



B – Governance Process

Board Monitoring System

Background

Monitoring executive performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations.

Policy

The Board will track executive performance by monitoring in such a way as to have systematic assurance of policy achievement and compliance, yet leave the Board free to concentrate most of its time on creating the future rather than checking the past. To those ends, the Board's approach to monitoring will be carried out on a systematic basis with reviews scheduled in the Governor's Work Plan.

1. The Board will monitor those organization characteristics which it has addressed ahead of time in Mega Ends and Ends policies. The purpose of such monitoring is to determine if Board policies are being achieved. Since the Board speaks to the President through Ends policies and Executive Limitations policies, this Board's monitoring will be directed toward whether Ends are being achieved within Executive Limitations.
2. Monitoring of a given policy will occur in one or a combination of three ways:

Executive Internal Reports - Periodic reports from the President to the Board.

External Reports – Discovery of compliance information by a disinterested, external auditor, inspector, or judge who is selected by and reports directly to the Board. Such reports must assess executive performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.

Direct Inspection - Discovery of compliance information by a Board Member, a committee, or the Board as a whole. This is a Board inspection of documents, activities, or circumstances directed by the Board which allows a "prudent person" test of policy compliance. This monitoring mechanism will be used judiciously.

3. Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method of monitoring.



**Board of Governors
Policy Manual**

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