

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
A Constitution and composition of the board		
Main principle		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Provisions		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
A3 Non-executive board members must be in the majority at board meetings.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
A4 It is up to each organisation or group parent organisation to decide on the best board composition.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

Board members who are executive staff must normally be in a clear minority.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Boards should have at least five members and no more than twelve, including co-optees.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
A6 Boards must consider any potential conflicts of interest and adopt appropriate policies.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 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 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 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:	By date:

B Essential functions of the board		
Main principle		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Provisions		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
(iv) establishing, overseeing and reviewing annually a framework of delegation and systems of internal control;	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
(v) establishing and overseeing a risk management framework in order to safeguard the assets of the organisation.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
C Board induction and information		
Main principle		
All board members must receive induction on joining the board and should regularly refresh and update skills.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Provisions		
C1 All board members must receive a properly resourced induction and an ongoing training programme.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
C2 Boards must receive the same up-to-date, clearly presented and accurate information to enable them to make decisions.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

D Board recruitment, renewal and review		
Main principle		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Provisions		
D1 While the contribution of experienced board members is vital, boards also need new members who can provide an independent challenge to long-standing practices and thinking.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

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 type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
D3 The board must carry out an annual appraisal of its own performance and an annual appraisal of individual board members including the chair and, if appropriate, the vice chair and any executive who sits on the board.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

D5 Agreed payment levels must be proportionate to the organisation's size, complexity and resources.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	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 type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	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 type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

Provision		
E1 The chair has particular duties and responsibilities. These must be formally recorded.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
G The chief executive		
Main principle		
There must be clear working arrangements between the board and the chief executive and clear delegation of authority.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

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

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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

H3 Each committee must have clear terms of reference approved and reviewed by the board on a regular basis.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

Provisions

I1 The board must publish an annual report of the organisation's activities and performance.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

I2 The organisation must have in place a strategy for communicating information about its work to its shareholders and stakeholders.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
I3 The organisation should review its policies for admission to shareholding membership on a regular basis.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
J. Diversity and inclusion		
Main principle		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
Provisions		
J1 Boards must comply with current legislation.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
K Audit and risk		
Main principle		
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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

Provisions		
K1 Every organisation must have effective internal controls.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:
K2 The organisation's external auditors must be independent and effective.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

The reasons for the decisions taken must be recorded in the minutes and presented to the board for endorsement.	Yes <input type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	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 type="checkbox"/> No <input type="checkbox"/>	Action or review needed:
	Comments/explanation of non compliance:	By whom:
	Evidence of compliance:	By date:

L Conduct and probity

Main principle

Organisations must maintain the highest standards of probity and conduct.

Yes No

Action or review needed:

Comments/explanation of non compliance:

By whom:

Evidence of compliance:

By date:

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:

By date:

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