

Getting Governance Right

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Example 1

What do you think about the story below?

Bernie, John & Brian are at the office every day. They get the phone calls, write the letters and meet the staff.

They say 'We do the work round here, so we make the decisions.'

The rest of the committee says nothing. It meets to get reports from Bernie, John & Brian. 'We leave all that to them. They're here every day, so they know best.'

Example 2

And how about this one?

Barry runs all the repairs. He picks the contractors, signs the invoices and gets the cheques signed.

He says 'I get on with my job and no one interferes; no red tape.'

The committee seem to get their repairs done very quickly.

Barry has a very good Christmas.

Example 3

And finally.....

Steve has an eye for the ladies; there are 8 of them on the committee and he's seeing 6 of them at the same time, including the 2 who are married to the other 2 men on the committee! Steve always gets his own way on committee decisions!

The women have recently started talking to each other and have realised what Steve's been up to.

Steve's not so popular with the ladies now and the committee's meetings have turned really nasty; the co-op is getting nothing done.

The Good, The Bad & The Ugly Governance in Housing Co-ops

- The 8 Principles of Good Governance – control, support structures, member involvement, information, clarity, risk management & audit, forward planning & review
- The 7 'Deadly Sins' – 'Little Hitler', us & them oligarchy, corruption, lack of accountability, favouritism, failure to declare conflicts of interest & apathy
- The Nolan Principles - selflessness, integrity, objectivity, accountability, openness, honesty & leadership

Key Criteria in Good Governance

- Accountability, roles & responsibilities
- Effective chairing & the Code of Conduct
- Having the right skills set to manage
- Maximum terms in office?
- Confidentiality
- Policies & records
- Preparation & focus
- Service agency & staff recruitment & management
- Contractor procurement & monitoring
- Legal & regulatory compliance
- Management of key risks

Delegation of Responsibility

- MC members – collective responsibility, declarations of interest, meeting preparation & attendance, representation, confidentiality & role as employer
- Chair – conduct, delegation, action, representation & advice
- Secretary – organising meetings & papers, minutes, the Annual Return, the Register of Interests & induction
- Treasurer – financial control, budget setting & monitoring, accounts, audit, the Financial Standing Orders & treasury management
- Staff – contracts & job descriptions
- Service agencies – management agreements

Involvement

- All members are encouraged to become involved in running the co-op
- All members receive information about membership and running the co-op
- No barriers exist to prevent any member becoming involved
- Appropriate training & support is available to all members

Code of Conduct

- Meeting conduct
- Conflict of interest
- Proper reporting channels
- Confidentiality
- Collective responsibility & majority decision making
- Matters arising
- Any other business
- Receiving & giving hospitality & gifts
- Policy on breaches

Information

- New members
- Committee members
- General membership

Service performance information & benchmarking

Co-op finances

Community activities & membership issues

Details of Committee members & Officers

Details of how members can stand for election

Details of staffing & service agency arrangements

Equal opportunities audit

Tenant satisfaction with services

Contractor performance

Confidentiality

- Confidential information (staff / service agency & member access)
- Data Protection Act 1998
- Requests from other agencies or parties
- Telephone enquiries
- Interviews
- Dealing with violent residents

Employment

Whether you employ your own staff or use a service agency:

- Recruitment / procurement process
- Policies & procedures
- Separation of duties between staff / agency & members
- Contracts of employment & management agreements
- Performance management, appraisals & remuneration
- Contractor procurement & monitoring

Audit & Probity

- External auditors must be independent & effective
- Selection & review of external auditors
- Effective internal controls
- Internal audit
- Compliance with audit recommendations
- Schedule 1 no longer applies
- Register of Interests
- Ensure that interests do not influence decisions
- Declaration of conflicts of interest
- Receiving & giving hospitality & gifts