

**HOW DO YOU RATE AS A COMPANY DIRECTOR ?
CAN YOU PASS THESE TESTS?**

There are two 'tests' here. The first is a very simple one. Do it, and then try the second!

PERSONAL PERFORMANCE REVIEW

1.	Have I been prepared for meetings?	Yes	No
2.	Do I devote sufficient time to my responsibilities?	Yes	No
3.	Have I consistently been prepared and briefed for the matters to be discussed?	Yes	No
4.	Do I keep myself sufficiently informed by making visits to the organization's operations and by making contact with appropriate executives?	Yes	No
5.	Do I bring relevant experience to the board table and do I use it effectively?	Yes	No
6.	Are my contributions succinct and to the point?	Yes	No
7.	Do my contributions to the board carry weight with the board members?	Yes	No
8.	Do I take a fair share of committee work?	Yes	No
	Are my contributions on the committee of value?	Yes	No
9.	Do I maintain good personal relations with;		
	colleagues?	Yes	No
	management?	Yes	No
	Am I co-operative and useful?	Yes	No
10.	Do I have an actual or potential conflict of interest that may be an embarrassment to the board?	Yes	No

Author: Henry Bosch AO FAICD

Now turn to the next page.

That was easy; now try this test. Do not just read it - print it out; then tick or circle the appropriate box at the end of each question. At the end, add the number of times you ticked or circled the *left* column. How do you rate?

Excellent	70 or above
Very good - a little homework needed	60 - 70
Fair to Good - but homework is needed	50 - 70
To do your job, a lot of hard work is needed	Less than 50

Answers to all the questions are contained in the articles on this site.

Most importantly, what are you doing about the matters to which you answered 'No' ?

1. Do I know the <i>exact</i> legal name of my organisation?	Yes	No
2. Can I name the documents which are necessary to have a complete set of the legal provisions governing the running of my organisation?	Yes	No
3. Do I have a copy of each of them, or do I know where I can easily obtain a copy of each of them?	Yes	No
5. Do I have in my possession a copy of the statement of "objects and purposes" of my organisation?	Yes	No
6. Have I read the statement of "objects and purposes" of my organization within the last 8 weeks?	Yes	No
7. Do I have a written statement of the strategy by which my organization will achieve these objects?	Yes	No
8. Do I know the key features of a company (or my organization)?	Yes	No
9. Do I know the main way(s) in which a company differs from an incorporated association ?	Yes	No
10 Do I know why my organisation is a company rather than an incorporated association or some other type of organisation?	Yes	No
11 Do I know if there are any key features (prescribed qualification) which must be maintained at all times?	Yes	No
12 Is my organization a 'separate legal entity'?	Yes	No
13 Do members of my organization have 'limited liability'?	Yes	No
14 Do I know what is meant by 'limited liability'? Could I explain it to someone else?	Yes	No
15 Do I know the name of a person or organization who I can ask for advice about the legal rules about my company?	Yes	No
16 Do I know the name of any professional organization(s) of which I am or could become a member to help and support me? (for example, PNG Institute of Accountants)	Yes	No
17 Do I know the name of any trade or industry organization(s) of which my organization is or could become a member to help and support us?	Yes	No

18	Have I attended any course of training in the past 4 months?	Yes	No
19	Have I re-read key documents of my organization in the last 6 weeks?	Yes	No
20	Have I attended at least 90% of Board meetings since I became a director?	Yes	No
21	Do I insist on receiving – and do I get – board papers (agenda and information about items on the agenda) ?	Yes	No
22	Do I read and consider those information papers before the meeting?	Yes	No
23	Have I raised a new issue for consideration by the board, not just at the meeting, but by preparing discussion notes and arranging for it to be put on the agenda?	Yes	No
24	Does a good board member always agree with the Chairman, or with company policy?	Yes	No
25	Do I agree with others, or insist on discussing alternatives, even if I eventually agree?	Yes	No
26	Have I offered to act on, or as, a sub-committee to consider and report on a difficult topic?	Yes	No
27	Do I ask members of my organization how they think the Board is performing?	Yes	No
28	Do I ask members if they consider the organization is achieving its purposes?	Yes	No
29	Do I ask clients and customers of, or suppliers to, my organization how they experience dealing with my organization?	Yes	No
30	Do I discuss administration, problems, business, laws, finance etc. with directors or board members of other organisations?	Yes	No
31	Do I keep up-to-date by deliberately asking lawyers, accountants, or colleagues for any changes or developments in the law or otherwise that I should know about?	Yes	No
32	Do I know when the Annual General Meeting of my organisation must be held?	Yes	No
33	Do I know what information must be presented to members at the AGM ?	Yes	No
34	In my organisation, was the last AGM which was due held within the proper time?	Yes	No
35	Was the information required to be given to members at the AGM given to them beforehand so that they could consider it and ask questions?	Yes	No
36	Do I, or the Board, have <i>regular</i> communication with members between formal General Meetings?	Yes	No
37	Does my organisation have a written plan or strategy to achieve its objects and purposes?	Yes	No
38	Does this include measures or performance targets to check progress towards achieving the plan?	Yes	No
39	Has the board reviewed that plan or strategy within the past 6 months?	Yes	No
40	Has performance achieved the target?	Yes	No

41 Do I insist on setting performance targets for action to be taken or results to be achieved?	Yes	No
42 Have I identified 'critical success factors' for my organisation? (These may be financial indicators or some other indicators) ?	Yes	No
43 Do I have a system for measuring them?	Yes	No
44 Do I check performance against these measures?	Yes	No
45 Was the last Annual Return which was due lodged with the Registrar of Companies on time?	Yes	No
46 Do I know what records and registers the association is required by law to keep?	Yes	No
47 Does the board have a written statement, known to all the board, of what other records it requires to be kept?	Yes	No
48 Are you certain, from the answers you are given, that the records are all kept and up-to-date?	Yes	No
49 If not, do you require action and ensure it is carried out?	Yes	No
50 Have you enquired to find out?	Yes	No
51 Are the tasks of employees clearly defined?	Yes	No
52 Do I check that the managers understand exactly what is expected of them?	Yes	No
53 Have the managers been told clearly what information they are to provide at each board meeting, and by what time?	Yes	No
54 Is there a clear statement of procedure to be followed when employees are hired to get the best person and not just 'friends'?	Yes	No
55 Is that procedure followed?	Yes	No
56 Am I certain?	Yes	No
57 Do I believe whatever the managers tell me, without checking??	No	Yes
58 Do I check for myself to ensure that what I am told is correct?	Yes	No
59 Do I question the employees or managers at board meetings?	Yes	No
60 Do I fully understand the information that is given at board meetings?	Yes	No
61 Do I understand the financial information available to me?	Yes	No
62 If not, am I taking action to ensure that I do?	Yes	No
63 Do I know some financial indicators that financial problems may be coming?	Yes	No
64 Does my board have a procedure to assess its own performance as a board?	Yes	No
65 Am I ethical in all I do as a director?	Yes	No
66 Have I ever done anything which would cause embarrassment to me or my family if it were highlighted in the newspaper?	No	Yes
67 Have I ever acted in a way that is in the interests of myself, my wontalks or a special group rather than in the interests of the members as a whole?	No	Yes
68 Have I ever supported something that was not fair to all members?	No	Yes

69 Have I ever been in a conflict of interest without disclosing it and abstaining from the decision?	No	Yes
70 Have I ever used my position as director to get a better outcome for myself or my friends?	No	Yes
71 When I have found that what I wanted was not permitted by a law or by the constitution, have I done it anyway?	No	Yes
72 Have I asked myself recently if I am carrying out my role as a director with sufficient care, skill and diligence?	Yes	No
73 Do I have a clear understanding of my role and my proper relationship to others in the organisation?	Yes	No
74 Do I always act accordingly?	Yes	No
75 Do others in the organisation have a clear understanding of their roles and proper relationships and abide by them?	Yes	No
76 Am I sufficiently independent when a decision has to be made?	Yes	No
77 Do I and the board follow a good decision making procedure?	Yes	No
78 Have I taken any steps to improve or increase the information given to members?	Yes	No
79 Is it easy for members to get information about the company?	Yes	No
80 Do I accept, by my actions, that I am accountable to members?	Yes	No
81 Is my remuneration fair and reasonable to the members?	Yes	No
82 Have I ever used company property without the prior approval of the board, after informing the board fully of my intentions?	No	Yes
83 Have I ever had a benefit from the company without the prior approval of the board, after informing the board fully of my intentions?	No	Yes
84 Have I ever received a benefit that was not fair to all the members?	No	Yes
85 Have I taken any measures to insist that my company acts like a good corporate citizen?	Yes	No

August 2003