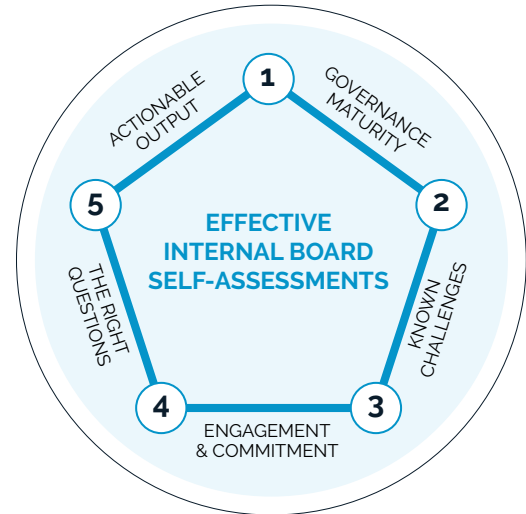


Getting The Most Out of Your Internal Board Effectiveness Review

A Checklist for Planning Your Next Internal Self-Assessment

It may involve a lighter touch, but it needn't be just a box-ticking exercise. Your internal self-assessment can provide the board with real value. This guide provides a step-by-step approach and outlines the 5 Key Elements to consider as you plan your next review.

The following checklist outlines the main issues to be thinking about and planning for in each area.



1. How do we diagnose governance maturity?

- Is it our first board effectiveness review? How many have we done previously?
- Is our governance framework where we want it to be?
- Are we preparing for an external review next year?
- Is there a regulatory imperative?
- Are there other stakeholder pressures?
- Is board composition stable? Do we have new board members? Or are we due to appoint a new NED/Chair?
- Have there been changes in company structure – mergers, acquisitions?
- Where are we in our strategy lifecycle and what are the governance implications?

2. What specific, known challenges are we facing?

- Go back and look at the previous board review – what points were raised and have they been followed up on?

- Has the Board raised any issues?
- Are there other stakeholder issues on governance?
- Where do we stand on diversity and inclusion?
- And on ESG?
- Are we trying to cover everything, or homing in on particular topics?

3. Who do we engage and how do we make sure they are committed to the process?

- Who will run the process?
- What involvement will the Chair have?
- Who beyond the Board do we need to involve?
- Will we run this internally or get external help?
- How do you get the Board set up on logistics (administering the online questionnaire, collecting responses etc)?
- How can we make sure the Board feel part of the process and confident in the value this review will provide?
- How do we reassure people about anonymity so they feel comfortable opening up?

4. How do we ensure we are asking the right questions?

- Be clear about what you need to cover. Is it:
 - The Board?
 - Including committees?
 - Individual director review?
 - Chair review?
- It's okay to include a different combination of the above in different years
- Construct questionnaires in a way that gets people thinking and will help you to get back the information you need
- Cover things from both a NED and Exec point of view

Are you up to date on the latest governance development points and have you covered them in the questions?

- Balance consistency with freshness
- Find a way to encourage free text and comments

5. How can we make our output actionable and practical?

- Be sure your report actually leads to change – it's not just a data download
- It needs to tell us all what we need to do
- Give the Board the narrative
- Is there a capacity for benchmarking? How can you find out if you are facing the same problems as everyone else in your sector?

Implementing Your Internal Board Self Assessment

Once you've considered all these elements, the big question is: Will you facilitate the board self-assessment internally or engage an external advisor to assist with the process? Internal assessments can either be facilitated internally or you can engage an external advisor to assist with the process. Consider these elements when charting your course.

Internal If...	External If...
<p>You've got nothing better to do! Running a board review and producing a report can be very time-consuming.</p> <p>The board is not facing any significant changes or challenges.</p> <p>You have a tried and tested questionnaire that provides insights of sufficient depth and detail to drive development.</p> <p>You have an effective system for delivering results that prioritises action-points for the board.</p>	<p>Difficult issues needed to be raised with board.</p> <p>Respondents are suffering from questionnaire-fatigue or you have a disappointing response rate.</p> <p>You want to establish a baseline for benchmarking and see how you compare to your peers.</p> <p>You want a deep dive into specific areas of board and committee performance.</p>

To learn more about Independent Audit's approach to internal board self-assessments or our digital board evaluation platform Thinking Board® contact: