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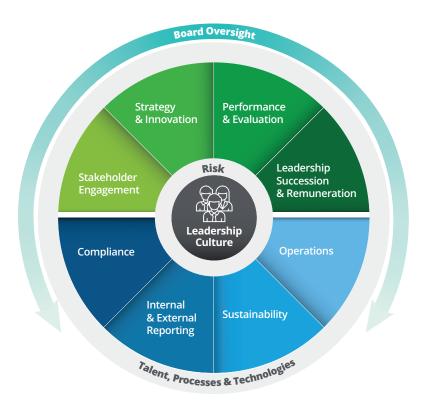
# Board effectiveness assessments

An effective board and well-functioning corporate governance structure is a crucial element to safeguarding your business and is the foundation on which sustainable long-term success can be built. A regular external assessment of the effectiveness of your board is an excellent way of adding value to the organization and ensuring effective decision-making at the top of the organization.

Deloitte has considerable experience working with boards and board-level committees, ranging from family-owned and privately held organizations, to listed and regulated organizations. Deloitte's custombuilt board effectiveness assessment tool integrates all phases of the assessment process, and is tailored to your specific organizational structure, allowing for an assessment that is proportionate to the complexity of your business.

### Deloitte's framework

Effectiveness is more than structures and processes. It is also about the dynamics and behaviors of the individuals that comprise the board and its committees. Deloitte's framework focuses on how the board discharges its key roles and enablers that support the board in fulfilling its responsibilities. The framework forms the foundation of Deloitte's Board Effectiveness Assessment methodology—allowing for customization based on the circumstances of your specific company's governance structure.



**Hold to account:** The Board Effectiveness Assessment will permit the board to understand and critically appraise performance information, and to hold management to account in delivering its priorities.

Gaining insight and foresight: The board and its individual board members will be able to confirm its key policies and procedures and arrive at its short- and long-term strategy including variables such as legislation and economic drivers alongside the current and future needs of key stakeholders, internal and external opportunities and threats, and the extent to which the organization can effectively respond to stakeholder needs and environmental conditions.

**Clarifying priorities and defining expectations:** The Board Effectiveness Assessment deliverable will provide a set of strategic priorities for the board to implement over the near- and long-term.





#### Reporting

#### **Board survey**

Issuing a survey to board members is a valuable process, enabling reporting of key themes and ensuring that interviews with directors are targeted. The survey brings strengths and areas for development to light and highlights board members' opinions. Individual responses are shared on an anonymous basis. The survey can be used in future assessments for year on year comparisons.

#### Document inspection

A thorough document review is essential to provide evidence and insight into the parameters within which the board and the organization are working, existing strengths and development areas, and any barriers to existing working practices. The review could include, for example, board and board committee information, agendas and minutes, terms of references, governance manuals, board skills matrices, and succession plans.

#### Director and chairman interviews

This entails meeting with every member of the board, as well as individuals who, although not members of the board, interact with or present to the board on a regular basis (i.e., stakeholders). Interviews enable a view into individual perspectives on board effectiveness and provides interviewees with an opportunity to step back and reflect on how the organization is run and what can be improved. The reporting deliverable will include both quantitative and qualitative analysis along with additional observations and related recommendations to assist the board in achieving greater board effectiveness.

## Start the conversation

If you're interested in learning how we can assist your board, we should talk. Contact us directly at <a href="mailto:DTTLGlobalCenterforCorporateGovernance@deloitte.com">DTTLGlobalCenterforCorporateGovernance@deloitte.com</a> or visit <a href="mailto:www.global.corpgov.deloitte.com">www.global.corpgov.deloitte.com</a> for more information.

Dan Konigsburg	Michael Rossen
dkonigsburg@deloitte.com	mrossen@deloitte.com

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