

# A Good Governance Charter for Housing Co-operatives



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# Origins of project

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- Agreement of the ICA Housing Committee in Cancun to create an international good governance charter for housing co-ops
- Development of a good governance charter a 2012 IYC legacy project for ICA Housing



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# Project plan

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- Develop a good governance charter we can recommend to ICA Housing members
- Develop a good governance test for ICA Housing members, based on the elements of the charter
- Share the charter test more widely within the ICA

Today we are presenting the completion of Step 1.

- Nicholas Gazzard asked to lead the good governance project in Cancun, October 2011
- Five-member project reference group drawn from ICA Housing board



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## Process to date

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- First draft of charter produced and circulated to reference group in early 2012
- Draft charter presented to ICA Housing seminar in Brussels, April 25
- Comments and suggestions received



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## Process to date

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- Charter revised by Nicholas Gazzard, Alexandra Wilson to accommodate Brussels feedback
- Final version being presented today

# Composition of the charter

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- 10-point set of good governance practices
- Interpretive statement for each good practice
- ICA Statement on the Co-operative Identity included as an appendix



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# The 10 Good Governance Practices

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1. We uphold the international co-operative principles.
2. We act with honesty and in good faith, placing the interests of the co-operative before all others.
3. We exercise care, skill and diligence in carrying out our duties.
4. We act fairly, making decisions without bias or favouritism.
5. We foster democracy within our co-operative.





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# The 10 Good Governance Practices

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6. We act transparently, in a spirit of openness and accountability to the membership.
7. We ensure that our co-operative fulfils its legal duties.
8. We provide for sound, accountable management of our co-operative.
9. We have a strategic focus, always looking ahead to our co-operative's future.
10. We plan for leadership succession and renewal.



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# Interpreting the 10 Good Governance Practices

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## 1. We uphold the international co-operative principles.

The international co-operative principles, as set out in the International Co-operative Alliance's Statement on the Co-operative Identity, give expression to co-operative values and set us apart from all other forms of business enterprise. The principles appear at the end of this charter.

# Interpreting the 10 Good Governance Practices

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## 2. We act with honesty and in good faith, placing the interests of the co-operative before all others.

As members of our co-operative's governing body, we owe our first duty to the co-operative. Where we have a particular personal interest in a matter, we will declare our conflict and remove ourselves from the discussion and decision. We place the interests of the co-operative itself before the interests of its members as individuals.



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# Interpreting the 10 Good Governance Practices

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## 3. We exercise care, skill and diligence in carrying out our duties.

We are diligent in the exercise of our duties. We stay informed and act prudently and to the best of our ability in overseeing our co-operative's business affairs. We pay attention to our co-operative's needs and take action, as required, to protect its interests. We regularly evaluate our individual and collective performance.



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## 4. We act fairly, making decisions without bias or favouritism.

We make decisions based on the rules our co-operative has adopted and the principles that underpin them, without bias or favouritism. We value consistency, neutrality and fairness in dealing with our members, including members with whom we have a personal connection. We respect the diversity of our community and recognize the equality of all our members.

# Interpreting the 10 Good Governance Practices

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## 5. We foster democracy within our co-operative.

We respect and promote the democratic control of our co-operative by its members. We give the members the information they need to make sound decisions and set the co-operative's direction. Our members choose the co-operative's leaders in free, open and fair elections. Any member who qualifies may stand for election. We are committed to the education and participation of our members in the democratic life of the co-operative.



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## 6. We act transparently, in a spirit of openness and accountability to the membership.

We are accountable to the members for our performance as a governing body. We report to them on our conduct of the co-operative's business at regular membership meetings. We conduct our business in a spirit of openness and transparency, while respecting the privacy of our members and employees. We listen to what members have to say and we share with them any decisions that affect the membership, or a class of members, as a whole. We strive to maintain a high standard of service to our members and we respond promptly to any questions they have for us.

# Interpreting the 10 Good Governance Practices

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## 7. We ensure that our co-operative fulfils its legal duties.

We keep our co-operative in good standing by knowing and following all applicable laws and regulations. We respect the terms of all agreements we have entered into, whether with government or with non-governmental entities. We comply with our co-operative's governing documents and with all obligations to members under the lease, rental or other agreements that grant them occupancy rights.





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## 8. We provide for sound, accountable management of our co-operative.

We see to it that our co-operative is managed with the skill needed to complete all management tasks, including financial management and the upkeep and renewal of our property. We set clear management goals and priorities. We hold our management personnel to account and regularly evaluate our management's effectiveness.



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## 9. We have a strategic focus, always looking ahead to our co-operative's future.

Through strategic planning, we provide for the long-term success of our co-operative and the achievement of its mission. We plan for the sustainability of our property, our finances and our co-operative community. We share our strategic plans with the members and invite their opinions.

# Interpreting the 10 Good Governance Practices

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## 10. We plan for leadership succession and renewal.

Continuity of good governance is important to us. We ensure the stability and renewal of our governance through an active nomination process before elections, and by offering our members and leaders training in the practices of good governance. We seek to draw young members into our leadership and we take pride in seeing the diversity of our membership reflected in this governing body.

- Adoption today by ICA Housing Committee members in plenary
- Circulation and promotion of Charter among ICA Housing Members with recommended process for adoption
- Sharing of Charter with ICA board and staff