

TEN PRACTICAL WAYS TO STRENGTHEN CORPORATE GOVERNANCE

(Improve the operation of the board, reduce risk and reduce the likelihood of fraud and embezzlement)

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| 1 Board meeting papers categorize all agenda items as either a management issue or a governance issue and the board makes governance an explicit part of the meeting. The board allows adequate time at board meetings to discuss governance issues. | <input type="checkbox"/> |
| 2 The board includes members with a range of professions & skills. Board members change on a periodical basis. | <input type="checkbox"/> |
| 3 The auditors management letter recommendations are reviewed, understood and implemented. | <input type="checkbox"/> |
| 4 Bi annual police and credit reference checks are undertaken on all board, committee, staff and volunteers who have the ability to sign cheques and electronically transfer funds. | <input type="checkbox"/> |
| 5 Two passwords are required prior to the electronic transfer of funds. | <input type="checkbox"/> |
| 6 The organization has a policy whereby the chief executive officer role and performance is assessed and reviewed annually. The maximum term of the chief executive officer is 5 years (however it can be extended to 7 years). | <input type="checkbox"/> |
| 7 Staff required to take leave annually and when key staff members are on leave other staff undertake their duties. | <input type="checkbox"/> |
| 8 Projected profit & loss statements and budgeted cash flows prepared for the following 12 months. Periodically compare actual versus budget and investigate variances | <input type="checkbox"/> |
| 9 Board members are; curious, challenge things which seem strange, suspicious of over bearing staff, ask questions and when plausible answers are not provided matters are fully investigated. | <input type="checkbox"/> |
| 10 The organization has a risk committee. If no risk committee determine the 7 main areas of high risk and possible fraud & embezzlement. Document the paramaters of each area and formulate policies and procedures to reduce the risk associated with each area. | <input type="checkbox"/> |

Calculate your organizations high or a low probabilty of a risk event occurring in the future.

Score 1 point where your organization is complying, score 0 where non complying. Add up your points.

(Score: 0 to 3 extraordinary high risk, 4 to 5 high risk, 6 to 7 medium risk, 8 to 10 low risk.)

Total