



The Booker Twelve Principles for Good Governance

Introduction

There has been considerable attention on governance lately due in large measure to the major debacles that we have seen in the corporate world which cost individuals millions of dollars. The need for good governance in community organizations, the public sector, and private companies is just as critical. In all situations stakeholders, who can be diverse in their interests, are looking to Boards of Directors to be effective stewards of the organization and provide for its long term sustainability.

Booker & Associates has conducted a number of governance reviews in various sectors. We have assisted Boards in developing and implementing the appropriate practices to provide for good governance and have acted as a governance coach to provide hands-on guidance to enable Boards to improve their governing ability.

Over the years and through our extensive experience in the governance arena, Booker & Associates has developed 'The Booker Twelve' - these are twelve principles for good governance. The Booker Twelve have been tried and tested in a number of environments and always produced improvements in governance.

Principle One: Clear Roles and Responsibilities

The responsibilities of the Board of Directors are clearly stated, understood and are consistent with the mandate of the organization. The Board delegates management responsibility to the CEO. The responsibilities of the Board do not overlap the duties of the CEO. The role and responsibilities of the Board recognize its stewardship role and its strategic role. Responsibilities of the Board include active participation in the planning process, reporting to stakeholders, having effective management in place, holding management accountable, and protection of the organization (reputation, assets).

Principle Two: Effective Board Membership

The organization has established the attributes, skills, experience and diversity of thinking that need to be represented on the Board to create governance competency. The size of the Board allows for necessary characteristics to be present while allowing for efficiency in governance. The organization has a process to identify qualified individuals to be Board members and who have the capability and capacity to serve.

Principle Three: Orientation and Development

There is an orientation program for new Board members to educate them on the organization, its mandate, its strategic plan and operations, as well as the role and responsibilities of the Board and duties and expectations of Directors. There is ongoing training and information for Board members on items such as governance, changes to operations, changes in the operating environment, and stakeholders' needs.

Principle Four: Expectations and Involvement of Board Members

Board members are fully engaged in the responsibilities of the Board. Each Director prepares for and attends meetings, and contributes to discussions and decisions by expressing their views, performing their role effectively and conducting themselves appropriately. There is a process to coach and mentor Directors who need to improve their performance to meet the expectations of the organization and fellow Directors.

Principle Five: Effective Board Structure

The Board has effective structure for the execution of its responsibilities. This includes responsibility statements for the Board Chair, Committee Chairs, and appropriate Board Committees. The effectiveness of the Board is complimented by having appropriate Director terms and length of office, balancing length of office for understanding and effectiveness with the need for governance renewal and progress.

Principle Six: Effective Decision Making

The Board identifies its information needs and holds management to providing proper information to enable the Board's discussion and decision-making. The Board receives information to enable it to regularly assess the performance of the organization (strategically, operationally, financially).

Principle Seven: Effective Policy Setting

The Board sets appropriate governing level policy to establish the framework within which management operates. There is a process for development and approval of governing policies. The Board ensures that bylaws and policies are updated on a frequency to ensure the Board is staying attuned to the needs of the organization and its stakeholders. The Board monitors adherence to governing policies.

Principle Eight: Setting Organization Culture

The Board establishes the values for the organization and sets the 'tone from the top' by providing direction on its expectations for how the value system will be applied. The Board follows processes to ensure the Board and the organization operate consistently with the values.

Principle Nine: Oversight of Risk Management

The Board gains assurance there is a process for identifying the principal risks inherent to the organization and implementation of appropriate systems to manage the risks. The Board is apprised of changes to the environment in which the organization operates. The Board understands the uncertainties and assumptions that are incorporated into the strategic and business plans.

Principle Ten: Executive Performance Management

There is a clear process for the selection of a person with the appropriate abilities to hold the CEO position. There is a robust annual performance review of the CEO which considers information from multiple dimensions and sources. The Board ensures there is a succession plan in place for senior positions.

Principle Eleven: Effective Communications

The Board ensures there is a communication policy that clearly outlines responsibilities for speaking on behalf of the organization. The Board 'speaks with one voice' to the CEO and stakeholders. The Board ensures there is sufficient reporting to the stakeholders to inform them on the performance of the organization and the Board.

Principle Twelve: Board Accountability

The Board ensures a structured robust assessment of its performance is conducted on a periodic basis and takes actions on the results. There is a process for assessing individual Director performance, as well as that of the Board Chair, Committee Chairs, and Board Committees.



An organization that thoughtfully applies 'The Booker Twelve' governance principles will not only be effective but will empower the organization. Contact us for further discussion on how the principles fit your organization.

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Booker & Associates is a boutique consulting firm focused on promoting excellence in governance, risk management, and organizational effectiveness. Ms. Booker brings together skills and knowledge gained through the leadership positions she has held in two international accounting and consulting firms, and as leader of Booker & Associates.

Fay has extensive experience in three core and interrelated areas: governance, enterprise risk management and organizational effectiveness. Fay has consulted with organizations across Canada, assisting them in enhancing their governance and operations.

Fay consults on governance structures and the resources that support Boards in carrying out their responsibilities. She conducts training for Boards and for Directors to educate and improve their knowledge of governing responsibilities and practices. Fay acts as a governance coach to assist Boards in achieving greater effectiveness in their governance role.

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