



Good Governance: Concepts and Framework

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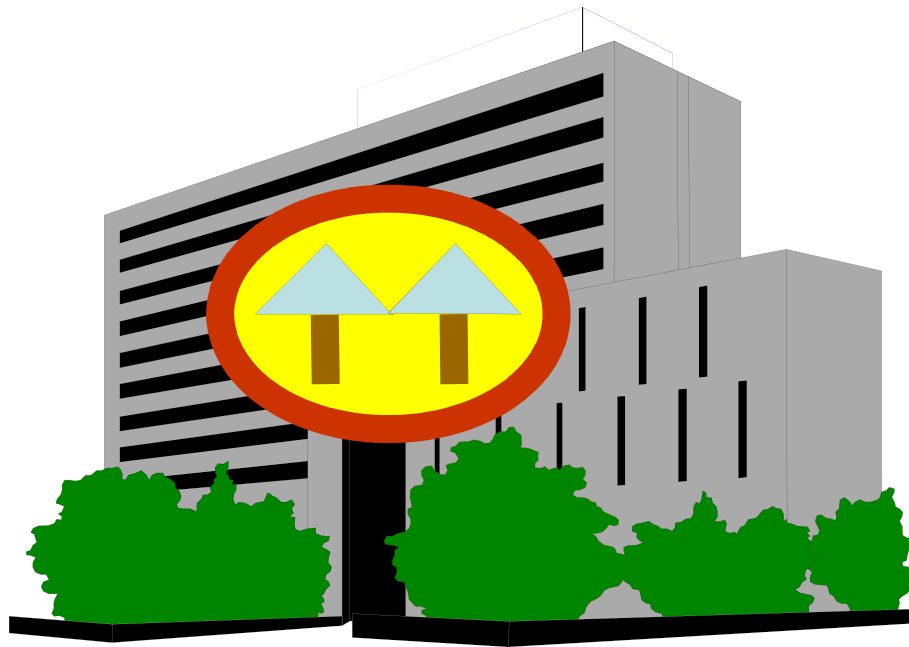
Module 9





You need to define where do you really want to go?

**“A viable and competitive
community based cooperative
financial institution.”**



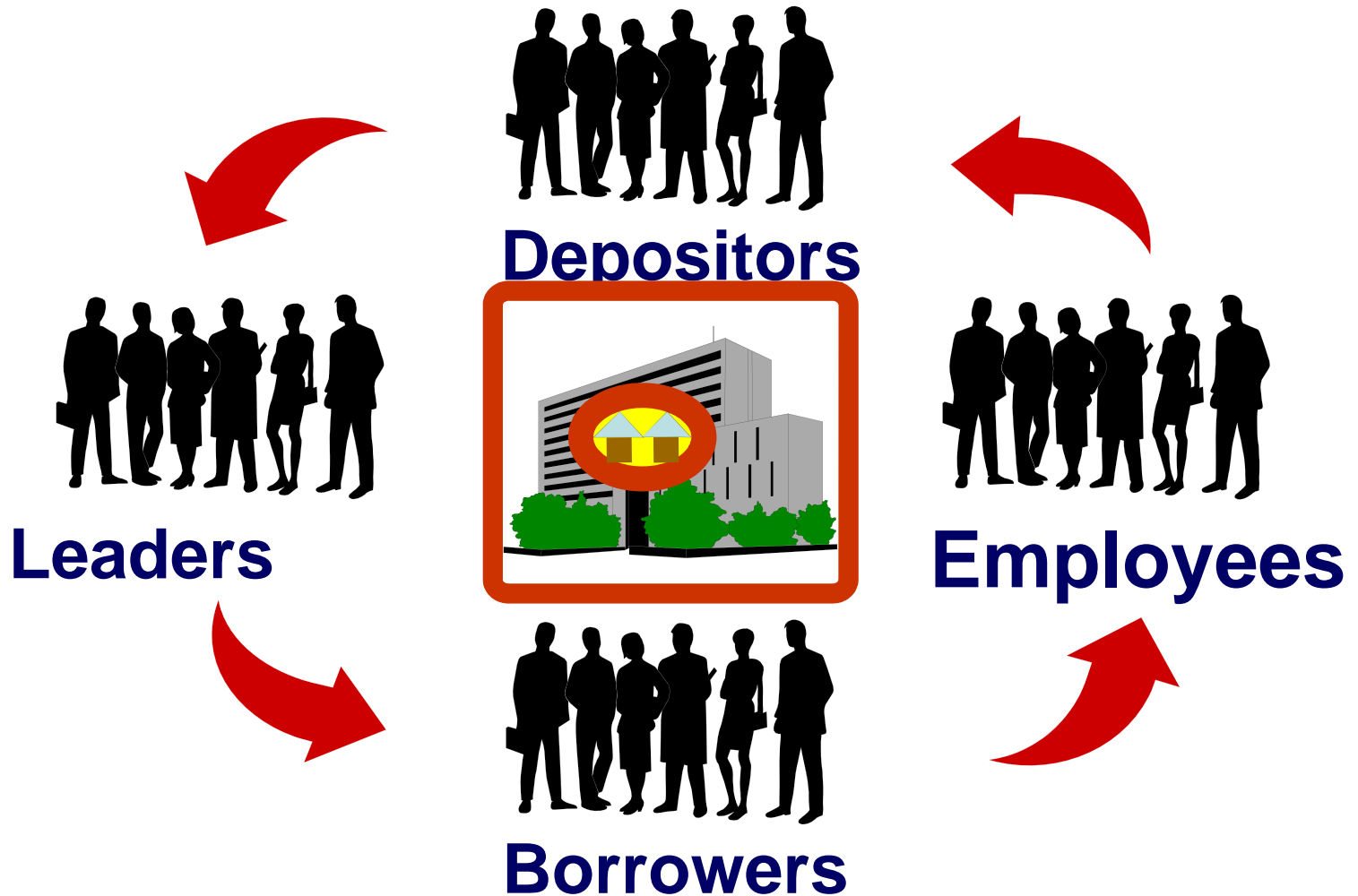
**Sustained
Growth**

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Sustainable Credit Union

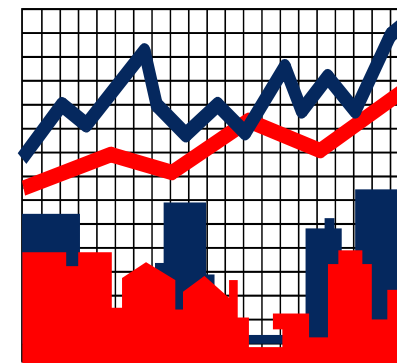




What are we really aiming for?

Key Success Factors

1. Financial viability
2. Operational Efficiency
3. Quality Products & Services
4. Competitive position
5. Member satisfaction
6. Employee satisfaction
7. Active and Involve Board





Good Cooperative Governance: A definition

Is a . . .

- Processes
- Structure
- information



**used
for directing
and
overseeing the
management
of an
organization**





Good Cooperative Governance: A definition

It encompasses the means by which members of the board of directors and senior management



are held accountable for their actions and for the establishment and implementation of oversight functions and processes



Good Cooperative Governance: **A definition**

Exercise 1 (group)

What are the benefits of good governance?

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Benefits of Effective Governance

- Improved organizational performance

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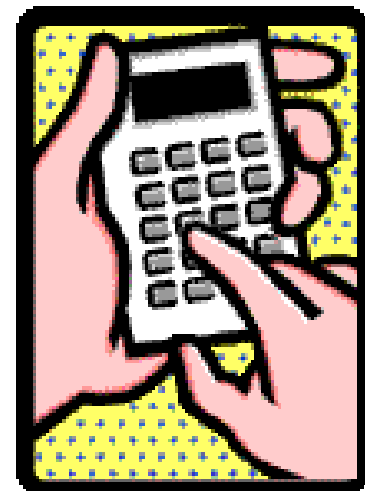
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Benefits of Effective Governance

- Promotes economic/ financial stability and facilitates growth





Benefits of Effective Governance

- Enhanced credibility for the organization
– dependent on trust relationship





Benefits of Effective Governance

- Preferred employer & preferred directorships





Benefits of Effective Governance

- Greater respect for organizational brand



*First choice for financial services
in our community!*



Exercise 2 (group)

- What is the architecture or framework of credit union governance?



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Credit Union Governance “Architecture”

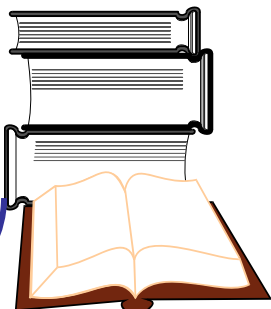
External:

- Legislation / Regulations pursuant to the Act (as applicable)
- Deposit Insurance / Stabilization Fund (as applicable)

Internal:

- Articles of Incorporation & Bylaws
- Vision, Mission, Values
- Board Policies
- Strategic Plan
- Annual Budget
- Management Policies & Procedures

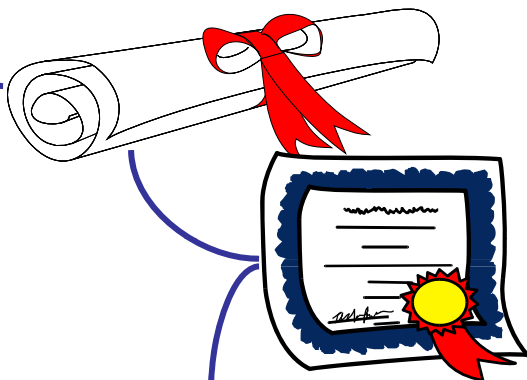




Credit Union Act

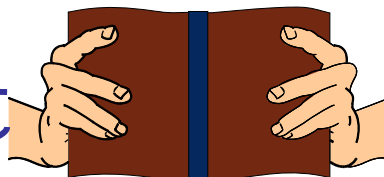
Regulations

External



Sound Business Practices

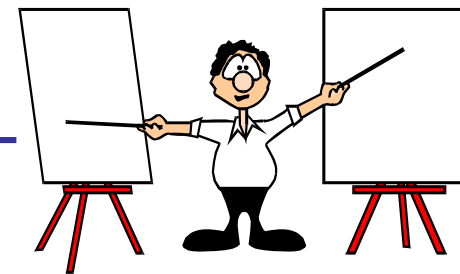
Internal



Articles & By Laws



Credit Union Policies



Credit Union Procedures



External – Who imposes? (in a credit union)

- **Government Regulator**
- **Deposit Insurer**
- **Stabilization Fund**
- **Leagues, Federations**





Policy Vs Procedures

Policies

- Board approve
- Board Monitor



Procedures

- Management Develop
- Management monitor



- Without reference to a particular credit union, list down abuses in governance.