


New Zealand School Trustees Association Annual Conference 2006


Lessons From Personal Experience Board of Trustees Governance Management

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My history with schools

- Four boys
- Member of Elmwood Board of Trustees 1994 to 1999
- Member of Christchurch Boys' High School Board of Trustees 1995 to 2004 (including two-years Chairperson)




Governance

- Continuing governance role in several companies, including:
 - Chairman of The New Zealand Merino Company Limited
 - UBS (Otago) Ltd
 - Canterbury Agriculture Park
 - Trustee of the Airforce Museum Trust Board
 - Christchurch Symphony Orchestra




Sources of information for this address

- Doug Matheson
 - The Complete Guide to Good Governance in Organisations and Companies
- Institute of Directors
 - Best Practice for New Zealand Directors
- Personal experience



"The Board adds value when its actions make achievement of the purpose likelier in prospect and greater in fact"

Institute of Directors



"Good governance is the effective separation, management and execution of relationships, duties, obligations and accountabilities of an entity"

Institute of Directors




A high performance Board is a robust, effective social system

- Dissent is okay.
- Consensus is a great aim.
- Understanding the difference between governance and management is fundamental.




The principal must

- Provide timely, accurate and complete information to the Board of Trustees.
 - No compromise
 - No surprises
 - Bad news is communicated promptly



The board of trustees

- Must delegate most functions and all management-related decision making rights to professional management (principal) who remains accountable to the board of trustees.



The board of trustees

- Governs the school on behalf of the stakeholders.
- The management and staff service the stakeholders.
- Best board of trustees do not get involved in the day-to-day running of the school.



A good board of trustees

- Has a clear view of the school's purpose and strategy.
- Has effective governance culture, effective management accountability.
- The ability to act as required to ensure the continued good operation of the school.




The role of the principal


- Is to achieve the board of trustees' strategic objectives and policies without violating any boundaries the board of trustees may have set.




"The success of the principal and of the school are synonymous"



The emphasis on the principal's performance should be targeted towards the evaluation of the achievement of outcomes rather than the means for achieving them.



The principal is accountable for all staff and their achievements.



Board of trustees meetings

- Keep meetings focused on governance matters, robust reviews, ensuring the strategy is right, management performance and that all responsibilities are carried out.
- Short focussed meetings with issue specific delegated task groups work best.



Role of board of trustees

- Set goals and strategies for achieving them.
- Set policies for improving performance.
- Monitor performance of management.
- Appoint the principal.
- Protect financial position and ensure debts are met.
- Ensure financial statements are true and fair.
- Ensure high standard of business ethics.
- Ensure risk management policies are in place.



Role of board of trustees cont...

- Find out issues of concern to stakeholders.
- Impact of economic, political, social and legal issues.
- Emphasis on strategy issues and policy.
- Attend meetings, be prepared.
- Open and constructive discussions, consensus decisions, vote only when necessary.
- Chairperson set agenda with the principal.
- Monthly meetings, consider reports: finance, cap ex, proposals, major issues and opportunities.




Role of board of trustees cont...

- Review goals and strategies annually.
- Approve annual budget and workplan.
- Approve annual report and financial statements.
- Review board composition, performance & succession.
- Review performance & remuneration of the principal.
- Review risk assessment policies including insurance covers.
- Appoint officers in terms of constitution.
- Form committees only when it is efficient or necessary.
- Have an induction process for new board members.




Role of board of trustees cont...

- Do not provide services due to potential conflict of interest. Okay for specific expertise & with transparent appointment process.
- Do not accept other board appointments that may conflict with the school.
- Chairperson maintains informal link between board and the principal, between board meetings.
- Only decisions of the board are binding on the principal, not instructions of individual board members.
- The principal is accountable to the Board and is expected to act within specific delegated authorities.




Some key issues

- The principle of collective accountability means that each and every board of trustee member is bound by the decisions of the board.
- Even if a board of trustee member has voted against the decision.



Some key issues cont...

- The value of the board of trustees is in the seeking to achieve a common view in respect of matters before it and so come to a common decision – a consensus.



Principal non performance

- Non-performance is one of the most important issues any board of trustee must deal with.
- One poor leader can destroy a school.



Principal non performance cont...

- Board of trustees must counsel and if necessary terminate inadequately performing principals.
 - Be sure as to where the fault lies.
 - Chairperson communications with principal.
 - Be sure of grounds.
 - Maintain control.
 - Act fairly and reasonably.
 - Seek professional advice.




Governance difficulties arise when

- The role of governance is not clearly defined.
- Lack of clear policies.
- Lack of defined powers reserved to the board.
- Lack of clarity of delegation of powers to the principal.
- Board members putting personal interests ahead of the school's interest.




Governance difficulties arise when cont...

- Egos getting in the way (the five p's).
- Chairperson not providing the necessary leadership.
- Principal causing division by lobbying individual board of trustee members.
- Failing to act on a non-performing principal.



Common causes of board of trustee disfunction

- Board of trustee members disconnected – not working as a team.
- Lack of undertaking of governance/ management split.
- Personal agendas.
- Lack of respect for each other.
- Factions within the board of trustees
- Group think dumbing down outcomes.



Getting on top of it all

- Training.
- Common understanding on the role of the Board.
- Agree on sense of purpose and common goals.
- Have a code of conduct.
- Evaluate board performance objectively.
- Effective chairperson.
- Leaving ego's at the door.



Q&A

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