



Management and the Arts – Organizational Audit

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 well known in the community? How is it depicted in the media and how frequently?
2. What is its reputation? What do other arts managers in the region 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? If there is a gap, what do you attribute it to?

C. Board Organization and Documentation

1. Based on your research, how would you describe how this board functions? For example, does the board operate using the Carver Governance Model? If not, how would you describe the board's behavior in general? Is it a working board or a policy board?
2. Are the board 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?
3. Are there other published, i.e. public (or unpublished board manuals) documents describing how the board is supposed to go about its business?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? In other words, how does the board track and report what happens between meetings?
4. 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? Does the board use some component of Roberts Rules of Order (RRO) or do they use some variation on
5. Is there evidence of special stewardship activity by the board in response to the economic downturn?
6. 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?
7. 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? Who is on the Executive Committee? What other committees do they have?
2. Does the organization have an honorary board as well? How does that board function relative to many of the same questions in this section of the audit? What's the honorary board's purpose, processes and impact?
3. Is there evidence of responsible trusteeship relative to what the organization's bylaws and operating manuals dictate?
4. Are there "job descriptions" of the various board positions and committees?
5. 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?
6. What is the attendance like at board meetings? Assuming there is less than 100% attendance, how does this board measure up in terms of participation? What do you think are some of the factors contributing to participation or the lack thereof? How often does the board meet? How often do committees of the board meet? Again, what is the level of attendance and engagement at these meetings?
7. Does the board keep statistics on meeting attendance? What is the relationship, if any, of meeting attendance to the board's annual calendar?
8. Does the board have a self-evaluation system in place? Does the board think is pretty successful as a governance body?
9. 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?
10. Does the CEO have a voting position on the board or are they *ex officio* members of the board?
11. Has there been any history of problems with the leader and board's working relationship?
12. Does the board consider Sarbanes-Oxley legislation and practices in its organization and operation?
13. Are there specific state laws that have an impact on the operation and reporting about the of the board?
14. Is the board anywhere to be found on the organization's website? Does the board do any of its business via the website (e.g. do they use the web for virtual meetings?), e-mail, or conference calling?

B. Staff

1. Is there sufficient number of staff to carry out the organization's vision/mission/goals? (Of course this begs the question – Does any arts or NFP organization have "enough" staff?) Think of this question as a capacity issues. For example, does the organization have capacity for growth or is it already operating beyond the capacity of the staff? If there is not sufficient staff, what is being done to address the issue? The assumption being if the v/m/g aren't being effectively achieved and as a result there must be a gap between performance expectations and results. Or is there? How does the organization justify or rationalize this discrepancy?
2. What is the demographic breakdown of the staff? Does it mirror the community or not?



3. How has the economic downturn affected the staffing levels of the organization?
4. What does the organization chart look like for this organization? Do they have one?
5. Are there staff job descriptions and is there clarity of staff and board functions? For example, do any of the staff job descriptions make specific references to interaction with the board?
6. Do the staff have the tools and technology they need to effectively do their jobs? Is the software and hardware in place to efficiently run the organization? How do they manage the business data of the organization, including the records of the board?
7. How is the morale among the staff? Will anyone even talk about this touchy subject with you?
8. Do staff members serve *ex officio* on board committees? Or, do they have voting rights on various committees? Does the CEO have a vote on the board or is that position *ex officio* without vote? Which committees? What does staff think of the effectiveness of the committee?
9. 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?
10. Has there been any history of board staff harmony or discord?
11. Has there been any attempt to survey the board and staff about what the perceptions are about how both groups work?
12. Has there been use of consultants in the recent past (or now) to help the board and staff work together more effectively?

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 volunteer recognition event at the organization? Is the volunteer group featured anywhere on the website? Are they featured in publications of the organization?
7. 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. How has the economy had an impact on the financial stability of the organization? Was it prepared for the hard times or is the sky falling on them?
3. Are financial and budget control systems in place? How is the board involved in the budget approval and revision process?



4. What is the level of technology being used to manage the finances, cash flow, and budgets? (e.g. computer technology and software)
5. 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?
6. Is there a finance committee or finance/investment committee? (Could be any number of names used for this group.)
7. Is there a specific investment management committee? How has it been doing with managing the portfolio of the organization?
8. Does the board have policies in place relating to financial management and investing?
9. How does the financial planning of the organization relate to its strategic or operational plans?
10. What year-to-date reporting about budgets is given to the board.
11. Has there been any history of conflicts of interest or financially questionable actions on the part of the board?

B. Income & Expense 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? Do they have a sufficient line of credit?)
3. Is the organization dependent on a few major donors or income sources or is there a broad base of support?
4. Has the organization shown consistent expense patterns? Have expenses come under or over budget? How are deficits covered?
5. How has the organization adjusted to the recession and what impact has the downturn had on income and expense activity in the organization?

IV. Activities and Programs

1. Do a programming 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 doing similar programming and that are seeking support on a regular basis from a similar donor pool?
3. Is all the programmatic activity of the organization actually needed? Is there an evaluation process in place for the programs they do? Has the organization ever dropped a program?
4. Has there been any specific adjustments in the level of programming or the programs offered by the organization in response to the economic downturn?
5. Does the programming serve a diverse or narrow constituency?
6. What do the programs and activities offer the donor community in the way of recognition or engagement?
7. How is the board involved with its oversight function of the programmatic activity of the organization?
8. How is the organization using technology to enhance and deliver its programming? How's its website, for example? What new approaches is the organization using to maximize its marketing and PR resources? Does it use Facebook or other social networking options to engage its community?



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 or stakeholders, and the staff in the planning and evaluation process?
3. Is the organization actually planning strategically (intentional) or is it generating generic planning frameworks? For example, are plans mostly operational or did you find evidence of true strategic thinking going on in the organization?
4. Was the organization "prepared" for the shift in the economic environment? Are there plans in place for how the organization will adjust to the next 2 to 5 years?
5. How far ahead does the organization plan?
6. Is there a multiyear financial plan? If so, how is the organization doing meeting its financial goals? Has it adjusted its goals relative to the economic downturn?
7. Are there operational plans in place (e.g. marketing plan, education plan, development plan, etc.)? How are these plans 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?
8. Has the organization made use of outside consultants in the last three to 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?