

NGO Board Governance: The Leaders' Reflection and Learning

非政府機構管治: 領導者的反思和得著

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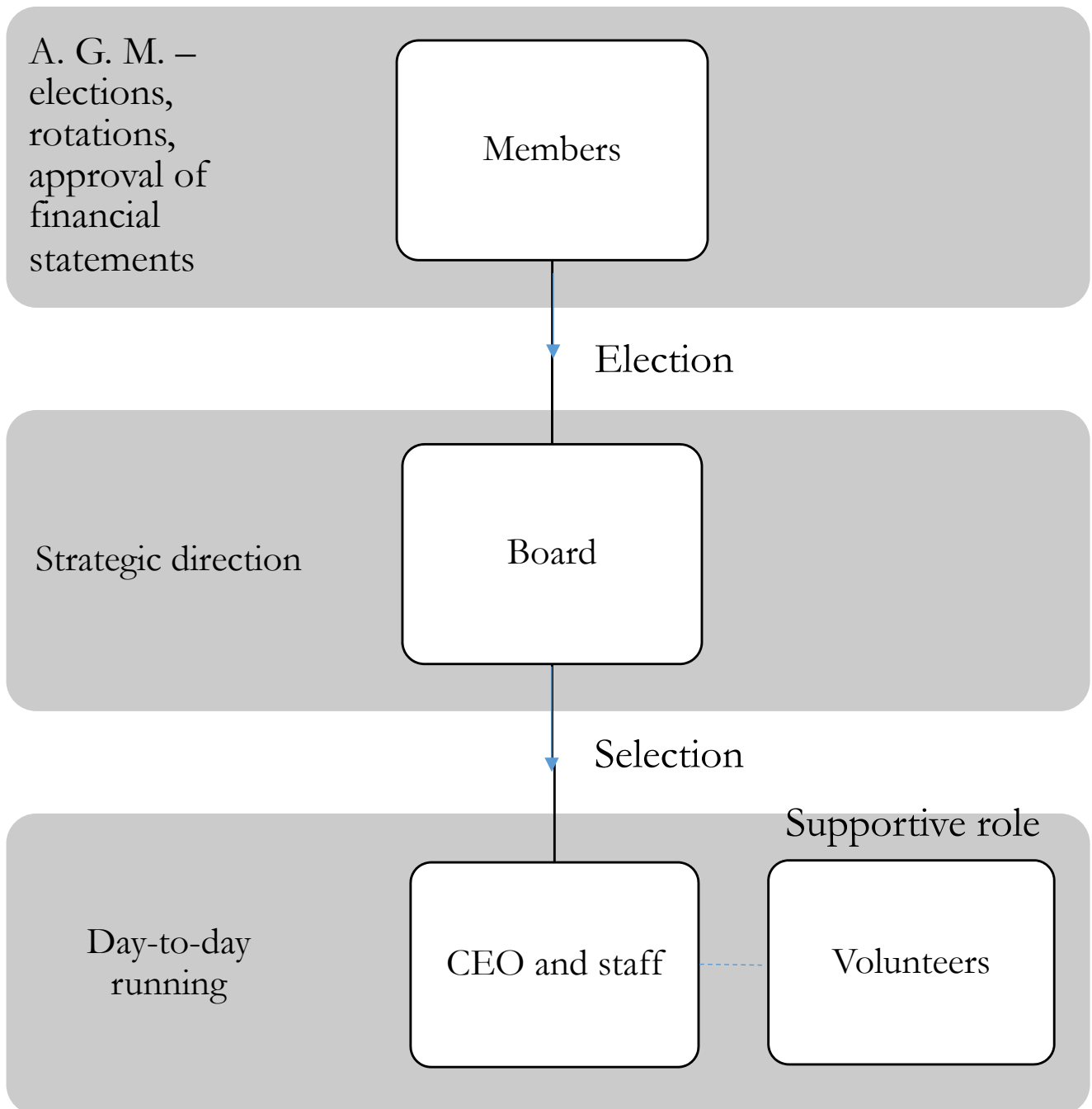
HKU Faculty of Social Sciences ExCEL3 Forum

Mr. William Po

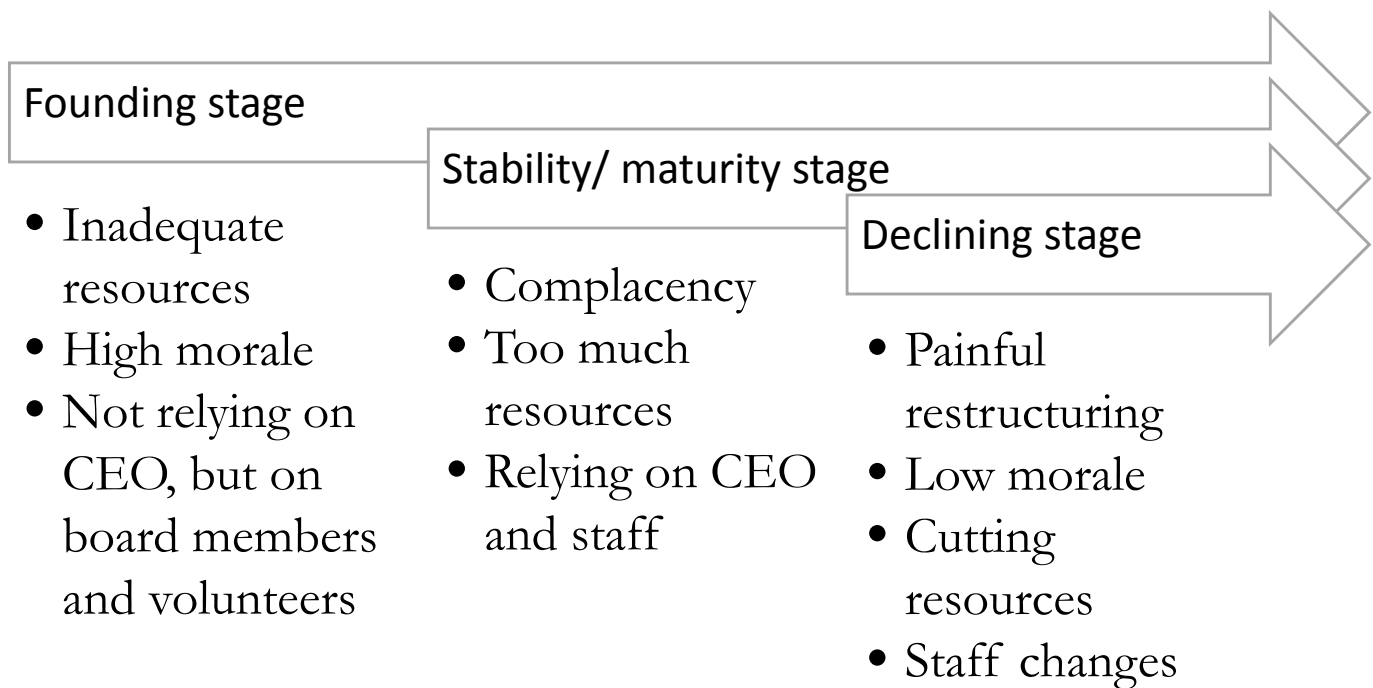
Founding Board Member and current Chairman

End Child Sexual Abuse Foundation

Structure of an NGO



Life Cycle of an NGO



NGO problems encountered

- Domineering founder, stifling healthy reform measures
- Over-delegation to staff – e.g. staff signs cheques and decide on salary increase
- Poor relationship between board and staff, or amongst staff
- Conflicting instructions from different board members, forming of cliques
- Board and/or management motivated by Self-interest
- Poor morale in the board
- Reformist/traditionalist conflict
- Poor understanding of financial matters (e.g. tardiness in chasing up receivables, poor handling of cash and goods, poor checking of payments, overspending, run out of cash, bounced cheques)
- Staff considers Board as unfair in salary increment decisions
- Disregards limitation of limited company status (*ultra vires*), charity status.
- Too little reserve, or too much reserve
- Poor (unclear) financial reporting, late financial reporting, no financial reporting

Ways to dealing with problems

- Put together a board with diverse talents and contacts, with resourceful individuals
- Install a written down, systematic office procedures and guidelines, at the early stage
- Make budgeting and producing timely and appropriate accounts a top priority.
- Well defined roles for board and management
- Human resource matters should be handled professionally.
- Form subcommittees to alleviate Board workload and diversify decision making.
- The board should be constantly aware of possibility of conflict of interest, declaration of personal interest.
- Rotation of board members, fixed terms, constant rejuvenation

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Useful References 參考資料

Book title 書名	Author 作者
受資助機構企業管治指引 二零一零年五月	效率促進組
領導你的非政府機構，機構 管治－非政府機構董事會參 考指引 二零零二年六月	社會福利署
香港法律改革委員會 慈善組 織 諮詢文件 二零一一年 六月 報告 二零一三年十二月	香港法律改革委員會
Doing Good Well: What Does (and Does Not) Make Sense in the Nonprofit World	Willie Cheng
Charity Commission UK	Website

Comparing Board and Management Responsibilities (1 of 6)

Function	Major Responsibility
<p>Planning</p> <ul style="list-style-type: none"> - Direct the process of planning - Provide input to long range goals and strategy - Approve long range goals and strategy - Formulate annual objectives/plans - Approve annual objectives/plans - Prepare performance reports on achievement of goals and strategy - Monitor achievement of goals and strategy 	<ul style="list-style-type: none"> - Management - Management - Board - Management - Board - Management - Joint

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Comparing Board and Management Responsibilities (2 of 6)

Function	Major Responsibility
<p>Financial management</p> <ul style="list-style-type: none"> - Prepare preliminary budget - Finalize and approve budget - Monitor that expenditure is within budget during the year - Approve expenditures outside authorized budget - Prepare financial statements - Approve financial statements - Draft financial management policies and procedures - Approve financial management policies and procedures - Sign-off on funding arrangement with the government - Ensure annual audit of NGO accounts 	<ul style="list-style-type: none"> - Management - Board - Management - Board - Management - Board - Management - Board - Management - Board

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Comparing Board and Management Responsibilities (3 of 6)

Function	Major Responsibility
<p>Operational programming</p> <ul style="list-style-type: none"> - Assess stakeholders' needs - Oversee evaluation of products, services and programmes - Prepare and maintain programme reports - Solicit contributions in fundraising campaigns - Organize fundraising campaigns - Manage the delivery of programmes/services 	<ul style="list-style-type: none"> - Management - Board - Management - Joint - Management - Management

Comparing Board and Management Responsibilities (4 of 6)

Function	Major Responsibility
Staffing	
- Employ the CEO	- Board
- Hire and discharge staff	- Management
- Direct the work of staff	- Management
- Decision to add staff (if outside approved budget)	- Board
- Manage discord among staff and between staff and management	- Management

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Comparing Board and Management Responsibilities (5 of 6)

Function	Major Responsibility
<p>Board management</p> <ul style="list-style-type: none"> - Appoint Board members - Promote attendance at Board/committee meetings - Plan agenda for Board meetings - Take minutes at Board meetings - Determine committee structure - Sign legal documents/contracts - Follow-up to ensure implementation of Board and committee meetings - Appointment committee members - Settle conflicts between members 	<ul style="list-style-type: none"> - Board - Board - Joint - Management - Board - Board/Management - Management - Board - Board

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Comparing Board and Management Responsibilities (6 of 6)

Function	Major Responsibility
Community relations	
- Interpret NGO to the community	- Joint
- Prepare marketing materials/news stories	- Management
- Provide linkages with other organisations	- Joint