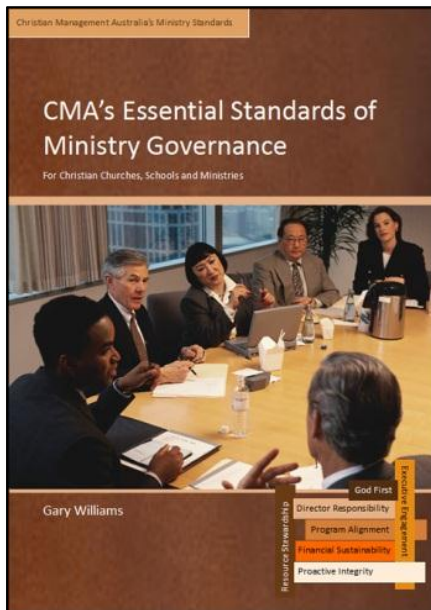


CMA's Essential Standards of Ministry Governance

*Board Self-Assessment for **SAMPLE MINISTRY***



Report prepared by **Christian Management Australia**
on 7th October 2010 from 6 Survey Participants

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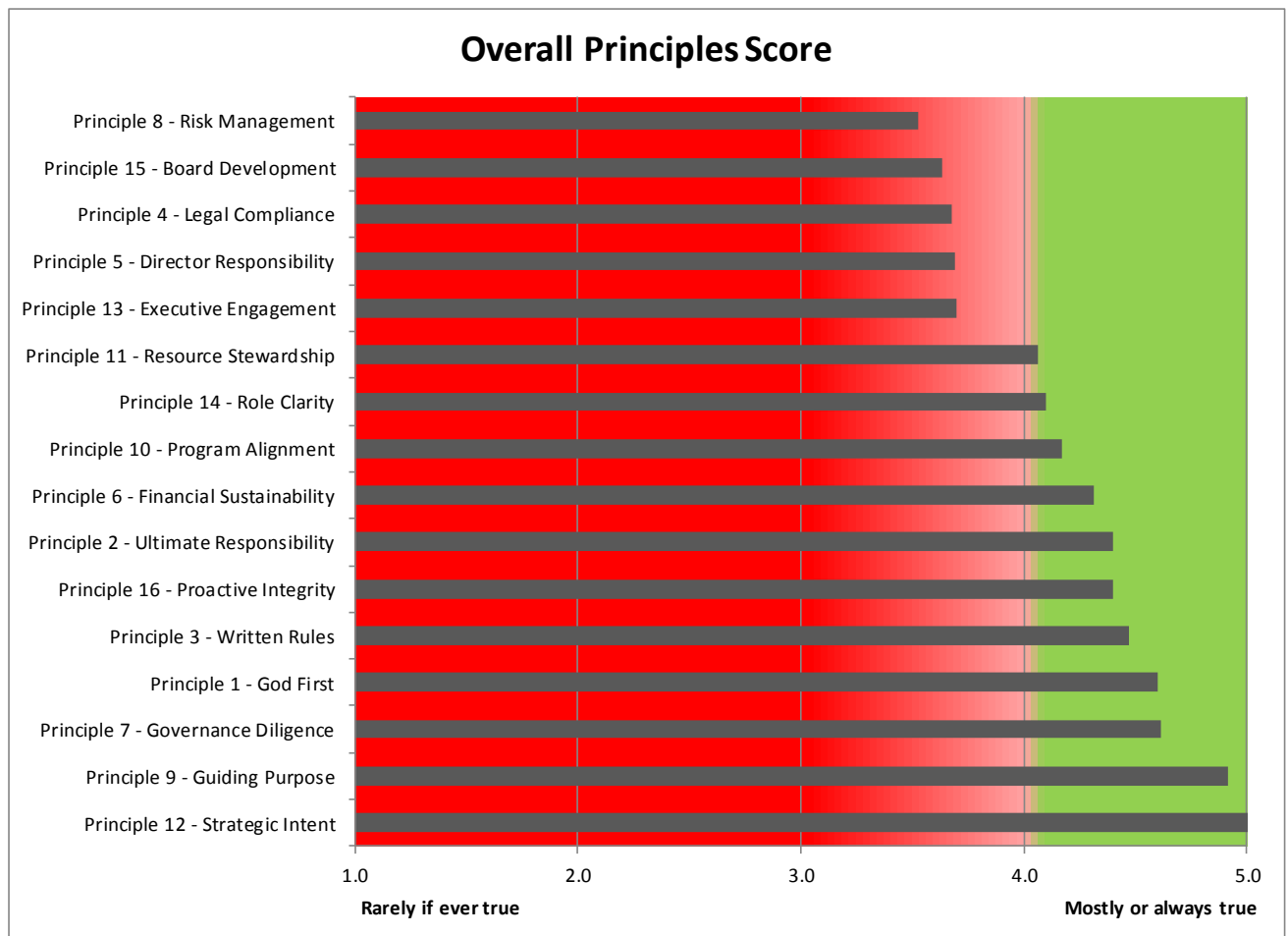
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This report has been prepared by collating and summarising the responses of board members to CMA's online survey. No interpretation or commentary has been added by CMA. If you require assistance in interpreting these results, CMA is happy to connect you to our Business Members who specialise in ministry governance and related areas of expertise.





1. Principles Snapshot

This snapshot gives your organisation's total score for each of CMA's 16 principles, and displays them in ascending order. Each score is calculated as a percentage, so that a maximum possible score in each section would be 100.



2. Detailed Responses

In the following pages, each of the 16 principles is summarised in a chart. The chart contains a column for each standard within the principle, and shows four things:

- a) The HIGHEST score given in each standard - identified by a 
- b) The LOWEST score given in each standard - identified by a 
- c) The AVERAGE of the scores in each standard - identified by a 
- d) The Standard Deviation (S.D.) of the scores – identified by a 

Scale

Note that the scale on the charts goes from 1 to 5, corresponding to the answers given in the survey where

- 1 means “Rarely, if ever, true”,
- 2 means “More false than true”,
- 3 means “Equally true as false”,
- 4 means “More true than false”, and
- 5 means “Always or mostly true”.

The higher the score, the better (5 is better than 1).

“I Don’t Know”

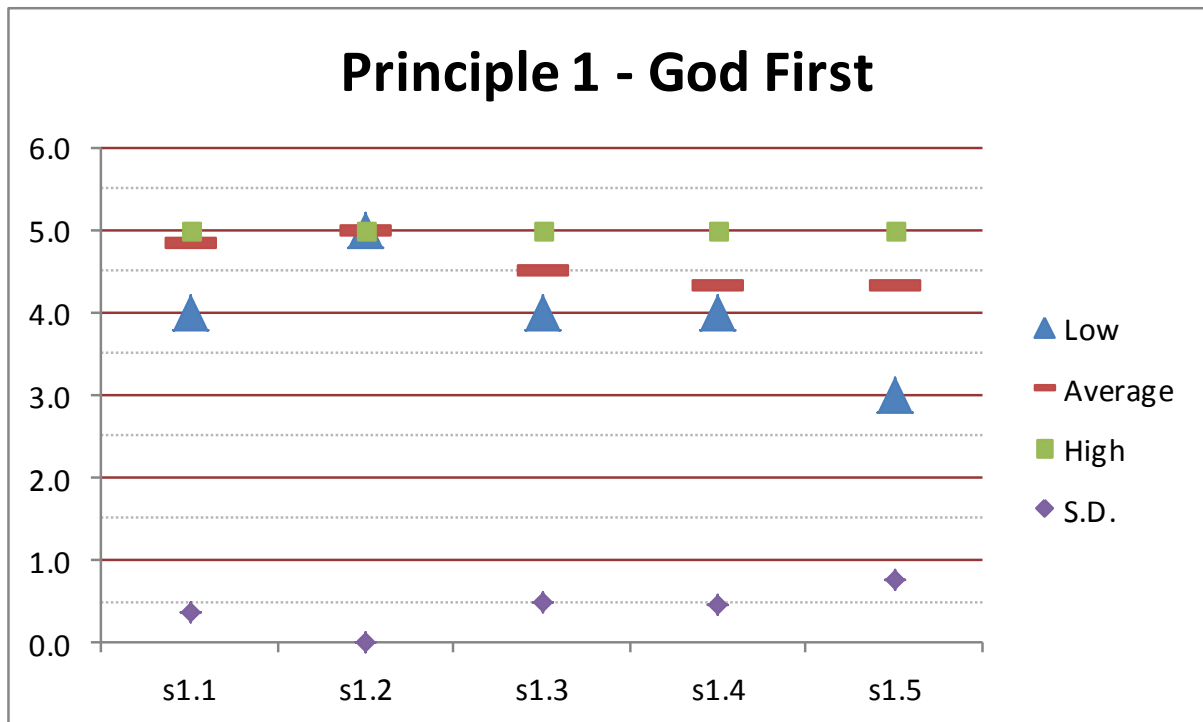
Note that in the survey, “I Don’t Know” was a valid response, but these responses have been removed from the results in order to prevent inaccuracies. Where an ‘I Don’t Know’ response has been given, it is mentioned in the table below the chart. Too many ‘I Don’t Know’ responses can significantly affect the accuracy of the results.

Standard Deviation

The Standard Deviation is a method of describing how closely clustered the scores are. In these reports, a Standard Deviation of between 0 and 0.5 is good – it means that people generally are scoring the question similarly to each other – there is good agreement. A Standard Deviation of between 0.5 and 1 means there is a bit of disagreement, with a wider range of responses. A Standard Deviation greater than 1 generally means there is a fairly wide range of responses, with a fair bit of disagreement. Anything over 1.5 indicates a high level of contrary responses.

Disclaimer

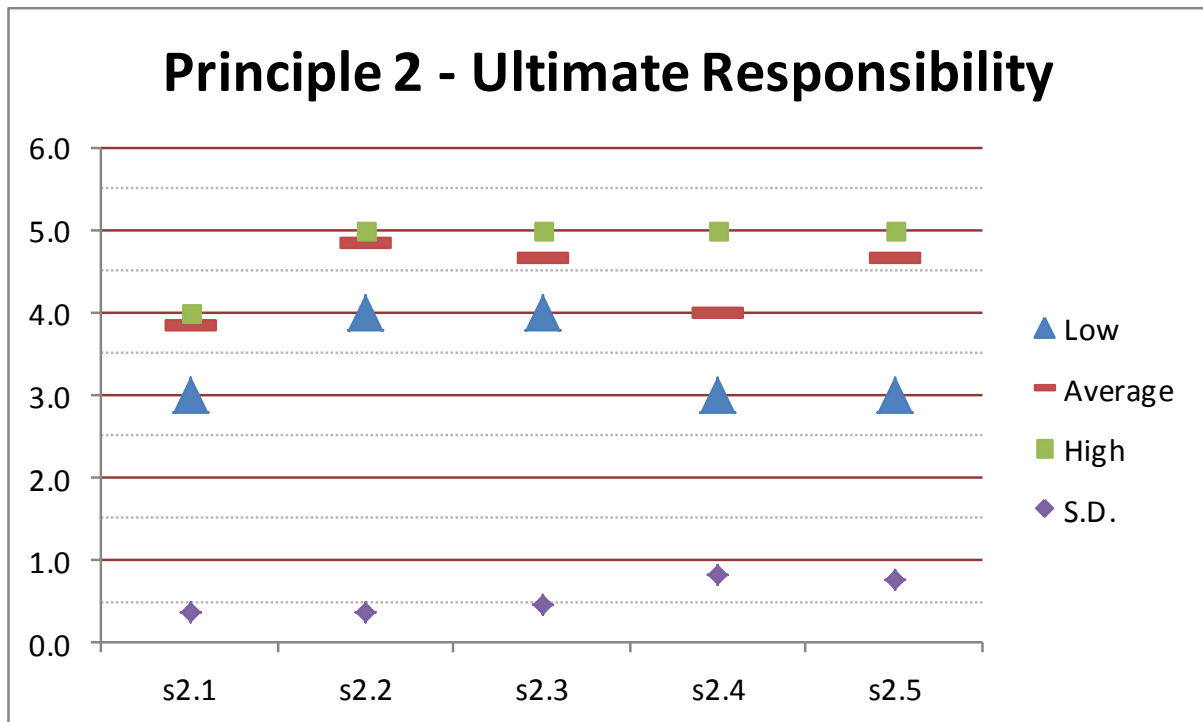
One of the common dangers of a Self-Assessment is – YOU MAY BE WRONG! This is an inherent weakness of self-assessment tools, and there can be any number of reasons why participants make similar or different, correct or incorrect judgements, even when answering the same question about the same organisation. CMA offers this tool as a simple method of gaining a picture of how a board *believes* it stands in relation to CMA’s Essential Standards, but CMA makes no claim that this is a scientifically accurate, comprehensive, or guaranteed way to gauge board responses. We strongly urge that organisations seek professional, personalised advice before making changes to organisational policies and procedures.



Tally of "I Don't Know" responses:

s1.1	s1.2	s1.3	s1.4	s1.5
0	0	0	0	0

- s1.1 All board meetings include a time of prayer.
- s1.2 Biblical criteria are given significant weight in the selection of board members and the CEO.
- s1.3 Scriptural principles inform the discussions, decisions and policies of the board.
- s1.4 All board members strive to conduct their relationships with other board members according to scriptural principles.
- s1.5 The board aims to conduct all external relationships according to biblical principles.

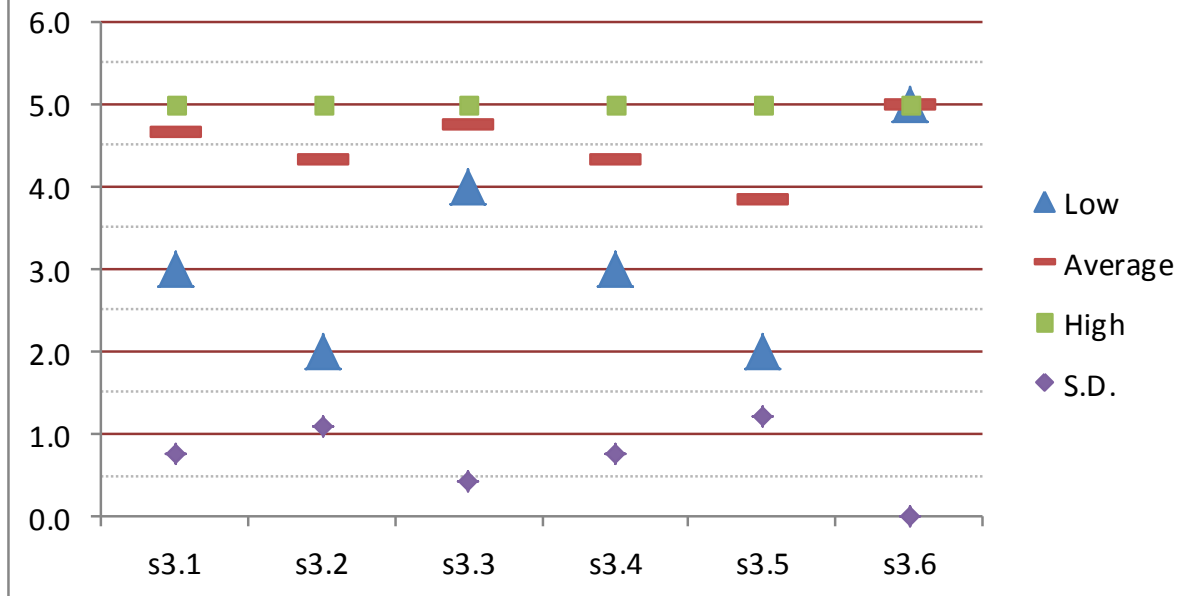


Tally of "I Don't Know" responses:

s2.1	s2.2	s2.3	s2.4	s2.5
0	0	0	0	0

- s2.1 There exists a clear governing structure for the organisation, and the delegations, accountabilities and responsibilities of the various components are unambiguous and are recorded in writing.
- s2.2 The board is made up of at least the number of members stipulated in the constitution, or, if no such specification exists, a minimum of three members.
- s2.3 The board has a unique title (such as 'the board', 'session', or 'council') that distinguishes it from any other body in the organisation's structure.
- s2.4 All executive staff and members of the board know where responsibilities lie for the governance of the organisation.
- s2.5 All executive staff and members of the board know (or can find out) who the board members are.

Principle 3 - Written Rules

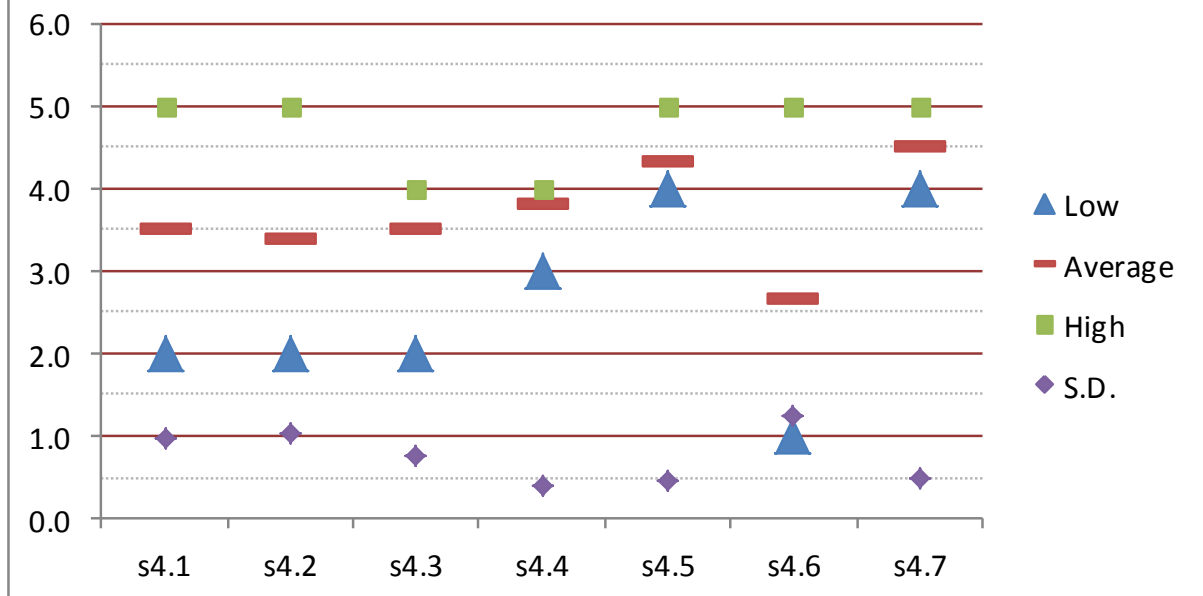


Tally of "I Don't Know" responses:

s3.1	s3.2	s3.3	s3.4	s3.5	s3.6
0	0	2	0	0	0

- s3.1 If the organisation is bound by any rules of a parent entity, all board members shall possess a current copy of those rules.
- s3.2 If the organisation is required by law to have a formal constitution, all board members shall possess a current copy of it.
- s3.3 If the organisation is not required by law to have a formal constitution, the board will ensure that an alternative document outlining the rules of the organisation exists, and that all board members possess a current copy of it.
- s3.4 If the board creates rules or policies in addition to the constitution, they shall be recorded in writing, compiled in a policy manual, and provided to all board members.
- s3.5 The chairman shall ensure that an index of any written rules by which the board is bound is maintained, and shall provide all board members with current copies of each document.
- s3.6 Major organisational policies and rules shall be available for staff and stakeholders to view on request.

Principle 4 - Legal Compliance

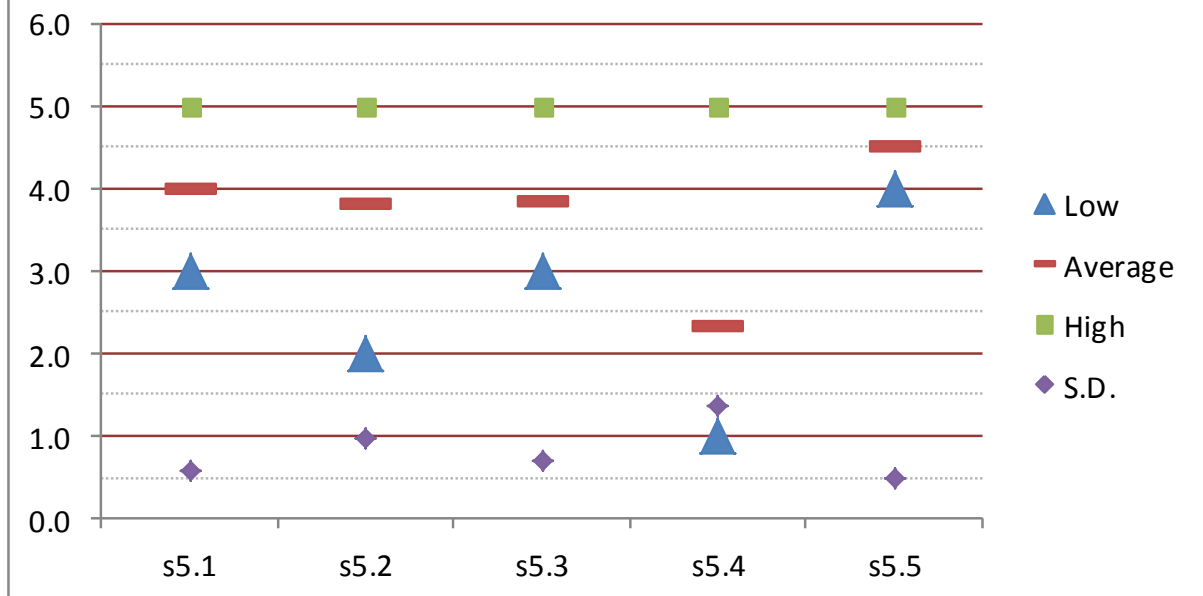


Tally of "I Don't Know" responses:

s4.1	s4.2	s4.3	s4.4	s4.5	s4.6	s4.7
0	1	0	1	0	0	0

- s4.1 All board members understand what kind of legal and taxation entity the organisation is.
- s4.2 All board members have read, within the past two years, all written rules by which the organisation is bound.
- s4.3 All board members are aware of the legal obligations imposed on the organisation by the written rules.
- s4.4 All board members comprehend the obligations imposed on the organisation by laws external to the organisation's rules (for example, privacy legislation, industrial relations legislation, taxation legislation).
- s4.5 The board is diligent in complying with its legal obligations.
- s4.6 At least once per year, the board affirms that, to the best of its knowledge, it is operating in compliance with its legal obligations.
- s4.7 The board seeks expert advice when the expertise in the boardroom is insufficient to determine an appropriate course of action in relation to any of its compliance obligations.

Principle 5 - Director Responsibility

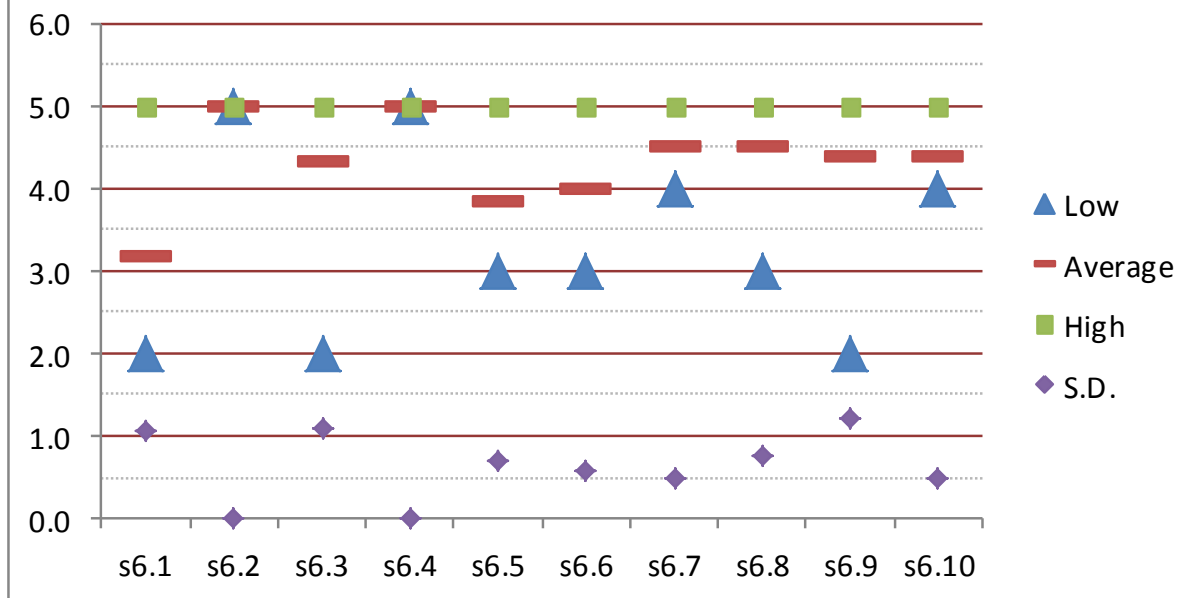


Tally of "I Don't Know" responses:

s5.1	s5.2	s5.3	s5.4	s5.5
0	1	0	0	0

- s5.1 Each board member understands the obligations imposed on them individually by the constitution and other organisational documents.
- s5.2 Each board members understands the obligations imposed on them by laws external to the organisation's documents (for example, a Director's duty to prevent insolvent trading, to avoid conflicts of interest, and to act in the interests of the organisation).
- s5.3 All board members are diligent in complying with their individual responsibilities as board members.
- s5.4 At least once per year, all board members affirm that they are operating in compliance with their individual responsibilities.
- s5.5 Board members seek expert advice when the expertise in the boardroom is insufficient to determine an appropriate course of action in relation to individual director responsibilities.

Principle 6 - Financial Sustainability



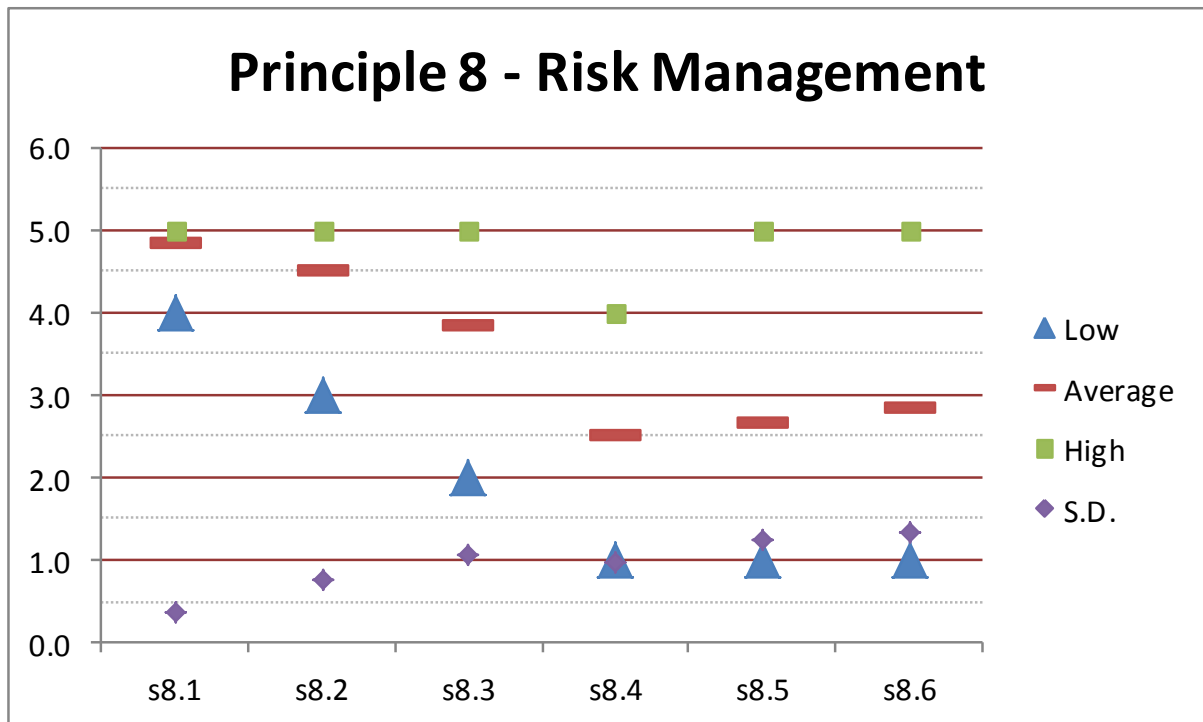
Tally of "I Don't Know" responses:

s6.1	s6.2	s6.3	s6.4	s6.5	s6.6	s6.7	s6.8	s6.9	s6.10
0	0	0	0	0	0	0	0	1	1

- s6.1 Board members assist in strengthening the financial position of the organisation by
 - 6.1.1 Donating to the organisation; and / or
 - 6.1.2 Providing introductions to strategic contacts; and / or
 - 6.1.3 Using their personal networks and relationships to build the profile and reputation of the organisation; and / or
 - 6.1.4 Helping to formulate revenue-generating plans for the organisation.
- s6.2 The board knows the actual assets, liabilities and equity of the organisation.
- s6.3 The board understands where the organisation's money comes from, and where it goes.
- s6.4 The board knows the income and expense trends of the organisation.
- s6.5 The board acts to address early warning signs of sustainability problems.
- s6.6 The board knows of any significant events, or potential events, which could seriously jeopardise the organisation's financial position.
- s6.7 The board knows if the organisation is having trouble meeting its day-to-day obligations.
- s6.8 The board puts in place mechanisms which prevent the organisation from incurring debts it cannot pay as and when they fall due.
- s6.9 The board seeks expert advice if there is any doubt about current or future solvency.
- s6.10 If the best efforts of the board, combined with expert advice, are insufficient to solve sustainability problems, and the organisation appears headed towards inevitable closure or insolvency, the board will wind up the organisation or seek to merge with another organisation early enough to ensure that all debts are paid, all employee obligations are met, and actual insolvency is avoided.

Principle 7 – Governance Diligence

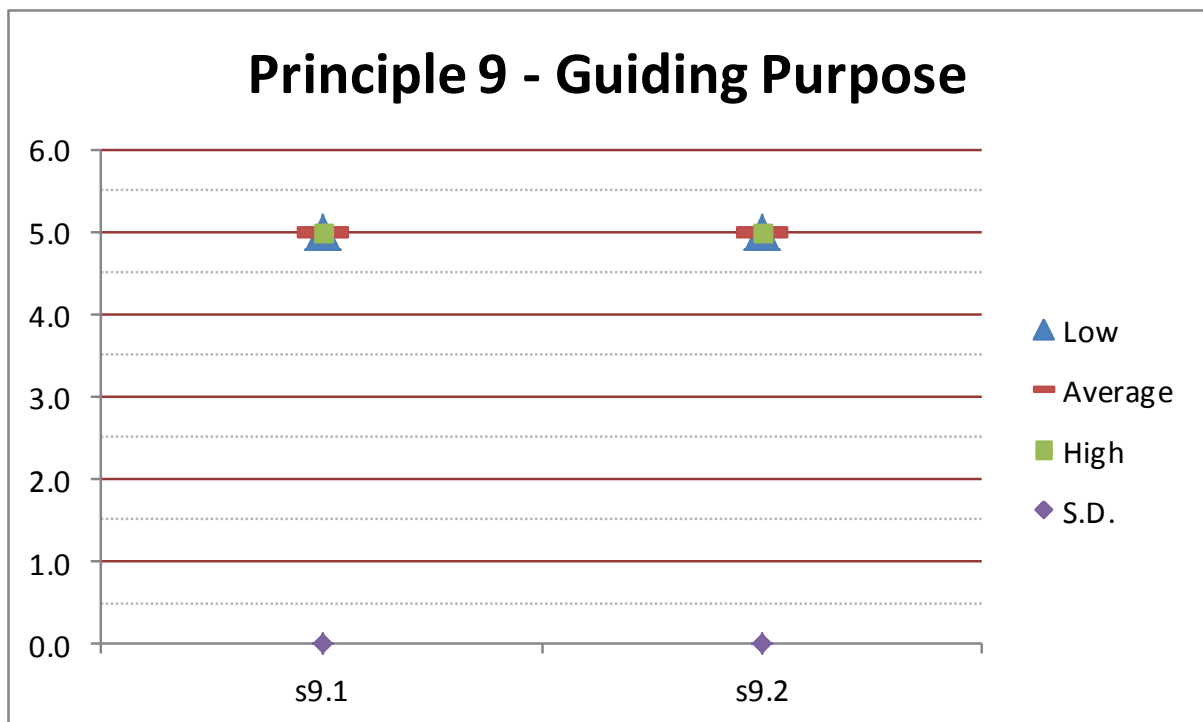
- s7.1 A sensible quorum is defined in writing.
- s7.2 Either the board or the chairman ensures a quorum is present at meetings.
- s7.3 Clear written rules exist describing how decisions are made, who is eligible to vote, and what percentage is required to carry a vote.
- s7.4 The board has at least three meetings per year, or at least the number of meetings stipulated in the constitution.
- s7.5 An Agenda and supporting documents are distributed prior to the meeting, allowing an agreed time for board members to prepare adequately for the meeting.
- s7.6 A process exists for ensuring that all matters that require the attention of the board appear on the Agenda at appropriate times throughout the year.
- s7.7 Each meeting is chaired in such a way as to allow sufficient time to discuss each item on the agenda, and to allow and encourage input from all board members.
- s7.8 Existing board documents and policies are available for consultation during discussion and decision making, to ensure that existing policies are being followed, and to ensure that new decisions are not in conflict with existing policies or requirements.
- s7.9 Written minutes are kept of all meetings, describing all decisions made, and summarising all substantial discussions.
- s7.10 The chairman ensures that a list of important board documents (such as CEO Employment Agreement, titles to property) is maintained, that the documents are filed securely, and that all board members know where they are stored.
- s7.11 The board members know who is authorised to speak on behalf of the board and the organisation, and those not authorised refrain from doing so.



Tally of "I Don't Know" responses:

s8.1	s8.2	s8.3	s8.4	s8.5	s8.6
0	0	0	0	0	0

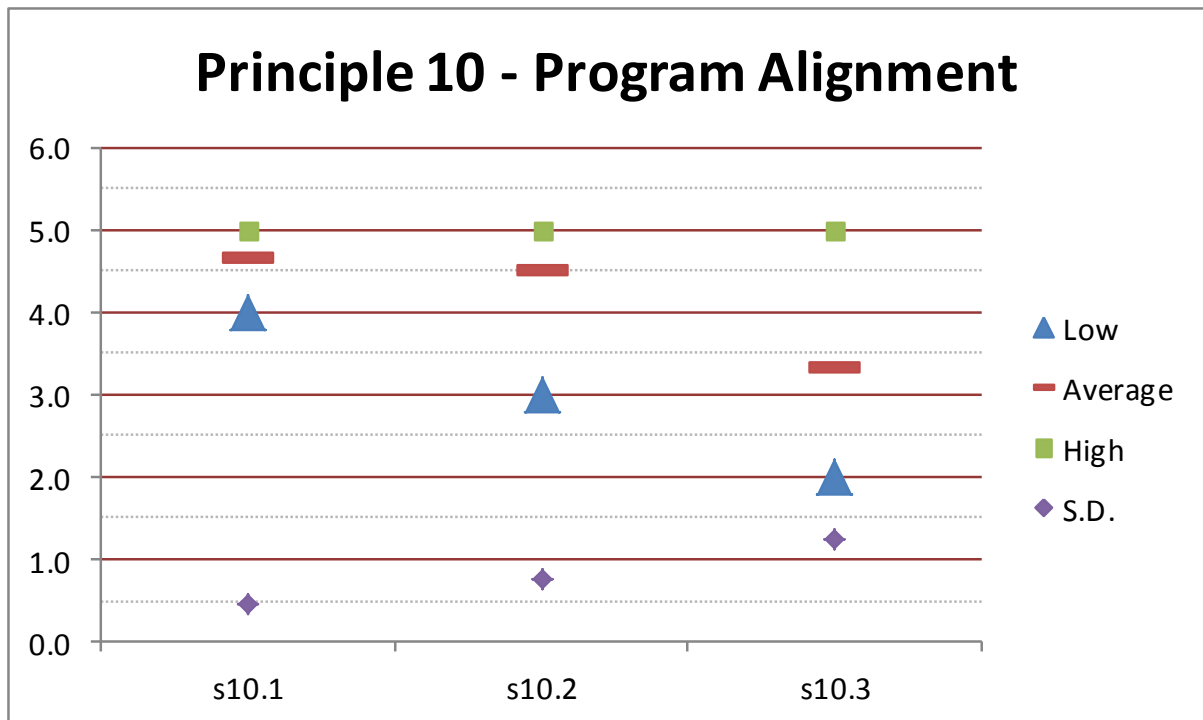
- s8.1 The organisation carries appropriate insurance coverage.
- s8.2 The board has checked its insurance coverage with a knowledgeable insurer within the last year.
- s8.3 The board has reviewed the conditions and exclusions of the insurance coverage, and has remedied any matters which may void or place at risk the insurance coverage in the event of a claim.
- s8.4 The board has reviewed the risks to which the organisation could be exposed and identified in writing the risks it considers significant.
- s8.5 For each risk identified as significant, the board has a written plan to manage or mitigate the risk.
- s8.6 The board puts in place mechanisms which monitor and document compliance with the risk management plan, and remedies any breaches in a timely manner.



Tally of "I Don't Know" responses:

s9.1	s9.2				
0	0				

- s9.1 The board agrees that there is a compelling reason for the organisation to remain in existence.
- s9.2 That reason is articulated in writing, either in the organisation's constitution or in a separate statement of mission or purpose.

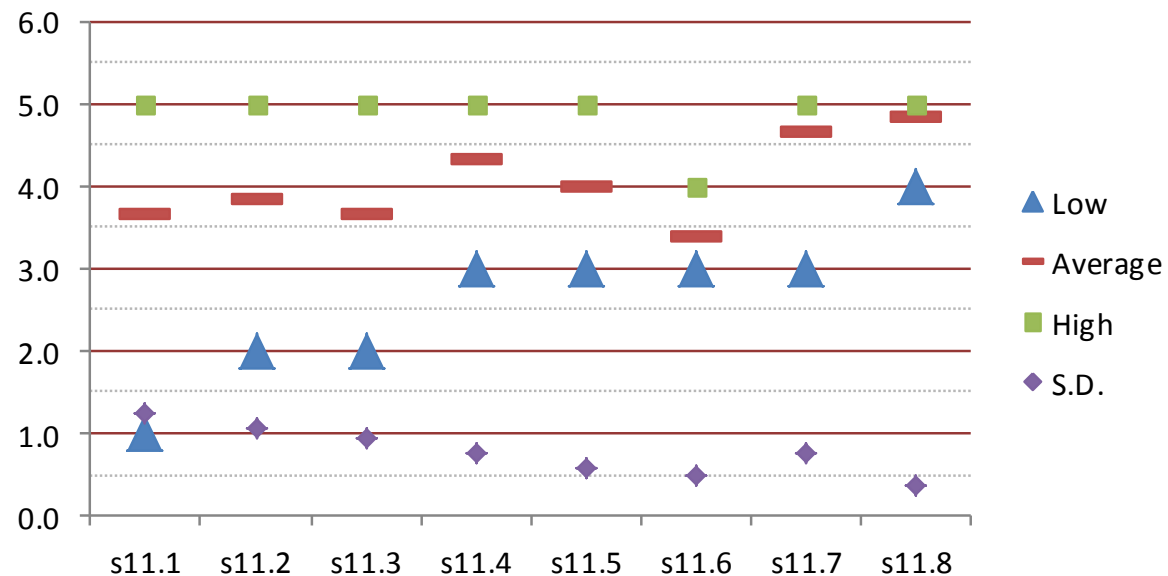


Tally of "I Don't Know" responses:

s10.1	s10.2	s10.3			
0	0	0			

- s10.1 The board ensures that new programs, activities or services are only launched when they have been verified as an appropriate fit with the organisation's stated purpose.
- s10.2 The board ensures that each program, activity or service is under the supervision of a responsible person whose duty it is to monitor it and ensure it remains aligned with the organisation's stated purpose.
- s10.3 A mechanism exists whereby each program, activity or service is evaluated at appropriate intervals to verify that it serves a worthwhile purpose in relation to the organisation's stated purpose.

Principle 11 - Resource Stewardship

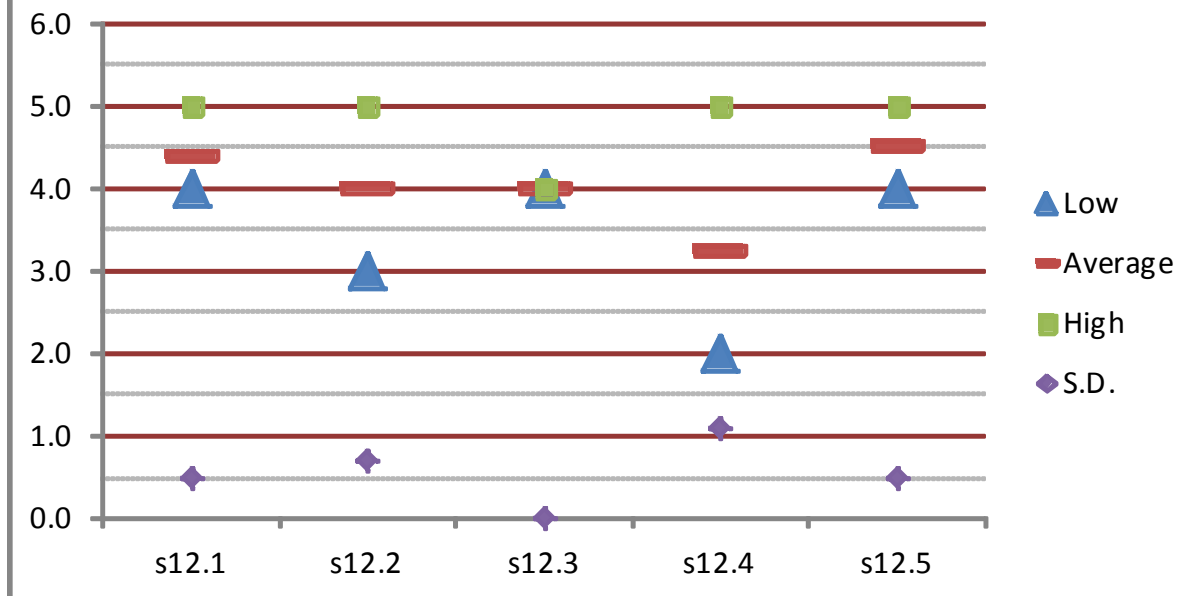


Tally of "I Don't Know" responses:

s11.1	s11.2	s11.3	s11.4	s11.5	s11.6	s11.7	s11.8
0	0	0	0	0	1	0	0

- s11.1 The board accepts a broad definition of 'Resources' which includes financial, personnel, heritage, reputation, and intellectual property.
- s11.2 The board ensures that an up-to-date register of assets is maintained.
- s11.3 The board installs mechanisms which protect the resources of the organisation from unacceptable levels of wastage, deterioration or loss.
- s11.4 The board installs mechanisms which limit the possibility of fraudulent behaviour.
- s11.5 The people in the organisation (staff, board, and volunteers) are managed in a way that recognises their value, reduces unnecessary conflict and turnover, encourages personal growth and productivity, and stimulates a spiritual and productive workplace culture.
- s11.6 The board installs mechanisms which ensure that as much as possible, valuable history, contacts and experience are retained when personnel depart.
- s11.7 The board ensures that resources given to the organisation for a specific purpose are expended in accordance with that purpose.
- s11.8 The board ensures that the organisation's finances are audited annually, either in accordance with legislative requirements, in accordance with the constitution, or by a member of the Institute of Chartered Accountants or of the Certified Practicing Accountants who is external to the organisation.

Principle 12 - Strategic Intent

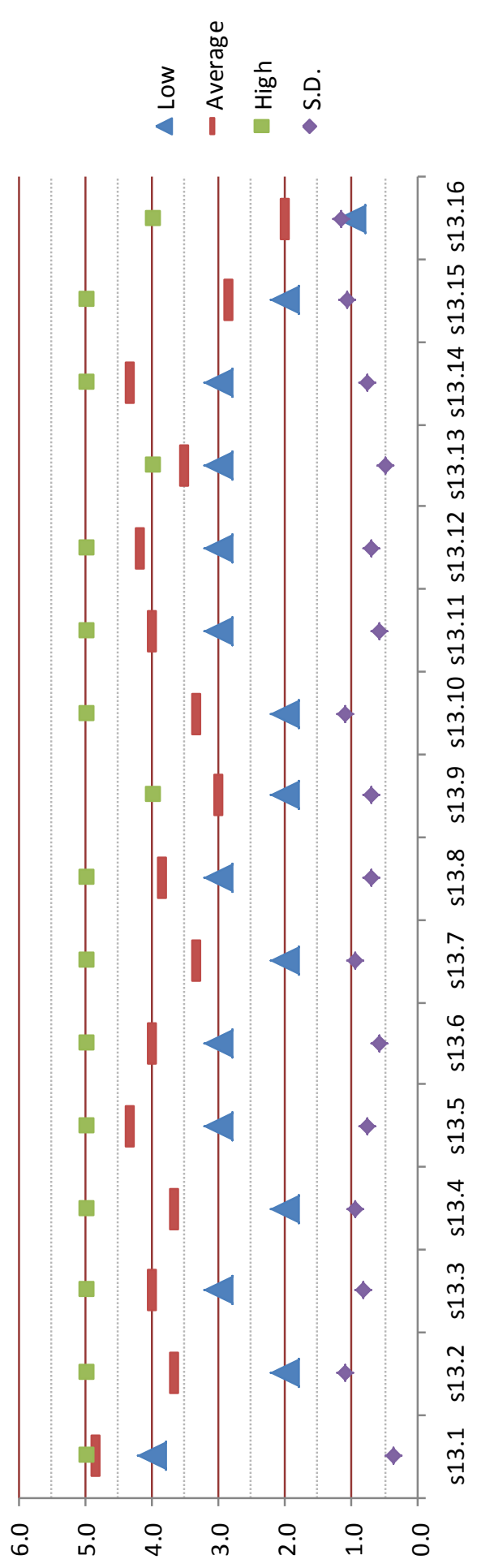


Tally of "I Don't Know" responses:

s12.1	s12.2	s12.3	s12.4	s12.5
0	1	2	1	1

- s12.1 The board has a forward-oriented focus for the organisation, which manifests in forward-oriented agendas.
- s12.2 The organisation has a written plan which outlines its strategic intent for the future.
- s12.3 The plan is reviewed and updated at least every year.
- s12.4 The organisation applies its resources in a manner consistent with the written plan.
- s12.5 The board is a proactive participant in developing and reviewing the plan.

Principle 13 - Executive Engagement

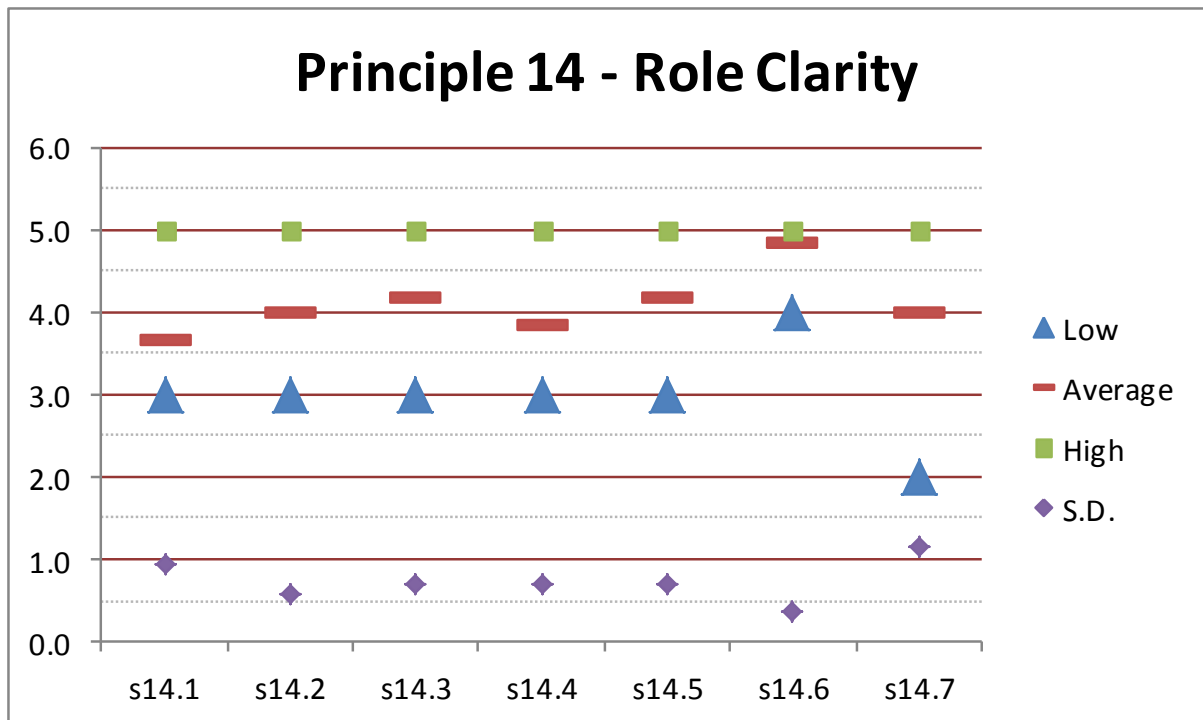


Tally of "I Don't Know" responses:

s13.1	s13.2	s13.3	s13.4	s13.5	s13.6	s13.7	s13.8	s13.9	s13.10	s13.11	s13.12	s13.13	s13.14	s13.15	s13.16
0	0	0	0	0	0	0	0	2	0	0	0	2	0	0	0

Principle 13 – Executive Engagement

- s13.1 There exists a written document (hereafter referred to as the 'Employment Agreement') which outlines any employment, contractual or other agreement between the organisation and the lead staff person of the organisation (hereafter referred to as CEO).
- s13.2 The Employment Agreement is current, and is reviewed for accuracy and relevance every two years.
- s13.3 There exists a written Position Description which outlines the duties, responsibilities and accountabilities of the CEO.
- s13.4 The Position Description is current, and is reviewed for accuracy and relevance at least every two years.
- s13.5 Formal communication between the board and the CEO is handled via the chair.
- s13.6 The board listens to concerns expressed by the CEO, and makes genuine attempts to provide any board support deemed necessary.
- s13.7 The board seeks to anticipate the needs of the CEO, and acts to meet those needs where appropriate.
- s13.8 The board installs mechanisms for dealing fairly with conflict or grievances between the CEO and the board.
- s13.9 In cases of escalating conflict, the board will attempt to resolve the matter through alternative conflict resolution methods (such as mediation).
- s13.10 The board actively resists behaviour which undermines the CEO.
- s13.11 The board conducts a formal evaluation of the CEO every year, and written feedback is provided.
- s13.12 The board installs mechanisms which ensure that Industrial Relations obligations are met when dismissing staff, including the CEO.
- s13.13 The board installs mechanisms which ensure that when staff (including the CEO) are dismissed, the process is handled with Christian love and grace; appropriate pastoral care is provided, and appropriate further support is provided.
- s13.14 The board seeks expert advice early if issues surrounding staff dismissal are deemed to warrant additional input.
- s13.15 The board is alert to the potential timing of CEO transition, communicates honestly about the issue with the CEO, and has a written plan to manage transition when the need arises.
- s13.16 A written plan exists describing how the organisation will operate in the event of the sudden departure or incapacitation of the CEO.

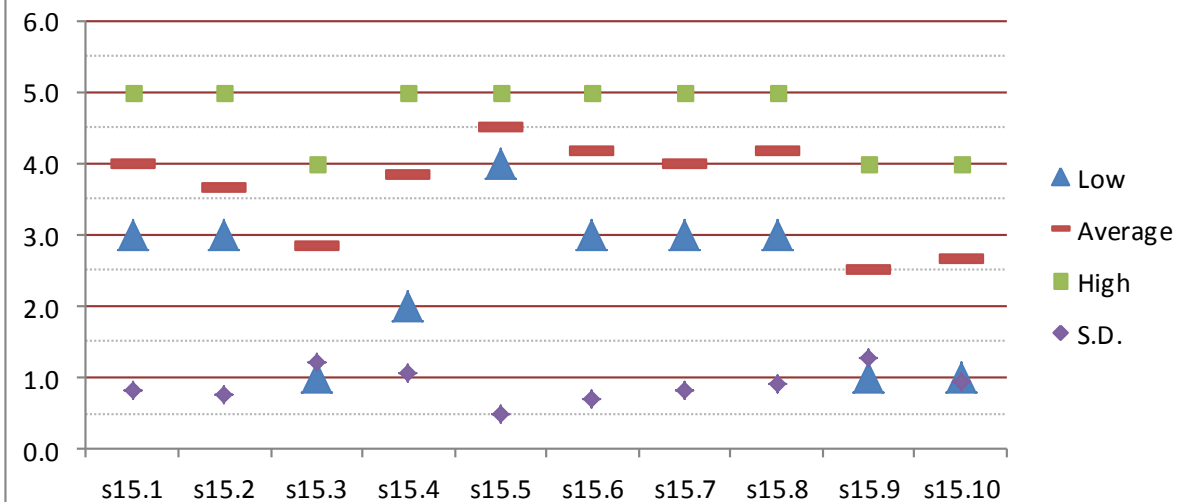


Tally of "I Don't Know" responses:

s14.1	s14.2	s14.3	s14.4	s14.5	s14.6	s14.7
0	0	0	0	0	0	0

- s14.1 The board understands the difference between the functions of governance and the functions of day-to-day management.
- s14.2 The board recognises the three different roles that board members perform (governance, volunteer, and implementer of delegated board tasks) and communicates these roles, as required, with other stakeholders.
- s14.3 The board seeks to spend its time in the boardroom focussing on the governance of the organisation.
- s14.4 The board delegates the management of the organisation to the CEO, and monitors this delegation through the governance activities at board meetings, and through the performance review process.
- s14.5 Whenever committees of the board are formed, it is made clear in writing whether the committees are authoritative (speaking FOR the board) or advisory (speaking TO the board).
- s14.6 Whenever committees of the board are formed, their responsibilities, delegated authority and role description is made clear in writing.
- s14.7 Board members know to leave their 'governance' role behind when board meetings conclude, and refrain from seeking to exert 'governance authority' when acting outside the boardroom.

Principle 15 - Board Development

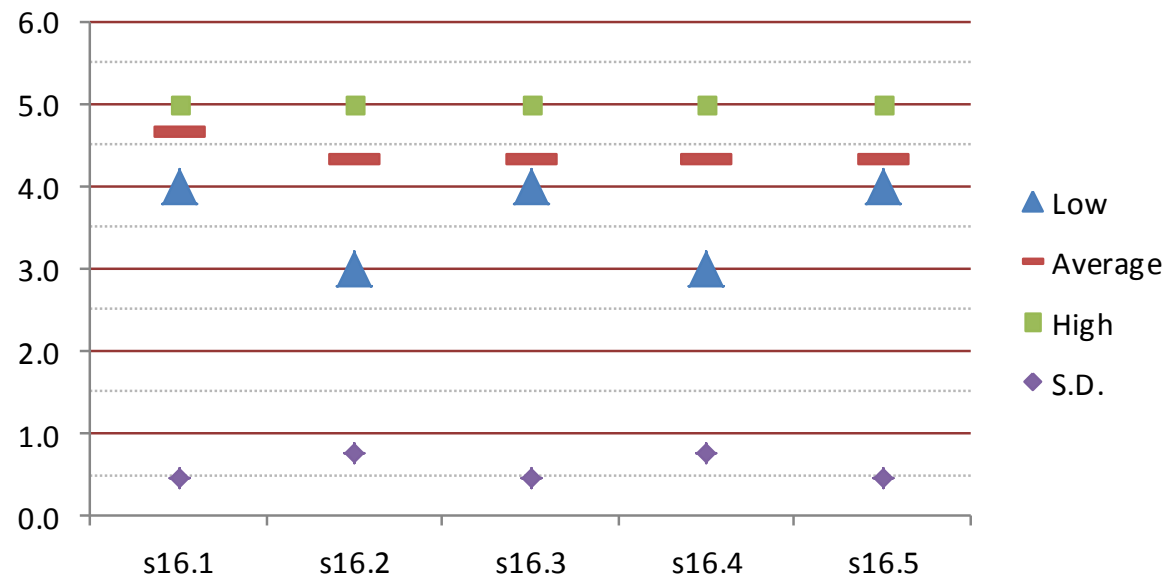


Tally of "I Don't Know" responses:

s15.1	s15.2	s15.3	s15.4	s15.5	s15.6	s15.7	s15.8	s15.9	s15.10
0	0	0	0	0	0	0	0	0	0

- s15.1 The board recognises governance as a skill worthy of continual development and improvement.
- s15.2 The board accepts responsibility for its own development, and takes the initiative in growing its governance competence.
- s15.3 A written document exists explaining the processes by which board members are selected, nominated, appointed and removed from the board.
- s15.4 The board is careful in its recruitment process to seek people who actually understand what board membership involves, who are prepared to take the role seriously, and who have the time and capacity to be successful in the role.
- s15.5 The board is careful in its recruitment process to seek people who are an appropriate fit with the ethos and culture of the organisation and the board.
- s15.6 The board is careful in its recruitment process to deliberately seek a diversity of relevant skills, experience and personality so that the board does not become too narrowly focused.
- s15.7 The board ensures that the governing expertise in the boardroom is sufficient for the governance needs of the organisation.
- s15.8 The board takes corrective action when it detects behaviour, situations or trends which indicate that its governance is being weakened or damaged.
- s15.9 The board installs mechanisms which ensure sufficient rotation / freshening of the board to prevent staleness, and to prevent the establishment of an unaccountable, unassailable 'power base'.
- s15.10 The board evaluates its own performance at least every two years.

Principle 16 - Proactive Integrity



Tally of "I Don't Know" responses:

s16.1	s16.2	s16.3	s16.4	s16.5
0	0	0	0	0

- 16.1 The board recognises that the organisation's corporate behaviour is a vital part of its Christian witness to all its stakeholders, and to the wider community.
- 16.2 The board recognises the threat to integrity that is posed by undeclared conflicts of interest, inadequate separation of duties and undue secrecy, and ensures that there are sufficient measures in place to prevent these and similar inappropriate behaviours.
- 16.3 The board installs mechanisms to ensure that all communication, statistics and appeals coming from the organisation, and all reporting within the organisation, is truthful.
- 16.4 In cases of alleged illegal or unethical behaviour by or within the organisation, the board will ensure that mechanisms exist to facilitate appropriate cooperation with relevant authorities, and that there are appropriate processes to protect and care for all individuals involved or affected. All allegations will be taken seriously.
- 16.5 In recognising that proactive integrity cannot be reduced to a mere checklist, the board will use its best efforts to model servant leadership, and to exhibit the Fruit of the Spirit in all aspects of organisational leadership.