

# The Governance Institute's Updated BoardCompass®: What's New and Why

## Board Assessment Plan: The Tools and How to Use Them

### Year 1. Good Governance Audit

(optional, for new members or boards that need to take stock)

This audit includes the complete scope of the board's fiduciary duties and core responsibilities. It represents the first step in a detailed and thoughtful review of whether your board is fulfilling its duty to the organization and its mission, and is in compliance with federal not-for-profit regulations. This audit should be conducted every four to five years, when the governance structure or board makeup has changed significantly, or when significant legislative/regulatory changes have occurred.

This audit is comprised of a variety of items asking *whether your board or a committee of the board observes recommended practices (yes/no)*. This can be completed by the CEO/board chair and/or governance support professional. **Note: This audit does not evaluate your board's performance on these practices or overall board performance.**

### Year 1 or 2. BoardCompass®

This assessment provides a detailed and thoughtful review of your **performance** as a board. The items have been structured to reliably measure how effectively you perform a *specific, streamlined, and focused set* of recommended governance practices and aspects of board culture that are considered to be strong indicators of highly effective governance.

This assessment is comprised of a variety of items asking how effectively your board carries out recommended practices and your level of agreement with statements designed to measure how well your board performs in select recommended practice areas. This assessment is intended to assess how you perceive the overall board's performance as a whole. **Note: This assessment does not include the entirety of the board's fiduciary responsibilities and practices. If you/your board is uncertain about whether it is doing all of the activities it needs to, please refer to the Good Governance Audit.**

The results will be accompanied with an action plan to improve lower-scoring areas over the next year.

### Year 2 or 3. Deeper Dive on Lower-Scoring Areas of BoardCompass®

After the board has spent a year intently focused on developing and improving performance in the lower-scoring areas of the BoardCompass®, it conducts a shorter assessment focusing only on those lower-scoring areas to determine whether the board's development activities were successful.

Follow up would include determining how/what to do differently if the board is still not performing where it wants to be in these areas.

### **Year 3 or 4. Topic/Strategy-Focused Assessments (Customized)**

For boards that consistently score highly across all areas of BoardCompass®, they may choose to take a topic- or strategy-focused assessment, customized for the individual board based on compelling issues the organization is currently facing that require the board to be at its best. These tools will assess how well the board is performing on issues of particular strategic importance to the organization, such as:

- A deep dive on board development practices using the Intentional Governance framework and assessments
- Nuances of board culture and how that affects board performance
- Topical or strategic-focused assessments such as:
  - » How the is board doing in terms of building relationships with external stakeholders: medical staff, community health partnerships, etc.
  - » How well the board is performing its role in ensuring the strategic plan is successfully implemented and goals are met.
  - » A deep dive into the board’s responsibilities and performance related to finance and value.
  - » The board’s oversight of and relationships with the executive team and physician leadership.
  - » A broader assessment of quality oversight to include value, access, and experience, including oversight outside the hospital’s walls, challenging the board to more broadly define quality.
  - » How well the is board doing with collaborative/overlapping governance relationships/structures such as the ACO board, physician group boards, and any other governance of external groups/partners, etc.
  - » A risk assessment to build more rigor around decision making; how the board understands the nature of risk, tradeoffs, approaches to mitigating risks.
  - » How prepared the board is to deal with major industry trends (e.g., the top five challenges the organization will be facing in the next two to three to five years). Example: How prepared are we to do the following things re. population health compared with the top 20 performers nationally?
  - » Extend this kind of assessment out to executives and physician leaders and compare answers with that of the board, using results to facilitate discussion amongst the board, executives, and physician leaders to identify and narrow perception gaps.

For systems and their subsidiaries:

- How to eliminate role confusion and duplication of work and effort when there is shared governance and multiple tiers; address the issue of when there is a matrix, why it is not fully understood or abided by.

### **Year 3, 4 or 5. Retake complete Board Compass and continue the cycle above**