

# Excellence in governance

## Code for members and good practice guidance: compliance checklist

*This form has been prepared for the National Housing Federation and its members by consultancy Campbell Tickell. It aims to assist Federation members in taking a systematic approach to compliance with the Federation's code of governance. The shaded column on the left reproduces the mandatory parts of the code. By using this form, members will be assisted to prepare the required annual statement of compliance to the code and make the necessary reasoned statement about any areas where they do not comply. The use of this form is of course entirely voluntary, and each organisation will have its own methods for determining and achieving compliance.*

The code of governance	Compliance (Y/N) Comments and evidence	Action needed Accountability
<b>A Constitution and composition of the board</b>		
<b>Main principle</b>		
The board must be effective in leading and controlling the organisation and acting wholly in its best interest. Board members must ensure that the interests of the organisation are placed before any personal interests.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>Provisions</b>		
A1 The purpose of the board is to determine strategy, direct, control, scrutinise and evaluate an organisation's affairs. Operational management of the organisation must be delegated to the organisation's staff.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Board Terms of Reference; Delegations	By date:

A2 All members of the board, executive and non-executive, share the same legal status and have equal responsibility for decisions taken that affect the success of the organisation. Each must act only in the interests of the organisation and not on behalf of any constituency or interest group.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Services Agreement; Code of Conduct	By date:
Board members must ensure that the interests of the organisation are placed before any personal interests. This includes those board members that are nominated or elected from specific groups, such as local authority nominees and residents.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Code of Conduct; Declarations of Interest	By date:
A3 Non-executive board members must be in the majority at board meetings.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: There are no executive board members	By date:
A4 It is up to each organisation or group parent organisation to decide on the best board composition.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Rules/Articles, Terms of Reference; Recruitment Policy and procedures	By date:

Board members who are executive staff must normally be in a clear minority.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: There are no executive members	By date:
Boards should have at least five members and no more than twelve, including co-optees.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed: Review in 2 years' time
	Comments/explanation of non compliance: Board decided at away day (Mar 2010) to retain membership at 15 in order to have broad range of skills.	By whom: Board with Company Secretary
	Evidence of compliance:	By date: March 2012
A5 The roles of chair (and vice chair or senior independent director, if there is one) of the board and main committees (see H1) must not be held by an executive.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: There are no executive members	By date:
A6 Boards must consider any potential conflicts of interest and adopt appropriate policies.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Payment, Benefits & Interests Policy; Code of Conduct	By date:

A7 Where conflicts of personal interest arise, these must either reflect:		
Charity law	Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable <input checked="" type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
The Companies Act 2006 provisions – for conflicts (of interest, loyalty or duty) to be declared and managed.	Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable <input checked="" type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Or conflicts should be recorded and the individual concerned excluded from the discussion or decision.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not applicable <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Rules; Code of Conduct; Services Agreement; Minutes & Probity Registers	By date:

<b>B Essential functions of the board</b>		
<b>Main principle</b>		
Each board must be clear about its duties and responsibilities. These must be set out and made available for all existing and potential board members.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>Provisions</b>		
B1 The essential functions of the board must be formally recorded in the organisation's constitutional documents, terms of reference, standing orders or financial regulations.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Terms of Reference, Rules, Financial Regs	By date:
B2 All boards must have a set of core responsibilities. These will include as a minimum:		
(i) setting and ensuring compliance with the values, vision, mission and strategic objectives of the organisation, ensuring its long-term success;	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: As B1	By date:

(ii) the appointment and if necessary the dismissal of the chief executive and approval of his or her salary, benefits and terms of employment;	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: As B1; 2007 recruitment exercise	By date:
(iii) satisfying itself as to the integrity of financial information, approving each year's budget and business plan and annual accounts prior to publication;	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: As B1; board minutes and reports	By date:
(iv) establishing, overseeing and reviewing annually a framework of delegation and systems of internal control;	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: As B1; annual internal controls review	By date:
(v) establishing and overseeing a risk management framework in order to safeguard the assets of the organisation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: As B1; Performance & Audit Committee role; Reports to Board	By date:

B3 The board, through its terms of reference, must draw up a schedule of significant matters specifically reserved for the board's decision, which cannot be delegated to executive staff or committees.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Terms of Reference	By date:
B4 The board of a parent organisation in a group structure must ultimately have the responsibility and the clear powers to direct the activities of its subsidiaries.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Subsidiary Terms of Reference; Appointment role	By date:
B5 Organisations in a group structure must acknowledge and accept the control of the main group board in the governance of the group.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Governing instruments of subsidiaries; Minutes of subsidiaries received by Main Board	By date:
<b>C Board induction and information</b>		
<b>Main principle</b>		
All board members must receive induction on joining the board and should regularly refresh and update skills.  The board must be supplied in a timely manner with information in a form and quality appropriate to enable it to discharge its duties.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

<b>Provisions</b>		
C1 All board members must receive a properly resourced induction and an ongoing training programme.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Induction process; Board presentations; Inside Housing subscription; annual development review	By date:
C2 Boards must receive the same up-to-date, clearly presented and accurate information to enable them to make decisions.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Pre-agreed schedule of meetings; annual review of board effectiveness	By date:
<b>D Board recruitment, renewal and review</b>		
<b>Main principle</b>		
Recruitment to board vacancies must be open and transparent, based on merit and objective selection and assessment techniques. The board must undertake a formal and rigorous annual appraisal of its members and of the board as a whole.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>Provisions</b>		
D1 While the contribution of experienced board members is vital, boards also need new members	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:

who can provide an independent challenge to long-standing practices and thinking.	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Ongoing board renewal;	By date:
Maximum terms of office must be agreed and, where practical and for the best interests of the organisation, should comply with current best practice.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed: Review in 2 years' time
	Comments/explanation of non compliance: No maximum term but each member serves for a 3 year period prior to re-election (unless a church or tenant nominee). Board renewal is ongoing.	By whom: Board & Company Secretary
	Evidence of compliance:	By date: March 2012 Away Day
To support board renewal, maximum terms of office must be two to three terms, with an overall maximum period of board service for non-executive board members of no more than nine years.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance: As above	By whom:
	Evidence of compliance:	By date:
D2 Where the organisation's constitution provides for one or more board members to be nominated or directly elected, the organisation must ensure that those coming forward bring skills and experience that are relevant to the needs of the board, and are fully aware in advance of the responsibilities that they will undertake.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Skills audit/interview process	By date:
D3 The board must carry out an annual appraisal of its own performance and an annual appraisal of	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:

individual board members including the chair and, if appropriate, the vice chair and any executive who sits on the board.	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Annual away day on board as whole every March/April; member reviews Feb/Mar.	By date:
D4 If the organisation is paying board members, it must ensure that it has a mechanism for establishing payment levels that are independent of the board, possibly through a remuneration committee, an independent adviser or by using published guidance and industry norms.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed: Review every 2 years
	Comments/explanation of non compliance: Not applicable	By whom: Board
	Evidence of compliance:	By date: March 2012
D5 Agreed payment levels must be proportionate to the organisation's size, complexity and resources.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed: As above
	Comments/explanation of non compliance: Not applicable	By whom:
	Evidence of compliance:	By date:
D6 If the organisation is paying board members, payment must be linked to the carrying out of specified duties against which performance will be reviewed.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed: As above
	Comments/explanation of non compliance: Not applicable	By whom:
	Evidence of compliance:	By date:
D7 Any payment for non-executives must be fully disclosed on a named basis.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Action or review needed: As above
	Comments/explanation of non compliance: Not applicable	By whom:

	Evidence of compliance:	By date:
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## E Responsibilities of the chair

### Main principle

Each board must be headed by a properly appointed and skilled chair who is aware of his or her duties as head of the board and the clear division of responsibilities between the board and the executive.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

### Provision

E1 The chair has particular duties and responsibilities. These must be formally recorded.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Chair role description and rules	By date:

## F Conduct of the board's business

### Main principle

The board must act effectively, making clear decisions based on timely and accurate information.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

Provision		
F1 Boards and sub-committees must have clear terms of reference in order that their conduct is transparent, effective and in the interests of the organisation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Terms of Reference; minutes to main Board	By date:
F2 Board decisions should be, wherever possible, based on full agendas and documents circulated to members well in advance of meetings. Decisions and the main reasons for them should be recorded in the minutes.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Minute records	By date:
F3 Urgent decisions between board meetings must be taken in accordance with predetermined arrangements as set out in the organisation's constitution, standing orders, financial regulations or delegated authority.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Finance & Resources Committee terms of reference; chairs role description; delegated authorities of staff	By date:

<b>G The chief executive</b>		
<b>Main principle</b>		
There must be clear working arrangements between the board and the chief executive and clear delegation of authority.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>Provisions</b>		
G1 The chief executive must be clear about the essential duties of the role and have clarity over his or her role, legal responsibilities, delegation of authority and relationship with the board. This applies whether or not the chief executive officer is a full member of the board or has responsibility for the company secretarial role.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Delegation; Rules, Code of Conduct	By date:
G2 Like all other employees, the chief executive must have a written and signed contract of employment. Periods of notice of more than six months should be exceptional and should be specifically approved by the board with the reasons for the decision clearly minuted.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Contract with 6 months' notice	By date:
G3 The board must delegate to a committee responsibilities that include oversight of the appraisal of the chief executive and making a recommendation to the board on a remuneration package for the chief executive. The committee	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:

must not include any executive members of the board.	Evidence of compliance: Remuneration committee; no executive members	By date:
G4 The chief executive's remuneration must be disclosed in the annual financial statements in accordance with the applicable Statement of Recommended Practice (SORP).	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Annual audited accounts	By date:

## H Committees of the board

### Main principle

Committees of the board may be established where the board determines that they will provide expertise and enable it to scrutinise and deliver effective corporate governance and manage risk.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
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### Provisions

H1 Paid staff of an organisation must not chair the nominations, audit and remuneration committees, or form a majority of the membership of these committees.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: No executive members	By date:

H2 The chair of the audit committee must not be the chair of the board or an executive member of the board.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Performance & Audit committee terms of reference	By date:
H3 Each committee must have clear terms of reference approved and reviewed by the board on a regular basis.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Terms of Reference reviewed tri-annually	By date:

## I Openness, transparency and accountability

### Main principle

Boards must provide leadership in operating in an open and transparent manner, having satisfactory dialogue with key stakeholders including tenants. Boards must demonstrate accountability to shareholders and other key stakeholders.

Yes  No

### Provisions

I1 The board must publish an annual report of the organisation's activities and performance.

Yes  No

Action or review needed:

Comments/explanation of non compliance:

By whom:

	Evidence of compliance: Annual report; annual report to residents	By date:
I2 The organisation must have in place a strategy for communicating information about its work to its shareholders and stakeholders.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: PR & Communications Strategy 2010	By date:
I3 The organisation should review its policies for admission to shareholding membership on a regular basis.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Membership Policy reviewed tri-annually	By date:
<b>J. Diversity and inclusion</b>		
<b>Main principle</b>		
Boards must demonstrate leadership and commitment to equality, diversity and inclusion as outlined in the Equality Act 2010, across the organisation's activities.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>Provisions</b>		
J1 Boards must comply with current legislation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:

	Evidence of compliance: Terms of Reference; Equality & Diversity Policy;	By date:
J2 Boards must provide leadership and clear strategies on how the organisation will meet the needs of diverse communities and the steps it will take, through lawful positive action, to ensure in so far as it is able that it can reflect these communities in its staffing and governance structures.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Equality & Diversity strategy; recruitment drives targeted at diverse communities	By date:
J3 Boards must ensure that their organisations demonstrate, throughout all their functions, their commitment to the characteristics protected by the equalities legislation, and develop action plans to implement this commitment.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Policies include Equalities reference; Equality Impact assessments; Equality & Diversity function	By date:
<b>K Audit and risk</b>		
<b>Main principle</b>		
The board must establish a formal and transparent arrangement for considering how the organisation ensures financial viability, maintains a sound system of internal controls, manages risk and maintains an appropriate relationship with external auditors.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	

Provisions		
K1 Every organisation must have effective internal controls.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Internal Controls review annually; annual internal audit programme and reports to Performance & Audit committee	By date:
K2 The organisation's external auditors must be independent and effective.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Independent; Performance & Audit committee reviews appointment	By date:
K3 Larger and medium-sized organisations should have an audit committee, or should ensure that the finance committee can discharge the functions of an audit committee adequately; other organisations should make effective arrangements for discharging the functions of an audit committee.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Performance & Audit committee	By date:
K4 The committee responsible for audit should meet regularly and its minutes must be available to all members of the board.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Minutes to Board meeting	By date:

The reasons for the decisions taken must be recorded in the minutes and presented to the board for endorsement.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Minutes	By date:
The committee must be able to meet with the external auditors without paid staff being present at least once a year.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Performance & Audit committee Terms of Reference	By date:
K5 The chair of the audit committee must not be the chair of the board or an executive member of the board.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Performance & Audit committee Terms of Reference	By date:
K6 The audit committee, or equivalent, must ensure that the board receives adequate financial and business management reports, in order to scrutinise performance of the organisation.	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance: Monthly reporting	By date:

## L Conduct and probity

### Main principle

Organisations must maintain the highest standards of probity and conduct.

Yes  No

### Provisions

L1 Board membership entails a particular responsibility to avoid any suggestion of impropriety. Matters such as conflicts of interest, or acceptance of gifts or hospitality, are particularly sensitive. The required standards are set out in the Federation's Excellence in Standards of Conduct: code for members, which all board members must comply with (or explain areas of non-compliance).

Yes  No

Action or review needed:

Comments/explanation of non compliance:

By whom:

Evidence of compliance:  
Payments, Benefits & Interests Policy & registers;  
annual review

By date:

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