

The Good Governance Test for ICA Housing Co-operatives

**ICA Housing meetings
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Developing the ICA Housing Good Governance Test



Background

The ICA Housing Good Governance Test:

- builds on the 2012 ICA Housing Good Governance Charter
- draws on two Canadian sources:
 - CHF Canada's Good Governance Charter
 - The Agency for Co-op Housing's Governance Questionnaire

Developing the ICA Housing Good Governance Test



Purpose

- To provide a means for housing co-ops affiliated to ICA Housing to measure their standards of governance
- To help housing co-ops develop a good governance action plan to improve governance in weaker areas
- To offer a high-level questionnaire that will be useful to as many housing co-ops as possible

A Good Governance Charter for Housing Co-operatives



As the elected governing body of our housing co-operative, we are committed to providing good governance and principled leadership. To this end, we commit to these good-governance practices:

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.



A Good Governance Charter for Housing Co-operatives



5. we foster democracy within our co-operative.
6. we act transparently, in a spirit of openness and accountability to the membership.
7. we ensure that our co-operative fulfills 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.



The Good Governance Test for ICA Housing Co-operatives



Content and structure

- 33 test “questions” in the form of statements, in 4 categories, covering
 - members of the governing body
 - the governing body itself
 - the members of the co-op
 - the co-op itself

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Content and structure

- test does not directly parallel the Charter but it builds on it
- includes questions that directly and indirectly test the different aspects of governance performance
- test can be taken manually or by using a special purpose spreadsheet that is under development
- the spreadsheet will create a governance “deficit” chart and a governance action plan based on low scores

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The test questions

- The test questions cover these broad elements of good governance
 - the co-operative principles
 - training and education
 - the role and duties of governance
 - democratic functioning
 - accountability and transparency

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The members of our elected governing body:

1. are familiar with the international co-operative principles
2. understand and fulfill their duty of care and loyalty to the co-operative
3. use good sense and their best skill in guiding the co-operative's business
4. hold themselves to a high standard of ethical conduct
5. understand and avoid conflicts of interest and loyalty
6. attend meetings regularly



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7. receive training and advice in their duties
8. prepare well for meetings and contribute actively to the discussion
9. understand the difference between management and governance
10. are respectful of their colleagues and avoid interpersonal conflicts
11. respect decisions made democratically by the governing body
12. respect and protect confidentiality when business matters require it

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Our elected governing body:

1. holds regular, well attended meetings
2. receives meeting materials in advance, allowing its members to prepare properly
3. trains its members in co-operative governance principles
4. sets strategic priorities and plans
5. measures the co-op's progress against the plans it sets
6. regularly evaluates its performance and the performance of management



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7. makes sure the co-op follows its own rules and all laws and regulations that apply to it
8. calls meetings of the members of the co-operative at regular intervals
9. reports to the co-operative's members regularly and transparently
10. promotes renewal through open and fair elections and an active nominations process
11. seeks expert advice when needed



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The Co-operative's membership

1. comes out to members' meetings
2. is familiar with the co-operative movement and the Statement of Co-operative Identity and
3. understands the role of the co-operative's governing body
4. participate in the democratic functioning of the co-op
5. avoids factionalism and takes steps to build a unified community,

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The co-operative

1. is open and inclusive in accepting new members
2. is democratically controlled by the members
3. provides education and training to the members on co-operative matters
4. values and protects its independence and autonomy from government
5. belongs to and participates in the broader co-operative movement

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How it works

Responses are scored on a 4-point sliding scale:

- strongly agree (4)
- agree (3)
- disagree (2)
- strongly disagree (1)
 - scores of 2 or lower are flagged for action; can be used to create a good governance action plan

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How it works

Flexible tool – can be used by:

- governance body members, individually or collectively
- selectively by the co-op's members, individually or collectively
- results can be combined or kept separate for comparison
- test can be customized to meet local/regional needs

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Progress so far

- draft test presented at the board meeting in Malahide in May 2013, feedback received from participants
- test revised by Alexandra Wilson, Nicholas Gazzard, incorporating feedback
- presentation of revised version for approval in Cape Town, November 2013
- development of the spreadsheet application near completion

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Elements of the spreadsheet

- multi-part Excel workbook
- screens to identify participants, take the test, view composite and individual scores, chart the governance deficit and automatically list action items where scores are 1 or 2 out of 4
- macro-enabled to create the questionnaire and score screens based on the identified participants, create the action plan and chart the “governance deficit”