



# Independent Schools of New Zealand Governance Day

Saint Kentigern College, 14 May 2015

Richard Westlake,  
Westlake Governance Limited

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## The First Fib of Governance

***“Not-for-profit governance is simple”***

... Yeah, right.

***(Latin *gubernator* = navigator, helmsman)***

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## Why does it Differ in a Not-for-Profit?

### Company Board

**Purpose:** Usually relatively clear:

- ... Maximise profit and the wealth of shareholders

### Not-For-Profit Board

**Purpose:** Not always clear ...

- How do we define success?
- ... Often complicated by:
  - Multiple stakeholders
  - Imbalance between full-time executive and volunteer board
  - Conflict of views:
    - *‘We need to be more business-like’ or*
    - *‘We’re running this too much like a business’*

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## Where does your board spend its time?



- The **rearview mirror** ...?
- The **dashboard** ...?
- The **road ahead** ...?

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## **'FICKS'® your Board'**

### The Board's Five Main Functions

Function – 'FICKS'®		Time %	Purpose
<b>F</b>	<i>Future Focus</i>	→ 30 %	<i>Creating value</i>
<b>I</b>	<i>Issues, Risk &amp; Opportunities</i>	→ 30 %	
<b>C</b>	<i>Compliance &amp; Solvency</i>	→ 15 %	<i>Preserving value</i>
<b>K</b>	<i>KPI Monitoring, Holding Management to account</i>	→ 15 %	
<b>S</b>	<i>Succession, Skills, Structure</i>	→ 10 %	<i>Ensuring future capability</i>

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## What Makes an Effective Board?

A Board needs the “4Cs”:

1. **Composition** – the right people
2. **Competence** – with the right skills
3. **Conduct\*** – who turn up to play
4. **Chairing** – and the right captain



*\* #1-3: acknowledgment to Prof. Richard Leblanc, York University, Canada*

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## How do ISNZ School Boards perform?

- **Whole of Board survey** launched 2012
- To date **more than 40 surveys** completed
- Here's **some of what we've found ...**

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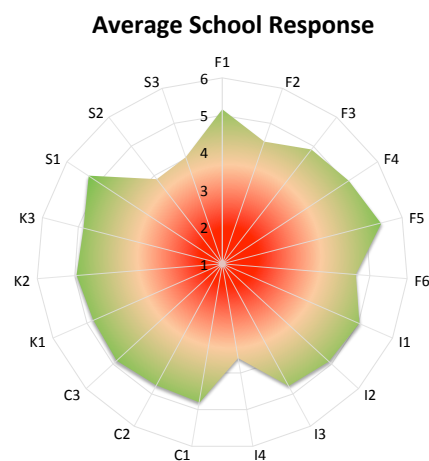
## What we found

- At first, disappointing (but increasing) level of participation
  - Relatively few had 100 % participation
  - **Lowest response rate – 62.5 %**
  - **Average response rate – 80 % (now increasing)**
- Lesson learned:
  - **The Chair must drive the process**

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## What you Said



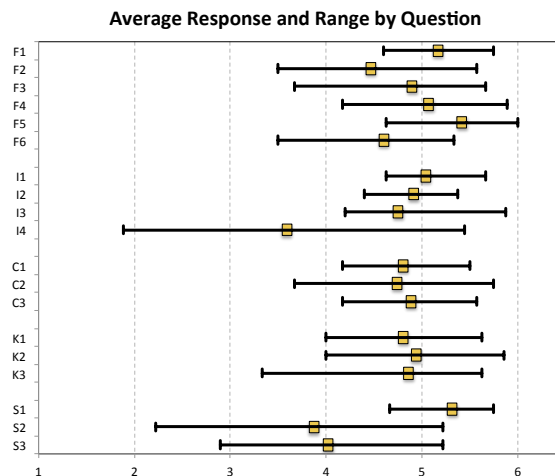
### ***FICKS™ Framework***

- **F – Future Focus (F1 - F6)**
- **I – Issues, Risk & Opportunity (I1-I4)**
- **C – Compliance & Solvency (C1-C3)**
- **K – KPI Monitoring (K1-K3)**
- **S – Succession & Skills (S1-S3)**

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## How your Responses Varied



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## Building *Your* Boards into Leading Teams

- How can we best help you develop your boards into Champion Teams?
- ... *Here are our thoughts (discussed with ISNZ):*
  1. Develop a **Board Member 360 Evaluation Survey**
    - To complement existing Whole of Board and Chair Surveys
  2. Develop, *with ISNZ*, a series of **governance workshops**
    - Case based, tailored for board members of Independent Schools
  3. Develop, *with your input*, the **ISNZ Schools Governance Tool-kit**
    - Your 'virtual board secretary'

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## 1. The Board Member 360 Evaluation Survey

- Similar basis to current Whole of Board and Chair's surveys
  - Assessing **'technical'** and **'team'** contribution
  - **Shorter** than existing surveys
  - **Completed by:**
    - Chair
    - Self
    - Other board members
    - Principal?
  - **Feedback:** confidential between Chair and board member

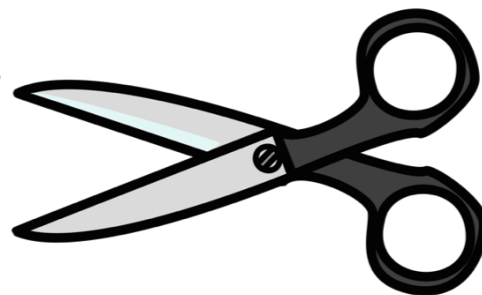
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## Workshop 1: Essential Governance

### ... And what it's not

- How governance differs from management
- How governing in a school differs from governing a company



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## Workshop 2: Working in the Boardroom

### ... And with the Principal

- What's expected of a board member
- Getting to the best decisions
- Dealing with dissent



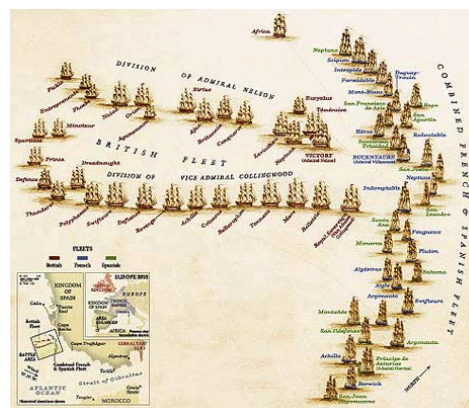
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## Workshop 3: The Board's Role in Strategy

### ... Who Sets Strategy

- Why we need a strategy
- What strategy is, and isn't
- Formulating and executing strategy



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## Workshop 4: Understanding the Financials

### ... And how to use them

- How to read them
- What they're telling us
- The questions we need to ask
- What to watch for



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## Workshop 5: The Board and Risk

### ... The impact of uncertainty on our objectives

- The board's role in governing and assessing risk
- Making hard choices



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### 3. The ISNZ Governance Tool-Kit

- Please **tell us what you'd find most useful:**
  - Standardised Board Policies ... ?
  - Board Induction framework ... ?
  - Business Continuity and Business Recovery guidelines ... ?
  - Succession guidelines ... ?
  - Board's role in Health & Safety ... ?
  - Board paper guidelines ... ?
    - Including physical vs electronic ...

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Rudyard Kipling (on governance ... 😊)

#### ***"SIX HONEST SERVING MEN"***

**I keep six honest serving-men,  
They taught me all I knew;  
Their names are **What** and **Why** and **When** (Gov)  
And **How** and **Where** and **Who** (Ops).**

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## Questions and Discussion

For further information, please contact:

Richard Westlake / Vaughan Renner  
Westlake Governance  
P O Box 8052, Wellington 6143

Website: [www.westlakegovernance.com](http://www.westlakegovernance.com)

Email: [richard@westlakegovernance.com](mailto:richard@westlakegovernance.com)

[vaughan@westlakegovernance.com](mailto:vaughan@westlakegovernance.com)