

# Can Boards Avoid Dealing with Management Issues?

Yes. Boards can avoid dealing with management issues if they follow 10 key steps:

1. In each of the following areas, determine how the board's role differs from the CEO's role:

- Mandate;
- Lines of Business;
- Policies;
- Fiscal Management;
- Planning;
- Risk Management;
- Representation; and
- Accountability.

2. Ensure the board sets the agenda for its meetings.

3. Determine which items on the agenda require a DECISION by the board.

4. Determine which items on the agenda require the board to provide ADVICE to the CEO or other executive personnel who report to the board. Remember when you give advice, other sources may have been approached as well. Therefore, do not be disappointed if your advice is not followed.

5. Determine which items on the agenda are there for INFORMATION purposes. The board could debate them for hours but it may not affect the issue. The board may not be in a position to influence or control how the issue is being handled or implemented.

6. Place the highest priority on the items which relate directly to your governance role.

7. Determine which of the INFORMATION or the ADVICE items should receive the next highest level of priority. That process may depend on whether the issue relates directly to the well-being of those the board represents; the policies of the legal owners of the organization; and/or the risks for the entity.

8. View issues from the perspectives of the clients, the moral owners, the legal owners, the CEO, special interest groups, partners, governments, the personnel, those who would benefit from the decision, and those individuals who would be marginalized by the board's decision.

9. When considering items being brought forth by a committee, question whether the topic refers to a governance or management issue. Ensure committees bring forth options and the pros and cons of each option rather than recommendations.

10. Agree to make decisions on governance issues only.