



Strengthening Governance

An analysis of governance in the International Non-Government-Organisation sector

CID briefing paper

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1.0 Summary and Recommendations

This research paper examines the issues and opportunities impacting on corporate governance in the International Non-Governmental Organisation (International NGO) sector.

The research highlights a number of common factors including:

1. **Funders looking for evidence of good governance** – funders are increasingly focusing on the quality of International NGO governance, but there are no independent mechanisms for assessing the quality of governance;
2. **Potential Legislative Changes** – 60% of New Zealand based charities are constituted as incorporated societies under the 1908 Incorporated Societies Act. 30% are constituted as Trusts under the Charitable Trusts Act 1957. Charity Services (a division of the Department of Internal Affairs) is current reviewing the legislative environment charities operate within;
3. **International NGO sector not seen as an attractive sector for skilled governors** – many interviewees identified difficulties attracting competent directors.
4. **Board member capacity and capability** is patchy and stories abound of group think, ‘circle of friends’ appointments and overly intrusive boards, or indeed, the opposite.
5. **Diversity of Boards** – Board turnover, renewal and diversity (gender, age, ethnicity, experience) is a serious challenge for some boards.
6. **Governance Autonomy** – increasingly for-purpose and for-profit motivations are converging. New business models are emerging raising significant governance opportunities and risks as International NGOs seek to maintain their autonomy and their mission.
7. **Localisation of funding**– where funding bodies contract directly with in-country providers rather than through an International NGO. This is bringing a renewed focus on the quality of local NGO governance. Many of these organisations are in countries which do not have a tradition of western style corporate governance raising the question what responsibility, if any, does the Ministry of Foreign Affairs and Trade (MFAT) and New Zealand International NGO affiliates carry to strengthen local governance?

1.1 *Summary of recommendations*

The paper recommends a four-pronged strategy to strengthen corporate governance. The main recommendation is that the Council for International Development (CID) include in its 2019 review of its Code of Conduct, a scoping study of a sector-wide governance training and Qualmark accreditation programme that could be embedded into the existing CID Code.

Other recommendations include strengthening governance partnerships with ‘CID like’ Australian organisations and helping identify and develop potential International NGO governors.

2.0 Methodology

This paper examines the issues and opportunities impacting International NGO corporate governance in New Zealand and to make recommendations on ways of strengthening corporate governance across the sector.

A variety of sources were used, including:

- Previous International NGO CEO Group workshops and discussions on governance;
- Interviews with governance providers including the New Zealand Institute of Directors, Boardworks International and Sports New Zealand;
- Interviews with sector leaders including Philanthropy New Zealand, CID, Foundation North, New Zealand Trade and Industry, New Zealand Charity Services, Board members of Australian Council for International Development (ACFID) and the Australian Council for Community Directors;
- International Studies including the Australian Institute of Company Directors (AICD)¹ and Sports New Zealand²;
- Survey of the composition of New Zealand based International NGO Boards and agenda items (ranging from small to large organisations).

2.1 Terminology

Traditionally organisations have been classified according to ownership (public/private/not a government organisation) or purpose (for-profit/not-for-profit). We are increasingly seeing a convergence of these sectors and purposes – rendering many traditional classifications irrelevant. For the purpose of this paper, the following terminology and definitions are used:

For-profit – typically a company/partnership structure where the purpose of the organisation is to increase shareholder wealth through the production of goods and services. Social objectives are ancillary unless they contribute directly to increasing shareholder wealth.

For-purpose – commonly referred to as ‘not-for-profit’ or ‘non-governmental organisation’ and may take a variety of organisational forms (eg Incorporated Society, Trust) where the purpose of the organisation is to encourage positive social change. This paper is focused on for-purpose organisations which are New Zealand domiciled, internationally focused and are active in humanitarian/advocacy work. The terms International NGO and International For-Purpose Organisation (IFPO) are used interchangeably in this paper depending on context.

¹ 2017 NFP Governance and Performance Study. Australian Institute of Company Directors 2018

² See Sports New Zealand (2018) Nine Steps to Effective Governance: Building High Performing Organisations, 3rd edition. Retrieved from <https://www.SportsNewZealand.org.NewZealand>

Social Enterprise – commonly defined as an organisation which has both commercial and social goals and applies commercial strategies to maximise financial, social and environmental outcomes. They may take a for-profit or for-purpose form. They differ from a purely for-profit enterprise as their main purpose is to encourage social change.

Corporate Governance – there is no universally agreed definition of corporate governance. Typically it is described in terms of its functions eg:

- Ensuring the organisation complies with its legal and ethical foundations
- Sets strategic direction and priorities
- Sets high level policies and management expectations
- Characterises and oversees the management of risk
- Monitors and evaluates organisation performance³.

Usually it is associated with a separation of functions between board and management.

3.0 Issues and Opportunities

3.1 Common factors

The interviews and reports referenced above, identified a number of common factors impacting upon International NGO governance. Most interviewees commented that these factors are not unique to International NGOs but are relevant to the non-for-profit sector generally. A few went further to suggest that these issues are germane to governance across many sectors in New Zealand. The factors most commonly identified were:

- a) **Increasingly funders looking for evidence of good governance** – funders (including Ministry for Foreign Affairs (MFAT), major donors, and increasingly supporters) along with potential private sector partners are focusing on the quality of International NGO governance as part of their due diligence processes in deciding whether or not to fund, invest or partner with an International NGO. There are no independent mechanisms for assessing the quality of governance.
- b) **Potential legislative changes** – 60% of New Zealand based charities are constituted as incorporated societies under the 1908 Incorporated Societies Act. 30% are constituted as Trusts under the Charitable Trusts Act 1957. Both Acts are antiquated and out of step with contemporary governance practices. Some International NGO CEOs commented, for example, that the biggest challenge they face is that their Trust Board members are accountable to no one other than themselves. Under the Trustees Act there is no requirement for membership, thus no requirement to hold public annual general meetings. Because there is no membership, Board members appoint and reappoint other board members. A further challenge identified is that a number of boards have representative rather than skills and competency based members. Charity Services recently announced a review of the Charities Act (2005). As the review is just starting out, it is too early to tell the potential impact. The terms of

³ See Nine Steps to Effective Governance. Page 13

reference, however, are broad and the implications could be significant for International For Purpose governance⁴.

- c) **International NGO sector not seen as an attractive sector for skilled governors** – many interviewees identified difficulties attracting competent directors. They variously explained that most International NGO roles are voluntary, capacity and capability is patchy and stories abound of group think, circle of friends' appointments and overly intrusive boards, or indeed, the opposite. Some CEOs commented that the increasing legislative requirements on board members (e.g. requirements due to the new legislation for health and safety) are likely to be a further disincentive to volunteer for an International NGO board role.
- d) **For-purpose Governance (not-for-profit) not the same as For-profit Governance** – International NGOs are facing increasing competition for funds from domestic NGOs and from new entrants. Many have responded by looking to the private sector for experienced governors. While many aspects of for-profit and for-purpose governance are the same, there are a number of subtle but significant differences between the for-purpose and for-profit sectors including:
 - broader purposes than the maximisation of wealth;
 - diverse and wider range of stakeholders;
 - no single measures of success;
 - a far more complex value chain;
 - cultural expectations;
 - broader legislative obligations; and
 - global governance considerations⁵.

A number of current and former NGO chief executives commented that a failure to appreciate these distinctives has led to considerable conflict between, and within, board and management in their organisations.

- e) **Rapid Changes in the non-for-profit world** – like most sectors, the for-purpose sector is being buffeted by change at a rate and scale previously unseen. The impact of these changes (eg disintermediation, localisation, changing donor behaviour, new business models) is increasingly challenging the sustainability of the traditional International NGO 'broker' model. A quick survey of International NGO Board agenda's undertaken as part of this study highlighted that most boards are still focused on improving their current business practice (see *Appendix One Overview of Board Agendas*). Very few boards included a Sector Scan/Strategic Issues item as a regular item on their board agenda;
- f) **Diversity of Governors** – While for-purpose boards score more highly on gender diversity than for-profit boards, a quick snapshot of International NGO Boards show they are dominated by directors chosen from the worlds of business and marketing.

⁴ See www.dia.govt.New Zealand for terms of reference for the Review of the Charities Act 2005.

⁵ (see for example J M Bawden. '*Governance in NFP Organisations in New Zealand*' for a fuller understanding of differences between the for-purpose and for-profit sectors).

While there are two or three organisational exceptions, the average age of most Board members is late 50's, while Maori, Pacifica and those with public sector experience are poorly represented (*see Appendix Two: International NGO Board Composition*). Some CEOs commented that Board turnover and renewal is a serious challenge for some boards;

- g) **Governance Autonomy** – increasingly for-purpose and for-profit motivations are converging. New business models are emerging eg social enterprise and private/International NGO partnerships. The International evidence is that the convergence between government, business and for-purpose organisations will increase in momentum. This raises significant governance opportunities and risks as International NGOs seek to also maintain their autonomy and their mission;
- h) **Localisation** – at the recent World Humanitarian Summit, a large number of countries committed to directing an increasing proportion of its aid and development budget direct to locally based NGOs rather than funding via an International NGO parent or intermediary. This will bring renewed focus on the quality of local NGO governance. Many of these organisations are in countries which do not have a tradition of western style corporate governance. Family and tribal considerations often take primacy. This raises the question what responsibility, if any, does MFAT and New Zealand International NGO affiliates carry to strengthen local governance?

3.2 *Evidence from Other Jurisdictions*

While for-profit governance has been extensively studied, there are few comprehensive studies of for-purpose governance.

One of the few recent studies looking at for-purpose governance was published by the Australian Institute of Company Directors (AICD) in 2017⁶. Their 2017 NFP Governance and Performance Study is based on survey results and focus groups of directors and executives of Not-for-Profits.

AICD summarised the key findings as follows:

Culture front of mind but low on the agenda: More than 70% respondents said they would be very likely to recommend their organisation as a good place to work to family and friends. 52% said culture had not been formally on their board agenda in the past 12 months;

Risk Management Sophistication Varies: On balance more directors felt their organisation was taking on too little risk (36%) rather than too much risk (20%). Only 41% respondent⁷s said their board had a formal risk appetite statement;

Financial Sustainability remains an issue: Half of the directors reported profit margins below inflation (2%);

⁶ 2017 NFP Governance and Performance Study. Australian Institute of Company Directors 2018

⁷ Nine Steps to Effective Governance: Building High Performing Organisations, 3rd edition. Sports New Zealand date web site

Reputation taken for granted: 86% directors rate the importance of their personal reputation as highly important. Only 41% of respondents said reputation is formally considered by the board and management when making strategic and operational decisions.

4.0 A consensus for action

All interviewees, when prompted, considered there was a compelling need to strengthen governance in the International NGO sector. Most felt the focus on governance will intensify, given the issues identified above. Three respondents commented that as claims of not-for-profit profligacy, poor management or ‘field scandals’ inevitably emerge, it will be increasingly difficult to quarantine those stories to one particular incident or organisation. The whole sector will be tarred.

It would appear that any reduction in public confidence, even from offshore affiliates, impacts the whole sector locally, reducing local International NGOs ability to raise funds and enter into partnerships with other organisations⁸. One way to respond to such challenges is the being able to point to strong governance practices, robust risk management processes and proactive issues management⁹.

5.0 New directions for International NGO Governance

This paper proposes a simple fourfold strategy to strengthen International NGO governance:

1. Strengthen partnerships with Australia
2. Investment in International NGO Governance training
3. Qualmark Accreditation for International NGOs embedded into the CID Code
4. Sourcing Board Directors

5.1 *Strategy One: Strengthen Partnerships with Australia*

Australia is facing similar challenges to New Zealand with non-for-profit governance including changing business models, localisation, and board diversity. Australia and New Zealand are both active in the Pacific and both are considering the implications of localisation. Also, many New Zealand based International NGOs have Australian affiliates and in some cases share some common board members.

⁸ Examples include the 2014 World Vision US decision regarding the employment of same sex attracted staff which led to an initial and significant decline in WV New Zealand financial support, notwithstanding that WV New Zealand and WVUS are separately governed and New Zealand operates under very different employment legislation and conditions than the USA.

⁹ Shortly after I started as CEO World Vision New Zealand, a former consultant to World Vision New Zealand was convicted of three charges of fraud including against World Vision. Given he was a particularly prominent New Zealander the case attracted considerable attention. Pro-active risk management and our ability to point to strong governance and a New Zealand Society of Accountant award for public reporting, enabled us to withstand the inevitable criticism which followed.

It makes sense, therefore to consider some form of collaboration with Australia. There are at least two possibilities:

ACFID (Australian Council For International Development)¹⁰ – is the Australian equivalent of CID. ACFID does not currently offer comprehensive governance training for members, however, there would be value in at least initiating a discussion to explore opportunities to collaborate;

Community Directors Council (CDC)¹¹ – is newly formed and its role is to provide governance and to advocate for the needs of community (ie non-for-profit) directors. It is chaired by Susan Pascoe (the former Inaugural Commissioner of Australian Charities and NFP Commission) The CDC is currently considering developing more extensive non-for-profit governance training. The Chair has indicated that she is open to exploring a collaboration with New Zealand.

5.2 Strategy Two: Investment in International NGO Governance Training

Some of the larger International NGOs have access to internally sourced governance training and review. World Vision New Zealand, for example, is subject to a World Vision International five yearly Governance Peer Review. Some International NGOs occasionally engage governance trainers, attend Institute of Directors courses etc, but the responses from most CEOs indicated that most boards rely solely on the experience of their own Board members.

In theory, governance training could be left to the self-interest of the Boards, however, experience to date, suggests that this is likely to be haphazard and sporadic and still leaves the sector vulnerable to board's that "go rogue" and impact negatively on public confidence across the sector.

CID's 2017-2020 Strategic Plan is built upon a five-fold mandate to Connect, Influence, Promote, Sustain and provide Evidence. Given CID's mandate and convening power it is ideally placed to play a lead role in coordinating governance training across the sector.

The question for CID is whether to 'make, buy, or partner' for governance training.

The 'Make' option

CID could invest in developing its own governance training modules, however, this will prove expensive, time consuming and difficult to resource and maintain. For example, Sports New Zealand has invested 10 years into the development of its own governance training programme. Given there are established governance training providers, the only reason to go down this path, would be that the sector's needs are so complex and special, no one else would understand them or be able to respond to them.

¹⁰ See www.acfid.asn.au

¹¹ See www.communitydirectors.com.au

The ‘Buy’ option

CID could on behalf of the sector ‘buy’ an existing generic governance training module, or simply recommend a provider(s) as ACFID currently does and leave it to individual International NGOs to choose if they want to use their services.

In speaking with a number of potential governance training providers all of whom commented that they would need to adapt their existing products to meet the particular needs of the International NGO sector.

The Partnership Model

Under this model, CID would assume some responsibility for governance training in the sector, but subcontract the delivery to a third party. It differs from the ‘buy’ option in that CID would take a greater responsibility for overseeing the strategy and direction of governance training. CID’s involvement would include:

- Providing input into the design of the programme to ensure it met the specific needs of International NGOs;
- Creating an advisory/expert panel to review the Programme’s content
- Promoting the programme(s) to members
- Reviewing the programme’s design to ensure it remained relevant to member needs.

Delivery of the programme would be via a third party selected through some form of request for proposals process. One of the main advantages of a partnership model is the likelihood it will increase sector ownership and uptake of the programme.

There are a number of potential partners including:

New Zealand Institute of Directors (IOD) – well recognised for their training of commercial directors, the IOD also runs training programmes for the non-for-profit sector. In discussion with IOD, however, they acknowledged that for-purpose governance was an adjunct to their main work and not a core competency. They would be willing to invest in this area, however, it would be subject to the non-for-profit sector coming up with the funding and allowing sufficient time to develop programmes.

Sports New Zealand Model ([link](#))

Sports New Zealand has recently published the third edition of “Nine Steps to Effective Governance¹²”. The tool which has been refined over the past 10 years has been downloaded over 10,000 times and comes highly recommended by organisations such as Foundation North, Charity Services, Lion Foundation and New Zealand Community Trust. “Nine Steps” is supported by online templates and resources including governance assessment tools.

¹² Sports New Zealand ibid

Their methodology is based on the work of John Carver¹³ (one of the best known academic writings on non-for-profit governance). The nine steps are:

1. Getting the right people on the Board
2. Defining and agreeing the Board's role
3. Employing and supporting a CEO
4. Providing Strategic Leadership
5. Making Board meetings count
6. Staying on top of the governance role
7. Developing the Work Plan
8. Regularly reviewing the Board's performance
9. Providing purposeful director induction

Many of the resources, including the introductory Governance 101 online training, is offered free to directors in the non-for-profit sector.

The just departed CEO of Sports New Zealand (John Page) was enthusiastic about the possibility of working with the International NGO sector. He has offered us access to all the online tools and is also open to adapting or adding additional modules to meet specific International NGO concerns. He strongly advised a partnership approach to strengthen sector buy in and ensure the programme meets the needs of the sector.

Private Providers A number of private NFP governance advisors expressed interest but probably lack the scale to do a sector wide rollout. Graeme Nahkies (Boardworks International) was particularly insightful regarding the differences between for-purpose and for-profit governance. He works in both sectors.

Conscious Governance.com is a global advisory service which provides strategic planning, board governance, leadership development and risk management services. **Geoff Warne** (ex Leprosy) and now consulting with Conscious Governance has recently been working with the Amnesty International Board. Feedback from the then CEO and Board members has been very positive in terms of his engagement.

Whichever approach is adopted, John Page (Sports New Zealand) stressed that it is critical that there is no element of compulsion to undertake governance training, nor any suggestion that funding is contingent on completing the training. He firmly believes that Boards must want to change, rather than be coerced to change.

5.3 Strategy 3: Qualmark Accreditation for International NGOs

Introducing the CID Code has been an excellent first step to raise standards and consciousness among the sector of 'good development'. Codes by definition focus on compliance – that is

¹³ See for example Carver, John. *Boards that Make a Difference: A New Design for Leadership in Non Profit and Public Organisations* 3rd ed.

the start not the end of the quality discussion. Experience from other sectors such as health, education and sports, highlights that to embed quality in the culture of an organisation requires a mind shift change from compliance to assurance and improvement¹⁴.

Sports New Zealand recognised this shift and in addition to the online governance training modules, Sports New Zealand is now offering a Good Governance Quality Mark. Organisations which have committed to the Sports New Zealand governance framework can apply to be assessed against a quality standard. The initial assessment is based on an online governance assessment tool. Sports New Zealand then appoints an accredited assessor to work with the relevant Board on the assessment and examines a range of governance related documents. Maintaining the Quality Mark requires a biennial assessment.

A Qualmark award is a widely recognised public brand. Securing a Qualmark award for governance could be very attractive for International NGOs wishing to present themselves to funders and potential partners as well governed. Further work will be required to consider the relationship between the CID Code and a Qualmark type scheme and how this might be embedded in the CID Code.

The upcoming CID Code review (2019) is a good opportunity to access the potential for a governance Qualmark system within the CID Code.

5.4 Strategy 4: Sourcing Board Directors

A major challenge facing non-for-profit boards is sourcing able directors who are willing to give their time usually on a voluntary basis and also accept the increasing legal obligations of governance in the non-for-profit sector. This issue was identified by a number of International NGO chief executives.

Difficulties recruiting suitably qualified and diverse board members is not unique to the International NGO sector. There are some initiatives in place to help match aspiring directors with relevant organisations including:

Institute of Directors – completing the IOD training enables participants to go on to a database of available directors. Networks and introductions are fostered through regular IOD events at a local and national level. As noted earlier, most of the IOD's work is in the for-profit sector;

Springboard – Aims to increase age and gender diversity on boards. Its focus is on directors for small to medium sized businesses. It currently has over 1,000 members¹⁵;

¹⁴ see, for example, Health, Quality, Safety Commission New Zealand www.hqsc.govt.nz

¹⁵ See professionelle.org New Zealand

Appoint Better Boards New Zealand – is an example of an on-line platform where boards seeking members can advertise and similarly those interested in applying to be a board member can promote themselves¹⁶.

In speaking with International NGO CEOs and sector leaders, few if any International NGO board members were sourced through these channels. This could be due to a lack of quality candidates, or because most International NGO boards are unaware of the director introductory platforms available.

Given, however, the lack of diversity in International NGO governance across the sector (although there are some notable exceptions), CID could consider partnering with an existing provider to promote governance opportunities, and candidates in the International NGO sector. Potentially this could form a part of the contract between CID and the successful third party governance partner.

6.0 Faith-based Boards and Global Governance

There are at least two other governance related issues that impact on at least some CID members:

6.1 *Faith Based Boards*

Faith Based non-for-profits face an additional governance challenge. Many require that their governors are practicing Christians. The presumption being that a key part of the role of a faith based governor is the ability to discern God's call/'heart' for the organisation. A handful of faith-based governors were interviewed, and all commented that one of the greatest risks they faced was "mission drift", i.e. losing the Christian tradition that originally formed the organisation. They felt variously equipped to discharge this particular aspect of their role and expressed interest in attending workshops or training specifically addressing the issues of faith based governance.

6.2 *Global Governance Requirements*

Many of the larger International NGOs are internationally based and subject to global governance mechanisms as well as local requirements. In the event CID decides to proceed with a governance training and embedded accreditation programme within the Code, it will be important to allow for an element of 'cross crediting' by both CID and the International NGO global parents to ensure that the new programme is not seen as a further obligation and transaction.

7.0 Other Governance Work Underway

A number of projects exploring corporate governance in the for-purpose sector are underway, or about to launch.

¹⁶ [11](http://www.appointbetterboards.co>New Zealand</p></div><div data-bbox=)

- **Foundation North (formally ASB Community Trust)** is investing heavily in governance training and are keen to stay connected with CID's work programme
- **Charities Services** As noted earlier the charities regulatory body of the Department of Internal Affairs has just launched a major review of the Charities Act 2005. The terms of reference include:
 - Regulatory framework
 - Registration and Deregistration of Charities
 - Obligations on Charities
 - Links to other relevant legislation including Incorporated Societies Act (1908)
 - and Charitable Trusts Act (1957)¹⁷

Both organisations have expressed an interest in connecting with the CID based work on governance.

8.0 Financial Considerations

The research brief did not extend to assessing the financial implications of each option. Clearly a 'make' decision will be more expensive than a 'partnering' option and take longer to get to market. Given that at least some of the potential governance training providers (eg Sports New Zealand) were government funded to develop these programmes, a compelling case could be made that most of these costs should not be passed on to the International NGO sector. It is in the interests of individual International NGOs to participate and presumably would consider meeting at least some of these costs. Further financial analysis will be needed before a fully costed business case can be finalised.

9.0 Recommendations

It is recommended:

1. CID initiate discussions with the Australian Council For International Development (ACFID) to collaborate and share resources on for-purpose governance;
2. CID initiate discussions with the Australian Community Directors Council to collaborate and share resources on for-purpose governance;
3. CID initiate discussions towards issuing a request for proposals from New Zealand based governance training organisations with capability in for-purpose governance training;
4. CID explore partnering with a New Zealand based governance training/recruitment organisation(s) to promote governance opportunities in the for-purpose sector;

¹⁷ See www.dia.govt.New Zealand for full terms of reference

5. CID Board notes the case for introducing an externally recognised Qualmark award and embedding it within the CID Code, similar to that operated by Sports New Zealand.

10.0 Conclusion

This short research project has highlighted a wide range of governance issues impacting the International NGO sector. These issues are not unique to New Zealand or to the for-purpose sector. There is a compelling case to consider investing in strengthening International NGO corporate governance through partnering with ‘CID like’ organisations in Australia; secondly through CID initiating discussions to develop a governance training programme for New Zealand based International NGOs; and thirdly to promote for-purpose governance opportunities.

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OVERVIEW OF BOARD AGENDAS

Appendix 1

Copies of recent Board agendas from International NGO CEOs were requested and anonymity guaranteed. Based on the agendas received, most Boards operate a standard agenda with meetings lasting on average 5–6 hours. There was little variation in agendas with most following a fairly standard template i.e.:

- Procedural Matters e.g. quorum, approval of minutes, action items etc
- Governance Matters – appointments, board policies etc
- Reports: Chair, CEO, Marketing, Field
- Policy Papers
- Minutes of Board sub committees
- Review of Financials
- Review of Risk
- Health and Safety.

Typically Faith Based boards commences with a devotion.

There were some good examples of best practice:

- One Board holds a regular review of the meeting just prior to the end of the meeting with questions such as:
 - Were document received in sufficient time?
 - Was the agenda appropriate?

- Was the quality of information provided adequate for strategic and governance conversations?
 - Did everyone have an opportunity to contribute?
 - Is everyone clear about the outcomes of the agenda items?
 - Was sufficient time spent on strategic issues?
 - Was the time allocation for different agenda items planned appropriately?
- Two Boards operate a Board calendar which sets out a range of topics and papers to be discussed during the year.
- One Board uses a balance scorecard approach to help frame the strategy conversation
- One Board includes a register of interests of board members, CEO and senior managers which is reviewed at each meeting
- Based on the agenda's received, it appears no Boards include an environmental scan as part of their meeting.

International NGO BOARD COMPOSITION

Appendix 2

The following table is the anonymised returns of six International NGOs who returned a survey relating to board composition including background, tenure, gender, ethnicity, term and age range. In some cases board members backgrounds spanned more than one sector, in which case they were placed according to their professional qualification.

| International NGO | No. Members | Background members in brackets) (no.) | Gender (M/F) | Ethnicity European/Other | Tenure | Age Range |
|-------------------|-------------|--|--------------|--------------------------|--------------------|--------------------------|
| 1 | 9 | Board Director/CEO (1) Marketing/Fundraising (2) Finance (1) Engineering (1) Law/Human Rights (1) Social/Religious Sector (4) Public Policy (1) Development/Advocacy (1) | 6/3 | 7/2 | 1-5 years | 50+ (7) Less 50 (2) |
| 2 | 9 | Board Director/CEO (1) Marketing /Fundraising (2) Finance (1) Engineering. (1) Law/Human Rights (1) Social/Religious Sector (2) Public Policy. (1) Development/Advocacy (1) | 4/5 | 6/3 | 1/2 year – 5 years | 50+ (4) Less 50 (5) |
| 3 | 8 | Board Director/CEO (2) Marketing/Fundraising (1) Finance (1) Engineering (3) Law/Human Rights (3) Social/Religious Sector (2) Public Policy (2) Development/Advocacy (2) | 3/5 | 7/1 | ½ year – 5years | 50 + (3) Less 50 (5) |
| 4 | 7 | Board Director/CEO. (1) Marketing/Fundraising. (1) | 6/1 | 7/0 | 1-7 years | 50 + (6) Less 50. (1) |

| | | | | | | | |
|----------|---|---|--------------------------|-----|-----|------------|-------------------------|
| | | Finance Engineering Law Social/Religious Sector Public Policy Development | (2) (1) (2) | | | | |
| 5 | 6 | Board Director/CEO Marketing/Fundraising Finance Engineering Law Social/Religious Sector Public Policy Development | (2) (4) | 3/2 | 4/1 | 2-17 years | 50+ (6) Less 50 (0) |
| 6 | 7 | Board Director/CEO. Marketing/Fundraising Finance Engineering Law Social/Religious Sector Public Policy/Development | (2) (2) (1) (2) | 4/3 | 6/1 | 1 13 years | 50 + (6) Less 50 (1) |