


Good Governance: Concepts and Framework



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

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

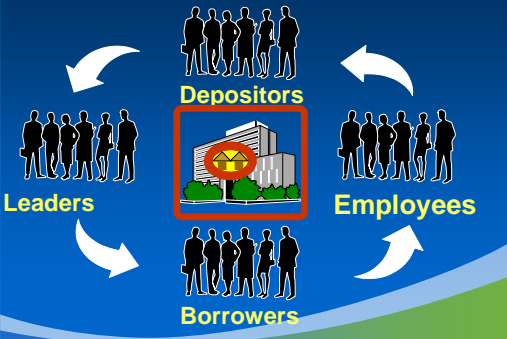


Sustained Growth

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Sustainable Credit Union



Depositors

Leaders

Employees

Borrowers

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What are we really aiming for?

Key Success Factors

- Financial viability
- Operational Efficiency
- Competitive position
- Member satisfaction
- Employee satisfaction



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**Good Cooperative Governance:
A definition**

Is a . . .

- Processes
- Structure
- information

→ used for directing and overseeing the management of an organization




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**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

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 *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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 *Benefits of Effective Governance*

- Promotes economic/ financial stability and facilitates growth



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Benefits of Effective Governance

- Enhanced credibility for the organization – dependent on trust relationship

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Benefits of Effective Governance

- Preferred employer & preferred directorships

It's not all about money but the prestige

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Benefits of Effective Governance

- Greater respect for organizational brand


First choice for financial services in our community!

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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)

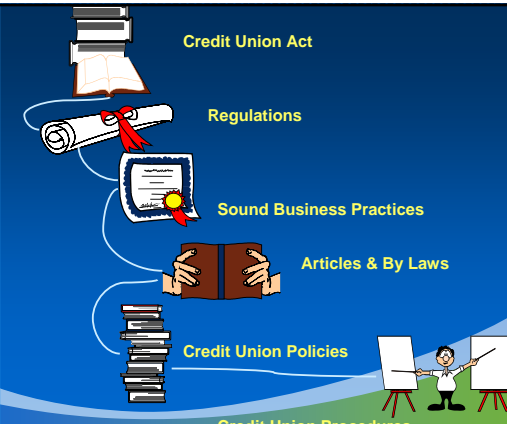
Internal:

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



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Credit Union Act

Regulations

Sound Business Practices

Articles & By Laws

Credit Union Policies


Credit Union Procedures

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External – Who imposes? (in a credit union)

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




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Policy Vs Procedures

Policies

- Board approve
- Board Monitor



Procedures

- Management Develop
- Management monitor

