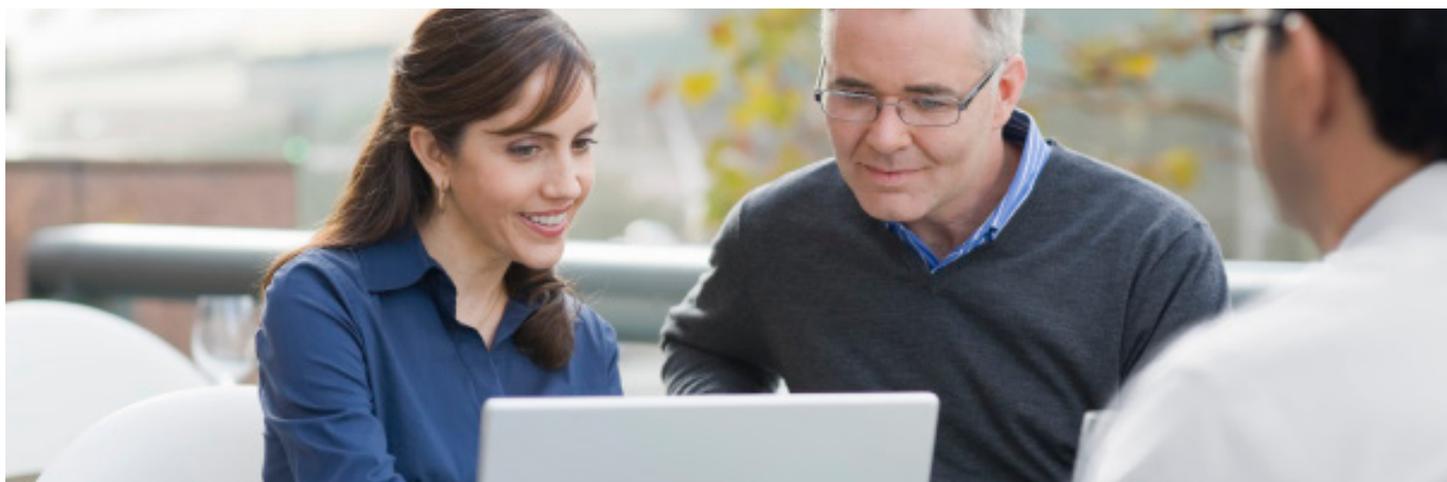




NOT FOR PROFIT DUE DILIGENCE

Checklist for Board members



Checklist for Board Members

Every person that is invited to sit on a Board owes it to themselves to ask some hard questions as to their suitability and capability of accepting that Board position. Below is a suggested checklist of questions a person may consider before accepting an appointment. This has been divided into various heading appropriate to the person and the organisation.

PERSONAL INTEREST

QUESTIONS	Y/N/NA	COMMENTS
1. Do I have a real interest in the services offered by this organisation?		
2. Can I make a difference to this organisation?		
3. Do I have the time to commit to this role?		
4. Do I have the necessary skills?		
5. Do I have experience in this type of organisation?		
6. Is there likely to be a conflict of interest with any other organisations I work with?		

UNDERSTANDING THE ORGANISATION

QUESTIONS	Y/N/NA	COMMENTS
1. Obtain copy of the founding document of the organisation, being its Trust Deed, Rules, Foundation Document or Certificate of Incorporation.		
2. Is there a strategic plan? When was it last reviewed?		
3. Thoroughly read and understand all of these documents.		
4. When was the constitution last reviewed? a. In the last year b. 1-5 years ago c. 6-10 years ago d. More than 10 years ago		
5. Does a strategic risk profile exist for the organisation or, if it doesn't, seek the views of the Chair and the Executive as to the perceived risks of the Organisation.		
6. Review key contracts impacting the organisation, whether they be on the funding or outsourced service side, and ensure you have a good understanding of conditions, agreed service levels and financial commitments.		



THE BOARD

Identify who is on the Board and how long they have been on the Board.

QUESTIONS	Y/N/NA	COMMENTS
1. Do a search on each Board member to identify what is known about them in the external world.		
2. Check with current people within your networks if they know and recommend any of the current Board members.		
3. Request an opportunity to attend at least one, preferably two, Board meetings as an observer to see the interactions of Board members with the Chair and CEO.		
4. Meet with the Chair on a one on one basis to identify your ability to work with that person.		
5. Request and review the last twelve months of Board minutes.		
6. Identify if there are any sub committees of the Board and what roles you can play in those.		
7. Enquire about the adequacy and timeliness of Board papers.		
8. If possible, meet with the CEO and try and assess the competence of that person.		
9. Request copies of all the policies and procedures of the organisation and briefly look at the appropriateness of these. In particular look at: <ul style="list-style-type: none"> a. Board role description/Terms b. Board code of conduct and good practice c. Conflicts of Interest policy d. Board member induction policy e. Chairperson role description f. Board/Director Professional development policy g. Annual Board Effectiveness Evaluation Policy h. CEO Delegation policy 		
10. Identify if there is a mandatory stand down period after a certain time, e.g. some Trust Deeds allow Trustees to only have a maximum of six years as Trustee.		
11. Identify what succession planning there is for the Chairperson and for yourself. Are you likely to become a lifer?		



FINANCIAL POSITION

QUESTIONS	Y/N/NA	COMMENTS
1. Ascertain whether the Financial Statements are audited. If so, request a copy of the last Management Report from the auditors. Review audited financial statements.		
2. If available, request a copy of the current year budget and cashflow forecast.		
3. Enquire as to the key funding streams of the organisation. Are they subject to regular contestability, or are they reliant on one significant at risk funding stream.		
4. By enquiry, ascertain that the organisation can pay its bills as they fall due.		
5. Identify if the organisation has a "buffer" reserve and how many months of operation that would cover.		
6. Identify who the key funders are of the organisation.		
7. Is there an audit and risk committee and how often do they meet? Has the audit and risk committee expressed any concerns to the board about financial matters?		
8. Is there an investment policy?		
9. Is the organisation heavily reliant on employed staff or volunteers? Consider how it would manage service delivery and employment cost if funding was lost or compromised.		



TRUSTEE LIABILITY INSURANCE

QUESTIONS	Y/N/NA	COMMENTS
1. Ascertain whether the organisation has Board or Trustee liability insurance.		
2. Ascertain how this is paid.		
3. Identify whether the level of cover is appropriate.		

LEGISLATIVE COMPLIANCE

QUESTIONS	Y/N/NA	COMMENTS
1. By reviewing the Board papers, identify if there are any non compliance issues.		
2. Specifically look at Health & Safety policies and ascertain if there are any breaches.		
3. By enquiry, ensure that all tax filing is current (e.g. PAYE, GST etc).		
4. Is there any likelihood of becoming personally liable for the activities of this organisation?		



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