  - Performance evaluation is a means by which boards can ensure they have the knowledge, skills, and ability to meet this challenge. Board performance evaluations may focus on different areas of governance, such as:
    - the board as a whole
    - individual board members
    - the chair of the board
    - committees
    - committee members
    - committee chairs.

Board Performance & Evaluation Framework

- Benefits of a Board evaluation program
    - SSOs will be more likely to achieve their strategic goals and be positioned to adjust to external and internal factors and influences when required.

    - Greatly enhanced trust between stakeholders (i.e., affiliates either district or regional associations and community clubs) through transparent review of board and director performance.

    - Better performing board, CEO, paid staff and volunteer management due to professional development opportunities identified through performance evaluation.

    - Early identification of issues which are likely to cause financial, strategic, or reputational risk i.e., financial risk caused by pandemic.

Board Performance & Evaluation Framework

- The Toolkit aligns with the requirements of the *Associations Incorporation Act 2009 (NSW)* (Act) and Sport Australia's 2020 Sports Governance Principles which are common sense based.

- The key matter for SSOs to consider and apply is the application of these principles and this Framework in the specific operational and governance context **of your SSO**. Membership structure, legal structure, regulatory environment, culture, members' expectations, NSO requirements, government requirements are all organisational context factors to consider in determining what evaluation tool or process is best for your SSO board.

- This Framework focuses on the key area of board evaluation and aims to assist SSOs to improve governance practices.

- The timing of what is adopted is not important. There is no start or finish point. It is not necessary to follow any sequence.

- The Framework may be used by SSO boards to develop and implement a board evaluation system relevant to the particular SSO.

- The OoS expectation is that large category 5 and 6 SSOs who receive the largest grants should seek to adopt and/or apply (again in context) a board evaluation process.

- The adoption and application of a board evaluation process by smaller category 1 to 4 SSOs will vary according to each organisation's context. The OoS will continue to work with all SSOs to help them identify areas of greatest need and where Frameworks can best be applied.

Board Performance & Evaluation Framework

- 2020 Sport Governance Principles
  - Principle 1: values-driven culture and behaviours
  - Principle 2: aligned sport through collaborative governance
  - Principle 3: a clear vision that informs strategy
  - Principle 4: a diverse board to enable considered decision-making
  - Principle 5: documents that outline duties, powers, roles and responsibilities
  - Principle 6: board processes which ensure accountability and transparency
  - Principle 7: systems which protects the organisation
  - Principle 8: systems for ensuring integrity
  - Principle 9: systems of internal review to foster continuous improvement

Board Performance & Evaluation Framework

- Glossary
- Board election and appointment
  - Evaluation and skills audit
  - Nomination committee
  - Succession planning and recruitment

Board Performance & Evaluation Framework

- Board performance, evaluation and development
  - Governance health check
    - OoS Sport Governance Framework: https://www.sport.nsw.gov.au/running-your-state-sporting-organisation/governance
  - Policy
  - Skills audit
    - personal skills, attributes and contribution to the board
  - Skills gap analysis

Board Performance & Evaluation Framework

- Board evaluation approaches
    - setting time aside, at least annually, for the board explicitly to address its collective and individual member performance
    - using an independent facilitator or consultant to help the board design a suitable evaluation process and to ensure that this is carried out independently and confidentially
    - if Frameworks do not allow for this, then an internal evaluation should be conducted.
    - conducting peer and self-appraisal of all board members, and the chairperson

Board Performance & Evaluation Framework

- Themes
    - What is our context?
    - What are our objectives?
    - Who will be evaluated?
    - What will be evaluated?
    - Who will be asked?
    - What technique will be used?
    - Who will do the evaluation?
    - What will you do with the results?
    - Are there different questions for chair, directors and key administrative personnel?

Board Performance & Evaluation Framework

- Process issues
  - Evaluation
    - Improve performance
  - Feedback
  - Recommendations
    - Minute
    - Responsibility
    - Timeframes
    - Resourcing
      - Sub-committee?
    - Publication and communications
  - What is our context?

Board Performance & Evaluation Framework

Dysfunctional boards

- There may be circumstances where the performance of a director does not meet the standard required by the board or the organisation. Poor performance can take a range of forms, including issues with participation, quality of contributions, behaviour or integrity.

- Some suggested approaches to identifying and managing poor performance include:

    - an initial discussion between the chair and the director to identify performance issues and to discuss methods and areas for improvement

    - regular ongoing discussions between the chair and the director to monitor performance, potentially including the use of a formal performance plan

    - identifying any learning and development opportunities and putting in place a plan and timeframe for these to be met.

Board Performance & Evaluation Framework

Board Evaluation Self Assessment Tool (BESAT)

- BESAT is a board self assessment survey found on the OoS webite at https://www.sport.nsw.gov.au/running-your-state-sporting-organisation/governance and then https://surveys.sport.nsw.gov.au/n/2JNtjjq

- BESAT is an internal self evaluation of Board as a whole, individual directors, Board committees, chairs and management. There is a different set of questions for each of these.

- There are 74 compulsory questions. Each question will prompt a yes or no answer with dynamic responses to assist. On conclusion the survey generates a score but NOT a rating.

- SSOs should be guided by their strategic plan and use the tool to improve governance to achieve strategic outcomes.

- SSOs should apply survey outcomes in their own contexts and to reflect their own needs.

Board Performance & Evaluation Framework

- The evaluation context tool highlights 12 theme areas of governance using a rating scale to determine the level of maturity of your board governance. Each of the twelve theme areas has a set of essential and advanced governance questions to consider and to rate maturity level.

- Themes are
  - Strategy and strategic planning processes
  - Planning Processes
  - Implementation of Strategic and Business Plans
  - Constitution
  - Roles and Responsibilities
  - Member and Stakeholder Consultation and Feedback
  - Risk Management and Compliance
  - Policies and ProceduresDecision Making Practices
  - Board Processes
  - Director Performance
  - Board Structure and Composition

Board Performance & Evaluation Framework

- The evaluation context tool will enable your SSO board to assess and determine the level of maturity of its governance.

- This in turn should further guide the board in the development and application of its overall self-assessment process. A more "governance" mature organisation may require a less detailed evaluation process.

- Rating tool

Practices not relevant	Practices not yet addressed	Addressing some essential practices	Addressing all essential practices	Addressing all essential practices, and some advanced practices	Addressing all essential practices, and most advanced practices
N/A	1	2	3	4	5

Board Performance & Evaluation Framework

How to Use the Rating Scale.

Using the above rating above, rate your SSO or board's state of maturity on a scale **between 1 to 5 for each of the 12 themes**.

This involves thinking across governance practices at two levels: **'essential'** and **'advanced'**

To calculate your rating for each theme, read the questions for **'essential practices'** for being **effective**:

•If your SSO or board has none of the essential practices in place, rate at 1.

•If you have some of the essential practices, rate at 2.

•If you have all the essential practices, rate at least 3.

Once you have reviewed the essential practices you have in place, you should then review if you have any of the advanced practices.

•If you have all the essential practices but none of the advanced practices, rate at 3.

•If you have all the essential practices and most of the advanced practices, rate at 5.

Please be honest in assessing your SSO and board's readiness and maturity.

Board Performance & Evaluation Framework

How to Use the Rating Scale cont'd

All the essential practices are required to achieve a rating of 3, so do not overlook any of them as they may affect your capacity exercise the advanced practices.

• The higher the rating the more mature your board's governance rating should be.

• The 12 theme areas are general themes that should align with the key strategies of your SSO. There may be others.

• On the 12 themes a 100% rating would be 60 which would mean your SSO has all essential practices and all advanced practice place.

• The lowest possible rating would be 12 which would mean no essential practices across your SSO.

• It is up to you how self-assessment is completed. Generally, the more people you involve in the discussion, the greater the ben your SSO and board.

At a minimum the whole board should be involved.

• Use the **SCORECARD** in **Appendix A** to record your scores for each question for each of the 12 themes areas and then calculate rating for essential and

advanced practices for each of 12 themes.

Board Performance & Evaluation Framework

- The Toolkit comprises the Board Evaluation Framework, the Board Evaluation Context Tool, and the Board Evaluation Self-Assessment Tool.

- The Toolkit will allow NSW State Sporting Organisations to regularly assess board performance and address issues of concern to foster continuous improvement, build resilience, capacity and improve organisational health.

- NSW SSOs can use the Framework and Tools at any time together with their existing organisational health systems and processes to evaluate their board performance and inform their decision making.

Board Performance & Evaluation Framework

- Conclusions
  - Sensitivity to the Sport's environment
  - Cohesion and identity within the Sport
  - Build constructive relationships (internal and external)
  - Conservative financial planning
- Govern, grow and evolve
  - [Governance | Office of Sport (nsw.gov.au)](nsw.gov.au)
- Seek assistance from OoS or please email me any queries lexsportiva@icloud.com

Board Performance & Evaluation Framework

- Questions

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