

### **HKCSS Convention 2017**

**Governance Symposium II - Stewardship for Better Future** Sector Initiatives to Strengthen Governance Capacity – the UK Experience

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## KEY Statistics on the NGO Sector (2015-16) HKCSS NGO Governance Platform Project

60,000

**EMPLOYEES IN THE SOCIAL SERVICE SECTOR** 



REGISTERED CHARITABLE ORGANISATIONS WITH TAX EXEMPTION **564** are SOCIAL SERVICE ORGANISATIONS

746,000

VOLUNTEERS with 5,000 + Governance Directors



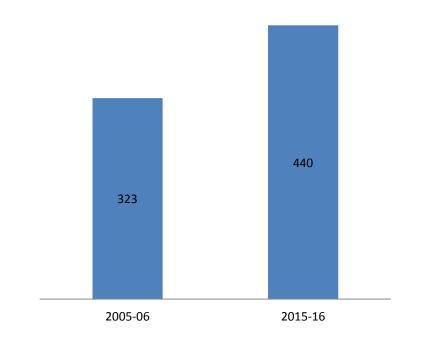
**INCOME – about HALF FROM GOVERNMENT HALF FROM DONATIONS & FEES** 

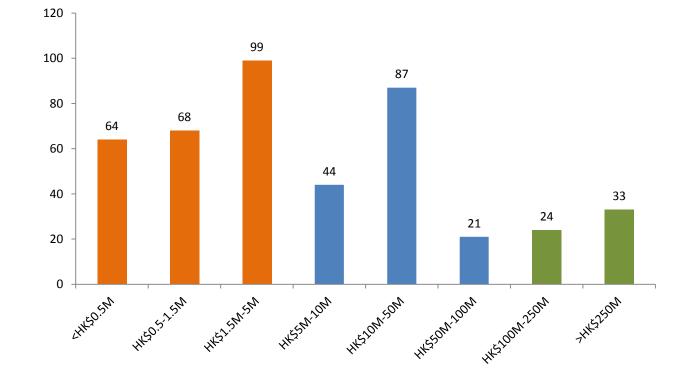


Agency Members

## KEY Statistics on the NGO Sector HKCSS NGO Governance Platform Project

Size of HKCSS Agency Members (2015/16 Annual Expenditure)





52.5% members are small and medium sized.



## The HK House of Corporate Governance

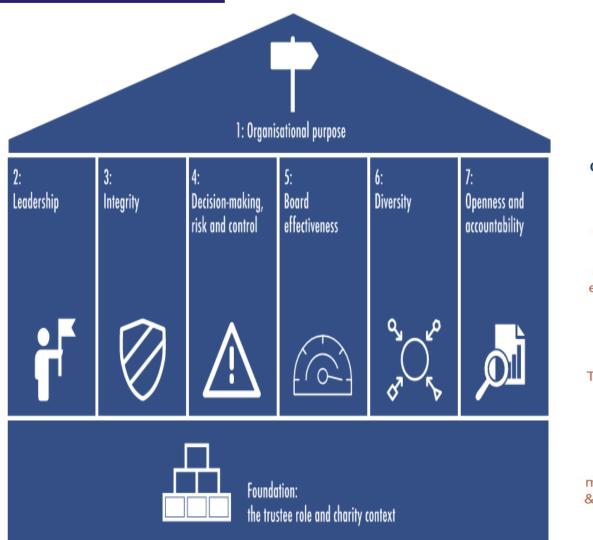
"Guide to Corporate Governance for Subvented Organisations" by The Efficiency Unit, HKSAR Government 2015



| Outcomes                              | Governance Outcomes:<br>Confidence in the organisation |           |                       |                              |             |                         |                              |  |  |  |
|---------------------------------------|--|-----------|-----------------------|------------------------------|-------------|-------------------------|------------------------------|--|--|--|
| Processes                             | Authority  |           | Accountability        |                              |             | Stewardship             |                              |  |  |  |
| Processes                             | Direction  |           | Leadership            |                              |             | Control                 |                              |  |  |  |
| Components                            |  |           |                       |                              |             |                         |                              |  |  |  |
| Board<br>structure &<br>composition   | roles & responsibilities                               |           |                       | composition&<br>organisation |             |                         | induction & training         |  |  |  |
| Board<br>operation &<br>effectiveness | boardroom conduct & relationship                       |           | committ               | committees                   |             |                         | conflicts of interest        |  |  |  |
| Strategy,<br>planning &<br>monitoring | vision, mission<br>&values                             | strategio | Tinancial             | reso                         |             | man<br>ources<br>gement | performance<br>monitoring    |  |  |  |
| Transparency<br>& disclosure          | disclosure of information                              |           | reporting             | orting ·                     |             | mance<br>isures         | reporting<br>malpractices    |  |  |  |
| Corporate citizenship                 | ethics   |           | code of conduct       |                              | environment |                         | stakeholder<br>relationships |  |  |  |
| Risk<br>management<br>& compliance    | risk<br>management                                     | intern    | al control &<br>audit | au                           |             | nmittee                 | external audit               |  |  |  |
|                                       | Legal Compliance                                       |           |                       |                              |             |                         |                              |  |  |  |



## **Comparing the two Houses of Governance**



| Outcomes                              | Governance Outcomes:<br>Confidence in the organisation |                       |                       |                              |         |                         |                              |  |  |  |  |
|---------------------------------------|--|-----------------------|-----------------------|------------------------------|---------|-------------------------|------------------------------|--|--|--|--|
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|                                       | Legal Compliance                                       |                       |                       |                              |         |                         |                              |  |  |  |  |

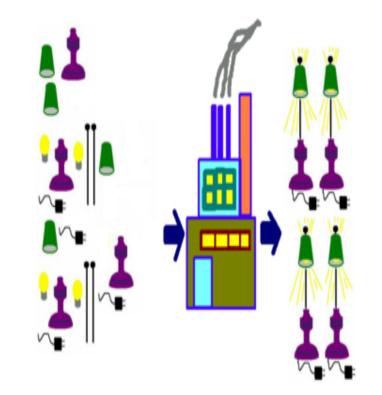
**NCVO** - The Code of Good Governance

#### **HKEU – The House of Corporate Governance**

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# **POINTS OF COMPARISON**

- Outcome of Governance : Organization Purpose
   VS
   Confidence in the Organization
- Principle + Rationale + Outcome + Rec'd Practices
   vs
   Processes + Component
- Common Foundation : Legal Compliance + basic Trustees duties







- Effective Board Leadership
- Culture & Behaviour vs Structure & Processes
- Diversity of Opinions and Skills in Governance
- Outward- facing role of Board
- Continuous review and improvement

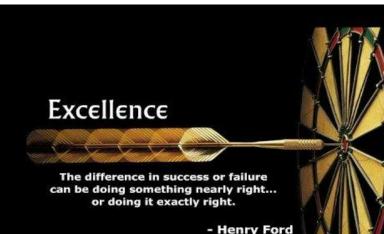


# **LEARNING POINTS - Discussion**

• What are the ENABLERS to promote acceptance and application of the Code ?



- What are the BARRIERS of adopting such Code ?
- What are the MOTIVATING / PUSHING factors for continuous Governance improvement ?





### **GOVERNANCE IS** .....



### **ALIGNMENT + MUTUAL RESPECT + JOINT ACCOUNTABILITY**