



NCTI Conference

Good Governance

August, 2008



Good Governance

- Governance and the Role of the Governing Body
- 20 Trends in Good Governance
- Relevance to:
 - NCTI?
 - Body corporate managers (SMEs)
 - Management committees of body corporates (around 80 units)



Governance

“The Board’s role is to create the future of the organisation, not just mind the shop”.

Carver

Role of the Board

***Outward
Looking***

<p>Accountability</p> <ul style="list-style-type: none"> ☞ ☞ ☞ 		<p>Strategy Formulation</p> <ul style="list-style-type: none"> ☞ ☞ ☞ 	
<p>Conformance Roles</p>	<p>Appoint CEO</p>		<p>Performance Roles</p>
<p>Monitoring and Supervision</p> <ul style="list-style-type: none"> ☞ ☞ ☞ ☞ 		<p>Policy Making</p> <ul style="list-style-type: none"> ☞ ☞ ☞ ☞ 	

***Inward
Looking***

*adapted from Tricker, RI:
International Corporate
Governance (1994) p149

Past & Present

Future



20 Trends in Good Governance

1. Communicate, communicate, communicate with owners
2. Articulate the “Big S” Strategy: two page strategic plan
3. Change sequence of agendas: matters for **DECISION; DISCUSSION; NOTING/INFORMATION**



Trends in Good Governance

1. Board policies separated from minutes and included in Board Manual
2. Discuss succession (CEO; Chair; board) annually
3. Smaller boards: 5-7



Trends in Good Governance

1. Skill gap analysis when filling board positions
2. Chair and director position descriptions
3. Chair, board and individual director performance evaluation



Trends in Good Governance

1. Annual calendar
2. Clear terms of reference for committees
(and reviewed)
3. Code of conduct for board



Trends in Good Governance

1. Director induction
2. Executive update sessions for board
3. Other director development sessions



Trends in Good Governance

1. Reviewing quantity and format of board papers
2. Papers before meeting
3. Minutes within one week



Trends in Good Governance

1. Remove alternates
2. Corporate Social Responsibility



Relevance to NCTI

- Representative directors: requisite skills?
- Conflicts of interest
- National strategy versus “states rights”
- Changing governance structures to meet new strategic imperatives



Relevance to Body Corporate Managers (SMEs)

- Governance means “work on the business not in it”: spend time on strategy
- 2 page strategic plan
- Difficulty when owners are managers are directors



Relevance to Body Corporate Managers (SMEs)

- Getting the right skills at board level:
Boost Juice
- Capturing know-how: policies
- Start with the end in mind: exit strategy

Relevance to Management Committees (80 units)

- Define role and functions more clearly than legislation (including role of body corporate manager)
- Encourage the right skill mix
- Short position descriptions for Chair, Treasurer, Secretary, committee member

Relevance to Management Committees (80 units)

- Clear policy decisions centralised in a “Policy Manual”
- Communication with owners: AGM, website etc
- Code of conduct/statements of behaviour
- Forward calendar



Good Governance

- Understand the role
- Clarify who does what, when, and how
- Reinforce appropriate behaviours