



**New Park Village
Tenant Management
Co-operative Ltd**

A community in Action

New Park Village TMC

Code of Good Governance

Key Themes

New Park Village TMC Vision

Governance at a Glance

“Good governance is about making sure an organisation is well run. Organisations that are not well governed tend not to make the best of their opportunities and resources. In extreme cases a lack of good governance can put the entire organisation at risk. Good governance therefore plays an essential part in securing the future of an organisation.”

What Does an Effectively Governed Organisation Look Like?

A well governed organisation, it is hard to describe but you know it when you see it. Here is a list we can identify in most effectively governed non-profit organisations.

- The board and staff interact in an environment of mutual trust and respect.
- Board members participate in hardy discussions and deliberations at board meetings.
- Each board member feels empowered to ask tough questions.
- The board is confident that the staff of the organisation is competent and trustworthy.
- Well-written reports are provided to the board.
- The board is developing an on-going manual that defines how they will govern the organisation.
- The board has adopted and enforces procedures concerning board limits and rotation which balances the need for new leadership with a fresh perspective with the benefit of leadership continuity.
- The board meets regularly and uses committees to make recommendations to the entire board. Standing committees include governing, personnel, finance, audit, marketing and fundraising.
- Periodic self-assessment of the board's efforts and effectiveness is implemented.
- The board is committed to on-going board training.

Governing bodies set long term goals and strategies, determine the policies by which the organisation will operate and ensure that the group or organisation complies with all necessary legal and regulatory duties.

The governing body is ultimately accountable for the actions and performance of the group or organisation, so it's really important that each individual involved understands their role and responsibilities and that all work well together with a common understanding of good governance.

Members of the governing body are collectively and individually responsible for controlling the management and administration of a not-for-profit organisation. They receive no financial reward, but a well governed organisation will provide opportunities for personal and professional development, in return for the selfless time, skills, knowledge and experience that board / committee members contribute.

New Park Village believe Good Governance is based upon key principles:

Principle 1: Management board leadership

The key principle: leadership is one of the key roles of any management board. Every voluntary and community organisation should be led and controlled by a management board which ensures delivery of its objects, sets its strategic direction and upholds its values.

Supporting principles:

The role of the management board:

Management board members have ultimate responsibility for directing the activity of the organisation, ensuring it is well run and delivering the outcomes for which it has been set up.

Every management board should have a clear understanding of its roles and responsibilities and should provide leadership to the organisation by:

- Setting the strategic direction to guide and direct the activities of the organisation.
- Ensuring the effective management of the organisation and its activities.
- Monitoring the activities of the organisation to ensure they are in keeping with the founding principles, objects and values.

Principle 2: The management board's responsibilities, legal requirements and obligations

The key principle: management board members are equally responsible in law for board actions and decisions. They are collectively responsible and accountable for ensuring that the organisation is performing well, is solvent and complies with all its obligations.

Supporting principles:

Compliance

The management board must ensure that the organisation understands and complies with its own governing document, i.e. the Rules of the Co-operative, relevant laws, and contractual obligations and the requirements of any regulatory bodies.

Internal controls

The management board should maintain and regularly review the organisation's system of internal controls, performance reporting, policies and procedures.

Equality and diversity

The management board must ensure that it upholds and applies the principles of equality and diversity and that the organisation is fair and open to all sections of the community in all of its activities.

Prudence

The management board must act prudently to protect the assets and property of the organisation and ensure that they are used to deliver the organisation's objectives.

Managing risk

The management board should understand and regularly review the risks to which the organisation is subject and take action to manage the risks identified.

Managing staff and volunteers

The management board needs to understand the distinction between employees and volunteers and ensure that good practice in the recruitment and management of both staff and volunteers is in place.

Principle 3: The effective management board

The key principle: the management board should have clear responsibilities and functions and should organise itself to carry out these responsibilities effectively.

Supporting principles:

Management board member duties and responsibilities

Management board members should understand their individual and collective roles, responsibilities and accompanying duties. They should have these clearly outlined in writing for all management board members.

The effective management board

The management board should organise its work to ensure that it makes the most effective use of the time, skills and knowledge of management board members.

Information and advice

Management board members should ensure that they receive the appropriate advice and information they need in order to make good decisions.

Skills and experience

Management board members should have or ensure that they have access to the diverse range of skills, experience and knowledge needed to run the organisation effectively.

Training, development and support

Management boards should ensure that all their members receive the necessary induction, training and ongoing support needed to discharge their duties effectively.

Staff

The management board should ensure proper arrangements for the supervision, support, appraisal and remuneration of all staff including the employee in the most senior position.

Volunteers

The management board should ensure proper arrangements are in place for the recruitment, supervision and support of volunteers including clearly defined written roles and a policy is in place to reimburse reasonable out of pocket expenses. Policies and procedures should refer to volunteers as well as paid staff as appropriate.

Principle 4: Performing, reviewing and renewing management board

The key principle: the management board should periodically review its own and the organisation's effectiveness and take any necessary steps to ensure that both continue to work well and meet legal requirements.

Supporting principles:

Renewal and recruitment

Recruitment of new management board members should be open and focused on creating a diverse, skilled and effective management board. The management board should plan for and have a strategy for its own renewal.

Review

The management board should periodically carry out reviews of all aspects of the organisation's work, starting with its governing document, and use the results to inform positive change.

Performance appraisal

The management board should regularly review and assess its own performance, that of individual management board members and of sub-committees, standing groups and other bodies.

Principle 5: Management board delegation

The key principle: the management board should set out the functions of sub-committees, officers, staff and anyone performing duties on behalf of the management board in clear delegated authorities and should monitor their performance.

Supporting principles:

Effective delegation

The management board should ensure that staff, volunteers and anyone performing duties on behalf of the management board have sufficient delegated authority to carry these out. All delegated authorities must have clear written limits relating to budgetary, reporting and other matters.

Terms of reference

The management board should set clear terms of reference for sub-committees, standing groups, advisory panels, etc.

Monitoring

All delegated authorities must be subject to regular monitoring by the management board.

Principle 6: Management board integrity

The key principle: the management board should view maintaining the integrity and interest of the organisation as a primary overriding duty. They should act reasonably at all times in the interests of the organisation and of its present and future beneficiaries, users and/or members. All individual management board members should act according to high ethical standards and ensure that breaches of confidentiality and conflicts of interest are properly dealt with.

Supporting principles:

No personal benefit

Members of the management board must not benefit from their position beyond what is allowed by their governing document and the law and only when it is in the best interests of the organisation.

Dealing with conflicts of interest

Members of the management board should identify and promptly declare any actual or potential conflicts of interest affecting them, including conflicting loyalties, which may arise when, members are appointed as representatives of other organisations.

Probity

There should be clear guidelines for receipt of gifts or hospitality by management board members.

Principle 7: Management board openness

The key principle: the management board should be open, responsive and accountable to its users, beneficiaries, members, partners, funders and others with an interest in its work.

Supporting principles:

Communication and consultation

Each organisation should identify those with a legitimate interest in its work (stakeholders) and ensure that there is regular and effective communication with them about the organisation.

Openness and accountability

The management board should be open and accountable to stakeholders about its own work and the governance of the organisation.

Stakeholder involvement

The management board should encourage and enable the engagement of key stakeholders such as users and beneficiaries, in the organisation's planning and decision-making.

Glossary of Terms

Governance is about leadership and ensuring that an organisation is effectively and properly run. It has been defined as "the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation"

Autonomous is a self-governing, independent body, which is free from external control and constraint.

Not-for-profit organisations may be better described as not-for-*personal*-profit as these organisations may make a profit in line with their objects but they don't distribute the profits among the members but rather use the profits to further the purposes of the organisation.

Volunteering is defined as the commitment of time and energy, for the benefit of society and the community, the environment or individuals outside one's immediate family. It is undertaken freely and by choice, without concern for financial gain.

Prudence is care, caution and good judgement as well as wisdom in looking ahead.

Compliance is the act of conforming to official requirements.

Integrity is used to describe soundness of moral character; this is demonstrated through adherence to moral and ethical principles.

Probity is to behave with integrity, being open, transparent and honest.

Equity is used to mean fairness and impartiality.

Diversity is used to describe the quality of being different.

Effectiveness is being able to bring about the intended or expected result.

Accountability is being liable for one's responsibilities and answerable for one's actions in relation to these.

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