



GOOD GOVERNANCE - APQO GOVERNANCE MARK (AGM)

Introduction

In organizations, good governance starts with the board of directors.

The board's role and legal obligation is to oversee the management of the organization and ensure that the organization delivers its mission. Effective board members monitor, guide, participate and enable good management; they do not do it by themselves. The board generally has decision-making powers regarding matters of policy, direction, strategy, and governance of the organization.

Strong ethical and fiduciary oversight by those charged with governance of a not-for-profit entity is imperative to maintaining the members and public's trust. It must also ensure that the organization maintains its tax-exempt status and meets its ongoing legal and compliance responsibilities.

The board of a well-governed not for profit organization, just like the board of a well-governed profit-making company, will do all of the following:

- Formulate key corporate policies and strategic goals, focusing both on near-term and longer-term challenges and opportunities.
- Authorize major transactions or other actions.
- Oversee matters critical to the health of the organization— not decisions or approvals about specific matters, which is management's role—but instead those involving fundamental matters such as the viability of its business model, the integrity of its internal systems and controls, and especially the accuracy of its financial statements.
- Evaluate and help manage risk.
- Steward the resources of the organization for the longer run, not just by carefully reviewing annual budgets and evaluating operations but also by encouraging foresight through several budget cycles, considering investments in light of future evolution, and planning for future capital needs.
- Mentor management, provide resources, advice and introductions to help facilitate operations

APQO with a 33 years history with its recent challenges is a wake-up call for all and valuable lessons drawn for allowing one party to unilaterally take decision and authorise financials without Board and Core Council approvals. Its pertinent that strong ethical and fiduciary oversight by those charged with governance be robust, transparent with clear accountability.

APQO is rolling out an APQO Governance Mark or AGM is simple initiative. This initiative which was first presented in Rotorua, NZ in 2016 APQO Core Council Meeting and accepted for trials in Principle. The proposal was to have a GOOD GOVERNANCE Self- Assessment/ and an Independent Assessment options.

Objectives of the AGM are to:

- a. Make Quality promoting Institutions more effective by sharing recommended practices on how effective these Institutions are governed and managed;
- b. Provide guidance to Board/Exco members to help them carry out their duties as fiduciaries (representatives entrusted to act in the interests of the Not for Profit Institutions);
- c. Boost public confidence in the Quality Championing Institutions sector by setting the standards of good governance for Quality Institutions to aspire towards.

The GOOD GOVERNANCE Level will adopt a Code of Practice for Good Governance for both the SELF-ASSESSMENT or INDEPENDENT ASSESSMENT.

Self-Assessment/Independent assessment by 2 assessors for 1 day:

- To enable the Institution to effectively monitor performance.
- To enable “stakeholders” affect its behaviour.
- To allow Institutions to report its achievements and be recognized based on verified evidence rather than on anecdote/unsubstantiated claims.
- Allow those who have an interest in the Institution and its stakeholders to judge if it is achieving the values and outcomes which it set out to achieve vis a vis its Vision.
- To enable the Institution to effectively monitor performance.
- To enable “stakeholders” affect its behaviour.
- To allow Institutions to report its achievements and be recognised based on verified evidence rather than on anecdote / unsubstantiated claims.

S/N	Code Categories	Weight
1	Board Governance/Council	20%
2	Conflict of interest	5%
3	Strategic Planning	5%
4	Programme Management	15%
5	Human Resource Management	10%
6	Financial Management & Controls	25%
7	Fund Raising / Dues Collections Practices	5%
8	Disclosure & Transparency	10%
9	Public image	5%

Please refer to the Guide on how to submit the APQO Commitment to Governance Self-Assessment Checklist.

The score will be reported in LEVEL A/B/C or it can be AGM1 or AGM 2 or AGM 3

- The Code sets out the best practices in governance. The Code is operated on the principle of ‘comply or explain’.
- Where Organisations are unable to comply with certain Code guideline, they should be able to explain why they are unable to comply
- When explaining non-compliance, the Organisation should also indicate the steps being taken towards compliance or give explanations if they decide otherwise.