Organizational Audit Outline

The following outline is intended to give you a place to start on your research into your project organization.

The purpose in doing the audit is to be able to report to the class how the organization runs and how well you think it is doing in accomplishing its mission based on your newfound knowledge about board governance and planning.

You will be assessing the strategic planning process the organization uses (assuming it has a planning process) and collecting “evidence” to support your analysis. It is important to approach this as a critical analysis project, and not simply reporting to the class. This is not a public relations presentation.

The questions in this audit are posed to promote your thinking about how this organization measures up. There may be other questions that you have or that surface as you do your research and analysis. Please feel free to add selected questions that strike you as important and relevant.

I. Mission, Image & Purpose

A. Mission
   1. Does the organization have current vision/mission/values statements? Are the statements clear?
   2. How often are these statements revised and updated? Is this revision process a board or staff function?
   3. Who is served by the mission/vision/values of the organization?
   4. Does the organization appear to be following its vision, fulfilling its mission and sticking to its values? Provide examples of how the organization is effectively doing what it says it is all about.

B. Image of Organization – Local and Regional Perceptions
   1. Is the organization known in the community? How well known is it? How is it depicted in the media and how frequently?
   2. What is its reputation? What do other arts organizations think of the organization you are researching?
   3. Is there any gap between the organization’s perception of how it is viewed in the community and how the community views it?

C. Board Documentation
   1. Are the bylaws up to date? Does the organization pay any attention to its bylaws? In other words, what do the bylaws have to do with how the board operates?
   2. Are there other published, i.e. public (or unpublished board manuals) documents describing how the board is supposed to go about its business? How well does the board remember what it has done in previous meetings or years?
   3. Does the board operate with a set of standing policies? Does the management team of the organization work from established policies? Are these policies published?
   4. Are there published planning documents? What’s the board’s involvement in the planning process? What’s the relationship between the staff planning function and the board planning function? How the organizations planning measure up to the strategic planning we have been studying this semester?
   5. Are the minutes of the Board meetings distributed in a timely manner? How do they read? Do you gain a clear picture of what transpired at the meeting?
II. Human Resources

A. Board
1. What are the profiles of the board members? How are they selected or elected? How many are on the board? Do they have an executive committee? What other committees do they have?
2. Is there evidence of responsible trusteeship relative to what the organization’s bylaws and operating manuals dictate?
3. Are there “job descriptions” of the various board positions and committees?
4. What is the organizational structure of the board? Is there an organizational chart of the board and the organization? Is it up to date and accurate?
5. What is the attendance like at board meetings? If there is less than 100% attendance, what do you think are some of the factors contributing to this? How often does the board meet?
6. Does the board have statistics on meeting attendance? What is the relationship, if any, of meeting attendance to the board’s annual calendar?
7. Does the board have a self-evaluation system in place? Does the board think it is pretty successful as a governance body?
8. Does the board have an annual review process for the CEO, or Executive Director? Is there more than one person who reports to the board and whom the board evaluates?
9. Does the CEO have a voting position on the board or are they ex officio members of the board?
10. Has there been any history of problems with the leader and board’s working relationship?

B. Staff
1. Is there sufficient number of staff to carry out the organization’s vision/mission/goals? If not, what is being done to address the issue? The assumption being if the v/m/g aren’t being achieved, there must be a gap between performance expectations and results. How does the organization justify or rationalize this discrepancy?
2. Are there staff job descriptions and is there clarity of staff and board functions?
3. Does the staff have the tools and technology it needs to effectively do their jobs? Is the software and hardware in place to efficiently run the organization?
4. How is the morale among the staff? Will anyone even talk about this touchy subject?
5. Do staff members serve ex officio on board committees? Which committees? What does staff think of the effectiveness of the committee?
6. What does the staff think of the board? What does the board think of the staff? Is anyone willing to discuss this? Is there a “perception gap” between the board and the staff?
7. Has there been any history and board staff harmony or discord?

C. Volunteers
1. Are there enough volunteers to assist with carrying out the various programmatic projects in the organization? What sorts of things do they do?
2. Are there a separate group of volunteers who are not board members?
3. Do the volunteers help the board members help with fundraising? Provide details.
4. What is the experience level of the volunteers? What’s the average number of years people have been working as volunteers for the organization?
5. Is there a volunteer training process in place and how effective does it appear to be?
6. Is there a history of commitment by the volunteers?
III. Financial Profile

A. Fiscal Accountability and Practices

1. Do recent balance sheet and income statements show prudent financial management by the staff and adequate oversight by the board? Has the organization experienced any significant changes in its fiscal year activity (Way up or way down? Why?) (See GuideStar - 990 reports and or annual reports of the organization.)
2. Are financial and budget control systems in place? How is the board involved in the budget approval and revision process?
3. What is the level of technology being used to manage the finances, cash flow, and budgets? (e.g. computer technology and software)
4. Are budget updates reported to the whole board on a regular basis? What about the staff? Do they have a clue what their budget is or what the financial status is of the organization?
5. Is there a finance committee?
6. Is there an investment management committee? How has it been doing with managing the portfolio of the organization?
7. Does the board have policies in place relating to financial management and investing?
8. How does the financial planning of the organization relate to its strategic or operational plans?
9. What year-to-date reporting about budgets is given to the board.
10. Has there been any history of conflicts of interest or financially questionable actions on the part of the board?

B. Income Patterns

1. Is there a stable balance between earned and unearned income? What are the percentages of each? Have these percentages changed in the last five years?
2. Is there sufficient availability of unrestricted funds? (Do they have cash available for emergencies?)
3. Is the organization dependent on a few major donors or income sources or is there a broad base of support?

IV. Activities and Programs

1. Resource audit – What are the programs of activity of the organization and what does the organization do particularly well?
2. What is the competition? Are there many other arts and/or NFP groups in the market area seeking support on a regular basis? Are there competing organizations offering similar programming or services?
3. Is all the programmatic activity of the organization actually needed? Is there an evaluation process in place for the programs they do?
4. Does the programming serve a diverse or narrow constituency?
5. What do the programs and activities offer the donor community?
6. How is the board involved with its oversight function of the programmatic activity of the organization?
7. How is the organization using technology to enhance and deliver its programming? How’s it website, for example? What new approaches is the organization using to maximize its marketing and PR resources?
V. Planning and Evaluation

A. Planning
   1. How well-defined are mission, goals, objectives, and action plans? Does the board have its own planning documents or are the organization and board plans combined?
   2. How good is the planning process? How involved is the board, the constituents, and the staff in the planning and evaluation process?
   3. Is the organization planning strategically? Are plans mostly operational or did you find evidence of true strategic thinking going on in the organization?
   4. How far ahead does the organization plan?
   5. Is there a multiyear financial plan? If so, how is the organization doing meeting its financial goals?
   6. Are there operational plans in place? How are they developed and monitored? Does the board have any connection to the operations through board committees? Is there a “firewall” between the board planning committees and the staff planning process?
   7. Has the organization made use of outside consultants in the last five years or does it plan to do so in the near future? If yes, what was the outcome of the consultants work with the organization?

B. Evaluation and Accountability
   1. How are programs and activities evaluated?
   2. What is the frequency of these evaluations and who does them?
   3. Has the organization added new programmatic activity in the last five years? Why?
   4. Has the organization discontinued any of its programmatic activity in the last five years? Why?
   5. Are the evaluations based on quantitative targets? What are the metrics being used to assess success?
   6. How is the overall effectiveness of the organization evaluated?
   7. What is the relationship between evaluations and grants the organization receives? Is there separate grant evaluations or is the overall organizational self assessment process integrated with its grant reporting?
   8. Does the board evaluate itself? What are the mechanisms in place to ensure the board and staff are all being held accountable in the larger sense?
Questionary for Individual Members of the ______________ Board

Please place an X in the box below that is most appropriate based on your opinion.

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>1. I was very familiar with ____________ before joining the board</td>
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<td>2. My arm was “twisted” to join the board</td>
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<td>3. I am sensitive to the differing challenges of cultural organizations in either large metropolitan areas or rural and underserved communities</td>
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<td>4. I was provided an in-depth orientation for new board members including a clarification of the ____________ Values/Vision/Mission</td>
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<td>5. The Values/Vision/Mission are aligned with my personal philosophy of what cultural organizations do best</td>
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<td>6. I respect the (CEO, Exec Dir?) ____________ as a competent source of organization-specific cultural knowledge and operational leadership</td>
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<td>7. I receive board materials in a timely fashion with sufficient background material and or professional recommendations</td>
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<td>8. I am kept informed about potential opportunities for and or threats to the organization</td>
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<td>9. I am able to contribute my unique skills and talents to help the organization achieve its goals</td>
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<td>10. I am encouraged to participate fully in board discussions</td>
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<td>11. I am able to accept majority positions even if I dissented in the decision-making process</td>
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<td>12. I am often in a position to inform others in the community about the , affirm its importance, and share its accountability practices</td>
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<td>13. I help identify and recruit potential leaders for the board</td>
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<td>14. I support the organization financially and attend its performances</td>
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<td>15. I enjoy serving on the Board</td>
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<td>16. General comments that you’d like to share? Please use the space below and the back of the page. Thank you.</td>
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Thanks to Patrick Overton for this questionnaire format. For more information about Dr. Overton’s work go to the [Front Porch Institute](http://www.frontporchinstitute.org).
# Questionnaire for the _____________________ Staff about the Board #______

Please place an X in the box below that is most appropriate based on your opinion.

<table>
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<tr>
<th>QUESTIONS</th>
<th>Yes</th>
<th>No</th>
<th>Don’t Know</th>
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<tbody>
<tr>
<td>1. The staff and the company understand the board’s role with the organization</td>
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<td>2. The board is well informed about the artistic work of the ___</td>
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<td>3. The board considers the expertise of the administration and the company when setting policies for the organization</td>
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<td>4. The staff and the company are invited to contribute to the development of activity that is appropriately shared with the board</td>
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<td>5. The organization’s programming is aligned with its capacity to produce (_________________________________)</td>
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<td>6. The resources of the organization are allocated in a way that is sensitive to the needs of staff and the company</td>
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<td>7. The board chair encourages full participation from all members</td>
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<td>8. There are protocols in place that will support the organization in a time of crisis (i.e. pre-determined policies re: debt, contracts, negative publicity, internal conflicts, etc.)</td>
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<td>9. The board members support the organization financially and attend performances</td>
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<td>10. The board is fully informed about potential opportunities for and/or threats to the organization</td>
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<td>11. Board members have created clear channels of communication regarding interaction with each other and staff</td>
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<td>12. The board has a clear policy regarding term limits</td>
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<td>13. The board assesses its effectiveness from time to time</td>
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<tr>
<td>14. General comments about the board that you’d like to share? Please use the space below and the back of the page. Thank you.</td>
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