



## Code of Governance for The Conservancy Association

### 1. Introduction

The major objectives of the Code of Governance (CoG) are to safeguard the credibility of The Conservancy Association (CA), enhance its accountability, and help on decision making (at both personal and Association levels) of the Board and senior management of CA.

#### What is good governance for NGO:

“Transparent decision making process in which the leadership of a NGO, in an effective and accountable way, directs resources and exercises power on the basis of shared values.”

(Marilyn Watt, A Handbook of NGO Governance)

#### Major objectives of CoG for CA

- Safeguarding the credibility of CA
- Enhancing the accountability of the Board
- Helping the Board in the decision making process

#### Mission, Vision and Core Values for CA

##### Mission:

Safeguard the environmental resources in Hong Kong, China and the World by advocating policies, monitoring government, promoting environmental education and taking a lead in community participation.

##### Vision:

Enhance the quality of life of both current and future generations, and to ensure that Hong Kong shoulders her regional and global environmental responsibilities.

##### Core Values

- Accountability
- Caring
- Holistic approach
- Independence
- Inheritance
- Justice



- Participation
- Professionalism
- Simplicity
- Transparency

## 2. CoG for The Conservancy Association

### Principle 1. Board leadership

#### Description:

CA should be led and monitored by an effective Board of Directors (“BoD”) which collectively ensures the delivery of set targets, directions and has its values upheld.

#### Roles:

- To set out strategic directions.

#### Guidelines:

- Formulate a development plan in 4-year term.
- Conduct mid-term review of the 4-year development plan every 2 years by carrying out BoD-staff retreat.
- Avoid getting involved in the day-to-day operational decisions and matters.

### Principle 2. Accountability

#### Description:

Directors should be accountable to CA’s stakeholders, in collective terms, to ensuring and monitoring CA’s performance.

#### Roles:

- To perform an internal control system.
- To manage risk.
- To ensure equality and diversity.

#### Guidelines:

- Set up and implement an internal control system according to the provisions of M&A [with respect to convening of board meetings and decision making by the BoD].



- Ensure the compliance with all relevant legal requirements.
- Carry out regular discussions and review programmes and participate in committees.
- Advise the management on sensitive issues. May seek legal advisor's help if needed.
- Review and endorse the annual financial audited report.
- Maintain CA's independence and accountability:
  - Major decisions should be endorsed at the board meeting
  - Key considerations for accepting non-government funding:
    - i. Should not cause damage to and may cast doubt on the credibility of CA
    - ii. Have to be unconditional
    - iii. Not in conflict with CA's mission, vision and core values
    - iv. The amount of the fund should preferably not exceed 10% of the total income of the previous year. For proposed project and donation with non-government funding, if the annual gross income >10% of the total annual income of CA, approval from 75% of Board members is needed.
- For proposed project and donation with non-government funding, annual gross income >30% of the total annual income of CA, approval by at least 75% of members present at the EMG is needed.

### **Principle 3. BoDs' responsibilities**

**Description:**

Directors should understand their responsibilities and perform effectively.

**Role:**

- To have a clear understanding on the duties and responsibilities.
- To ensure the Chairperson exercises his/her leadership role.
- To work closely with the Chief Executive of CA ("CE").
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**Guideline:**

- Establish terms of reference (ToR) to clearly list out the duties, obligations and organization's expectation of directors.



- Work with CE, including regular supervision, appraisal, development and remuneration/ clarifying roles between CE and the BoD.
- Establish minimum time commitment:
  - All BoD members have to join at least one committee of CA
  - BoD members should not miss 3 consecutive BoD meetings and should attend at least half of the meetings for the following year after each AGM, except taking sick leave, attending business trips or other reasons accepted by the Chairperson.
  - Attendance of BoD meetings would be announced at the AGM every year.
- Appoint CE and Deputy Chief Executive (“DCE”) and conduct performance evaluation of CE and DCE.
- Deal with key external stakeholders and be responsible for crisis management.

## Principle 4. Board review and renewal

### Description:

The BoD should review its effectiveness regularly and make improvement accordingly.

### Role:

- To conduct performance review before directorship renewal
- To recruit new members for the BoD

### Guideline:

- Include attendance records of BoD meetings as a regular BoD meeting agenda.
- Maintain an effective and diverse board member composition (wide range of skills, experiences and professional knowledge).
- Recruit new BoD members according to the organization’s needs and succession plan.
- In order to work proactively to recruit new members for CA and the BoD, it is suggested that
  - i. The Chairperson to communicate with new members for building up relationship;
  - ii. All committees’ work should be reported on CA’s website;



- iii. Event of gatherings for BoDs, members and staff should be organized every 6 months for building up relationship and updating CA's works.

## Principle 5. Board Delegation

### Description:

The BoD should list out the functions of all committees, office bearers and CE and all senior management in a hierarchical organization chart with clear reporting lines. The BoD should also define the staff performance review criteria.

### Role:

- To be able to define roles of committees, office bearers, CE and all senior management of CA.
- To establish effective delegation.
- To follow terms of reference.
- To monitor the work of each committee.

### Guideline:

- Conveners of all committees should develop their own terms of reference (ToR) as the guiding principles for the committees' works.
- All committees should develop their work scopes and plans (in line with CA's 4-year plan) and implement the plan with regular reviews.
- Committees should hold meetings at least every 6 months.

## Principle 6. Integrity

### Description:

The BoD should act according to the highest ethical standards and ensure that any possible conflicts of interest are detected, reported and properly dealt with.

### Role:

- To ensure that no personal benefit is associated with his/her board membership.
- To avoid conflicts of interest.
- To maintain probity.
- To uphold the code of conduct.

### Guideline:

- Enhance the current "declaration of interest" mechanism:



- Each member of the BoD has to report all government or non-government posts (in both personal and Association capacity) in January/February every year for the BoD to review. Benefits derived from the role as BoD of CA should also be declared.
- Declaration form will be developed for this purpose.
- BoDs must be scrupulous in avoiding personal benefit from the position as director
- In case of suspected major and on-going conflict of interest, BoD will review and discuss on a case-by-case basis. If more than 75% of BoDs agree that the case is in conflict with CA, CA may by ordinary resolution remove the director before the expiration of his/her period of office pursuant to Section 157B of the Companies Ordinance, in the event that the Director in question is unwilling to resign from BoD by himself/herself.

## Principle 7. Openness

### Description:

The BoD should be open, responsive and accountable for its work and duty (to members, staff, public, etc.)

### Role:

- To communicate and engage with relevant stakeholders including members, sponsors, donors, collaborators and general public.
- To ensure openness.

### Guideline:

- Invite comments and suggestions from stakeholders on the planning of the organization's work.
- Promote and encourage easy access to the annual reports.
- Meet stakeholders on a regular basis (e.g. to have gathering with members every 6 months).
- Facilitate members' active participation in CA activities