

GOOD GOVERNANCE

Governance is the process by which the Board guides the association to achieve its mission and protect the members' and the owners' interests and assets. Good governance is about balancing strategic and operational responsibilities in a structured and organized manner.

It is required of the Board to invest in its own capacity to govern effectively and accountably. The Board should aim for excellence in governance.

Building an institutional culture:

A strong association institutional culture:

- Builds a sense of association identity for all members, staff and governors.
- Strengthens staff commitment.
- Stabilizes the association as a social system.
- Provides a frame of reference for the association to use in determining its approach to its staff, its members and the public.

In the competitive cut and thrust world of business, the Board should demonstrate to its members and to its staff that it represents and defends corporate excellence.

Board member duties:

1. The duty of Care
 - Devote sufficient time to be a productive Board member.
 - Prepare for Board meetings by reading preparatory documentation.
 - Participate actively in committees and working groups.
 - Ask pertinent questions in order to understand more fully how the association is operating.
 - Contribute in good faith.
 - Make decisions and participate in voting from an informed point of view.
2. The duty of Loyalty
 - Avoid any conflict of interest. Loyalty as a Board member is to the association, not to a Board member's individual company.
 - Even when voting in disagreement, support majority Board votes wholeheartedly.
 - Maintain independence, objectivity and absolute confidentiality in all Board business.

- Function according to the highest ethical standards.
 - Disclose any actual or potential conflict of interest that could have an influence on participation in a Board decision.
3. The duty of Obedience
- Be guided by association's vision, mission, values and goals. Ensure they guide your contribution to every Board meeting.
 - Always behave in a manner that is consistent with the association's institutional objectives.

Board member responsibilities:

1. Establish and defend the mission and values of the association.
2. Recruit, employ and supervise the executive.
3. Provide support and supervision to the President. Review the performance of the President.
4. Plan for a strong association.
5. Support capital resource development and the generation of sustainable resources.
6. Ensure financial control and planning.
7. Determine and monitor the association's services and activities.
8. Promote and enhance the organization's image.
9. Serve as a Court of Appeal.
10. Review Board performance.

Evaluating Board performance

There are three keys to successful Board performance assessment and evaluation.

1. Internal monitoring: At the end of every Board meeting conduct a rapid review of your performance as a Board.
2. External evaluation: At least once every two years, use an external consultant specialist to conduct a good governance evaluation. Use the consultant's findings and recommendations to inform your own monitoring and evaluation process.
3. Internal evaluation: Organize a good governance Board retreat every year. Use the retreat to help you evaluate your own performance and to set Board governance development targets for the coming year. Set performance targets for each Board member.

Danger signs for a Board:

- You did not attend the last three Board meetings.
- You are a passenger. You sit passively and quietly in Board meetings. You add no value.
- You stopped enjoying being on this Board a long time ago.
- You consistently feel that you don't understand the association's business.
- Your Board meetings never start on time and never finish on time. They typically last more than two hours.
- Your Board meetings are usually arranged by telephone with insufficient notice.
- You have no idea when your next Board meeting will be held.
- Your Board has not negotiated a meeting schedule one year in advance.
- You have no proper nomination process for new board members.
- Your Board is composed of people whose skills, capacities and profiles have little relevance to the profile or needs of the association.
- Your Board member turnover is high.
- No one has left your Board for the last three years.
- In the last changes to the Board's composition, more than 40% of the Board was replaced at the same time.

Strategic planning

The strategic plan should:

1. Explain where the organization is today, in terms of membership services, revenue, performance to objectives and opportunities for development.
2. Explain developments and changes in operating environment.
3. Analyze the evolving needs and wants of the membership.
4. Review member satisfaction with existing services and propose changes.
5. Provide an overview of what the next three to five years should look like, taking care to ensure that the mission and values of the association are respected.
6. Propose objectives for operational, financial and institutional development and investment.

Present a budget that clearly indicates how the ambitions of the association will be balanced against planned income.

Effective association Board meetings

- Plan your meeting a year in advance.
- If you can't show up, then tell the Board in advance.
- Keep it short and to the point.
- Start on time - finish on time.
- Show some respect - mobile phones off.
- Capture history. Prepare the meeting.
- Decide how often you need to meet.
- Prepare the agenda - in advance.
- Keep records - and keep them short.
- Stay on message - add value not weight.
- Agree not to disagree.
- Determine what kind of decisions require a majority and which decisions need unanimity.
- Decide what constitutes a quorum.

Communications beyond the Board meeting

Board members should be at liberty to communicate outside the context of Board meetings by phone, email and in face-to-face encounters. In this sense Board members become internal consultants, seeking advice and advising each other on key issues of importance to the forthcoming Board meeting. This can save time at formal meetings. Such contacts can go beyond the work of committees.

The association's operations manual

Your association's operations manual should be reviewed periodically and updated in line with developing strategy.

Key elements of the association's operations manual would include:

1. Organization and Personnel
 - Executive team
 - Organizational chart
 - Staff benefits
 - Staff training
 - Institutional sustainability

2. Membership policy and services
 - Fees
 - Eligibility
 - Service provision
3. Management information system
 - Membership records
 - Service provision records
 - Financial operations
4. Financial planning and control
 - Internal control and audit system
 - Financial plan
 - Audit company
5. Marketing and membership development
 - Unique selling proposition
 - Corporate identity
 - Current membership
 - New membership or merger potential
 - Promotional materials
 - Marketing budget
6. Membership satisfaction and evaluation criteria
 - Assessment methodology
 - Qualitative indicators
 - Operational efficiency