

ISAO Governance

An important initial requirement for an emerging ISAO is to define a governance model that describes clearly how the ISAO will be directed and overseen. Governance refers to the process of making decisions which define the expectations, systems and management. When the ISAO is first forming, a governing body should be established and authorized to make decisions and formulate the ISAO's organizational policies. (ISAO 100-2)

The governing body can include any of the following:

(Layer) Board of Directors

An advisory board is designed to advise the ISAO leadership on ways to grow their organization successfully. They are more informal by nature, mainly because they are not legally bound and have no legal authority over the ISAO. Members are selected by the leadership or executive team based on a targeted expertise or specific background. Most of the time, advisors are brought on to fill specific gaps in knowledge within an organization, and they use their experience to support individual projects or initiatives. ISAO leaders also turn to advisors to act as a sounding board when they need someone to bounce off ideas and challenges.

Assembling an advisory board can be much easier and quicker than appointing a board of directors, because there are no legal ties associated with advisor roles, and they do not have to be elected by the company's stakeholders. Advisors usually agree to join simply because they believe in the leaders and/

or are passionate about the mission.

A board of advisors is often used with SLTT-level ISAOs.

(Layer) Steering Committee

Steering committees are advisory bodies that are made up of senior stakeholders or experts that provide guidance on issues that the ISAO may face, such as budgets, new endeavors, policy, marketing strategies and project management concerns.

(Layer) Policy Board

Sometimes referred to as Management-Team Board, this model is commonly used in non-profit organizations. Several committees help carry out the activities of the ISAO, and the relationship between the board and staff is one of a partnership.

governing body (cont.)

(Layer) Policy Governance Body

Sometimes referred to as a 'Carver Board' after founder John Carver, this model has a more formal structure. The board operates as a whole, using one voice and rarely works with committees. The executive director is given a very clear scope and role as well as limits about what she/he can undertake. The main emphasis of the board is on policy development.

(Layer) Working Board

Directors on this type of board play a more hands-on role with some of the administrative

functions of the ISAO such as public relations, financial management, program planning, and personnel. It's not uncommon for these boards to not have any staff.

(Layer) Collective Board

Sometimes known as a cooperative or coalition, a Collective Board also carries out many administrative functions of the ISAO. These boards are comprised of like-minded people that support a specific goal. Staff and directors operate together as a single entity. There is not usually an executive director, and often there is no voting as everyone works within a consensus model.

components

A defined governance model will help to reconcile competing priorities, differing needs, and disparate approaches for reaching the ISAO's objectives. Every ISAO has unique circumstances and needs. The governance model will reflect the uniqueness of the ISAO.

The four major components of a governance model follow:

(Layer) Structure – Set the Strategic Vision

- ✓ the subcomponents are organizational design, reporting structure, and the structure of the committees and charters
- ✓ outlines the board and management committee structures, mandates, membership, and charters
- ✓ establishes design of the governance
- ✓ delineates organizational structure, reporting lines, and relationships
- ✓ highlights role and independence of control and support functions from business owners

components (cont.)

(Layer) Oversight Responsibilities – Create Well-Deserved Lines of Authority and Accountability

- ✓ key subcomponents are board oversight and responsibilities, management accountability and authority, and the authority and responsibilities of the committees
- ✓ outlines the type of committees (board and management) and associated responsibilities
- ✓ specifies functional accountabilities for day-to-day management of business practices across the enterprise
- ✓ delineates board and management approved policies supporting delegation of authority (decision rights) including reporting, escalation and veto rights

(Layer) Culture – Summarized by the Business and Operating Principles

- ✓ subcomponents under this section are performance management and incentives, business and operating principles, and leadership development and talent programs
- ✓ aligns governance with operating and business principles
- ✓ articulates core beliefs and foundation for culture
- ✓ highlights characteristics of risk culture
- ✓ outlines leadership succession, assessment, and development responsibilities
- ✓ aligns performance management, approach, measures and responsibilities to compensation and incentive plans

(Layer) Infrastructure – Policies, Procedures, Reporting and Communication Methods

- ✓ policies and procedures, reporting and communication, and technology are the key subcomponents under this section
- ✓ establishes design and content of policy manuals and associated procedures
- ✓ outlines type and frequency of internal reporting and communications
- ✓ defines scorecards, measures and metrics to track performance
- ✓ aligns technology and governance requirements