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# Authorities Budget Office Policy Guidance



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**No.** 10-05

**Date Issued:** October 26, 2010

**Supersedes:** New

**Subject:** Annual Board of Directors Evaluation

**Statutory Citation:** Public Authorities Law sections 2800(1)(a)(15) and 2800(2)(a)(15) and Section 2824(7)

**Provision:** The 2009 Public Authorities Reform Act requires that the board of every state and local public authority conduct an annual evaluation of its performance. Board member comments are protected from disclosure under Article 6 of Public Officers Law, but the results of the assessment are to be provided to the ABO.

**Authorities Budget Office Policy Guidance:** Board members must be committed to the highest standards of corporate governance. The board must hold itself accountable to the mission of the authority and the public interest. This annual assessment is a reminder to each board member of his or her duties, why those responsibilities are important, and whether they are performing those duties appropriately. The evaluation provides an opportunity for board members to measure their individual and collective effectiveness, determine if they are following their own policies and procedures, identify areas for board improvement, and to compare how their evaluation of the board's performance compares to that of other board members. This annual evaluation can be a learning tool to educate board members and build a well functioning board.

The Authorities Budget Office recommends that each board member annually perform his/her own evaluation of the whole board. The evaluation should be conducted confidentially with the results compiled by the governance committee. Furthermore, the ABO consulted with the Committee on Open Government, which advised that a board discussion of its performance "would constitute a matter made confidential, by state law that, therefore, could be conducted in private."

To the extent that the results of this evaluation demonstrate the need for the board to improve its performance, amend its practices or procedures, or clarify its expectations of board members, the board is expected to implement suitable corrective actions immediately.

The Authorities Budget Office has developed the following model board evaluation tool that can be adopted by public authorities to meet the needs of their boards of directors. This document should be completed by each board member.

### Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.				
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Date Completed: \_\_\_\_\_

The member responses to the Board Evaluation questionnaire should be aggregated and the results submitted to the ABO via email (Subject: CONFIDENTIAL Results of Board of Directors Evaluation) within 90 days of the close of the authority's fiscal year. The board evaluation is required annually beginning with fiscal years ending on or after September 30, 2010.

A model summary reporting form has been provided, below, that should be revised to reflect the evaluation tool adopted by your public authority. Enter in each cell the number of board members who answered the question with that response.

Results should be sent to: [info@abo.ny.gov](mailto:info@abo.ny.gov)

### Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.	#	#	#	#
The policies, practices and decisions of the Board are always consistent with this mission.				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.				
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.				
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.				
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.				
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.				
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.				
Board members demonstrate leadership and vision and work respectfully with each other.				

Name of Authority: \_\_\_\_\_

Date Completed: \_\_\_\_\_