Institute of Directors Ireland

IoD Ireland Board Evaluation Service

Raising Corporate Governance Standards

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Foreword

The board of directors sits at the pinnacle of the system of governance in any organisation.

A board can have well-structured agendas, procedures, and terms of reference. However, getting the right board information, building trust and reciprocity with management and key stakeholders, and ensuring board behaviours and dynamics are on point, are the most critical determinants of whether a board is effective or not.

To be effective, a board led by its chair must leverage its collective strength, share and critically assess board information, and engage across a broad range of topics. Additionally, it should be aware of various stakeholders and lead a governance framework that suits its context.

Engaging a trusted provider to support an evaluation of its effectiveness, is a very important decision by a board. A thorough board evaluation will identify both the strengths and areas for improvement of the board, facilitating its development in alignment with the growth of the business and the industry it operates in.

Institute of Directors (IoD) Ireland has been conducting board evaluations since 2009. We have built up a significant competence in assessing the effectiveness of boards across a range of entities including small private companies, large corporates, PLCs, regulated entities, and state bodies.

Our vision is for Ireland to be an exemplar of corporate governance.

Our purpose is to instil stakeholder trust and confidence in organisations by educating, informing, and supporting directors and business leaders to lead successfully and sustainably.

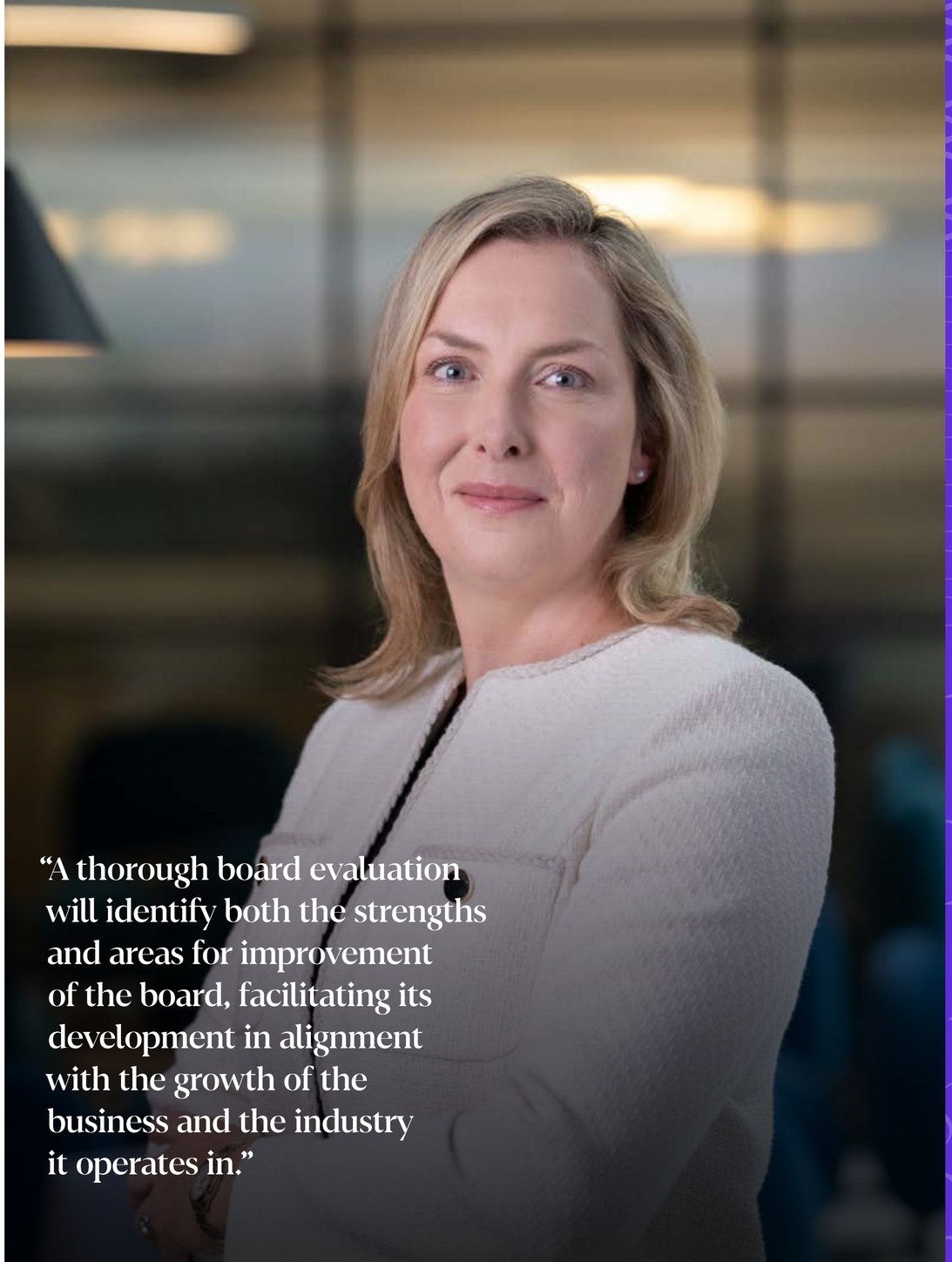
We consider the provision of an objective board evaluation service to be a key dimension of our work.

Leveraging our Continuing Professional Development Framework, we conduct supportive, informative, and objective evaluations.

In this brochure, we outline our approach to board evaluations. Our diverse and highly skilled team of Board Assessors are all practising directors who understand governance across a range of organisational contexts. Our established evaluation method bolsters board accountability, nurtures a culture of ongoing improvement, and propels organisational success.

We never take for granted the privilege of supporting a board on the valuable journey of evaluating its effectiveness.

Caroline Kinsella
Board & Member Services Director
Institute of Directors Ireland



“The board evaluation process protects confidentiality in order to inspire real candour and transparency. It is the trusted connection between the assessor, the chair and each director that generates the deepest and most valuable insights.”

Tara Glynn, Group Company Secretary & General Counsel at Vhi

Establishing your “North Star”

IoD Ireland’s Board Evaluation Service enables your board to better execute its roles and responsibilities.

Through the lens of best practice governance standards and your organisation’s business context, our experienced Board Assessors examine how effectively your board and board committees are operating.

At a high level, our assessment approach focuses on board dynamics, board processes including decision-making, the board’s creation of accountability, and the board’s impact inside and outside the organisation.

Undertaking an evaluation enables your board to recognise and build upon its strengths while identifying the areas which may require improvement. It provides a trusted environment for individual board members to give honest feedback on the operation of the board.

Board evaluations will highlight what is working well at board level including positive board outcomes, thus invigorating a board in executing its role.

Board evaluations can also surface potential challenges or differences of opinion within the board. Working through the outcomes of the board evaluation provides the opportunity to address those issues, to strengthen performance and to demonstrate a commitment to continuous development.

For some organisations, a board evaluation aims to benchmark themselves against a code to which they seek to comply. Others aspire to be best-in-class. We support both contexts. We work to understand that governance ‘North Star’.

In all cases, we hold a mirror up to the board, supporting an assessment of how the board is operating and identify behaviours and processes that should be retained and those that need to evolve, to envision their desired future.



Carol Bolger CDir
IoD Board Assessor

Why choose an IoD Ireland Board Evaluation?

An IoD Board Evaluation is:

- A confidential and trusted process
- Designed for your board and specific context
- Conducted by experienced Board Assessors with in-depth knowledge of:
  - PLCs
  - Regulated financial services entities
  - Large private companies
  - SMEs
  - State and semi-state bodies
  - Charities and Not-for-Profits.
- Backed by a 15-year track record in delivering high-quality board evaluations
- A mechanism to support a board's leadership role in strategy, risk appetite and culture formation.

An IoD Board Evaluation supports your board to:

- Facilitate informed and high-quality decision-making influencing the organisation's future trajectory
- Leverage director insights and experience
- Align board composition with the contextual needs of the organisation
- Ensure accountability to all stakeholders including capital providers
- Unlock value for the organisation and stakeholders
- Meet its statutory responsibilities
- Facilitate reflection by each director of his/her/their contribution to the board.



Hugh McCallum CDir
IoD Board Assessor

“Our Board evaluation with IoD Ireland was professional, insightful, and tailored to our needs. The process added real value, and we highly recommend their service to enhance governance effectiveness.”

Philip Brady, Company Secretary at Utmost International Ireland.

Key areas of focus

- Strategy formulation and strategic focus
- Board influence and oversight of culture within the organisation
- Performance and measurement of results
- Board oversight of risk management and internal control
- Stakeholder engagement
- Board composition, diversity and dynamics
- Meeting processes and the business of the board
- Board decision-making processes
- Performance of the chair
- Board committee effectiveness and contribution to overall board effectiveness
- The extent to which the board is set up for success



Tony Lawless CDir
IoD Board Assessor

Our approach and methodology

We believe successful board evaluations require client collaboration. It is not a one-size-fits-all process.

We make sure that we are:

- Meeting your needs – from planning through to delivery
- Working to an agreed timeline – taking account of any internal governance timeframes
- Being actively involved – engaging all relevant stakeholders from scoping and designing the evaluation through to delivering our report and verbal feedback
- Providing recommendations – that are relevant, pragmatic, and proportionate, so that you can comfortably take these forward.

It is of great importance that trust is established in the credibility and confidentiality of the process of Board Evaluations. Our expert Assessors will advise and guide you on the appropriate methodology based on the unique characteristics of your organisation.

There are various methods of Board Evaluations which varies with the outcome the organisation wants to achieve. The methods are discretionary, and organisations may decide and choose the appropriate method(s) to fit their needs which may include the following:

- Bespoke online board evaluation questionnaire
- One-to-one interviews
- Board or committee meeting observations.

Online Board Evaluation Questionnaire

- Designed specifically for your board.
- Targeted statements and questions are written specifically for the board, its committees, and individual directors, as applicable, to elicit valuable and practical feedback about board dynamics, operations, structure, performance, and composition.
- We tailor each online board evaluation questionnaire and ensure alignment with the objectives of the company secretary, the chair, and the CEO.
- The process always protects confidentiality.

One-to-One Interviews

- Our experienced Board Assessors conduct in-depth one-to-one interviews.
- Well-planned, skilful interviews elicit valuable, detailed, sensitive, and candid director feedback.
- Our Assessors know what to look for and where to probe, providing vital insights and recommendations.
- The combined use of an online board evaluation questionnaire and interviews is in our opinion often the most effective evaluation methodology.
- One-to-one interviews take place virtually with board directors and, if agreed, the executive management team (if recommended).

Board &/or Committee Observations

- Observing board dynamics and exchanges between directors during live board or committee meetings provides useful insights, supports and recommendations for improvement, particularly related to the quality of board discussions.
- By observing your board in action, we can gain deeper insights to shape the integration of our recommendations.
- Your board can expect a detailed yet digestible report. It will outline key findings and include Assessor recommendations to further enhance the effectiveness of your board.



Michael O'Donovan CDir
IoD Board Assessor



Clare Duignan
IoD Board Assessor

Our process

Stage 1
Planning

- We will work with you to understand the business context. This includes the board and wider governance structure, and strategic objectives of the organisation.
- We will discuss scope and objectives of the evaluation, how it will be conducted and reported on.
- We will identify and recommend an Assessor who possesses relevant governance, sectoral or industry expertise to lead the board evaluation.
- Our Assessor and your chair will agree the appropriate approach and methodology for the evaluation.
- We will develop a comprehensive project plan within the timelines agreed.

Stage 2
Evaluation Process

- Depending on the methodology chosen, your board of directors complete a fully customised online board evaluation questionnaire.
- The questionnaire is designed and benchmarked against best practice corporate governance standards.
- (Optional) Our Assessor conducts virtual one-to-one interviews with your directors.
- (Optional) Board and/or Committee observations take place in-person.

Stage 3
Refinement and Recommendations

- Our Assessor prepares a draft board evaluation report which includes observations and recommendations across the areas in scope. The draft report is shared with the board chair for fact checking.
- The final report is shared with the chair and the entire board in accordance with timelines agreed with the chair.
- The report will communicate practical, proportionate, and relevant findings and recommendations.

Stage 4
Feedback and Support

- Our Assessor will attend a board meeting, present the report to the board, and answer any questions from directors with regard to the observations and recommendations, including their implementation.
- The board should agree an action plan to implement accepted recommendations.
- Many boards also agree to include a review of the action plan as a regular board agenda item, to be tracked at future board meetings.

“IoD Ireland delivers evaluations that are objective, candid, confidential and actionable to enable boards to act as a strategic asset to their organisations.”

John McRedmond, General Counsel and Company Secretary,
Ornua Co-operative Limited.

Evaluation expertise



Carol Bolger CDir
Board Assessor, IoD Ireland



Clare Duignan
Board Assessor, IoD Ireland



Tony Lawless CDir
Board Assessor, IoD Ireland



Michael O'Donovan CDir
Board Assessor, IoD Ireland



Hugh McCallum CDir
Board Assessor, IoD Ireland

As Chartered Directors and governance specialists who have worked across sectors as diverse as tech, professional services, banking and financial services, telecoms, hospitality, property, healthcare, communications, construction, energy, and education, we know what it takes to make an effective board.

PLCs. SMEs. Cooperatives. Charities. Not-for-profits. State bodies. Financial services. Private corporations. Whatever your context, our assessors have the industry expertise.

Find out More

We know that not every board is the same. Our Board Evaluation process is highly supportive, confidential, and unique to the needs of each client.

To learn more about how IoD Ireland can support your board recruitment needs, please contact a member of our team.

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