actionaid

GOVERNANCE IN ACTION!

Handbook

Governance in Action!
Handbook

June 2014

Governance Handbook

WELCOME!

The purpose of this handbook is very simple. It is meant to help you govern more effectively (if you're a Board or Assembly members) or support the governance structures more effectively (if you are a staff person).

Good governance practice is not an end in itself. Good governance practice in AAI is all about contributing to more participatory and impactful programmes that in turn lead us towards achieving our mission. This requires our governance practice to be intentional and focused.

The eight governance standards outlined in this handbook are meant to help all of us be intentional and focused in our governance practice by ensuring that our Governing Bodies meet their fiduciary responsibilities and provide strategic leadership together with the management of the organisation. There is no magic formula. There is no one tool that will fit our different contexts. Only understanding our specific contexts, deep thinking, careful planning and passion for our mission can get us to that point and

learning from each other. Our hope through this handbook is to ensure that you have all the necessary tools and techniques to help you effectively govern.

Good governance should be a learning journey. As a Board member, you should during your time with ActionAid be learning and enriching yourself in the same way that your contributions should enrich ActionAid. Some of the tools in this handbook will hopefully make this learning a little easier, facilitate effective contributions and give you some pointers on how to focus your governance. The Handbook is a living document and we will be updating the tools as required.

The world we want to change for the better, and the people with whom we side in this struggle are never far away. They are in fact just outside the door to the boardroom. So let us keep that door open and constantly remind ourselves that there is a purpose to our meetings and discussions. Let that purpose infuse our agendas and ensure that we govern well together to maximise the impact of our actions. That is Governance in Action.

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INTRODUCTION TO ACTIONAID INTERNATIONAL

What is the purpose of this handbook?

This Governance in Action handbook has been prepared to help members of ActionAid governing bodies all over the world play their roles more effectively. It is meant to help you govern effectively, by beginning with a solid understanding of the following:

- What ActionAid is, what it does, and what it stands for.

- How ActionAid international and national level governance are structured, what the roles are, and how they relate to each other.

- What your role as an individual member of an ActionAid governing body (i.e. National Board, General Assembly) is, and what the collective role of your governing body is.

- How you can play an effective governance role both as an individual and as a member of a collective.

To accomplish this, the *Governance in Action* handbook sets out eight governance standards, capturing the essence of good institutional governance. The handbook provides practical guidance for how these standards can be met in a variety of contexts. Every standard cannot be fulfilled in the same way in every context. However, in any context, the standards should provide a clear direction in which governing bodies can move. The *Governance in Action* handbook complements – and does not replace –ActionAid's Constitution[1], Governance Manual[2] and other regulations.

What is ActionAid International?

ActionAid International (AAI) is an international non-governmental organization (INGO) working in more than 45 countries around the world toward a world free of poverty and injustice. Founded in 1972 in the United Kingdom, the organization has evolved to become an international federation called ActionAid International (AAI) with an International Secretariat based in Johannesburg, South Africa.

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[1] ActionAid International's Constitution can be found at
http://www.actionaidusa.org/sites/files/actionaid/constitution.pdf
[2] ActionAid International's *Governance Manual* can be found at
http://www.actionaidusa.org/sites/files/actionaid/good_practices_for_action_aid_governance-
 _governance_manual.pdf

AAI advances a Human Rights-Based Approach (HRBA) to combating poverty and injustice. That staunch commitment to human rights should be reflected in everything the organization does – from how it designs and implements community-based programs to how its governing bodies operate and whose voices are represented in its governing bodies. There are eight HRBA principles[3] that inform all of AAI's work, including its governance. These principles are:

1. Putting the active agency of people living in poverty first – and building their awareness of rights.

2. Analyzing and confronting unequal and unjust power.

3. Advancing women's rights.

4. Building partnerships.

5. Being accountable and transparent.

6. Monitoring, evaluating and evidencing our impact, and promoting learning.

7. Linking work across levels to ensure we address structural change.

8. Being solutions-oriented and promoting credible and sustainable alternatives.

As a member of an ActionAid governance body, you are an important steward, ambassador and guarantor of ActionAid's commitment to human rights. That means incorporating these principles into governance discussions and decisions, and doing your part to ensure that ActionAid always tries to live up to these principles.

How is ActionAid International structured and governed?

AAI is structured and governed as a democratic federation. This particular institutional design is both a *vehicle that embodies* AAI's vision, mission and values, and an *engine that advances* that vision, mission and values. This particular way of working (and governing) is a deliberate choice that AAI believes will enable deeper organizational impact and greater consistency with HRBA. Although AAI's democratic federation is still a work in progress, it is the treasured outcome of a process of internationalization (described below) that distinguishes AAI from many other INGOs.

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[3] The HRBA principles can be found in *Peoples' Actions in Practice, ActionAid's Human Rights-Based Approach 2.0*, 2012, Page 19. http://www.actionaidusa.org/sites/files/actionaid/hrba_2_-peoples_action_in_practice_final_20_07_2012.pdf

Why a federation?

ActionAid chose a federal structure because of several perceived features: equality among members, relatively easy accommodation of new members, and cohesion and alignment among diverse members for greater impact. In a federation, members (national level) join with the understanding that they cede some of their power to the international level for the greater good of the entire federation. The premise is that all parts of the federation are interdependent and, thus, must be mutually accountable to one another. What does this mean for you? It means you are not just a "citizen" of the ActionAid member you represent, but rather a "dual citizen" of the ActionAid member and of the broader AAI federation. Your actions (and inactions) will have consequences at the national level – and at the international level as well!
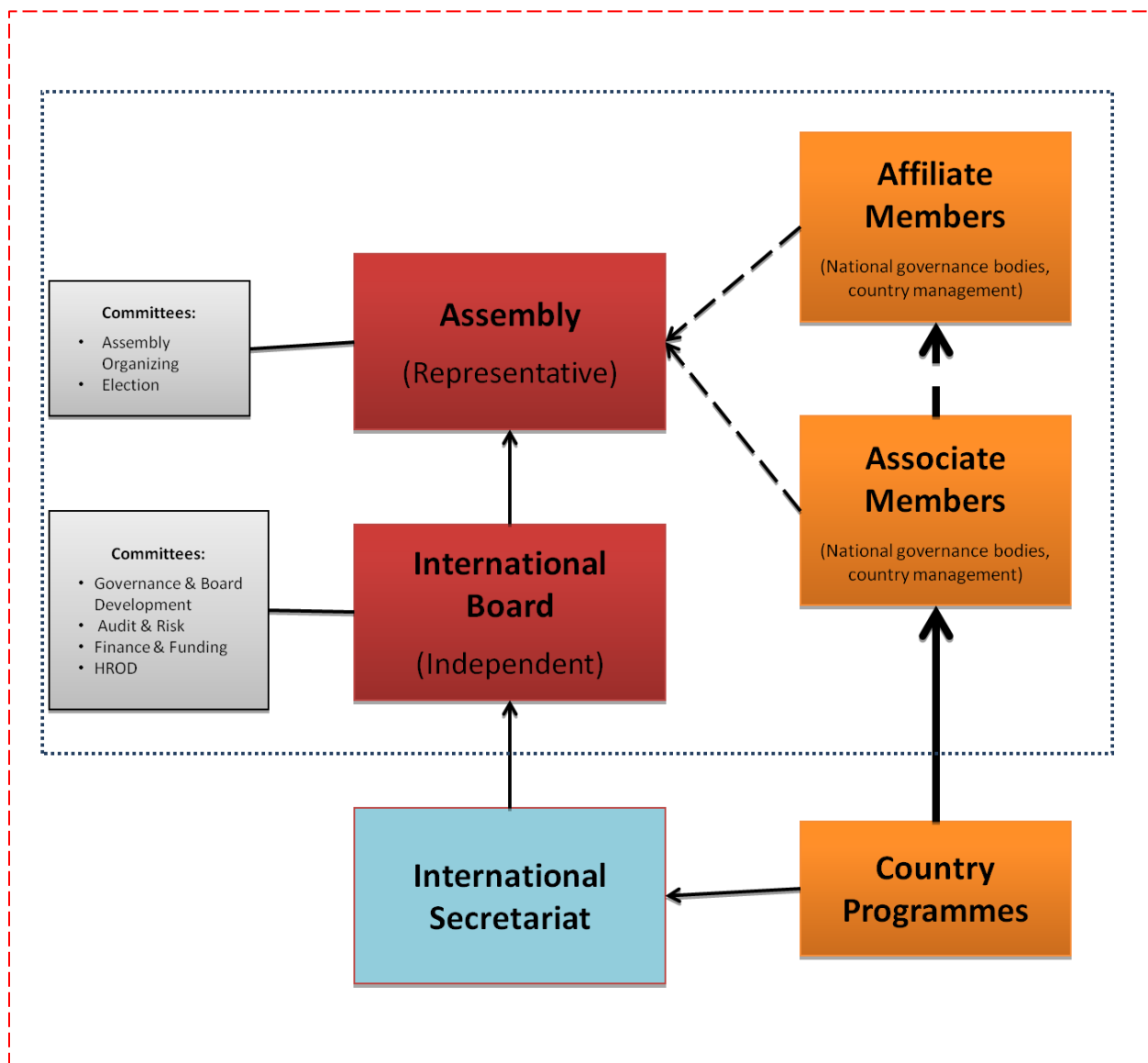
What does "democratic" mean?

"Democratic" means that AAI values equality, diversity and inclusion. All members of AAI are considered equal in that each makes a contribution to AAI's mission in its own way. Being a large fundraising member does not give a member more power in the federation. AAI values all aspects of diversity, especially related to meaningful representation of people of all backgrounds, genders and areas of expertise. Diversity of thought and experience, and leveraging the value of diversity through an inclusive approach, are particularly important to effective governance.

AAI is distinctive for its two-tier (General Assenbly and Board) governance system at the international level as well as the national level. At the international level, ActionAid is governed by an Assembly representing all members (meets annually) and an International Board (meets three or four times a year). The International Secretariat is the overall management structure of AAI and is headed by the AAI Chief Executive. At the national level, most members have National Boards and General Assemblies. In members, the Country Director (sometimes also referred to as Executive Director, Secretary-General or Chief Executive) heads the management structure, and reports to his/her own National Board.

Apart from members, AAI also has pre-members consisting of a number of Country Programs (previously foreign branches of AAUK or AAI) and New Joining Organisations, which report to the International Secretariat via their respective Country Coordination cluster (a variant of regional management).

Associate members and Affiliate members

There are currently two categories of ActionAid members: *Associate members* and *Affiliate members*. When they first join AAI as members (entering from outside of the ActionAid family or transitioning from having been an ActionAid Country Program), organizations receive the status of Associate members. This is a transitional stage in which these new members can engage as stakeholders in AAI and develop the systems, policies and practices that are required to obtain Affiliate member status. Associate members have one vote in the AAI Assembly, and Affiliate members have two votes in the Assembly.

Committees:
- Assembly Organizing
- Election

Assembly

(Representative)

Affiliate Members

(National governance bodies, country management)

Committees:
- Governance & Board Development
- Audit & Risk
- Finance & Funding
- HROD

International Board

(Independent)

Associate Members

(National governance bodies, country management)

International Secretariat

Country Programmes

The above diagram, particularly the upper portion of it (bounded by the *dotted-line rectangle*), describes AAI's governance structure. The *solid-line arrows* illustrate the direction of accountability (i.e. the International Secretariat accounts to the International Board, the International Board accounts to the Assembly, Country Programs account to the International Secretariat). The *dashed-line arrows* indicate that delegates from Affiliate members and Associate members are sent to the Assembly and make up the Assembly. The *thick arrows* on the right-hand side signify a progression over time: Country Programs transition into Associate members, and Associate members transition into Affiliate members over time. The respective committees of the Assembly and International Board are also listed. The Assembly Organizing Committee and the Elections Committee are the two committees of the Assembly. The International Board's four committees (Governance & Board Development Committee, Audit & Risk Committee, Finance & Funding Committee, and Human Resources & Organizational Development Committee) reflect themes around which National Boards also typically organize committees.

The roles of and interplay among the various governance bodies (international and national) and the governance-management interface comprise AAI's overall governance model. Leadership sits in a variety of spaces within the AAI structure, making *shared leadership* an essential ingredient of accountability and good governance.

What is Internationalization?

With the adoption of a Human Rights-Based Approach to advancing ActionAid's work, in the late 1990s, a heated discussion animated the organization about how it needed to "walk the talk." At the time, ActionAid was a British organization with Country Programs funded by a handful of sister organizations in the "north." ActionAid looked in the mirror and confronted the reality that, like many other INGOs, it was largely a northern-dominated organization – and that such an organization would be increasingly limited in how it could address root causes of poverty and injustice. Internationalization was the process that ActionAid undertook to transform itself into a truly global organization that:

- Had a democratic system of power-sharing

- Was more accountable and legitimate in developing countries

- Had increased profile and influence in the policy arena

- Was more efficient and coordinated

Internationalization, from the outset, was not just a structural transformation, but also *a political shift that sought to change where power and control resided in the organization*. These two paragraphs in ActionAid International's current Constitution capture the spirit and philosophy of internationalization:

> **"The origin of ActionAid International's commitment to transforming the ActionAid Alliance into an international organization, governed and managed with vision and leadership and made up of people from the north and the south, can be found in the recognition that in our fight against poverty, we can have greater impact when we are able to act together, in coalition and partnership with others, at all levels from local to national to global.**
>
> **The structures that reinforce inequity, injustice and poverty are all closely intertwined across geographical and cultural boundaries. Traditionally funded by goodwill from the north, NGO development projects, whilst producing positive outcomes at local levels, are certainly not sufficient to eradicate poverty and often are not sustainable. They have not been able to change the overall pattern of massive and increasing poverty and inequity. The solution lies in a global movement, led by poor and marginalized people, for action against poverty that cuts across national and south-north boundaries. The founding of ActionAid International is our participation in, and contribution to, such a movement."**

In 2003, when the process of internationalization was formalized, AAI was made up of six founding members. A deliberate effort was made to separate AAI from ActionAid UK (the founding organization). AAI was registered in the Netherlands and, after consideration of several cities, the International Secretariat[4] was based in Johannesburg, South Africa to symbolize ActionAid's commitment to rooting itself in the global south. The AAI federation is currently made up of 26 members in the following countries:

Australia	Mozambique
Bangladesh	Nepal
Brazil	Netherlands
Denmark	Nigeria
France	Sierra Leone
Greece	Sweden
Ghana	Tanzania
Guatemala	Thailand
India	The Gambia
Ireland	Uganda
Italy	United Kingdom
Kenya	United States
Malawi	Zambia

AAI's members are the heart of the organization and, through their voice and action in the Assembly, they collectively govern the AAI federation.

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[4] AAI has a multi-locational headquarters, with International Secretariat staff in Johannesburg and London, as well as Nairobi, Brussels, Bangkok and Rio de Janeiro.

Governance at the National Level

This handbook has been produced to inform and guide good governance within AAI members. One of the most distinctive features of ActionAid's governance is that, in many countries, AAI members have two-tier governance: a *General Assembly* (which seeks to represent the diverse stakeholders to whom ActionAid is accountable) and a *National Board* (a smaller body that works closely with the Executive Director and Senior Management Team on the ongoing governance of the organization).

In AAI members that have a two-tier governance arrangement, the National Board is accountable to the General Assembly. There are three specific purposes of General Assemblies that relate to what internationalization sought to accomplish:

- To deepen legitimacy and rootedness by giving a diversity of ActionAid's stakeholder overarching governance authority at the national level

- To enhance accountability by making the National Board accountable to the General Assembly (preventing self-perpetuating Boards)

- To build governance capacity and enhance Board succession by building a pool of diverse candidates familiar with ActionAid (who can stand for election to the National Board)

In AAI members that do not have a General Assembly, the practice of the National Board (and supporting systems and processes) should be able to fulfill the above purposes.

Because the two-tier governance is the desired governance arrangement for AAI, this handbook assumes a two-tier structure. Where General Assemblies do not exist, this handbook will still be useful, because it will underscore the legitimacy, accountability and capacity dimensions that need to be addressed by the National Board and supporting systems and processes.

Board Committees

Typically, National Boards will appoint committees to monitor and advance specific areas or functions of governance that require ongoing focus. Governance and Board Development Committees, Finance & Funding Committees, and Audit & Risk Committees are standing committees often found in various AAI members. These committees serve in an advisory capacity, acting on behalf of the larger National Board and recommending decisions/actions to be made by the National Board. Committees are chaired by a Board member who leads the work of the committee, and these Committee Chairs report back to the full Board on the work of each committee. In addition to standing committees, National Boards can also appoint committees with more narrow, time-bound mandates.

AAI Representatives

Unless national laws prohibit non-nationals from serving on Boards of national NGOs, each AAI member has an AAI representative (a Board/Assembly member or senior staffer of another AAI member or the International Secretariat) serving on their National Board. This is a deliberate federation-wide strategy to develop connections among various AAI members, share learning and experience, and foster a culture of dual citizenship. AAI representatives are full members of the National Boards on which they serve and should be well integrated into the life and work of the National Board.

Useful tools:

Prezi Presentation on Internationalization

GOVERNANCE STANDARDS

There are eight governance standards that capture the essence of *what* roles governing bodies (and the individuals who serve on them) should play in ActionAid[5], and *how* they should play those roles. Especially when governing bodies are newly established, these standards may be difficult to meet in their entirety. However, in all cases, governing bodies and their members (in partnership with senior management) should be deliberately working toward putting these standards into practice. With these standards as your guide, you will be able to govern more effectively and thoughtfully, and also enjoy and learn from your experience with ActionAid more fully.

<u>What</u> governing bodies do…

1. Governing bodies focus ActionAid on its vision, mission, values and impact

2. Governing bodies inform and approve ActionAid's strategy, policy and budgets

3. Governing bodies monitor ActionAid's performance, manage risk and provide effective oversight

4. Members of governing bodies represent ActionAid, and support resource mobilization, advocacy and partnership building

5. Governing bodies choose, manage, support, guide and challenge the Executive Director

6. Governing bodies ensure their own cohesion, review and renewal

<u>How</u> governing bodies do what they do…

1. Governing bodies are accountable, transparent, inclusive and ethical

2. Governing bodies embrace interdependence within AAI, and act in ways that reinforce mutual accountability

The powers, duties and functions of National Boards and General Assemblies are set out in each ActionAid member's Constitution, Governance Manual, and associated codes and policies. Those documents articulate the "rules" with respect to governing bodies. The standards in this handbook set out what good governance

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[5] Since this handbook has been written to serve and guide governance bodies at the national level, when "ActionAid" is used, it refers to the AAI member at the national level. When "AAI" is used, it refers to the ActionAid federation (the global organization).

looks like in practice, and are meant to provide a guidepost for continuous improvement of governance practice.

This handbook explores each of these standards in a practical way.

- What do they look like in action? What do they mean for you, as a member of an ActionAid governing body?

- What are some illustrative examples of how governing bodies are putting these standards into action already?

- What are some simple tools you can use to make the work of your governing body more effective and rewarding?

This handbook aims to provide some practical answers!

STANDARD 1:

GOVERNING BODIES FOCUS ACTIONAID ON ITS VISION, MISSION, VALUES AND IMPACT

What does this mean in practice?

Governing bodies are stewards of ActionAid's vision, mission and values at the highest levels. This means you must genuinely believe in and be passionate about the vision, mission and values, and inspire others around you (both inside and outside ActionAid) to do the same. You must also have a strong understanding of ActionAid's Human Rights Based Approach (HRBA) and its implications for governance.

Vision

A world without poverty and injustice in which every person enjoys their right to a life with dignity.

Mission

To work with poor and excluded people to eradicate poverty and injustice.

" I'LL BE BRIEF..."
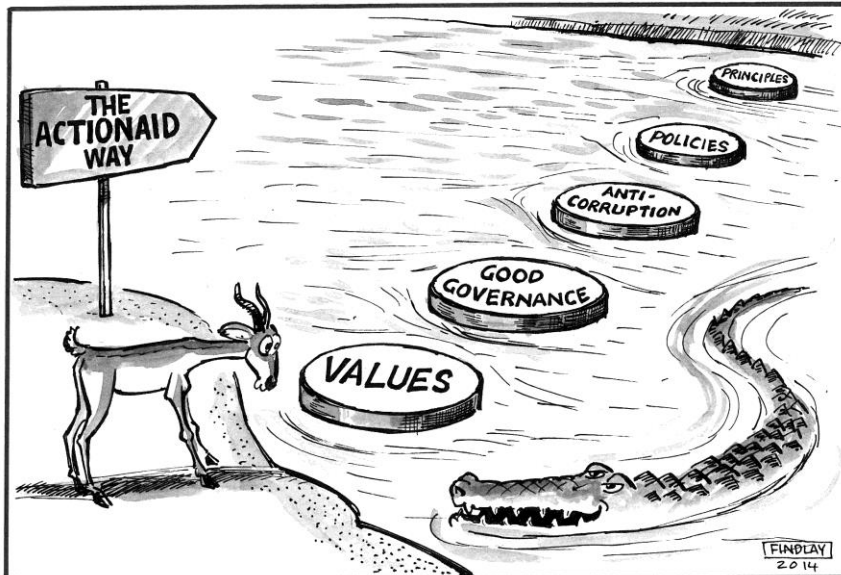
" HOP ON MY BACK AND I'LL GET YOU TO YOUR DESTINATION!"

Values

- Mutual Respect
- Equity and Justice
- Honesty and Transparency
- Solidarity with the Poor, Powerless and Excluded
- Courage of Conviction
- Independence
- Humility

In the course of your service on an ActionAid governing body, you will encounter a flow of interesting and challenging matters on the governing body's meeting agendas – and discussions may get deep into the details of these matters and the relationships surrounding them. It is your duty to be guided (and provide guidance to others) by the direction and inspiration provided by ActionAid's vision, mission and values. Always keep in mind fundamental questions like these, and ask them out loud!

- What does ActionAid's vision guide us to do?

- How does this advance (or threaten) ActionAid's mission?

- How do we act in accordance with ActionAid's values?

ActionAid's work is made possible by the thousands of supporters, donors, activists and allies who put their trust in the organization's ability to have a positive impact on eradicating poverty and injustice. As a member of a governing body, you are responsible for keeping the organization and its staff focused on **impact**. It is easy to get lost in the complexities of developing and implementing policies, budgets, plans, initiatives, strategies and guidelines. At the same time, it is difficult to accurately and meaningfully measure impact. This should not prevent governing bodies from maintaining a constant focus on impact, challenging staff to find optimal ways to assess and report on the impact of the organization's investments, and holding the organization accountable for its promises with respect to impact.

The Value of Good Questions

General Assemblies and National Boards are essential sources of leadership and external perspective for ActionAid. One of the ways you bring value to the organization is by asking good questions – to challenge assumptions, to foster deeper inquiry, to stimulate more lively debate, to explore root causes, to help make sense of complex information, and to uncover new insights.

"I KNOW I'M NEW AROUND HERE, BUT I HAVE SOME INFORMATION THAT YOU MIGHT FIND VALUABLE. "

Most often, the best questions are simple, honest, open questions that do not necessarily have a right or wrong answer. Rather, good questions illuminate an issue so that it can be understood more deeply, providing a more solid basis for a collective decision.

If you serve on the General Assembly, this means:

- Providing input and asking questions at General Assembly meetings to focus on whether (and how) ActionAid is having a positive impact in terms of advancing its vision, mission and values.

- Enabling the views of poor and excluded people to inform the General Assembly's discussions.

- Holding the National Board accountable for effectively advancing ActionAid's vision, mission and values, and generating positive impact.

If you serve on the National Board, this means:

- Supporting and guiding the Executive Director[6] and Senior Management Team with the central focus on vision, mission and values.

- Holding the National Director and senior management team accountable for effectively advancing ActionAid's vision, mission and values, and generating positive impact.

- Being accountable to the General Assembly for effectively advancing ActionAid's vision, mission and values, and generating positive impact.

If you are part of ActionAid's management, this means:

- Ensuring that the General Assembly and National Board have the information and orientation they require to effectively steward ActionAid's vision, mission and values.

- Developing metrics and methods to assess ActionAid's impact, and incorporating them effectively into meeting materials and updates shared with the General Assembly and National Board.

- Being guided by the input and questions of the Board with respect to vision, mission, values and impact.

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[6] Titles can vary across ActionAid members, depending on what the norm is in a given national context of NGOs, nonprofit organizations or charities. In some ActionAid members, the Executive Director might be referred to as National Director, Country Director or Chief Executive.

Competencies Required

- Strong understanding of ActionAid's vision, mission, strategy, theory of change and HRBA.

- Deep commitment to and passion for ActionAid's values.

- Ability to inspire others (internal and external to ActionAid) to live up to ActionAid's vision and values.

- Ability to reflect on complex information and frame generative questions that focus others on essential insights, problems or opportunities.

## Useful Tools (in Annexes)

- ➢ Consent Agenda (Annex 1)

- ➢ A guide for management reporting to the National Board (Annex 6 + Board Scorecard)

- ➢ Contrasting set of questions (Oversight vs Insight)

- ➢ Description of Governance Retreat/ Away Day

STANDARD 2:

GOVERNING BODIES INFORM AND APPROVE ACTIONAID'S STRATEGY, POLICY AND BUDGETS

What does this mean in practice?

Each ActionAid member develops a Country Strategy Paper (CSP) and an annual plan and budget that are both aligned with the AAI global strategy *People's Action to End Poverty 2012-2017*[7] and grounded in the specific country context. The Executive Director and Senior Management Team lead the process of developing these documents, and specific policies and guidelines to ensure the quality and integrity of ActionAid's work. The General Assembly and National Board is responsible for providing essential input into and approving the final versions of these products.
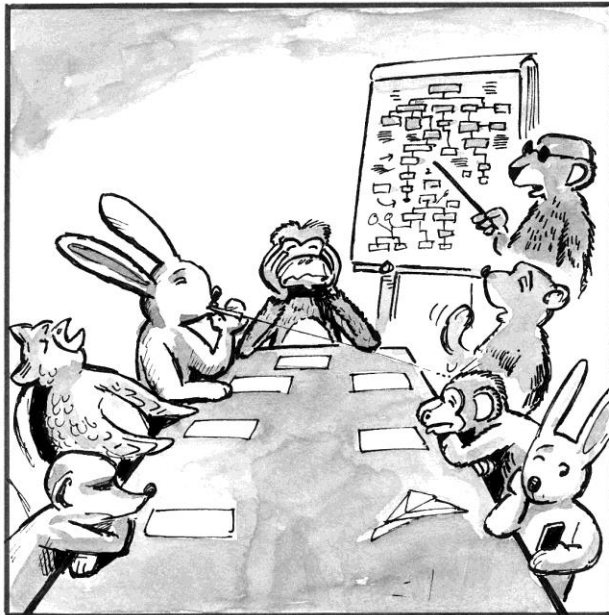
THE BORED MEETING   THE BOARD MEETING

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[7] ActionAid's current global strategy can be found at http://www.actionaidusa.org/publications/peoples-action-end-poverty

You do not have to be an expert on HRBA or budgeting to play your governance role effectively. Your responsibility is to provide a higher-level perspective into the process of strategy, policy and budget development, and to approve strategies, policies and budgets that will most effectively advance ActionAid's vision, mission, values and impact. This is best done by working in partnership with the Executive Director and Senior Management Team: supporting and guiding the staff involved, while allowing them the space to do their work and also holding them accountable for producing high-quality strategy, policies and budgets. At various stages of the process, you can ask:

- Is the CSP based on a sound contextual analysis that is grounded in the perspectives and experiences of poor and excluded people?

- Will the articulated priorities combined with ActionAid's capacity and competence lead to significant impact?

- Are the choices made in the CSP consistent with ActionAid's vision, mission, values and HRBA principles?

- Are the choices made in the CSP aligned with AAI's global strategy?

- Does the budget enable the effective execution of the CSP?

- Are the CSP and budget oriented to the future?

- Are proposed policies consistent with ActionAid's values, and will they help advance ActionAid's vision and mission?

- Do the CSP, policies and budget facilitate more effective governance and oversight?

Keep in mind that, because AAI is a global federation and members make up the federation, CSPs and budgets are reviewed at the international level as well. This makes it possible for the International Secretariat to ascertain what types of support various ActionAid members require, and to ensure that the federation as a whole is acting and investing consistently with the global strategy.

If you serve on the General Assembly, this means:

- Providing input and insight into the development of the CSP, particularly bringing to bear the perspective and experiences of poor and excluded people. The external perspective and future orientation that the General Assembly can bring to this process is vital.

- Holding the National Board accountable for providing guidance and oversight into the process of strategy, policy and budget development.

If you serve on the National Board, this means:

- Providing input and insight into the development of the CSP and budget, working in close partnership with the Executive Director and Senior Management Team.

- Being accountable to the General Assembly for providing guidance and oversight into the process of strategy, policy and budget development.

If you are part of ActionAid's management, this means:

- Ensuring that General Assembly and National Board meetings are scheduled and sequenced in a way that provides members of both bodies to provide meaningful input into the strategy development process, particularly in the earliest stages. The timing should also align with review processes at the International Secretariat.

- Providing concise, well-framed analysis and information that can facilitate the General Assembly's and National Board's engagement in the strategy and budget development process, as well as the policy formulation process.

Competencies Required

- Ability to bring external perspective and future orientation to strategy and budget development processes.

- Sensitivity to the AAI framework – international and national – within which strategy, policy and budget development processes take place.

Useful Tools (in Annexes)

- ➤ Link to Policies Handbook

- ➤ Steps to planning and budgeting

STANDARD **3**:

GOVERNING BODIES MONITOR ACTIONAID'S PERFORMANCE, MANAGE RISK AND PROVIDE EFFECTIVE OVERSIGHT

What does this mean in practice?

As strategies and plans are implemented, and funds are raised and spent, governing bodies are responsible for monitoring ActionAid's performance against the goals it has set for itself and the commitments it has made to donors, supporters and other stakeholders. You are, as a collective, legally responsible for the conduct and performance of ActionAid in your country. This means you should pay particular attention to:
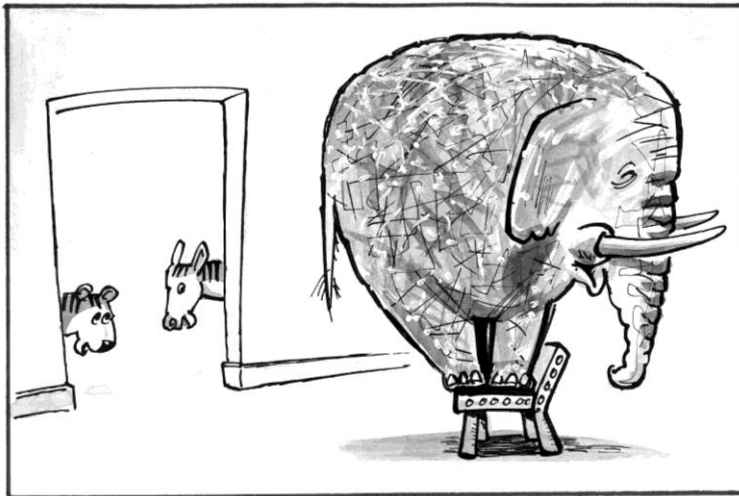
"WE NEEDED A STRONG CHAIR TO DEAL WITH THE ELEPHANT IN THE ROOM."

- **Impact** – are ActionAid's programs and campaigns having a positive impact with respect to advancing the vision and mission?

- **Money** – is ActionAid managing its funds wisely and ethically?

- **Risk** – is ActionAid aware of the risks it confronts programmatically, financially, reputationally and otherwise, and is it managing these risks wisely?

- **Values** – is ActionAid acting in accordance with its values?

- **Staff Safety** – is ActionAid effectively ensuring the safety and security of its staff?

Governing bodies are responsible for ensuring that ActionAid is in compliance with its own statutory documents (e.g. Constitution, Articles of Association), relevant laws and regulations in your country, and its obligations as a member of the AAI federation.
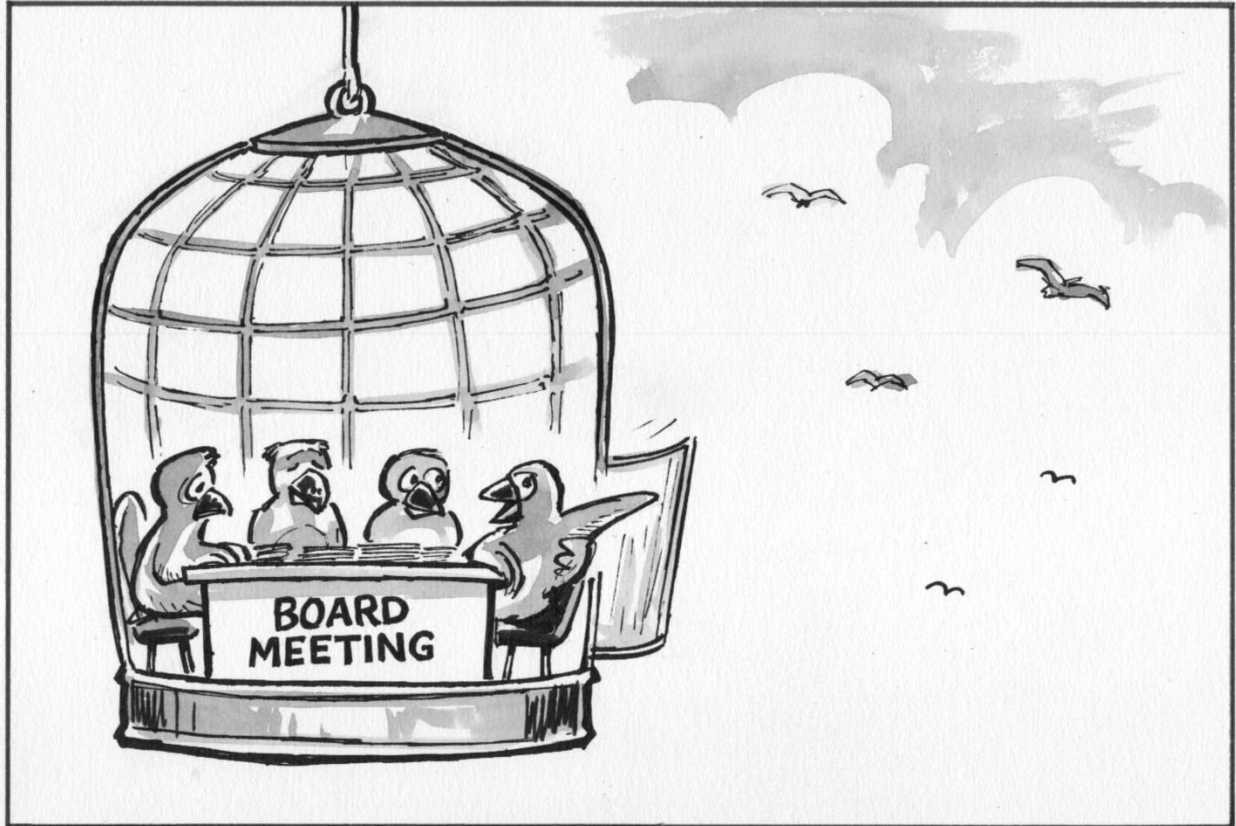
"SOMETIMES I WONDER IF WHAT WE'RE DOING IN HERE, IS IMPACTING ON WHAT'S HAPPENING OUT THERE."

If you serve on the General Assembly, this means:

- Reviewing ActionAid's performance and impact (against the CSP) on at least an annual basis, and providing feedback on where change is needed, particularly bringing to bear the perspective and experiences of poor and excluded people.

- Holding the National Board accountable for effectively monitoring ActionAid's performance, managing risk and providing effective oversight.

If you serve on the National Board, this means:

- Regularly monitoring the implementation of ActionAid's CSP, requesting high-quality information that describes the organization's performance and impact.

- Regularly assessing ActionAid's financial health, with the purpose of achieving financial sustainability.

- Extensively reviewing annual financial audits of the organization.

- Providing the Executive Director and Senior Management Team with clear feedback on what is going well, and what problems/gaps need to be addressed (and within what timeframe).

- Asking questions and providing ideas that encourage staff to innovate, learn from mistakes, and focus on impact.

- Weighing strategic risks to programs, campaigns, brand, finances, legal standing, etc. (viewing risk from both the perspective of the ActionAid member and the AAI federation) and advise on risk management strategies and approaches.

> Detailed work on financial oversight and risk management is typically conducted by an Audit & Risk Committee on behalf of the full National Board. This committee works with relevant senior staff to understand and frame issues for the consideration of the National Board, often recommending or advising on decisions that must be made by the National Board.

If you are part of ActionAid's management, this means:

- Providing concise, well-framed, timely reports to the National Board (and less frequently to the General Assembly) to enable meaningful monitoring and oversight of ActionAid's performance and impact.

- Clarifying feedback received from the National Board and General Assembly, and acting on that feedback.

- Surfacing risks that ActionAid confronts (or will confront in the future) in a timely manner and engaging the National Board in weighing these risks and providing clear guidance on risk management.

Competencies Required

- Ability to review information and data, and draw insights about performance and impact.

- Ability to understand and weigh risks in a variety of spheres (e.g. programs, campaigns, brand, funding, legal) and advise on risk management strategies.

- Ability to set a reflective tone and create a "safe space" that enables learning and debate, and encourages staff to innovate.

Useful Tools

➢ Questions to guide sounds financial management (Annex 5)

➢ Finance checklist – good example of financial reporting

➢ Internal control framework

➢ How to make good use of external audits

➢ Role of internal audit

➢ How to read a balance sheet

➢ Key ratios to use

STANDARD 4:

GOVERNING BODIES REPRESENT ACTIONAID, AND SUPPORT RESOURCE MOBILIZATION, ADVOCACY AND PARTNERSHIPS

What does this mean in practice?
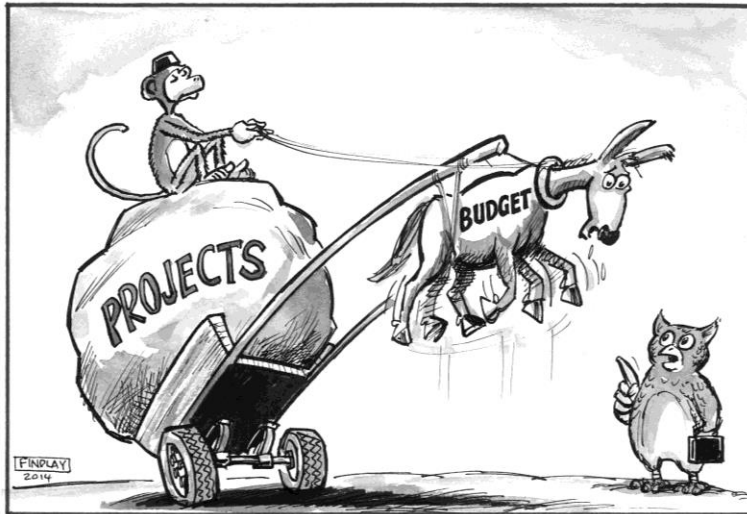
"I THINK THE SOLUTION IS STILL UP IN THE AIR."

Members of governing bodies are important ambassadors of ActionAid. You embody ActionAid's values and represent ActionAid's mission to partners, supporters, government authorities, media and the general public. In the other direction, you bring the experiences, insights and relationships from the broader world to ActionAid to inform its perspective and decisions. You can be a vital bridge between ActionAid and broader society in three specific areas:

- **Fundraising** – You can connect ActionAid with funding and other resources that it is not yet tapping, and use your relationships and political capital to open doors for the organization.

- **Advocacy** – You can advise ActionAid on opportunities to influence policy, mobilize particular constituencies or secure public attention, and use your own voice and credibility to articulate the organization's messages.

- **Partnerships** – You can provide a deeper, broader understanding of current and potential partnerships, and help ActionAid to be more strategic and value-added partner in your country.

ActionAid has professional staff who carry out the organization's fundraising, advocacy and partnership efforts. Both as an individual and as a member of a larger governance body, you can help these staff be more creative, more grounded and more effective. Your knowledge, voice, experience, insights, relationships, and personal credibility are valuable assets to ActionAid – in the meeting room and outside of it!

If you serve on the General Assembly, this means:

- Reflecting on ActionAid's strategy, posture and performance with respect to resource mobilization, advocacy and partnerships in your country, and providing advice and insight into how they can be improved (with a focus on bringing to bear the views and experiences of poor and excluded people).

- Leveraging your own relationships and political capital to open doors for ActionAid's resource mobilization, advocacy and partnerships.

- Holding the National Board accountable for effectively carrying out its role of representing ActionAid, and of supporting resource mobilization, advocacy and partnerships.

If you serve on the National Board, this means:

- Providing guidance to senior management on resource mobilization, advocacy and partnerships.

- Using your relationships and political capital on ActionAid's behalf to facilitate resource mobilization, advocacy and partnerships.

- Speaking on behalf of ActionAid in the public sphere and in the media, when requested by senior management.

> Some ActionAid members have Finance & Funding Committees that focus on questions related to resource mobilization on behalf of the full National Board. This committee works with relevant senior staff to understand and frame issues for the consideration of the National Board, often recommending or advising on decisions that must be made by the National Board.

If you are part of ActionAid's management, this means:

- Providing the General Assembly and National Board with timely, well-framed information on fundraising, advocacy and partnerships in order to proactively engage their advice, insights and relationships on ActionAid's behalf.

Competencies Required

- Understanding of ActionAid's needs, capabilities and ethos with respect to resource mobilization, advocacy and partnerships.

- Relationships with and nuanced understanding of potential funders, partners, policy targets and campaigning allies.

- Ability to understand ActionAid's messages and needs, and articulate them effectively in the public sphere.

- Ability to work productively with ActionAid staff working on fundraising, advocacy and partnerships – supporting and complementing their efforts, while respecting their professional roles.
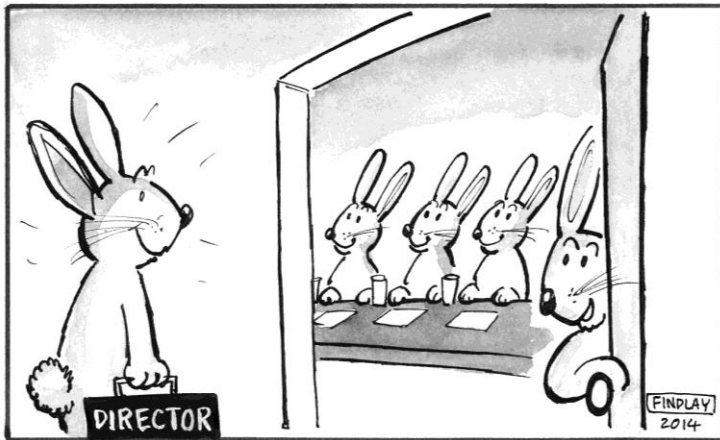
Useful Tools

➢ Examples of board and assembly members' engagement in fundraising, advocacy or partnerships

➢ Brazil's example on how a Board has worked with and been involved with fundraising

STANDARD 5:

GOVERNING BODIES APPOINT, EVALUATE AND SUPPORT THE EXECUTIVE DIRECTOR

What does this mean in practice?

"WELCOME TO YOUR DIALOGUE FOR DEVELOPMENT."

On a day-to-day basis, the Executive Director manages all of ActionAid's work in the country. The Executive Director supervises (through the Senior Management Team) the implementation of all of ActionAid's strategies, programs, campaigns and partnerships. Recruiting, guiding, evaluating and (if necessary) removing the Executive Director is one of the most important responsibilities of the National Board. Ensuring that the National Board is effectively fulfilling this responsibility is a critically important role of the General Assembly. The interdependence of these roles and responsibilities reflect the checks and balances that have been built into ActionAid's governance system in order to ensure integrity, accountability, legitimacy and high performance of the organization and its leaders.

A relationship of mutual respect and trust is an essential foundation for effective support and supervision of the Executive Director. Building a healthy, cooperative partnership requires time and effort on the part of the Board Chair and Executive Director, in particular. The governance-management partnership must be built on a clear understanding of the distinctive roles of governing bodies (i.e. General Assembly, National Board) and executive management (i.e. Executive Director, members of the Senior Management Team). You should understand and respect these distinctive roles, and help the Board Chair to play his/her role vis-à-vis the Executive Director.

The Governance-Management Relationship: Shared Leadership of ActionAid

The quality and integrity of the relationship between the National Board and the Executive Director, which establishes the climate for the broader governance-management relationship, is essential to ActionAid's effectiveness and success. Governing bodies and senior management have distinctive and interdependent roles in leading ActionAid. They must forge a partnership of *shared leadership* that is based on trust, communication and mutual respect. The National Board recruits and appoints the Executive Director to manage ActionAid and its programs. It must provide the Executive Director with the guidance and support to be successful, while respecting his/her space to engage in executive and operational management. The annual performance appraisal process is an important moment for reflecting on the Executive Director's performance (based on input from multiple sources) and providing candid, supportive feedback. In addition, the Board Chair and Executive Director must develop an open and supportive working relationship, such that the Executive Director can count on the Board Chair's advice and perspective on challenges that arise throughout the year. Performance feedback should be provided on a regular basis, so that the outcome of the annual performance appraisal does not come as a surprise.

If you serve on the General Assembly, this means:

- Providing support and input to the Executive Director and Senior Management Team (on issues ranging from the CSP to the organization's engagement in AAI federation processes), while respecting the National Board's role as supervisor of the Executive Director.

- Holding the National Board accountable for providing effective support and supervision to the Executive Director.

If you serve on the National Board, this means:

- Recruiting, appointing and establishing remuneration for the Executive Director – this includes identifying what competencies, experience and qualifications are required to perform the function of Executive Director of the organization.

- Providing ongoing support and guidance to the Executive Director – this is contingent on building a cooperative, mutually respectful working relationship with the Executive Director. This role is primarily played by the Board Chair on behalf of the National Board; it is important that the Board Chair dedicate

time on a regular basis for ongoing support and guidance to the Executive Director.

- Evaluating the performance of the Executive Director on an annual basis, and providing ongoing performance feedback.

- Dismissing the Executive Director, if necessary.

- Ensuring that the division of roles between governance and management are clear, and that management space is respected.

- Being accountable to the General Assembly for providing effective supervision, support, review and feedback to the Executive Director.

If you are part of ActionAid's management, this means:

- Building and maintaining a cooperative, mutually respectful relationship with the National Board – this is manifested in the relationship between the Board Chair and Executive Director.

- Sharing information and updates proactively with the National Board and General Assembly, identifying where problems may arise in a timely manner, and requesting the support and guidance that is needed.

- Building staff understanding of the role of the National Board and General Assembly, particularly in relation to supervising the Executive Director, and providing the space and access that the Board Chair and other Board members require to do so effectively.
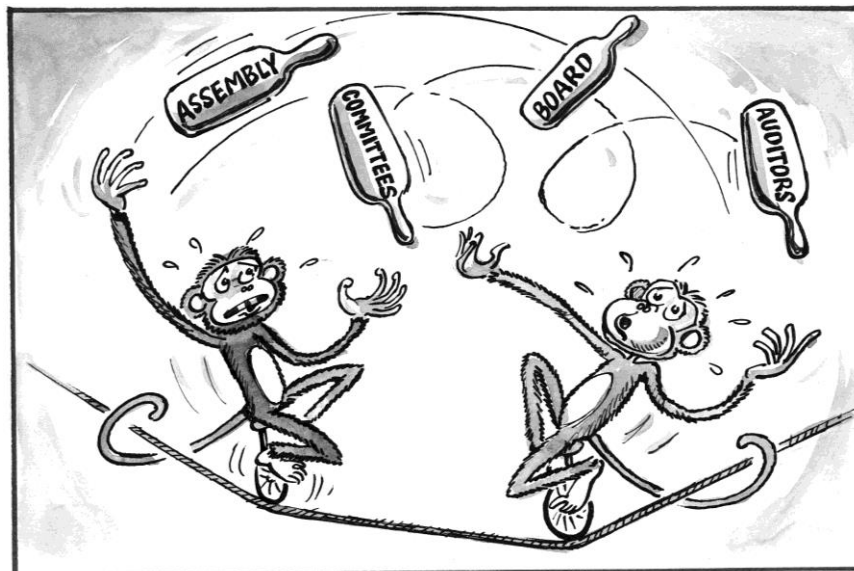
" WHICH ONE ARE WE GOING TO DROP ? "

Competencies Required

- Ability to communicate effectively and openly with the Executive Director and other staff – both to provide support and guidance, and to provide performance feedback.

- Ability to develop mutually respectful, cooperative relationships with the Executive Director and other staff.

- Discretion, sensitivity and openness to feedback from staff.

- Mediation, facilitation and conflict resolution skills.

Useful Tools

➢ ED performance evaluation – Tools from HR

➢ Sample ED job description?

➢ ED Perception of how to build a good relationship

➢ Description on support from ED to Board.

➢ Something to explain what relationship to COCO is – especially to explain how COCO is involved in performance management of Executive Directors

STANDARD 6:

GOVERNING BODIES ENSURE THEIR OWN COHESION, REVIEW AND RENEWAL

What does this mean in practice?

Members of governing bodies are, in essence, parts of *teams* that play crucially important roles in ActionAid – as governing bodies (e.g. General Assembly, National Board), as committees (e.g. Finance & Funding Committee, Governance & Board Development Committee), as team leaders (e.g. Board Chair, Assembly Convener, Committee Chair) and as team members (e.g. Assembly members, Board members, Committee members). It is important to make the time for Board and Assembly members to get to know each other's background, skills and experience, and build a positive rapport with one another. Especially for the National Board, it is essential to develop a cohesive team in which expectations of each member are clearly established and effective team processes/culture optimize Board members' time and contributions.
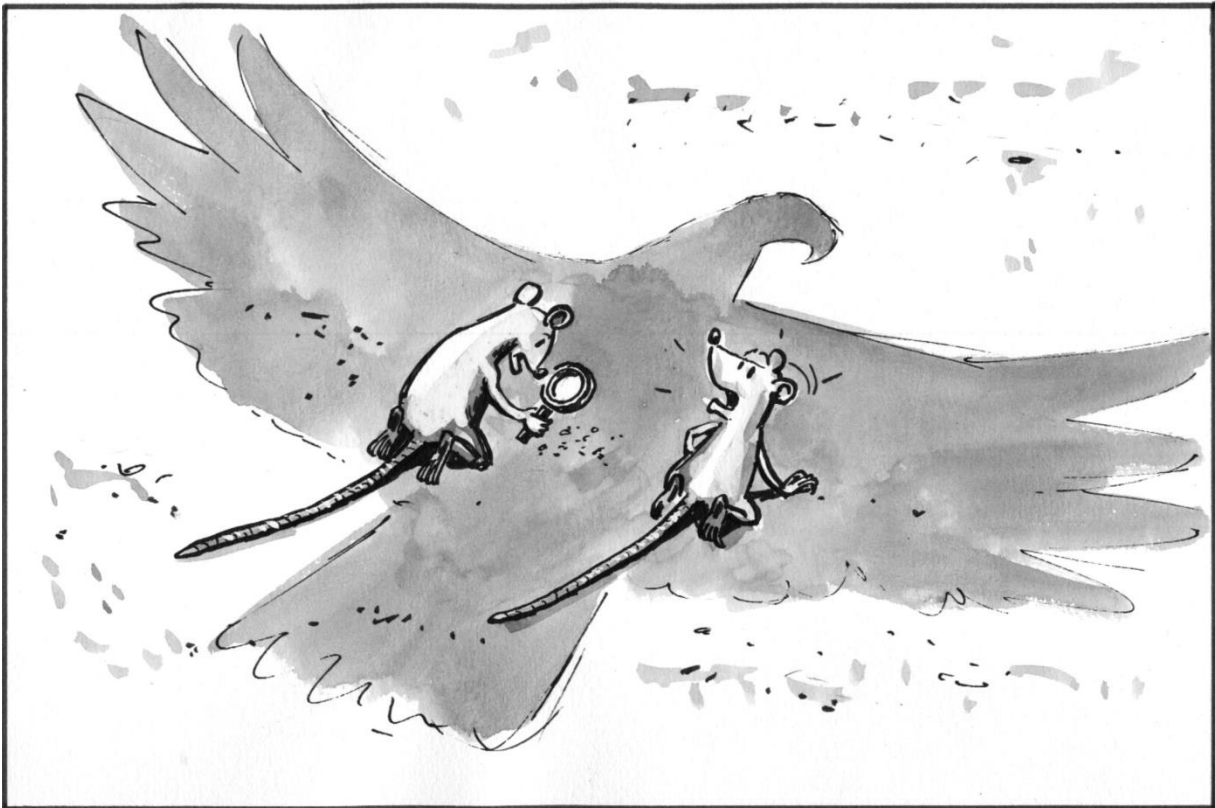
" I PREFER CONCENTRATING ON THE DETAIL, AND LET THE BIRDS-EYE VIEW LOOK AFTER ITSELF. "

ActionAid's governing bodies are expected to reflect the organization's commitment to accountability, excellence and diversity. There are two sets of processes that are especially important in this regard:

- First, processes for assessing the backgrounds and skills that are important to have on ActionAid governing bodies, and for recruiting suitable individuals to serve on General Assemblies and National Boards.

- Second, processes for reviewing and reflecting on how governing bodies function, how effective they are and what they can do to improve their collective and individual contributions.

These processes are conducted in a spirit of honest reflection, continuous learning and improvement of governance practice. Over the years, ActionAid has developed several processes to support the effectiveness of governing bodies. These processes should be tailored to each ActionAid member's context.

- Skills audit of National Boards and General Assemblies – these audits should be conducted annually.

- Governance review – these reviews should be conducted at least every three years and include a peer review component.

- National Board self-review and reflection – this should be conducted annually by the National Board and outcomes should be reviewed by the General Assembly.

- Board Chair review – this should be conducted annually as a component of the National Board self-review and reflection.

- National Board retreats and team building – these should be built into Board meetings, as appropriate and necessary.

- Induction for members of National Boards and General Assemblies – AAI induction materials can be used as a foundational resource, but member-specific induction materials and processes are essential.

If you serve on the General Assembly, this means:

- Conducting a skills audit, and identifying the skills and backgrounds that are necessary for an even more effective General Assembly.

- Recruiting new members of the General Assembly and helping to provide an effective induction to them.

- Reviewing and providing feedback on the outcome of the annual Board self-review and reflection (including the Board Chair review).

- Devoting the time to participate in General Assembly induction.

If you serve on the National Board, this means:

- Conducting a skills audit, and identifying the skills and backgrounds that are necessary for an even more effective National Board.

- Recruiting new members of the National Board (sequencing recruitment so that there is a healthy mix of experience and fresh perspective) and helping to provide an effective induction to them.

- Participating openly and productively in the annual Board self-review and reflection (including the Board Chair review).

- Devoting the time to participate in National Board induction.

- Participating openly and productively in the Governance Review.

Many ActionAid members have Governance & Board Development Committees that focus on questions related to governance on behalf of the full National Board. This committee works with relevant senior staff to understand and frame issues for the consideration of the National Board, often recommending or advising on decisions that must be made by the National Board.

If you are part of ActionAid's management, this means:

- Providing the necessary information, resources and support for Board self-reviews and reflections, governance reviews, skills audits and team building processes, while allowing the Board and Assembly the necessary time and space to conduct these processes productively and effectively.

- Developing high-quality products and processes for General Assembly and National Board member induction.

- Feeding into Board self-reviews and reflections, governance reviews, skills audits and other processes with candor, respect, discretion, sensitivity and a collaborative spirit.

Competencies Required

- Openness, candor, discretion and sensitivity when engaging in and communicating about the Board self-review and reflection and Board Chair review.

- Skills and perspective to contribute individually as a Board or Assembly member, as well as ability to engage as a team player in making the Board or Assembly effective as a collective.

Useful Tools

➢ Tool for Skills and Background Audit (Annex 2)

➢ National Board self-review and reflection tool (Annex 3)

➢ Board Chair review (Annex 4)

➢ Governance review – description of process, actors involved, engagement of and linkage to IGU, COCO, etc.

➢ Team building methods/practices (is there a good model from national level?)

➢ What needs to be said about diversity, gender split, voices of poor and marginalized, etc.?? Are there "rules" that apply to each member? Or can we use a good example from one member as an illustration of how to think about diversity in context??

➢ Virtual Meetings

➢ Board only sessions

➢ Chairing
   o Rules of Thumb on good chairing
   o Agendas
➢ Effective General Assembly Meetings

➢ Guidelines to writing meeting minutes

➢ Board Succession Planning

➢ The role of AAI Reps

STANDARD **7**:

GOVERNING BODIES ARE ACCOUNTABLE, TRANSPARENT, INCLUSIVE AND ETHICAL

What does this mean in practice?

Governing bodies lead by example. ActionAid is an organization guided by values and principles. The behavior and day-to-day practice of governing bodies – and of individual members of governing bodies – should reflect those values and principles. The following qualities should be manifested in how ActionAid's governing bodies go about their work and how they interact with ActionAid staff, stakeholders and one another.

> AS MEMBERS OF THE BOARD, WE ENTRUST THE TREASURER WITH ALL FINANCIAL CONCERNS
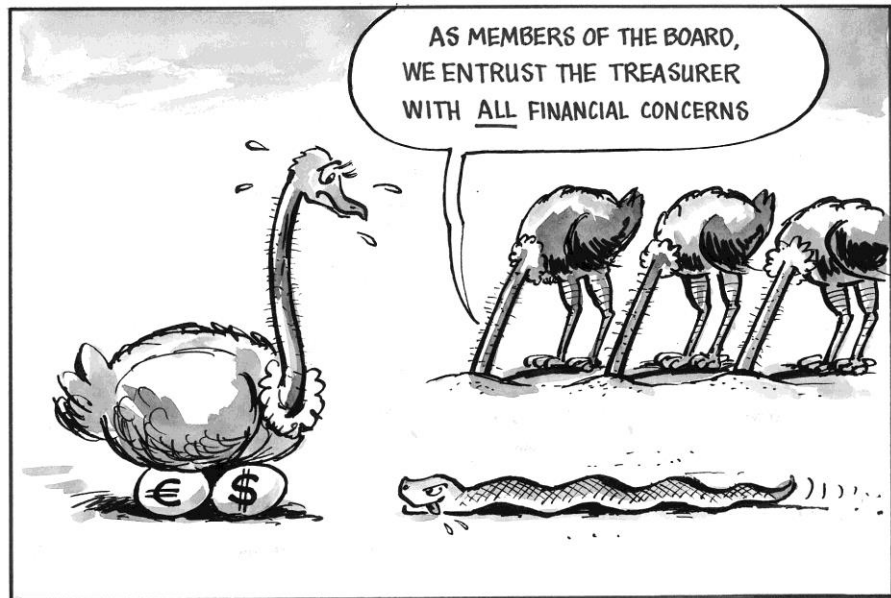
- *Accountable* – Governing bodies should live the principle of accountability to the fullest, setting the example for how ActionAid staff think about and enact this fundamentally important principle. At the national level, there is a chain of upward accountability (i.e. the Executive Director is accountable to the National Board which is in turn accountable to the General Assembly, governing bodies are accountable to donors whose funds enable the organization's work, governing bodies are accountable for abiding by national laws and regulations) but that is only one dimension of the fuller accountability expected of ActionAid's leaders. General Assembly composition itself (i.e. including poor and excluded people as Assembly members) is intended to build accountability to poor communities into ActionAid's governance. Governing bodies should also facilitate mutual accountability among ActionAid members – and between AAI members and the international level (see more under Standard #8).

- *Transparent* – Governing bodies should be transparent about how they work and what decisions they make, and should ensure that ActionAid is transparent about what it does, who it works with and how it performs. This openness and transparency is what enables accountability. It also helps build trust with ActionAid's staff, stakeholders and the general public.

- *Inclusive* – Diversity and equality are principles that are fundamentally important in ActionAid, and having an inclusive approach to governance is what allows ActionAid to truly benefit from diversity and equality. Without an inclusive approach, which allows all governing body members to participate in decision making and make their voice heard, ActionAid would fail to tap into the rich set of perspectives that makes its governance distinctive. ActionAid governing bodies must create a culture of inclusion that welcomes diverse points of view.

- *Ethical* – Governing bodies in any NGO must abide by ethics that are established by national law, and articulated in their organization's statutory documents and values. ActionAid governing bodies have the same obligation. In some countries, these ethics may be spelled out in a Code of Conduct, and rules with respect to conflict of interest and similarly important matters.

If you serve on the General Assembly, this means:

- Developing a culture of inclusion and respect for diversity on the General Assembly, particularly in the way in which information is shared and meetings are conducted.

- Holding the National Board accountable for their performance and way of working.

- Being well informed of the ethical obligations of Assembly members and demonstrating ethical behavior in Assembly meetings, communications and Committee work.

If you serve on the National Board, this means:

- Being accountable to the General Assembly, by sharing information in a timely and transparent manner.

- Developing a culture of inclusion and respect for diversity on the National Board, particularly in the way in which information is shared and meetings are conducted.

- Being well informed of ethical obligations of Board members and demonstrating ethical behavior in Board meetings, communications and Committee work.

If you are part of ActionAid's management, this means:

- Helping to build a culture of inclusion and respect for diversity within governing bodies.

- Feeding into and reinforcing the broader set of relationships of accountability among governing bodies and among AAI members.

- Producing documents, resources and induction processes that clarify and inculcate Board and Assembly members are their ethical obligations.

Competencies Required

- Respect for diversity and ability to draw from different perspectives.

- Sensitivity to different styles, cultures and worldviews.

- Familiarity with ethical obligations of members of governing bodies and unequivocal commitment to upholding those obligations.

- Ability to inspire others by leading by example.

Useful Tools

Sample Code of Conduct for Board members (see Annex 7)

Conflict of Interest policy – any good examples?

Open information policy – any good examples?

Regular Board Chair updates (or post-Board meeting updates) – any good examples?

STANDARD **8**:

GOVERNING BODIES EMBRACE INTERDEPENDENCE WITHIN AAI AND ACT IN WAYS THAT REINFORCE MUTUAL ACCOUNTABILITY

What does this mean in practice?

"JUST A REMINDER ...ALL DECISIONS ARE MADE DEMOCRATICALLY."

AAI is a democratic federation. This means that governing bodies at the national level are not only leading the ActionAid member in their country, but also participating in the life and decisions of the AAI federation as a whole. Decisions made by governing bodies at the national level can have an impact at the international level (and on ActionAid members in other countries), just as decisions made at the international level can be felt at the national level. This reflects the *interdependence* among ActionAid members, and between the national and international levels of the AAI federation. It also underscores the importance of *mutual accountability*: that ActionAid members are accountable to each other, and

to the federation that they together create. Governing bodies must not only respect this interdependence and mutual accountability, but also embrace it and reinforce it through their decisions and actions. This might seem like a complex notion, but it can be put into practice in simple ways, like the following:

- Asking questions at National Board and General Assembly meetings to draw out what implications of various decisions would be on AAI as a whole (and not just your own ActionAid member)

- Making full use of the AAI Representative on your National Board, by enabling and inviting him/her to bring to decision making some perspectives from outside of your national context.

- Providing the Executive Director with guidance that takes into account the interests of your ActionAid member as well as the AAI federation as a whole.
- Encouraging and enabling General Assembly and National Board members to serve on AAI committees and taskforces, or to be AAI Representatives on other National Boards.

- Demonstrating respect for the division of roles between the international and national levels of the AAI federation.

If you serve on the General Assembly, this means:

- Holding the National Board accountable for reinforcing interdependence and mutual accountability in its governance work.

- Finding ways to contribute to AAI level processes and serve on AAI bodies.

If you serve on the National Board, this means:

- Providing the AAI Representative (where they exist) with a full induction, creating a climate in which he/she is fully integrated into the National Board, and inviting him/her to bring in perspectives from outside of the national context.

- Ensuring the space on Board meeting agendas for discussion of AAI matters, especially in preparation for International Assembly meetings.

- Finding mechanisms (including by the participation of governing body members and staff on AAI committees and taskforces) to contribute to AAI level processes.

If you are part of ActionAid's management, this means:

- Helping to build in AAI perspectives and issues into National Board and General Assembly meeting agendas.

- Producing and sharing timely information on AAI issues.

- Helping National Board and General Assembly members understand and navigate the AAI system.

- Orienting the AAI Representative and enabling his/her full engagement in the National Board.

Competencies Required

- Keeping a global perspective even as direct duties might be nationally focused.

- Ability to understand the broader political dynamics of the AAI federation.

Useful Tools

Examples of good questions to ask to bring in a federation perspective

Examples of making full use of the AAI Representative – any good examples??

ANNEXES: Useful Tools to Support Good Governance

Annex 1: Consent Agenda

What is a consent agenda and how does it work?

A consent agenda is a meeting practice which packages routine committee reports, Board meeting minutes, and other non-controversial items not requiring discussion or independent action as one agenda item. This can save precious meeting time by allowing the Board to approve this "package" of items together in one motion. Reports and information can be grouped together under a consent agenda only if all Board members agree. If a Board member selects a specific item for discussion, it must be removed and placed on the regular Board meeting agenda.

What types of items can be found on the consent agenda?

Typical consent agenda items are routine and should not require any Board discussion. Typically, the following things are considered for grouping in consent agenda:

- Board and committee meeting minutes

- Committee and staff reports

- Updates or background reports provided for information only

- Correspondence requiring no action

- Final approval of proposals or reports that Directors have been dealing with for some   time and are familiar with the implications

- Routine contracts that fall within policies and guidelines

- Confirmation of documents or items that need no discussion but are required by the bylaws

How does a Board begin using a consent agenda?

The first step in using a consent agenda is to have the Board approve a motion to adopt the consent agenda format for Board meetings. The Board should also craft and approve a policy of what may or may not be included in the consent portion of the agenda. It is important to make sure that all Board members know what items belong on the consent portion of the agenda, and how to move items to and from this overall consent area.

What is the process for using a consent agenda?

A consent agenda can only work if the reports and items are known in advance and distributed with the agenda package allowing sufficient time to be read by all Board members prior to the meeting. A typical process for developing and using a consent agenda is as follows:

- The Chair of the Board decides what items will be placed into the consent portion of the agenda.

- The full agenda, including consent items are disseminated prior to the Board meeting along with any documentation or back up information so that Board members can do their due diligence before voting.

- As the first item of business, the Board Chair asks Board members if any one wishes to remove any item under the consent portion of the agenda to be discussed. They can request to discuss the item, question the item or register a vote against the item.

- If an item is removed from the consent portion, the Board Chair will place it on the regular meeting agenda.

- The Board Chair then asks for a motion to accept the consent agenda. The consent agenda items typically appear very near the beginning of the regular meeting. This allows any item to be removed and placed into the overall agenda for discussion and action late in the meeting. As with all formal Board action, a quorum must be present in order to have action on the consent agenda items that is legitimate and binding.

Annex 2: Tool for Skills and Background Audit

Matrix to map and track Board diversity and Board members skills

Name of board member	Gender		Age					Professional background										Expertise											Contacts						Region					Representing poor/ excluded group	
	Male	Female	Below 25	25-35	35-50	55-65	Above 65	Financial/economics	Legal	Business	Social movement	NGO	Politics/public administration	Academic/education	Farmer	Worker	Other (specify)	Communication/PR	Finance/accounting	Programming and M&E	Fundraising	Networking/advocacy	Campaigning	Management/OD	Human rights	Womens rights	Legal	Other (specify)	Media	NGO/CSO community	Social movements	Business community	Government	Other (specify)	pls complete	pls complete	pls complete	pls complete	pls complete	Yes (specify)	No
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Use this space to specify 'Other', when applicable

Specify (Legal / Expertise / Contacts / Region / Representing poor/excluded group)

Annex 3: National Board self-review and reflection tool

The questions below can guide a process of self-review and reflection within the National Board. This process can be facilitated by a Board member, a senior staff member or an external consultant. It should be conducted in conjunction with the Board Chair review (see Annex 4).

A summary of the outcome of this discussion should be shared with the General Assembly. Areas for improvement should be reflected in the National Board's plan for the following year.

This process will only be meaningful if all Board members approach it with openness, goodwill, trust in one another, and a commitment to continuously improving the governance of ActionAid.

1. How did the National Board perform in the following areas?

- Reflection of ActionAid's vision, mission and values

- Fulfillment of the National Board's role as per ActionAid's Constitution.

- Quality and speed of decisions

- Effective supervision of the Executive Director

- Effective support to the Executive Director

- Ability to provide strategic and external perspectives

- Effective relationship with the General Assembly

- Effective functioning of Board Committees

- Balance of fiduciary duties and strategic oversight

2. How are the National Board's governance practices contributing to its effectiveness?

- Do Board agendas provide adequate time for discussion of strategic, high-level issues?

- Do Board meetings provide adequate time for team building?

- Do Board members receive an effective induction?

- Are Board papers clear and concise, and do they prepare Board members to make responsible decisions?

- Are the frequency and length of Board meetings appropriate?

3. How did the Board Committees perform in the following areas?

- Clarity with respect to each committees' role

- Are each of the committees performing their role effectively? For example, do the committees effectively frame issues and decisions for the full Board?

- Do the committees have the right mix of skill sets?

- Are the committees effectively utilized by the full Board?

- Is the current structure of committees adequate? Or do committees need to be restructured, eliminated or added?

4. What is the most important issue the National Board considered in the past year? What decision or accomplishment are you most proud of?

5. What were the most important lessons learned by the National Board in the past year?

6. How can the National Board's performance be improved in the next year?

Annex 4: Board Chair review

The process of Board Chair review should be an element of the National Board self-review and reflection process. The questions below can also be adapted to review the performance of other key Board positions such as Treasurer and Committee Chairs.

1. Does the Board Chair ensure the integrity of Board processes and the consistency of Board action with ActionAid's vision, mission and values?

2. Does the Board Chair facilitate Board meetings that are focused, strategic, efficient and effective?

3. Does the Board Chair facilitate open, candid and thoughtful discussion of issues that are difficult but important?

4. Does the Board Chair provide support and guidance to the Executive Director, and is the Board Chair accessible to the Executive Director for advice when needed?

5. Does the Board Chair communicate effectively and clearly?

Annex 5: Questions to guide sound financial management

Questions in these four areas (financial performance, financial health, financial sustainability and resource allocation) will help you fulfill your responsibility with respect to financial management, budgeting, risk management, and effective oversight.

Performance How are we delivering against what we said we would do?	Health Are we managing financial risk effectively?
Key Financial Questions	
Sustainability How confident are we about our financial future?	Resource Allocation Are we allocating our resources to best effect?

Financial Performance

1. What is the explanation for differences (variances) between plan and actual (in income and expenditure)? Are effective actions being taken, where needed?

2. Are re-forecasts reasonable?

3. How is ActionAid performing in relation to peer benchmarks and the external economic context?

4. Is ActionAid delivering against key drivers of programmatic success, financial success, and value for money?

Financial Health

1. Is ActionAid's balance sheet being managed effectively? Are there sufficient reserves and adequate liquidity?

2. Are ActionAid's resources being spent in compliances with laws/regulations and in accordance with our values/ethics?

3. Is ActionAid taking too much (or insufficient) financial risk?

4. Do we understand ActionAid's key financial risks?

5. Are there policies and controls to manage financial risks effectively?

Financial Sustainability

1. Is there a long-term finance and funding plan? If so, are the predictions in that plan realistic and achievable?

2. Is there a gap between the amount of funds we are planning to mobilize and what we need to accomplish ActionAid's strategy? Do we have realistic plans to close this gap?

3. Is there healthy diversity in the sources of ActionAid's income? Are we overly dependent on one or two sources of income?

4. Is ActionAid able to generate new resources? What can we learn from peer organizations with respect to mobilizing new resources?

5. Do we understand the consequences of various external economic scenarios? Is ActionAid prepared to respond and adapt to those scenarios?

Resource Allocation

1. Do we have a clear understanding of how ActionAid's resources are spent?

2. Is there a logical link between how resources are spent against ActionAId's strategy and the impact achieved?

3. Are ActionAid's resources flexible enough to apply where most strategic?

4. Are ActionAid's resources being utilized in compliance with AAI's Resource Allocation Framework?

Annex 6: A guide for management reporting to the National Board

This is provides guidance with respect to what types of information (at what level) should be reported to the Board on a regular basis, particularly as preparation for Board meetings. The report can be split in sections to fit the Board meeting agenda. All items in this report must be at least considered by management when preparing a report. Individual templates for specific reporting items can be developed to fit the specific organizational context. A risk assessment and register could be placed as a separate item and document on the agenda. A dashboard reporting on key indicators could incorporate many of the items below.

1. **Critical and urgent issues**

   It is important to note the most critical and urgent issues should be at the very beginning of the report to ensure they receive adequate attention from the Board. The issues under this heading can be divided in two main areas:

   a) Issues to be considered and dealt with by the Board at this meeting
      i. Previously signaled but not yet resolved issues
      ii. New issues arising since last meeting
   b) Issues to be aware of

2. **Key opportunities ahead**

   Under this heading, management would provide the Board with a clear view on what the prospects and opportunities that the organization is facing. While this is an informative item, it is important that it is dealt with early on to ensure that the experience and expertise of Board members is put to good use. This is a key moment for a strategic discussion, and Board members can contribute their own perceptions of opportunities. This section may not be relevant for all Board meetings but should be considered by management when preparing the report.

3. **Follow up on decisions of last meeting**

   Management needs to provide an item-by-item list of actions taken as a result of decisions taken at the previous Board meeting. This is most easily done in a tabled format noting what was decided, what was done, what the results were and planned future actions. Any critical/urgent issue should be lifted to first section of report.

4. **Financial update**

   The financial update needs to provide the latest figures available and should include planned and actual figures, explanations of variances as well as relevant forecasts.

5. Performance update

The performance update relates specifically to the state of program implementation in relation to annual plan and multi-year strategy and must include targets and actual results. It is critical that results are put in context of planned targets but also in comparison to results of previous period. The Board should be able to see how well programs are progressing as well as what main challenges are. It is important that the reporting here is not an account of activities carried out but results achieved. Reporting to be done against agreed indicators and targets (a dashboard) works well here.

6. Partnerships

Since ActionAid implements most of its work through partnerships, it is critical that the Board has a complete overview of who the partners are and be updated on any issue that may influence performance or finances.

7. Scan of external context

Management should provide some reflection on what key changes in the external environment are and possible implications for ActionAid and its mission. This is best done in brief bullet points. From this reflection, there may be issues to add to the risk assessment or opportunities to seek out.

8. Organizational health

Management should provide the Board with an update on the ActionAid's performance beyond program and finances. This will include information on staff situation, structure, legal situation (registration, taxes etc.), state of the office, monitoring & evaluation system, volunteers, and should also specifically note any filed complaints (internal and external) and how they have been resolved.

9. AAI federation

The Board's primary source of information for what is going on in AAI federation is the management and it is critical that a regular update is provided. This can be integrated in all other points above and this separate item serves as a reminder to include this information. Information can be around meetings attended, decisions taken, requests coming in, changes in reporting, success stories and challenges faced in other parts of the federation.

Annex 7: Sample Code of Conduct for National Board Members

This Code of Conduct is from the Governance Manual of AAI, and relates to members of the International Board. A Code of Conduct for for an ActionAid member at the national level will not be identical, but could have many of the same elements and principles.

Code of Conduct for Board Members (of ActionAid International)

The code is expressed as a commitment by each Board member as an expression of shared responsibility. It attempts to focus on principles and minimum standards.

As a member of the Board of ActionAid International I will:

Mission and policies

- Support AAI's mission and consider myself its guardian.

- Abide by AAI's Constitution, Regulations and policies including the Governance Manual.

Conflicts of interest and duty

- Strive to act in the best interests of the organisation.

- Update the conflict of interest and duty register annually.

- Declare any conflict of interest or duty as soon as it arises.

During a Board meeting

- Attend the meeting well prepared.

- Follow the guidance of the Chair who leads the Board and is in charge of the process and timing of the meeting.

- Speak briefly and politely.

- Speak with appropriate speed and use of language, bearing in mind that for some of those present English is a second or third language.

- Focus on the Board's governance role with respect for the complementary role of management led by the Chief Executive.

- Strive to serve the larger and common interest of ActionAid International as a whole rather than any one part of the organisation.

- Attend the full meeting if reasonably possible.

Board members and staff

- Observe the confidentiality of Board discussions in talking with non-Board members, for example who said what.

- Respect the Chief Executive as the manager of other staff.

- Treat the Chief Executive as the normal route for contacting staff on a new issue.

- Treat the Chair as the primary route for communication, act sensitively if not communicating to the Chair alone and keep the Chair copied in.

- Maintain a clear distinction between working with staff in a governance capacity with Board authority, for example in a Committee, and working with staff as a volunteer adviser, where a member of staff is in charge and I am helping them. I understand that such work is outside the Board role and means that I must then respond to the needs and requests of management. In such a case, therefore, I work as a 'volunteer consultant' with the power of interest, knowledge and skills rather than any statutory power of the Board.
- Refrain from making special requests of staff such as favours or introductions.

E-mails

- Respond as promptly as possible to e-mails from other Board members and staff even if only to say that I have noted the point or that I will give a fuller reply later.

- Be careful about whom I copy e-mails to.

- Keep e-mails as short as possible, bearing in mind those for whom reading English is hard work, those downloading e-mails through expensive, limited or unreliable connections and those who read e-mails from portable devices.

External communication

- Strive to uphold the integrity of the organisation.

- When speaking as a Board member, reflect current organisational positions and policies even when I do not agree with them.

- Respect organisational, Board and individual confidentiality.

- Seek prior permission before adopting an ActionAid public position, for example in a speech or an article.

Enhance governance

- Participate as much as possible in induction, training and development activities for Board members.

- Continually seek to improve the Board's governance practices.

General points

- Commit the time reasonably needed to fulfil my role to the best of my ability.

- Treat decisions made at Board meetings as shared Board decisions. Whatever the debate that preceded the decision, I understand that all Board members are committed to the decision once made and communicate with one voice to all stakeholders. The only alternative is to resign unless truly new information emerges that makes a new discussion necessary.

- Remember at all times, even outside an ActionAid context, that others may be viewing me as a representative of ActionAid and its values.

- Be courteous to ActionAid beneficiaries, staff, partners and donors.

- Expect to speak and act on all matters of Board responsibility, including financial issues.

ActionAid International