



# Governance Best Practice



**Save the Children**

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Front cover photo: Jenny Matthews

# Governance Best Practice

## What is this Manual?

This manual contains governance best practice guidelines. At the back there is a Benchmarks section which is an easy-to-use checklist.

## How can Alliance Members use it?

As a resource to inspire and empower them in their own organisational development efforts. Learning from best practice from the private, public and not-for-profit community is a proven technique to achieve excellence.

## How was it produced?

Through the collaboration of Alliance Chief Advisers, experts in Member organisations and the Secretariat, and by drawing on both internal and external sources. All material is tested by Members before being endorsed.

## What are our guiding principles?

- To concentrate on principles, not prescriptive detail.
- To recognise that the application of these principles will vary between Members, all of whom operate in different cultural and regulatory environments.
- To be relevant and challenging to as many Members as possible.
- To be user-friendly.
- To allow for updating at appropriate intervals.



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## Introduction and summary

With over 29 national organisations and programmes in over 120 countries, Save the Children is the world's leading independent organisation in fighting for children's rights. The fundamental purpose of the work of Save the Children is to improve the lives of children.

The International Save the Children Alliance works toward a worldwide movement for children's rights and cooperation among the Members in their program work. Success of the individual national organisations and thereby the Alliance as a whole depends on good governance, strong management, effective programmes, widespread support, clear communications, adequate funding and – of great importance – public trust and confidence.

Good governance is essential for an organisation to be successful. The collective wisdom of dedicated individuals acting together in the interests of furthering the organisation's mission is critical to realisation of that mission. Good governance is a partner with strong management in providing leadership to an organisation.

There is no single “right” model of governance. Good governance is always being refined, improved and adjusted as needed to meet organisational needs. National laws and culture are important factors in pursuing excellence in governance. Governance always focuses on accomplishment of the organisational mission.

Best practices in governance derived from the experience of successful organisations over time are well documented. This document summarises those best practices and is intended to serve as a guide for all Members of the International Save the Children Alliance.

To summarise the detailed discussion given below, an ideal board of a Member of the International Save the Children Alliance is absolutely committed to the achievement of its own mission and the mission of the Alliance. It is dedicated to ensuring conformity with its own and Alliance by-laws, and the good name of the organisation universally. It operates legally, ethically and responsibly. It is elected or selected on merit and is comprised of people who possess an appropriate range of skills and who reflect the diversity of the population of the Member's area, and is independent of specific interest groups. It clearly defines its own and its management's roles. Importantly, it continually reviews and improves its own effectiveness.

## Goal of Governance

Good governance is achieved by a board of appointed or elected individuals who are committed to defining and ensuring the accomplishment of organisational goals. The goal of governance can be stated in the most simple and direct terms:

Governance must ensure that an organization effectively and efficiently strives to achieve its stated goals while protecting the public interest and trust.

## Board Responsibilities

There are clear responsibilities that represent the best practices of successful governing bodies. Governing boards must:

- Define the organisation's mission.
- Help develop and approve major policies and programme initiatives consistent with the mission, and ratify and monitor operating budgets accordingly.
- Ensure effective organisational strategic planning.
- Advocate the organisation's interests and build a broad base of public support and trust.
- Ensure legal, ethical and financial integrity, and maintain accountability.
- Enhance the financial resources of the organisation.
- Select, evaluate, nurture and support the Chief Executive Officer.
- Continually assess board needs, develop and broaden the skills of board members, recruit and orient new board members, and assess board performance.

These responsibilities should be incorporated in the organization's By-laws. All are characteristic of successful governance and all must be pursued with the highest degree of professionalism and dedication. The board must also ensure that its own structure is in compliance with national laws and regulations, and organized to best serve the interests of the organization consistent with the organizational goals.

Absolute probity in the stewardship of resources entrusted to the organization is critical to the maintenance of public trust. Hence the need for strong processes to ensure legal, ethical and financial integrity, and accountability. An audit committee to assist the board in these matters will usually be necessary. A draft charter of such a committee is presented below.

Also presented is a draft charter of a board development committee that would report to the board on its own needs and performance.

Within the International Save the Children Alliance there is a further obligation of the national governing bodies of Members to ensure conformity to the By-Laws of the Alliance and the enhancement of the global status of the work of Save the Children.

## **Board Composition**

The governing body must work and act cohesively to make clear decisions and provide effective guidance and independent supervision of the management the activities of the organisation. Board members have no individual official standing per se; rather, the board acts as a whole to ensure the organisation achieves its stated goals. Best practices when establishing or reorganising governing bodies are:

- Board members should be chosen on merit, background, professional disciplines and skills to suit strategic priorities and ensure organisational performance. In addition to prior experience on non-profit boards, key skills commonly needed include expertise in programmes, resource generation, strategic planning, financial management, communications, media and marketing, personnel, legal and political influence or ability to access key resources.
- Subject to the primary requirement of selection on merit to provide the board with a balance of skills, the board should be comprised of people who understand the needs and views of all stakeholders (clients, supporters, members, partners, etc.). No single stakeholder group should dominate the board. Moreover, the board should, as far as practicable, be diversified to the



extent the population at large is diversified. Boards consisting only of members who are predominantly of one profession, or one social class or level of wealth, or that fail to include gender balance, are disadvantaged in bringing the breadth of experience, perspective and skill sets to the organisation that are so necessary for effective governance.

- Board members should bring independent judgement to bear on issues of strategy, performance, resources and standard of conduct and act in the interest of the organisation rather than parochial interests.
- A board should consist of no fewer than five members consistent with national laws and practice. Twelve to fifteen is a reasonable number for an upper limit.
- Members, including officers, should be elected for a limited term to ensure reasonable turnover. Continuous service on the board should not exceed eight years. Six years is generally accepted best practice, for example an initial three-year term with the potential for re-election for three additional years, or three two-year terms but then a requirement to rotate off the governing body.
- Terms of service should overlap to provide for continuity.
- The board should elect or re-elect board officers (board chair/president, committee chairs, treasurer, etc) annually.
- In some countries, Chief Executive Officers serve on the Board as well, but it is strongly recommended that the most transparent method of eliminating conflict between management and governance roles is to separate the roles and responsibilities of CEO and Board member. The Chief Executive Officer cannot serve concurrently as an officer of the governing board.
- Board members must be prepared to lead fund-raising efforts and make personal contributions. All board members should give, garner or get off. Give something – money, time, technical or financial or other expertise, etc. Garner resources from others, friends, associates, corporations, foundations or large government bilateral or multilateral donors. If board members can't give or garner, then they should get off the board.

- Independent board members serve in a voluntary capacity with no remuneration. An exception applies where the Chief Executive Officer is also a board member.
- Board members must comply fully with conflict of interest policies, which include avoidance of the potential for such conflicts to arise. Therefore it is inappropriate for a staff member to be a board member. Similarly it is inappropriate for an elected or appointed government official or active political partisan, or a private businessperson who supplies goods or services for profit to the organisation to be a member of the governing body.

There should be a formal and transparent procedure for the election of new members to the board, including a committee that is elected or appointed by the board for the specific purpose of identifying, screening and nominating candidates for election to serve on the board. The committee should also constantly assess the needs and performance of the existing board and then recommend individuals who will add value or recommend appropriate action regarding individuals who no longer serve the best interests of the organisation. [Refer to the appendix for the charter of a board development committee.]

Careful planning is essential before board members are selected, as membership depends on what the organization plans to accomplish and specific skill, contact or expertise needs. Once an analytical plan is in place that identifies the needs of the organization and the skills and talents needed at board level, specific types of individuals can be sought out for service.

## **Chief Executive Officer**

An effective Chief Executive Officer is critical to the achievement of any organization's goals. He/she agrees objectives, plans and programmes with the board and leads the executive team in their execution, and is the contact point with key stakeholders. A key board responsibility is to select, evaluate, nurture and support the CEO. In turn, the CEO will ensure that the board and each member are provided with the executive support required to perform their roles effectively.

The CEO may be a full board member or may attend board and committee meetings on an ex officio basis, but must not serve concurrently as an officer of the board.

Appointment of a CEO should be made only after a rigorous, objective and independent selection process, which should take the form of a public recruitment exercise. The process should be supervised by the board itself or by its Board Development Committee, which should specify the job description and employment terms for the position, nominate a selection panel of at least two board members and engage an appropriate agency to provide the panel with a short-list of candidates. The terms of employment should be clearly stated in a written contract.

Monitoring of the performance of the CEO should be conducted annually by the chair/president or the Board Development Committee. Monitoring should be objectively based on the terms of the employment contract and achievement of the agreed programme.

Such day to day contact by the CEO with the board that may be necessary should be conducted through the board chair/president. While the CEO should be available to assist individual board members it is important they avoid confusion by attempting to direct the CEO. The division of responsibilities between the CEO/management and the board dealt with in the next section should be recognized.

## **Board/Management Division of Responsibilities**

Executing the responsibilities of a governing board requires the clear separation of the roles of governance and management. It is therefore essential to distinguish between the roles of governance and the role of management along the following lines:

- Board and management together determine key strategic priorities.
- Management then develops programmes to achieve these priorities. The board approves the programmes and monitors management's execution of them.
- There should be a clear definition between the roles of the

chair/president of the board and the CEO. The chair/president is responsible for the running of the board and the CEO is responsible for the running of the organisation and its business.

- The board should have a formal list of matters specifically reserved to it for decision. Scheduling of board meetings should be such that operational programmes involving reserved matters proceed smoothly, normally requiring at least three meetings per year to ensure an adequate level of monitoring.
- The board should determine the information it needs to discharge its duties. The chair/president in consultation with the CEO should assume a leadership role in regulating the timing, nature and quantity of the information to be provided by management.
- There should be a process to monitor the clear division of responsibilities between the board and management.
- If Board and management division of responsibilities and decision-making cannot be kept separate, those roles should be divided and the CEO should not be a board member.

There is a high potential for confusion when board members work for the organization on a volunteer basis at the organization's office. This practice should be avoided as far as possible. In addition to confusing the roles of governance and management, there is a potential for interference with the Chief Executive Officer and the resulting confusion among staff about leadership.

## **Board Evaluation**

An effective governing body continually assesses its own performance against clear objectives. For example, the board might identify the two or three most important decisions it must make in the year ahead, set clear objectives based on the mission and strategic directions of the organization and then focus the flow of information and intermediate decisions to be consistent with the desired outcomes. An effective governing body also sets clear standards for such matters as individual board member attendance and participation or contribution

to the goals of the organization.

The process of board development and assessment, including the planning for recruitment of members, might be delegated to a committee with a charter along the lines of the one below. Best practices in board evaluation processes include the following:

- Regular assessment of collective and individual performance based upon an objective and structured system.
- Periodic third party reviews, external monitoring and governance audits.
- Regular in camera (board members only) meetings or sessions to continually assess board performance and to address key sensitive issues. Where an assessment or development committee operates it would report to the board during one of these meetings.
- Agreement by the board and Chief Executive Officer to take independent professional advice when necessary in the furtherance of their duty to function effectively.

A key element of successful boards is the continued search for opportunities for the Board to add value to the organization. Active performance feedback and evaluation provide the mechanisms to ensure the governing body is fulfilling its critical role in partnership with all the other elements of the Save the Children organization.

## **Board Development Committee Charter**

The Board Development Committee is responsible for reviewing, and making recommendations to enhance the effectiveness, quality and continuity of the board, to which it will report. Specifically, the committee will focus on the following major areas:

### **1. Board Role and Responsibilities**

- Lead the board in regularly reviewing and updating its statement of its role and areas of responsibility, and the expectations of individual members.
- Assist the board in periodically updating and clarifying the primary areas of focus for the board.
- Monitor the operation of the separation of the roles of the board and management, and of the chair/president and the Chief Executive Officer.

### **2. Board Composition**

- Lead in assessing current and anticipated needs for board composition, determining the knowledge, attributes, skills, abilities, influence and access the board will need to consider in order to accomplish its goals.
- Develop a profile of the board as it should evolve over time.
- Identify and present potential board member candidates, and explore with the candidate, his or her interest and availability in serving on the board.
- Nominate individuals to be elected as members of the board
- In cooperation with the board chair/president, meet annually with each member to assess his or her continuing interest in board membership and term of service. Work with each member to identify the appropriate role that he or she might assume on behalf of the organisation.

### **3. Board Knowledge**

- Design and oversee a process of board orientation, including information prior to election as a member, and information needed during the first cycle of board activity for new members.
- Design and implement an ongoing program of informing and educating board members.

### **Board Effectiveness**

- Lead the periodic assessment of the board's performance, and propose, as appropriate, changes in board structure, roles and responsibilities. Matters of board structure might include establishment or discontinuation of committees (including this committee itself), the charter of such committees and their composition.
- Regularly review the board's practices regarding member participation, conflict of interest, confidentiality, and related matters, and suggests improvements as needed.
- Periodically review and update the board's policy guidelines and practices.

### **Board Leadership**

- Take the lead in succession planning matters such as recruitment, preparation for future board leadership, and nomination of members for particular portfolios or committees.

## **Audit Committee Charter**

### **Purpose and objectives**

The audit committee will assist the board to discharge its obligations in relation to the legal, ethical and financial integrity of the organization, and to maintain its accountability to stakeholders, thereby protecting the good name of, and trust in, Save the Children both locally and globally.

### **Authority**

The Board authorises the audit committee, within the scope of its responsibilities, to seek any information it requires from officers, employees and external parties, and to obtain outside legal or other professional advice.

- The audit committee will be comprised of no fewer than three appropriately qualified and experienced members appointed by the Board from within its own members, or from external sources, for one-, two- or three-year terms. A quorum shall be two members.
- Members must be totally independent of any dealings with Save the Children other than as Board members or donors.
- Meetings of the committee will be held as often as the committee deems necessary but no less frequently than twice per year.
- The Chair of the committee will be nominated by the Board from time to time. The board chair/President shall not be chair of the committee. The Secretary will be the board secretary or such other person nominated by the board.
- The committee may invite such other persons (e.g. the CEO, or the auditors) to its meetings as it deems necessary. At least one meeting per year shall be held with only members and the auditor present.
- Committee proceedings will be minuted and the minutes tabled at the next board meeting.

### **Responsibilities**

- Review the effectiveness of the systems of internal control operated by management.
- Recommend to the board the appointment of the auditor, and the scope and terms of the appointment.



- Review draft financial reports with the auditor, the conduct of the audit and any matters arising from the audit, and report to the board on any matters relating to the board's adoption of the report, including its compliance with relevant laws and reporting or accounting standards.
- Review any related-party transactions and report specifically on them to the board.
- Examine reports of the auditor on any matter relating to the committee's charter, and confirm that management's responses to any recommendations made by the auditor are appropriate.
- Review the codes of conduct adopted by management, the processes adopted by management to promulgate such codes, and the extent to which all employees are aware of and committed to them.
- Carry out ad hoc tasks assigned to the committee by the board. Such assignments shall be relevant to the purpose and objectives of the committee.
- Regularly (at least annually) assess the performance of the committee itself using appropriate aids such as feedback from the auditor, and recommend changes to the committee's charter as appropriate.
- Keep the board informed of the committee's activities and findings, and on any matters relating to the purpose and objectives of the committee.

## Board Assessment Questionnaire

The following questionnaire is offered as a guide for the purpose of board assessment and can be readily adapted to the circumstances of each board. It's in two parts. The first is for collective assessment of the performance of the board, which might be completed by all board members or by the Board Development Committee (if one has been established). It is suggested that a summary of ratings, points on which there is disagreement and any significant comments be discussed at an in camera board meeting. The second part is for individual self- assessment, and would be retained by the member.

Each Board member should indicate the strength of agreement or disagreement with each statement by marking the appropriate box in each column for each assessment statement.

## Part A: Assessment of the board

Mission and goal setting	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. The board has a clear understanding of its mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. There is a sound process of setting goals and programs, and these goals and programs are clearly relevant to the mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. We were successful in achieving the goals we set for the most recent 12-month period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The board has a clear understanding of the environment in which it operates, issues relating to its mission and goals, and the risks to which the organisation is exposed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board Structure	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
5. The board clearly understands its responsibilities and its composition has an appropriate balance of the skills required to discharge those responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The roles of chair/president, individual board members, the CEO and staff are clear.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. New board members have been elected or selected on the basis of their ability to contribute to achievement of the organisation's mission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. New board members are adequately briefed about the organisation and have a good understanding of the interests of all stakeholders and clients.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. The board has sound governance processes and is conscious of the need for legal, ethical and financial processes to protect trust in the organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Meetings and board information	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
10. Board meetings are run efficiently and effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Decisions are made through appropriate discussion and consensus.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Board members overall are well prepared for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Board papers are clearly presented, informative, timely and dependable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Board meetings address the real issues facing the organisation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Matters are discussed in a well structured and cohesive way, and discussions are not dominated by specific members or factions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Board members recognise the need to operate collectively rather than to represent specific interests.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. The CEO is receptive to input from the board.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monitoring activities of the board	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
18. We know when we are effective because all programs have clear performance indicators that are consistent with their goals.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. The board monitors appropriate financial and other performance indicators, and receives all the information it needs for this purpose.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Information provided to the board is reliable.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Adequate time is spent at meetings on monitoring performance data.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Setting strategy and policy**

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
22. Adequate time is given by the board to the organisation's strategy and programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. There are well defined and appropriate operating policies.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Comments**

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Part B: Individual assessment

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. My rate of attendance at board and committee meetings during the year was satisfactory.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I read the meeting papers and was well briefed for meetings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I contributed well to the work of the board and without that contribution the board would have been less effective in achieving its goals – I make a difference.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My contribution was appropriate to my skills and professional background.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I avoided conflicts of interest where possible, and declared them when they arose.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments

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## Model Job Descriptions

### The Chair of the Board

(additional to the Chair's role as a Board member)

#### Purpose

- Lead the Board in ensuring that it is fulfilling its responsibility for the governance and strategic direction of the organisation.
- Ensure that there is an effective relationship between board members and staff/volunteers.
- Work in partnership with the Chief Executive Officer and to help him/her achieve the objectives set for the organization.
- Represent Save the Children with key stakeholders.

#### Job Description

##### 1. Lead the Board in fulfilling its responsibility:

- Ensure that the board is constituted and operates in a manner consistent with best- practice standards agreed by the International Save the Children Alliance.
- Chair meetings of the board in a focused and effective way, seeing that it functions effectively and carries out its statutory duties.
- Ensure that the business of meetings is dealt with professionally, that decisions are clearly arrived at and recorded and their implementation monitored.
- Ensure that the board set overall strategy and policy objectives and that, in doing so, has the needs of the whole association as its overriding concern.
- Ensure that the association's financial dealings are prudently and systematically accounted for, audited and publicly available.
- Participate in fundraising events and give an annual financial contribution to the best of personal ability.
- Carry out the responsibilities of office in accordance with applicable Bye-laws and statutory requirements for non-profit organisations.
- Ensure that replacement board members are elected in good time, with due regard to the balance of skills required on the board, and that an effective induction and development programme is in place.

## **2. Ensure that there is an effective relationship between board members and staff/volunteers**

- Preside over board meetings and attend meetings of staff, volunteers and supporters as appropriate.
- Ensure that appropriate procedures to comply with current employment and equal opportunities legislation and good practice are established.
- Ensure that there are effective mechanisms in place for monitoring the implementation of the decisions made by the board.
- With the CEO, agree an annual calendar of meetings and major events for the association.
- Ensure appropriate communication systems are in place between Board members and staff to satisfy the Board's need to be aware of internal and external issues affecting the operation of the organization.
- Maintain knowledge of the organisation's activities and progress against objectives in order to be able to ensure that relevant discussions occur at the board level and decisions are taken. In this context, make visits from time to time to see the organisation's programme work.
- Be alert to the quality and progress of the organization's work, and the morale of the directors and staff.

## **3. Work in partnership with the Chief Executive Officer**

- Lead the process of supervising and appraising the work of the Chief Executive Officer.
- Support the CEO in achieving his/her objectives.
- Help the CEO set the objectives of the organisation through five-year strategic plans, to be implemented through annual activity plans.
- Support the CEO in setting and achieving his/her own annual strategic objectives.
- Ensure, with the CEO, that appropriate goals are set with the resources (personnel, financial, material) available.

## **4. Represent Save the Children with key stakeholders.**

- Assist Save the Children in forging strong relationships with key stakeholders, including the development of contacts which will promote the organisation to a wider audience of potential donors, beneficiaries and peers within the NGO sector to identify common opportunities and issues.



- Maintain, with the help of the CEO, a general knowledge of the activities of the International Save the Children Alliance, ensuring that Save the Children plays its role in the Alliance and complies with the Alliance Bye-laws and other agreements.
- Attend the Members' Meeting of the International Save the Children Alliance.

### Qualifications

- Demonstrable commitment to the values, principles and aims of Save the Children.
- A good understanding of the organisation's work and its special role both within the national context and the Alliance.
- A strong understanding of the management needs of a non-profit organisation, acquired through significant experience in an executive capacity within the corporate and/or NGO sectors.
- The ability to attract wider support across political boundaries.
- The ability to project the organisation's vision for children and young people in a way which actively motivates and guides board members, staff and supporters.
- Highly developed communications and, possibly, marketing skills.
- The ability to support and encourage the Chief Executive Officer and to maintain the close working relationship between board members, the staff and supporters.
- Experience of financial planning.
- Highly developed problem-solving skills, and the ability to maintain a positive and constructive approach to ensure that progress is made.
- The ability to travel within country and overseas.
- Sufficient control of personal time to prepare for and participate in meetings and other activities, to represent the organization externally and to meet with the CEO, staff and supporters on a regular basis.
- Good command of spoken and written English.

## **Board Treasurer**

**(additional to the Treasurer's role as a Board member)**

### **Purpose**

- Assist the Board in fulfilling its responsibility to protect the financial integrity of Save the Children.
- Advise and assist the CEO so that the organization acts in a fiscally responsible way.
- Support the Board in ensuring that Save the Children remains financially positioned to deliver on its objectives and that the strategic direction can be supported by its financial resources.

### **Job Description**

#### **1. Assist the board in fulfilling its responsibility:**

- Ensure that the board understands the financial planning processes and the current and forecasted financial position of Save the Children.
- Ensure that the association's financial dealings are prudently and systematically accounted for, audited and publicly available.
- Work closely with the Chair.
- Act as a member on the Audit Committee.
- Consult with the CEO on financial assumptions underlying planning and budget documents, and advise the CEO and board on accounting, budgetary and other financial matters.
- Make financial recommendations to the board as appropriate.
- Give support and guidance on financial matters to board members, particularly when they are new to their duties, or when they are making difficult decisions concerning Save the Children's finances.
- Participate in fundraising events and give an annual financial contribution to the best of personal ability.
- Carry out the responsibilities of office in accordance with the Bye-laws and statutory requirements for non-profit organisations.

## **2. Work closely with and provide support and guidance to the Chief Executive Officer and the Finance Manager to ensure that:**

- Financial planning processes are maintained and developed and, with the CEO, that available financial resources are appropriate to the goals of the organization.
- The board receives all necessary accurate advice on the financial implications of strategic plans and initiatives
- The board is presented with budget statements, accounts and financial information at all key points in the planning and budget cycle, and the key issues in these statements are outlined in a coherent and easily understandable way.
- Standing financial instructions are implemented throughout Save the Children.
- Proper procedures for preparing, auditing and presenting the annual reports are followed.
- Recommendations by the external auditors are implemented.
- Financial investments are consistent with the aims and objectives of Save the Children and investment activity is monitored.
- Appropriate accounting procedures and controls are in place throughout the organization.

### **Qualifications**

- Demonstrable commitment to the values, principles and aims of Save the Children.
- Proven expertise of financial management.
- Organisational and analytical skills.
- A good understanding of the organisation's work and its special role both within the national context and the Alliance.
- A strong understanding of the financial needs of a non-profit organisation, acquired through significant experience in an executive capacity within the corporate and/or NGO sectors.
- Knowledge of law and practice regarding financial management, accounting and reporting.
- Strong diplomatic and interpersonal skills.
- Ability to support and mentor the Chief Executive Officer and Finance Manager on all aspects of financial management.
- Good command of spoken and written English.

## Board member

### Purpose

- Take part in formulating and regularly reviewing the strategic aims of the organisation.
- With other board members, ensure that the policy and practices of the organisation are in keeping with its aims.
- Ensure the organisation functions within the legal requirements of a charitable organisation and strives to achieve best practice.
- Ensure that the organisation is operated in a financially responsible way, that it has the financial means achieve its operational goals and that it remains always ready to meet its debts as they fall due.
- Represent Save the Children with key stakeholders.

### Job Description

#### **1. Take part in formulating and regularly reviewing the strategic aims of the organisation.**

- Serve the institution as a whole and participate as an active member of the board to bring independent judgement to bear on issues of governance, strategy, performance, resources and standards of conduct.
- Regularly attend and participate in board and committee meetings. Contribute specific skills and accept one or more committee or special task force assignments.
- Support fundraising events and give an annual financial contribution to the best of personal ability.

#### **2. Ensure policies are in keeping with the aims and objectives of the organization.**

- Abide by the approved Bye-laws and other agreements endorsed by the organisation.
- Support the Alliance policies and board decisions.
- Stay informed about the issues facing the organization and contribute personal experience and expertise to advance the interests of Save the Children.

### **3. Ensure compliance with legal and other regulatory requirements.**

- Abide by the Standards of Conduct and inform the board of any potential conflicts of interest.
- Protect the good name of Save the Children and public trust in the organisation.
- Support implementation of best practice in areas of governance, leadership, executive management and functional activities such as financial management.

### **4. Represent Save the Children with key stakeholders**

- Serve as an ambassador for the values, mission, vision and programmes of Save the Children. Speak with one voice consistent with board and organisational communications when representing the organisation in the public arena.
- Seek opportunities to inform the public about the work and needs of Save the Children.
- Cultivate community relationships and potential donors to support the mission.

### **Qualifications**

- Demonstrable commitment to the values, principles and aims of Save the Children.
- Proven expertise in disciplines needed and appropriate for service on the board.
- Strong diplomatic and, interpersonal skills.
- Organisational and analytical skills.
- International experience beneficial.
- Ability to commit time and energy to fulfil Board and Committee obligations.
- Good command of spoken and written English.

## Chief Executive Officer

### Purpose

- Provide strong leadership and effective management to achieve the organisation's mission.
- Be accountable for compliance and execution of the organisation's policies.
- Provide appropriate advice and information on all relevant matters to the governing board so that it can fulfill its role.

### Job Description/Performance Expectations

#### 1. Leading and managing the organisation

- Guard the good name and reputation of Save the Children.
- Together with the governing board, establish a vision for the organisation, a long-term strategy and plan with specific goals and objectives consistent with the mission.
- Monitor and review the strategy on a regular basis.
- Provide strong leadership and direction to the management team and all staff.
- Make certain that the organisation's philosophy and policies are consistent, pertinent and practised throughout the organisation.
- Foster good communications throughout the organisation.
- Take a lead role in fundraising and donor relations.

#### 2. Be accountable for compliance and execution of the organisation's policies.

- Ensure that the organisation has the resources (human, material and financial) to make steady progress towards the achievement of its objectives.
- Establish and maintain an effective system for the recruitment, management, training and developing of staff and volunteers to achieve the organisation's objectives and implement its strategy. Maintain a climate that attracts, retains and motivates top quality personnel. Develop and implement high standards of conduct and ethics of the staff. Where an Equal Opportunities Policy is in place, implement the policy.
- Ensure that the necessary resources are provided and proper standards maintained for the protection of people and the organisation's assets, giving particular attention to legal requirements, health and safety at work and maintenance and security of property.

- Ensure there is a clear policy on relations with the media and serve as the chief spokesperson for the organisation. Ensure the organisation is presented in a professional manner to its various publics.
- Foster good relations with government statutory and voluntary bodies, together with other relevant organisations.
- Maintain a strong relationship with the International Save the Children Alliance, and conformity to the Bye-laws of the Alliance.
- Ensure that the organisation discharges its constitutional and legal obligations
- Coordinate the preparation of the annual budget and submit it to the governing board.
- Ensure expenditure is controlled in line with the annual budget as approved by the board and be responsible to the board for the overall financial health of the organization.

### **3. Serve the governing board in consultation with the Chair**

- Formulate policy proposals for submission to and approval by the board.
- Report periodically to the board on the progress of the organisation's work, together with any other matters that are relevant to the discharge of the board responsibilities. Ensure that the board receives a reliable flow of information to provide the board a means of monitoring progress towards achievement of the agreed strategy within budget
- Recommend an annual calendar of meetings and other important meetings and events.
- Ensure items requiring the consideration of the board are placed on the agenda of their meetings as appropriate.
- Assist the Chair get the best thinking and involvement of each member of the board and arrange for briefing sessions to take place as appropriate
- Where appropriate monitor and make recommendations on the composition of the board and its committees

### **Qualifications**

- Demonstrable commitment to the values, principles and aims of Save the Children.
- A strong understanding of the leadership and management needs of a non-profit organization acquired through significant experience in an executive capacity within the private corporate and/or non-governmental sector.

- Experience in successfully working with governing boards and board leadership.
- An ability to think strategically, and in cooperation with the governing board set an organizational vision and mission and focus on clear and simple goals.
- An ability to select, lead and support good people to serve the organisation.
- An ability to project the organizational vision for children and young people in a way that actively motivates and guides the staff and supporters.
- Highly developed marketing skills. Fundraising and willingness to dedicate significant effort to enhancing the financial resources of the organization is a key parameter to be satisfied. Professional relations with or access to major donors and corporations in order to secure substantial financial resources for the organization is a positive.
- Experience in financial planning. Understanding of sound financial control processes.
- Experience and skills to represent the organisation externally, with the public, media, supporters and other stakeholders.
- An ability to attract support across political boundaries, to include an ability to secure grants from local and central governmental bodies and foundations.
- Good interpersonal skills. Good listening skills.
- Highly developed problem-solving skills.
- An ability to maintain a positive and constructive approach to achieve organisational goals.
- Good command of spoken and written English.



## **Building an Effective Board**

### **Introduction**

The Alliance Governance Best Practice paper sets forth the goal, key responsibilities and the composition of effective governance boards. This section contains additional material selected from among published material and personal experiences that may be useful in the practical implementation of best practice.

### **The Evolution of Non-profit Organization Governance**

The International Save the Children Alliance consists of Members with highly effective Boards as well as new Members just beginning to establish a governance structure. Boards themselves evolve over time depending on the development of the organization and external factors. Appendix 1 presents an account of the evolution of governance structures which may serve as a useful perspective for Alliance Members as they either establish a new board or evolve over time to become more effective.

### **The Board Building Cycle**

Building an effective board is a continuous process. Appendix 2 presents an informative summary of the key tasks consistent with best practice.

### **Selection of Board Members**

Developing an effective board is very dependent on the personal attributes, skill sets and performance expectations of individuals selected to serve as well as the competencies and diversity of the board as a group. The Board Development Committee plays a key role in making recommendations to enhance the effectiveness, quality and continuity of the board. Similarly, the Board

Assessment process is an important element to aid defining board needs. Appendix 3 contains information to assist Alliance Members select individuals with the needed skills and expertise to serve on the board.

### **Board Orientation**

Board orientation for newly appointed board members and continued education is essential for effective governance. The contents of an orientation package and briefing, derived from the ACEVO Handbook and Directory of Members and modified by experience within Save the Children, is contained at Appendix 4.

### **Board Training**

Board training should be conducted based on the specific needs of each organization, but should include basic roles and responsibilities of board members.

## Appendix I:A Paradigm

### The Evolution of Nonprofit Organization Governance

**Governance structures tend to change over time as organizations evolve from:**

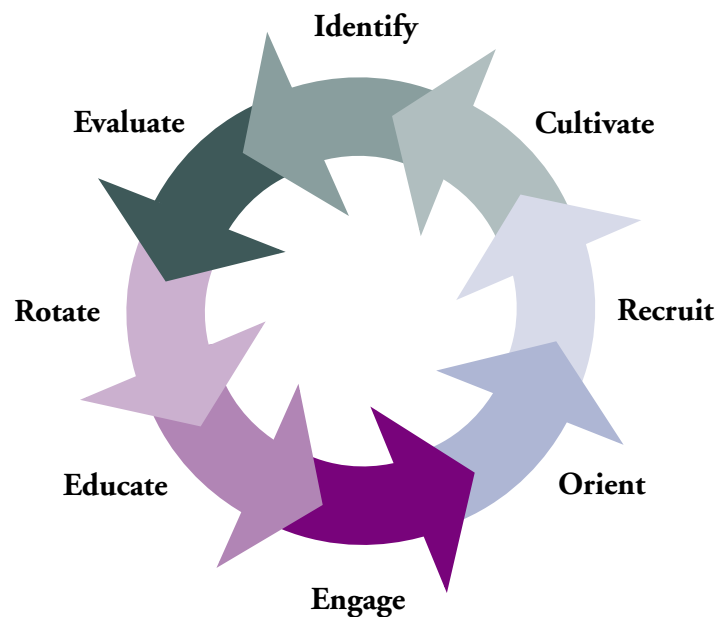
Founding	▶	Regional or national significance
Small numbers of constituencies or members	▶	Extensive numbers of constituencies
Small budgets and staffs	▶	Extensive budgets and staffs
Modest or no reserve funds	▶	Reserve funds and investment policy
Small boards	▶	Large boards
Use of the title “executive director”	▶	Use of the title “president” for the chief staff officer
Use of the title of “president for the chief volunteer officer	▶	Use of the title of “chair,” “chairman,” or “chairperson” for the chief volunteer officer
Boards that operate as committees of the whole	▶	Boards that depend on effective standing committees
Founders who dominate board membership (little turnover)	▶	Board members chosen on merit, background, skills (reasonable turnover)
High dependence on board members who also serve as grassroots volunteers	▶	Less dependence on board members who also serve as grassroots volunteers
Board members who “represent” constituencies	▶	Board members who are selected “at large”
Strong emotional commitment by board members to organizational purposes	▶	Less emotional investment and more use of board members’ expertise, skills, and influence
Modest or no expectation for board members to make annual personal contributions or raise funds	▶	Clear expectation for board members to make annual personal contribution (to serve as an example to others) and to participate in fund-raising
Minimal standing policies (e.g., absence of personnel handbook)	▶	Codification of board/organizational policies including sophisticated personnel policies and practices
No directors and officers liability insurance	▶	Directors and officers liability insurance as well as several other coverages
No annual audit by certified public accountant	▶	Annual audit by local or national audit firm

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#### Reference:

Richard T. Ingram, “Ten Basic Responsibilities of Nonprofit Boards,” NCNB Governance Series, April 2000

## Appendix 2: The Board Building Cycle



### Step 1: Identify

Identify board needs (skills, knowledge, perspective, connections, etc. needed to implement strategic plan). What do we have? What is missing? Identify sources of board members with the needed characteristics.

### Step 2: Cultivate

Cultivate potential board members. Get them interested in the organization and keep them informed of your progress.

### Step 3: Recruit

Recruit prospects. Describe why a prospective member is wanted and needed. Describe expectations and responsibilities of board members, and don't minimize requirements. Invite questions and elicit their interest and preparedness to serve.

**Step 4: Orient**

Orient new board members **to the organization** – programme, history, Bye-laws, pressing issues, finances, facilities, organization chart – and **to the board** – recent minutes, committees, board member responsibilities, list of board members and key staff members.

**Step 5: Activate**

Activate all board members. Discover their interests and availability. Involve them in committees or task forces. Assign them a board “buddy.” Solicit feedback. Hold everyone accountable. Express appreciation for work well done.

**Step 6: Educate**

Educate the board. Provide information concerning your mission area. Promote exploration of issues facing the organization. Don’t hide difficulties. Celebrate accomplishments.

**Step 7: Rotate**

Rotate board members. Establish and use term limits. Do not automatically re-elect for an additional term; consider the board’s needs and the board member’s performance. Explore advisability of resigning with members who are not active. Develop new leadership.

**Step 8: Evaluate**

Evaluate the board and individual board members. Engage the board in assessing its own performance. Identify ways in which to improve. Encourage individual self assessment.

**Step 9: Celebrate!**

Recognize victories and progress, even small ones. Appreciate individual contribution to the board, to the organization, and to the community. Make room for humor and a good laugh.

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Adapted from *The Board Building Cycle: Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members* by Sandra R. Hughes, Berit M. Lakey, and Marla J. Bobowick (NCNB, 2000).

## **Appendix 3: Selection of Board Members**

### **General Policy**

Individual attributes as well as the competency of the board overall is essential for effective governance. The Board Development Committee provides leadership in the development and evaluation of the Board and its individual members. However, the Board itself is ultimately responsible for its own composition and performance.

Effective boards seek members who demonstrate key personal attributes to serve on the board which, as a group, provides necessary competencies and reflects the values of Save the Children.

### **Board Competencies**

Best practice results in the Board operating and making decisions together as a group. Boards need skills and competencies consistent with the mission and objectives of the organization. Specific needs may change over time, but typically individuals who serve on Save the Children boards should have expertise or experience in critical areas as noted below.

Not-for Profit experience	Prior board experience or senior leadership with not-for-profit organizations, a personal connection with Save the Children mission
Financial expertise	Financial planning, budgeting, monitoring fiscal health, stewardship of assets, risk management
Fundraising	Access to donors or other resources (foundations, corporations), willing to cultivate prospective donors and ask for gifts, personal giving
Communications and Marketing	Experience with media relations, strategic communications, marketing
Investment expertise	Planning, monitoring of investment performance, safeguarding and maximizing return on assets
Strategic Planning	Development and monitoring of strategic plans
Program interest	Program experience or interest and expertise in specific program areas
Legal expertise	Knowledge of national legal issues pertaining to not-for-profit organizations, legal and regulatory compliance, risk management
Business experience	Managing a business, senior management team experience
Government	Knowledge of government agencies, policies, resources
Personnel experience	Planning and monitoring human resources

It is common practice in effective organizations to prepare and maintain a skills inventory grid to aid identification of needs and selection of individuals to serve on the board. A sample grid follows.

## Sample Grid for Skills Inventory

Personal attributes, skill, expertise, experience	Current Members			Prospective Members		
	1	2	Etc.	A	B	Etc.
Age						
Gender						
Not-for-profit governance or management experience						
Financial expertise						
Fundraising experience						
Communications and Marketing						
Investment expertise						
Strategic planning						
Program experience						
Legal expertise						
Business experience						
Government experience or knowledge						
Personnel experience						
Other						



## Questions to Guide Board Member Selection

### Is the candidate:

- Committed to the mission of Save the Children?
- Willing to give the time necessary to be an effective board member?
- Able to contribute personal and professional qualities that complement those of other board members?
- Comfortable with the approach and tone of Save the Children's fundraising efforts?
- Skilled at being a team player?
- Able to contribute financial support consistent with the organization's expectations of board members and with his or her own means and priorities?
- Capable of placing the organization's purposes and interests above self professional and personal interests when making decisions as a board member?

## Appendix 4: Model Board Orientation Content

### 1. Introduction

- a) History and Mission

### 2. Legal Status and Governance

- a) Articles of Incorporation
- b) By-Laws
- c) Standing orders
- d) Alliance By-Laws and other governing documents
- e) Associate or Member Agreement
- f) License Agreement
- g) Alliance structure/staffing
- h) Best Practice in Governance
- i) Best Practice in Management

### 3. Structure, Organization and Staffing

- a) Organizational diagram
- b) Names and addresses of regional offices if applicable
- c) Staff directory
- d) Job descriptions of chief executive and senior management
- e) Code of Conduct for staff

### 4. Board Structure and Composition

- a) Board structure
- b) Board operating procedures
- c) Responsibilities of board members
- d) Duties of board officers
- e) Job descriptions for chair, treasurer and board members
- f) Code of Conduct
- g) List and profile of current board members
- h) List of committees and members
- i) Terms of reference for committees
- j) Schedule of meetings

### 5. Policy and Strategy

- a) Mission statement
- b) Strategic plan/business plan
- c) Key policy documents
  - 1. equal opportunity
  - 2. media policy
  - 3. disciplinary, grievance and complaints
  - 4. fundraising ethics statement
  - 5. staff handbook

### 6. Market Development

- a) Marketing strategy, plans and performance
- b) Market niche

### 7. Program Strategy

- a) Program summary
- b) Program objectives

### 8. Finances

- a) Review of organizational assets
- b) Annual reports and audited accounts for two previous years
- c) Current budget
- d) Financial controls and reporting procedures

### 9. Professional Advisers

- a) Solicitor
- b) Auditor
- c) Insurance
- d) Investment

### 10. Current calendar of events

- a) Board Meeting schedule
- b) Other significant activities

### 11. Key challenges

## Benchmarks of Governance Best Practice

Activity	Yes	No
<b>1. Does the organization have Byelaws that include Board responsibilities such as the following items:</b>		
a) Defining the organization's mission?		
b) Approving major policy and program initiatives?		
c) Ensuring effective strategic planning?		
d) Advocating the organization's interests and building a base of public support and trust?		
e) Ensuring legal, ethical and financial integrity?		
f) Enhancing the financial resources?		
g) Selecting, evaluating, nurturing and supporting the chief executive officer?		
h) Continually assessing board needs?		
i) Ensuring performance targets are met and goals achieved?		
<b>2. Does the board approve annual plans and budgets in conformance with approved policies and strategic objectives?</b>		
<b>3. Is there a formal and transparent procedure for the election of new members of the board?</b>		
<b>4. Are board members chosen on merit and needed skills?</b>		
<b>5. Does the board:</b>		
a) Conduct at least three meetings per year?		
b) Consist of no fewer than five members consistent with national laws and practice?		
c) Elect or re-elect board officers (board chair and treasurer as a minimum) annually?		
d) Have term limits?		
e) Have an Audit Committee?		
f) Conduct an independent review of the annual audit report?		
g) Conform to conflict of interest policies?		
h) Ensure conformity to the Alliance Byelaws?		
i) Evaluate its performance against clear objectives?		
j) Have a Board Development Committee?		
k) Do all board members contribute to the organization (i.e., time or expertise or money)?		
<b>6. Are there job descriptions for the board chair, treasurer and member?</b>		
<b>7. Is the board structure in compliance with national laws and regulations?</b>		
<b>8. Is the board diversified to the extent that the population at large is diversified?</b>		
<b>9. Does the board have a defined procedure to select, monitor performance and evaluate the chief executive?</b>		
<b>10. Is there a clear separation of roles of governance and management?</b>		

## References

Richard T. Ingram. *Ten Basic Responsibilities of Nonprofit Boards*. National Center for Nonprofit Boards, NCNB Governance Series, 1996

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ACEVO Handbook and Directory of Members