

Appendix A: Corporate Governance and  
Oversight by the Board  
of Directors

Section 310

**Sample Board of Directors' Self Assessment**

**1. Objectives and Strategy**

Strategic planning is an essential board responsibility. The formal planning process should take place periodically because changes in the environment may present new opportunities or challenges. Objectives are the overall priorities of the association. The board should be able to identify and understand the risks presented by the association's objectives and strategies.

Are you satisfied that:

		Not satisfied	Satisfied	Not sure	Not applicable
1.1	The association has an overall strategy and clear, realistic objectives?				
1.2	Management obtains board approval before implementing new policies, engaging in new activities, or offering new services?				
1.3	The board carefully assesses risks and calculates the effect of those risks prior to engaging in any activity or offering any new service?				
1.4	The association reviews operating results, compliance performance and performance of new and existing activities or services?				
1.5	The association has an adequate system of identifying and managing risks to ensure that risks are appropriate for the expertise, skills, and abilities of management and appropriate for the size and complexity of the association?				

Are there any areas related to the association's strategic planning process that the board needs to discuss?

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### 2. Selecting and Retaining Competent Management

A primary board responsibility is the selection and retention of management who will follow the board-approved strategies and objectives. The board of directors cannot fulfill their responsibilities without the help of a skilled and trustworthy management team. The board should stay keenly aware of management’s activities.

Are you satisfied that:

		Not satisfied	Satisfied	Not sure	Not applicable
2.1	The board clearly communicates management’s duties and responsibilities in writing?				
2.2	The board assesses management’s performance in a systematic and fair way on a regular basis?				
2.3	The board’s process for determining management compensation is objective, adequate, and ties performance to compensation?				
2.4	The board has a written management succession plan?				

Are there any areas related to the board’s selection, support, and review of management’s performance that the board needs to discuss?

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### 3. Monitoring and Assessing Operations

Another important board responsibility is the ongoing review of the association's performance. The board accomplishes this review primarily through management reports to the board. The board should also establish budget guidelines, approve an annual operating budget, and monitor adherence to the budget throughout the year.

Are you satisfied that:

		Not satisfied	Satisfied	Not sure	Not applicable
3.1	The board has a business plan that documents major financial policies?				
3.2	The board has adopted a budget that is realistic and allows for secure transactions?				
3.3	Management reports are accurate, timely, and transparent?				
3.4	Management has appropriate controls over financial reporting?				
3.5	The board has access to information on economic issues that may affect the association's performance?				
3.6	The board periodically conducts a self-assessment to determine where weaknesses exist and makes changes as necessary?				

Are there any areas related to the board's oversight that the board needs to discuss?

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## 4. Efficient Operation

Boards carry out their work in meetings. To make board meetings productive, board members need to receive and review agendas and background materials before the board meetings. Effective boards use agendas that focus on important issues, allow discussion, and culminate in action.

Are you satisfied that:

		Not satisfied	Satisfied	Not sure	Not applicable
4.1	The board is the correct size and composition?				
4.2	The board has the right mix of experiences, skills, backgrounds, and other characteristics?				
4.3	The board has a suitable committee structure, consistent with the association's size and operational complexity?				
4.4	Board members prepare in advance and attend a majority of all board meetings?				
4.5	Board members receive a complete and consistent board information package far enough in advance of meetings to be prepared?				
4.6	Board members have adequate opportunities to discuss issues and ask questions?				
4.7	Board members are each comfortable discussing controversial issues and asking difficult questions?				
4.8	Board members are proactive and independent?				
4.9	The board has the authority to hire independent counsel and other advisors?				

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		Not satisfied	Satisfied	Not sure	Not applicable
4.10	Outside directors have sufficient access to independent auditors, legal counsel, and other advisors outside the presence of management?				
4.11	The board reviews and heeds regulatory examination reports and supervisory correspondence?				
4.12	The board discusses key issues with senior management both in and out of board meetings?				
4.13	The association has an independent audit function (even if part time) that reports directly to the board of the audit committee?				

Are there any areas related to board organization that the board needs to discuss?

**5. General Assessment**

1. Do any board members need training regarding any aspect of their responsibilities?
  
2. What issues should occupy the board's time and attention during the next few years?
  
3. How can the board's organization or performance be improved during the next few years?
  
4. What other comments or suggestions would you like to discuss related to the board's performance?