

PG360

[GENERAL]

Policy Governance® is:

- a) A structure for non-profit boards.
- b) A principle-based operating system for governing.
- c) Especially useful for large organizations
- d) A set of best practices for boards.

[GENERAL]

Policy Governance® requires that boards:

- a) Limit the number of committees
- b) Not communicate with staff members outside of board meetings
- c) Hire a CEO
- d) None of the above

[GENERAL]

Which of the following statements is correct?

- a) The board decides on Ends but delegates decisions on means to the CEO.
- b) The board makes policy decisions on Ends and means (both executive means and board means) but authorises its delegates (CEO and Chair) to make decisions within any reasonable interpretation of its policies.
- c) The board may decide on both Ends and means but usually sticks to the former.
- d) The board leaves it up to the CEO to decide what decisions he/she should bring to the board.

[PRINCIPLE 1]

In Policy Governance®, the source of the board's authority and accountability is the owners. "Owners" refers to:

- a) Those on whose behalf the board determines the difference the organization is to make in the world
- b) Stakeholders
- c) The CEO and staff
- d) The largest constituency

[PRINCIPLE 1]

Board members must represent the informed wishes of:

- a) Customers
- b) Stakeholders
- c) Owners
- d) All of the above

[PRINCIPLE 1]

Clarifying who the organization's owners are is crucial because:

- a) Identifying them is required by parliamentary procedure
- b) The board must know from whom it derives authority and to whom it is accountable

- c) They are an organization's best source of funding
- d) Organizations must prioritize service to those customers who are also owners

[PRINCIPLE 2]

The board's position can be best described as:

- a) The link between the owners and management
- b) Advisor to the CEO
- c) Accountable to the CEO
- d) Between the CEO and the staff

[PRINCIPLE 2]

Board decisions comprise direction to:

- a) Board and CEO
- b) CEO and staff
- c) Owners and senior management
- d) Board committees and senior management

[PRINCIPLE 3]

Individual board members have:

- a) More authority than staff members
- b) No authority
- c) As much authority as the CEO
- d) Less authority than Executive Committee members

[PRINCIPLE 3]

The "one voice principle" refers to:

- a) The need for board members to agree on a strategic plan
- b) The board communicating one message to the media
- c) Making decisions by consensus
- d) The board communicating direction to the CEO and to other board subordinates.

[PRINCIPLE 4]

The board's Ends define:

- a) At the least, the organizational results for specific beneficiaries and the worth of those results.
- b) Results for specific beneficiaries and the worth of those results
- c) Organizational results for specific beneficiaries at what worth and may include the kind of data and the measures to determine compliance
- d) All of the above

[PRINCIPLE 4]

The type of cost the board is not concerned about in Ends is:

- a) Priority among results

- b) Worth of the result
- c) Cost of the means to produce the result
- d) None of the above

[PRINCIPLE 4]

Ends:

- a) State effect not effort
- b) Don't contain verbs
- c) Are not specific
- d) All of the above

[PRINCIPLE 4]

The broadest Ends statement or global Ends policy defines the arena of achievement for an organization. The broadest Ends statement:

- a) Describes the organization's highest ambition
- b) Is the organization's vision of what should be
- c) Uniquely describes the organization
- d) None of the above

[PRINCIPLE 5]

The board:

- a) Must never assume direct authority of operational matters
- b) Must never assume an integral component of the CEO's job unless it is prepared to be fully responsible for it
- c) Must never relinquish accountability for owner linkage, written governing policies and assurance of executive and board performance
- d) None of the above

[PRINCIPLE 5]

To be consistent with Policy Governance® principles, which of the following cannot be part of the board or board process:

- a) Board treasurer
- b) Staff
- c) Executive committee
- d) None of the above

[PRINCIPLE 5]

Policy Governance® principles related to board means specify:

- a) Appropriate board size
- b) Type and roles of officers
- c) Types of committees
- d) None of the above

[PRINCIPLE 5]

Board means policies:

- a) Are the board's opportunity to customize its job, practice and conduct
- b) May leave any reasonable interpretation to the chief governing officer, by whatever title the position is called
- c) Include board practice, process, discipline and value added, plus the board's relationship and accountability with its subcomponents and the executive part of the organization
- d) All of the above

[PRINCIPLE 6]

Executive Limitations should address:

- a) Everything the board believes is important
- b) Everything the board might wish to forbid
- c) Those things the board feels it must forbid on behalf of its owners
- d) Those means the board, acting on behalf of the owners, would find unacceptable for reasons of prudence or ethics, even if Ends were to be accomplished

[PRINCIPLE 6]

The most important reason Executive Limitations are stated proscriptively is because:

- a) The board can allow far more than it needs to forbid leading to fewer policies
- b) It reminds the board to govern CEO means only through policies that specify unacceptable conditions based on prudence and ethics
- c) The board can avoid approving CEO means, thus preserving distinct lines of accountability
- d) All of the above

[PRINCIPLE 6]

Executive Limitations policies should be created:

- a) To deal with all board member concerns about staff means
- b) To make sure that the CEO does things the way that board members would prefer them to be done
- c) To prohibit those means choices that the board would find imprudent or unethical whether or not they helped to achieve the Ends
- d) To show stakeholders that the board is acting responsibly

[PRINCIPLE 7]

What does the concept of policy sizes mean?

- a) A lower level (subordinate) policy describes the means used to achieve the higher level policy
- b) A policy at a "higher" level is large enough that it includes all policy levels below it (subordinate levels)
- c) A higher level policy is the introduction to a list of further details
- d) All of the above

[PRINCIPLE 7]

Subsequent, more narrowly defined Ends statements:

- a) Explain what the broad statement means
- b) Further defines results, beneficiaries and worth

- c) Gives further direction to accomplishing the Ends
- d) All of the above

[PRINCIPLE 8]

Does using Policy Governance® require delegation through a CEO or equivalent single organizational leader?

- a) Yes
- b) Yes under certain circumstances
- c) Highly recommended for efficiency but not required
- d) No

[PRINCIPLE 8]

The problem with holding more than one person accountable for policy compliance is:

- a) Leaving no one accountable, activities required for policy compliance often overlap and issues can easily fall between the cracks
- b) It is hard for the board to discover the source of any non-compliance
- c) If the board receives differing accounts for the same delegation, the board ends up being the CEO
- d) All of the above

[PRINCIPLE 8]

A true CEO role requires:

- a) Someone other than the board
- b) Accountability and authority
- c) One person
- d) All of the above

[PRINCIPLE 9]

Which of the following statements about CEO interpretation of Ends and Limitations policies is true:

- a) The board should approve the CEO's interpretation
- b) The board must accept the CEO's interpretation
- c) The board should review the interpretation the CEO plans to use before the policy is scheduled for monitoring, to be sure the board agrees it is reasonable
- d) The CEO should provide a reasonable interpretation of policy regardless of which monitoring method the board uses

[PRINCIPLE 9]

The right to make any reasonable interpretation is the CEO's, but the board has the final decision on whether it is reasonable. How does the board do this?

- a) Voting to see if the board would have interpreted the policy in the same way
- b) Considering whether a reasonable person might have made such an interpretation, using rationale provided by the CEO
- c) Deciding if the interpretation is consistent with what the board originally meant when it wrote the policy
- d) Asking the board "expert" on the matter whether it is reasonable

[PRINCIPLE 10]

In order to allow the board to monitor achievement of Ends adequately:

- a) Ends policies should include measurement criteria or indicators
- b) Monitoring report should include CEO plans to achieve the Ends
- c) Interpretation in monitoring report should include justifiable statement of what will demonstrate compliance
- d) Ends policies must be in the SMART format (specific, measurable, attainable, realistic and tangible)

[PRINCIPLE 10]

Which of the following statements about monitoring is true?

- a) Direct inspection should be used only when the CEO is suspected of wrongdoing.
- b) Monitoring is limited to times in the advance monitoring schedule.
- c) The board has complete freedom to schedule monitoring or use any one of the three methods.
- d) A purpose of monitoring is to give the board information to assist in coaching the CEO.

[PRINCIPLE 10]

A good monitoring report, consistent with delegation to management within board policy controls, should not include:

- a) CEO reasonable interpretation of what the policy means
- b) CEO plans for achieving policy compliance
- c) Evidence of compliance with a reasonable interpretation of policy
- d) Rationale for why the interpretation is reasonable

[PRINCIPLE 10]

For which of the following methods of monitoring is the CEO expected to provide written evidence of policy compliance?

- a) Internal or executive report
- b) Direct inspection
- c) External report or audit
- d) All of the above

[PRINCIPLE 10]

If the board chooses to do an annual CEO performance appraisal, it should:

- a) Ask staff and external stakeholders what they think of the CEO's performance
- b) Review the monitoring reports it has received and re-assess them to see if they still think the CEO is compliant with policy
- c) Summarize the assessments it has already made as it assessed monitoring reports throughout the year, and identify any trends in CEO performance
- d) All of the above