GoldOurs
PARTNERING TO UNEARTH OPTIMAL VALUE

GOVERNANCE & BOARD EFFECTIVENESS GUIDE

Turning governance into better decisions,
clearer accountability and stronger execution



INTRODUCTION

GOVERNANCE IS OFTEN ASSESSED BY LOOKING AT STRUCTURES

Is there a board?

Are committees in place?

Are delegations documented?

Are policies approved?

Are reports submitted?

Are risks recorded?

These are important foundations. But they do not, on their own, tell you whether governance is effective.

The stronger question is:

> **Does governance help the organisation make sound decisions, manage risk, clarify accountability and execute effectively?**

When governance works well, it creates clarity.
When it does not, the effects are often felt first in operations.

This guide provides a practical framework for boards, councils and executive teams to examine how governance is working in reality.

1 Start with operational friction

Governance problems rarely appear with a label attached.

They often show up as:



- slow decisions;
- repeated escalation;
- unclear accountability;
- overlapping committees;
- excessive approvals;
- recurring problems;
- poor coordination;
- weak reporting; and
- senior leaders spending too much time on operational detail.

These issues are often treated separately.

But when they recur, they may point to weaknesses in the governance system itself.

Questions to ask

- Where do decisions routinely get stuck?
- Which issues keep returning to management or board meetings?
- Where are roles or mandates unclear?
- Which matters are escalated unnecessarily?
- Which controls create the most delay?
- Where does accountability become difficult to establish?

Operational friction is not always a nuisance to be managed. It can be useful evidence.

2 Clarify decision rights

One of the strongest indicators of governance effectiveness is whether people understand who has the authority to decide.

For important decisions, the organisation should be clear about:

Who decides?
Who has final authority?
Who recommends?
Who analyses the issue and proposes a course of action?
Who must be consulted?
Whose expertise or perspective is required?
Who executes?
Who is responsible for implementation?
Who needs to be informed?
Who needs visibility but does not need to participate in the decision?



When these roles are unclear, organisations compensate with meetings, emails, approval chains and escalation.

Warning signs

- Routine operational decisions move to senior executives.
- The same decision is discussed repeatedly.
- Decisions are reopened after being made.
- Managers are accountable without sufficient authority.
- Too many people are involved in low-risk decisions.
- Teams wait for approval rather than acting.

A USEFUL TEST

**Choose five decisions that regularly affect delivery.
Ask several people who has authority to make each one.
If the answers differ, decision rights may not be clear enough.**

3 Align Authority with Accountability

Accountability works best when authority and responsibility are aligned.

A person cannot reasonably be held accountable for an outcome if they do not have sufficient authority to influence it. Likewise, authority without accountability creates its own risk.

Strong governance should make it clear:

- what a person is expected to deliver;
- what they are authorised to decide;
- where the limits of that authority sit;
- how performance will be judged; and
- when escalation is required.



Ask

- Is accountability assigned to a clearly identified owner?
- Does that person have sufficient authority?
- Are responsibilities duplicated?
- Are actions tracked to completion?
- Are overdue decisions or actions visible?

A USEFUL QUESTION IS:

If this fails, who owns the outcome?
If the answer is unclear, accountability may be too diffuse.

4 Align Authority with Accountability

Boards do not need more information simply for its own sake. They need information that supports judgement.

Strong board reporting should help directors understand:

- what is happening;
- why it is happening;
- what has changed;
- what risks are emerging;
- what requires attention;
- what decisions are needed; and
- what should be watched next.

Reporting should distinguish between:

Activity and performance - What was done is not the same as what was achieved.
Status and trend - A green indicator may still be deteriorating.
Information and decision - Boards should know when they are being informed and when they are being asked to decide.
Current risk and emerging risk - New pressures may not yet appear on the risk register.

Questions for boards

- **What sits behind the headline number?**
- **What has changed since the previous report?**
- **Which issues are recurring?**
- **What are we least certain about?**
- **What decision is required from us?**
- **What should we be watching next?**



THE STRONGEST TEST

If an important problem was beginning to emerge, would this reporting system allow us to see it early enough?

5 Focus committees on purpose

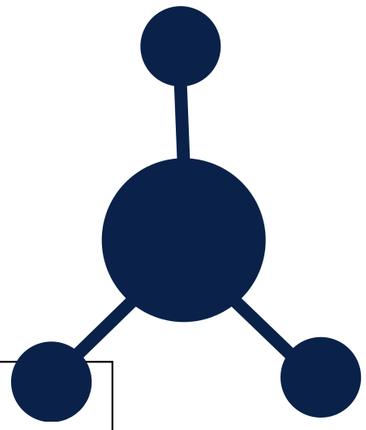
Committees can strengthen governance. They can also create duplication.

Every governance forum should have a clear mandate and a distinct role.

That includes clarity about:
- purpose;
- authority;
- decision-making responsibility;
- reporting lines;
- information requirements; and
- escalation.

When several committees discuss the same issue without clear ownership, governance activity increases while accountability weakens.

Warning signs
- The same issue appears on multiple agendas.
- Decisions are deferred from one committee to another.
- Nobody is clear which forum owns the matter.
- Committees receive information without taking action.
- Membership overlaps heavily without a clear reason.



ASK

What does this committee do that no other forum does?
If the answer is unclear, the committee structure may need review.

6 Keep controls proportionate

Controls are essential. But controls accumulate.

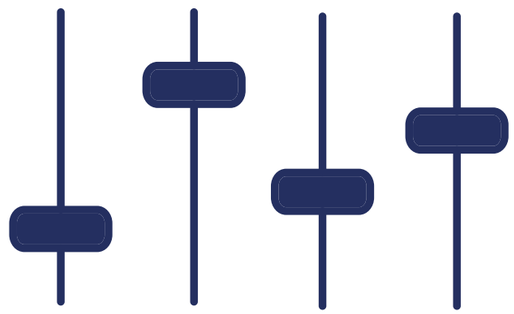
One failure leads to another approval.
One incident leads to a new procedure.
A temporary response becomes permanent.

Over time, the organisation can become highly controlled but increasingly difficult to operate.

Effective governance requires periodic review of controls.

ASK

- What risk is this control managing?
- Is that risk still relevant?
- Is the control proportionate?
- Is there duplication?
- Does the control improve assurance?
- Does it still justify the time and effort it requires?



The objective is not less control. It is better control.

Good governance manages risk without unnecessarily obstructing delivery.

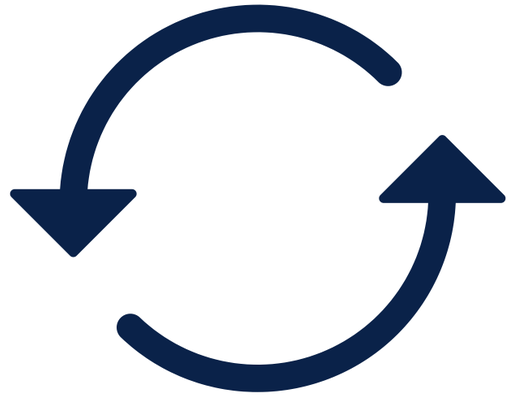
7 Treat repeated problems as information

A recurring problem is rarely just another incident.

Repeated audit findings, project delays, control failures, complaints or risk events may indicate that the organisation is failing to address the underlying cause.

Boards and executives should ask:

- Have we seen this before?
- What did we learn last time?
- What changed as a result?
- Why has the problem returned?
- Is the issue local or systemic?



These questions move the organisation from reaction to learning.

8 Build organisational memory

Experience becomes organisational learning only when it changes future behaviour.

That requires a way to retain what the organisation has learned.

Useful mechanisms may include:

- decision logs;
- project close-out reviews;
- lessons-learned registers;
- structured handovers;
- governance action trackers;
- updated policies and controls;
- risk reviews; and
- accessible knowledge repositories.

The tool matters less than the outcome.

The important question is:
Will this lesson still be available when the next decision is made?



Watch for

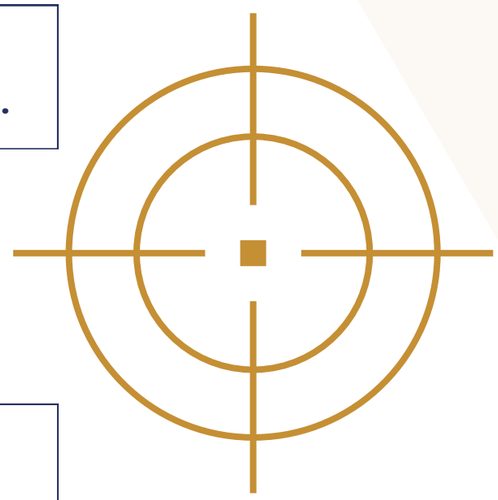
- critical knowledge sitting with one individual;
- lessons captured but not applied;
- recurring failures;
- important decisions with no record of the reasoning behind them;
- weak handovers after staff or leadership changes.

9 Judge governance by outcomes

Experience becomes organisational learning only when it changes future behaviour.

CLARITY
People understand roles, responsibilities and authority.

JUDGEMENT
Boards and executives receive the information they need to make sound decisions.



ACCOUNTABILITY
Ownership is visible and authority matches responsibility.

CONTROL
Risk is managed proportionately.

LEARNING
The organisation retains and applies lessons.

EXECUTION
Decisions translate into action.

If governance activity is increasing but these outcomes are not improving, the system deserves closer examination.

10 A practical governance review

A useful governance review should examine how governance operates in practice.

DECISION-MAKING

- Are decision rights clear?
- Are decisions made at the appropriate level?
- Is escalation proportionate?
- Are decisions repeatedly reopened?

REPORTING

- Does reporting create insight?
- Are trends visible?
- Are recurring issues highlighted?
- Are decisions clearly identified?

COMMITTEES

- Are mandates distinct?
- Is there duplication?
- Do meetings lead to decisions or action?
- Are issues moving unnecessarily between forums?



CONTROLS

- Are controls proportionate?
- Are approval chains necessary?
- Are outdated controls removed?
- Do controls genuinely reduce risk?

ACCOUNTABILITY

- Does authority match responsibility?
- Are actions clearly owned?
- Are deadlines visible?
- Are consequences of non-delivery understood?

LEARNING

- Are lessons captured?
- Are recurring problems treated systemically?
- Does learning change future decisions?
- Can important historical reasoning be recovered?

11 Ten questions for boards and executive teams

1 | Where does decision-making slow down most often**?**

2 | Which issues are repeatedly escalated?

3 | Which matters appear in more than one committee?

4 | Does the board receive insight or simply information?

5 | Which controls create the most operational delay?



6 | Where are authority and accountability misaligned?

7 | What problems keep returning?

8 | Which important decisions depend too heavily on one individual?

9 | Can the organisation explain what it learned from its last major failure?

10 | Does the governance system help the organisation execute strategy?

12 A simple governance effectiveness test

ASK WHETHER GOVERNANCE HELPS THE ORGANISATION:

MAKE BETTER DECISIONS
Are the right decisions being made at the right level?

SEE PROBLEMS EARLY
Does reporting make emerging risk and deteriorating performance visible?

HOLD PEOPLE ACCOUNTABLE
Is it clear who owns outcomes?

MANAGE RISK PROPORTIONATELY
Do controls provide assurance without unnecessary delay?

LEARN FROM EXPERIENCE
Do past failures improve future decisions?

EXECUTE
Do decisions translate into action?



If several of these answers are uncertain, governance may be functioning formally without functioning effectively.

GOLDOURS PERSPECTIVE

Governance should not be treated as a layer placed on top of the organisation.
It is part of how the organisation makes decisions, manages risk, allocates authority, learns and executes strategy.

GoldOurs works with boards, councils and executive teams to examine how governance operates in practice — identifying where decision rights, reporting, committee structures, controls, accountability and organisational learning may be helping or hindering performance.

Effective governance is not measured by how much governance activity takes place.
It is measured by whether the organisation makes better decisions and executes them well.