

ICA Board Code of Governance

Governance refers to how powers are distributed and exercised by different groups. It is concerned with the practices and procedures used by an organisation to ensure that it can meet its objectives.

ICA Vision and Mission

Vision

To be prized as the organisation of reference which provides an effective and efficient global voice and forum for knowledge, expertise and co-ordinated action for and about co-operatives

Mission

The International Co-operative Alliance (ICA) unites co-operatives world-wide. It is the custodian of co-operative values and principles and makes the case for their distinctive value-based economic business model which also provides individuals and communities with an instrument of self-help and influence over their development. The ICA advocates the interests and success of co-operatives, disseminates best practices and know-how, strengthens their capacity building and monitors their performance and progress over time.

The role and purpose of the board

The function of the board shall be to control the affairs of the ICA between meetings of the General Assembly. Specifically, its role is:

- To set policies that further the mission and goals of the organization; support the Director-General as needed to accomplish organization's mission and goals' maintain financial stability of the organisation while ensuring opportunities for long term growth; communicate with members using diverse channels to ensure all voices and opinions are heard with respect to board decisions.
- To be accountable to members and endorse their rights; lay solid foundations for management and oversight; structure the board to add value; safeguard integrity in financial reporting; make timely and balanced disclosures; recognize and manage risk; encourage enhanced financial and cooperative performance;

remunerate fairly and responsibly; recognize the legitimate interests of stakeholders.

Essential Duties

The board's three essential duties:

- Duty to obey the relevant laws and regulations
- Duty to act in good faith

A Board member is in a position equivalent to that of a trustee. The duty of good faith includes acting with complete truthfulness; treating the organization's affairs as confidential, unless expressly authorised by the board to disclose information; acting at all times in the best interests of the organisation; and avoiding conflict of interest.

- Duty of care

Directors are expected to show such skill and care in carrying out their responsibilities as a person having their background and experience would reasonably be expected to show. In other words, they are not expected to be experts, but they are expected to use such expertise as they have. The duty of care includes the following:

- Reading board papers before meetings and coming to meetings prepared
- Asking questions when further information is needed and challenging management when not satisfied with the answers given
- Taking advice from both management and independent advisors on what is needed for the best interest of the organisation.
- Aiming for the highest standards they can achieve
- Undergoing appropriate training and development.

The structure of the board

- The relationship between board and management

The board is responsible for holding the Director-General to account. Board members should scrutinise the performance of the Director-General in meeting agreed goals and objectives, and should monitor the reporting of performance.

- **Committees**

The board should establish committees to work on specialist aspects of their work. The board should regularly review the work, structures, composition and

terms of reference of committees. Committees operate under the delegated power of the board. Decisions made by the board override those of any committee.

- **Role of the President**

The President is responsible for the leadership of the ICA and the ICA board, and should ensure that the board is in effective control of the society's affairs and alert to its obligations to its members.

The President should encourage inclusivity and the active engagement of all members in decision-making. The President acts as the primary link between the board on the one hand and the Director-General and executive management on the other.

The Board's Standing Orders include guidelines for the President in the conduct of Board meetings.

Audit and Risk Management

- **Internal control and risk management**

The Board shall have the primary responsibility for internal control and risk management. Issues related to the appointment, dismissal or resignation of the internal auditor should be considered by the audit committee who should make recommendations to the board.

The board and management executive have the primary responsibility for identifying the key business risks faced by the ICA. The audit committee should review the risk management process and the risks identified at least on an annual basis.

- **Access of Audit and Control Committee members and/or auditor to the board.**

The Audit Committee of the Board shall strengthen the independence of external auditors by providing them with another channel of communication with the board. Every board member should receive a copy of the auditor's report. The board should be given the opportunity to raise any queries and feedback their comments at a designated Board meeting.

Code of Conduct

- **Confidentiality**

Board members frequently acquire information not generally known to the public or other businesses. This information is the property of ICA and it is improper to disclose it or allow it to be disclosed to any other person unless the disclosure has first been authorised by ICA. Board members' obligation to preserve confidential information continues even after association with ICA ends.

- **Compliance Procedures**

Board members should seek advice when they are unsure about an appropriate legal or ethical course of action. They are also expected to report potential or suspected violations of ICA policy or applicable laws, regulations or professional standards. The board should have a documented process to enable staff to raise concerns, in confidence, in matters of financial reporting, financial control, or any other issues. All employees should be made aware of these procedures.

- **Conflicts of Interest**

Board members must not make improper use of information acquired as per their position. Their position cannot be used for personal gain or advantage to them or a member of their family. Any situation that may create, or even appear to create a conflict between personal interests and the interests of ICA must be avoided. All Board members and the Director-General should inform the board of any connections that might lead to a conflict of interest. The board should maintain a register of Board members' interests and the Director General's and staff's interest.

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