

## Client Case Insight: Board and Board Committee Appraisal – Property Development Organisation

The client manages the development of properties across a large metropolitan area in South Africa. The entity oversees progress across activities within property development projects and in particular how they contribute to the infrastructure, and how they create economic development. The client has 4 board committees, all of whom are responsible for ensuring effective governance across the organisation:

- Audit and Risk Management Committee;
- Social and Ethics Committee;
- Development and Investments Committee; and a
- Human Resources and Development Committee;

StratNovation was tasked with conducting a comprehensive appraisal of the Board and each of the Board-Committees, including the facilitation of a peer and member self-evaluation review amongst different Board and Board Committee members. The purpose of the engagement was to appraise the effectiveness of the various governance entities by:

- obtaining a high-level overview of the governance structures and processes that are in operation;
- ascertaining any issues around governance;
- analysing the dynamics of the interaction and communication between the Board and its Committees;
- interrogating meeting minutes of all governance entities using a questionnaire as an evaluation instrument considering the Charters, Committee Terms of Reference and Codes of Conduct;
- conducting a peer reviews within the various governance entities; and to
- assessing the capacity and competence across all governance entities, as well as support provided to the board, in terms of the required competencies of the members to adequately fulfil their duties and realise the performance against the mandate.


The appraisal reported on performance management issues mainly related to long board meetings and excessive information provided in board packs, sometimes late, prior to board meetings. A further challenge highlighted was governing body approvals and how strategic projects were undertaken and completed timeously for approval. The various appraisal findings were documented and presented to the Board Chairperson and then presented to board members in an interactive session. Implementable recommendations were developed to improve the governance processes of the Board and its committees. The recommendations covered the following topics:

- Board composition;
- Board responsibilities;
- Board culture;
- Relationship between board and management;
- Board meetings;
- Key governance aspects and
- Sub-Committee operations.


The end-result enabled action to be taken on improving the governance system, reporting and the effectiveness of the board.

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