

# The AccountAbility Partnership: A Network Governance Model

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This paper is effective as of 1<sup>st</sup> April 2009 and follows a series of consultation papers regarding the Governance Review Process. It is designed to provide our key stakeholders with both detail and clarification regarding our new structure.

Any further questions regarding the new structure should be directed to Claire Head either by telephone on +44 (0) 20 7549 0400 or email on [Claire@accountability21.net](mailto:Claire@accountability21.net)

### Why is a change in our governance required?

AccountAbility created its multi-stakeholder governance approach in 1994. At the time it was innovative, almost provocative, a daring move in bridging separated communities, placing real authority in the hands of our members, and creating a two-tier governance system, balancing representivity of members with the more traditional fiduciary functions. The approach was largely successful, enabling us as an organisation, to build a unique legitimacy/brand and expand our influence. Perhaps as a reflection of this success, this approach has since been taken up by other organisations as a governance model.

As an organisation however, AccountAbility has undergone much change over past years, which gives cause to reflect on whether our governance system continues to serve us well. Geographically, we have moved from being an essentially UK/European based organization to a much more international organization with projects and representatives around the world. In addition, we have moved from an organization almost exclusively focused on standards to increasingly include public policy advocacy and broad-based policy research work, expanding our focus from corporate level accountability to also include country and institution-level accountability.

With the world now also being a very different place, the challenge for organizations like AccountAbility is to open ourselves up even further and harness the collective capability and talent available in the world to spur our own growth and success to achieve greater impact. To achieve this, our governance systems need to become more fluid and responsive to new stakeholders, partners and relationships, in order to accommodate and respond more quickly to their needs and expectations.

As an organization that stakes its reputation on its commitment to accountability, it is critical that we continue to innovate and improve upon our own governance systems to ensure that we are always at the leading edge and shaping the wave of the new imperatives of accountability. Now is therefore the time to begin a new era in our structure and organising principles.

### **The consultation process associated with this change**

Based on the above, in April 2008 the AccountAbility Secretariat received the mandate from Council to initiate a Governance review process, including the establishment of a Governance Review Group comprising of our Operating Board, Council and Secretariat members. The overall aim of the process was to create a governance model demonstrating the next generation approach in effective multi-stakeholder governance to assist in advancing this field and practice.

Additionally, the Secretariat was mandated to create a model serving AccountAbility's needs in addressing its mission as a global network with diverse and evolving constituents who represent impacted stakeholders and enable our success as allies, partners, members, adopters, clients and investors.

Extensive consultation was therefore undertaken amongst our members, partners, leading international experts and interested parties to develop and refine appropriate and innovative proposals.

The final proposal was then reviewed at the AccountAbility Forum in October 08 and subsequently presented at a joint Operating Board/Council meeting on the 24<sup>th</sup> October 2008. At this meeting, the Secretariat received the mandate to progress with the implementation of the Governance Proposal.

### **The transition process**

Having obtained this mandate, work has been undertaken to successfully transition to our new partnership model to commence as of April 1<sup>st</sup> 2009.

The AccountAbility Council resigned from their positions with effect from 24<sup>th</sup> October 2008, on the provision that the Operating Board remains in place to oversee the transition, retaining fiduciary responsibility for the organisation up until 31<sup>st</sup> March 2009. To this end, the Operating Board have been kept abreast of developments and at a meeting on 27<sup>th</sup> February 2009, officially signed off on the transition arrangements.

Members have been continually consulted throughout the review process and we are holding an Extraordinary General Meeting on 30<sup>th</sup> March 2009, which will request sign off on our Memorandum and Articles of Association to reflect our new organisational structure. These documents will then be suitably filed at Companies House.

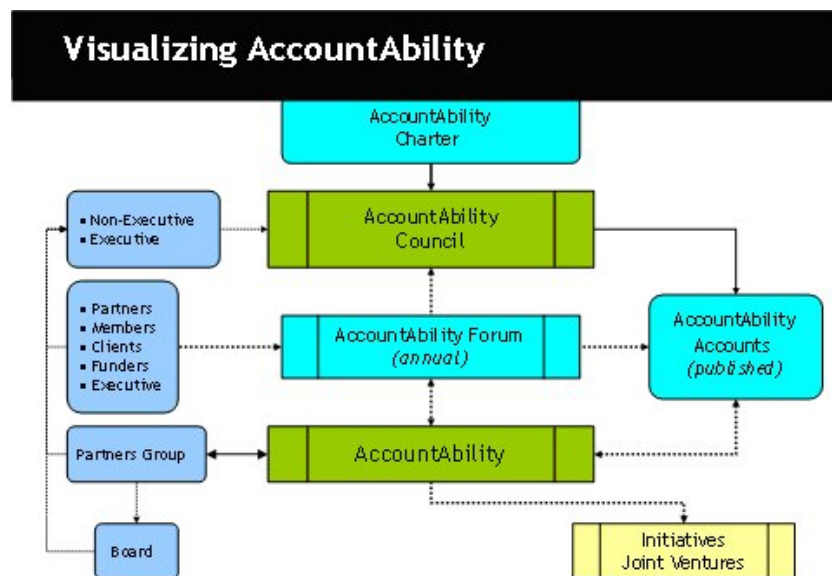
As of 31<sup>st</sup> March 2009, the current Operating Board will resign from their directorship positions and the new Senior Partners will become the directors of the organisation, making up the new legal board with overall fiduciary duties.

### How is the governance structure changing?

Our new governance structure will embrace the concept of network governance, and we will look to utilise our networks in the assessment of, and commentary on our plans, behaviour, and impacts. We have created a governance system that involves and empowers those we work with most closely and who have a stake in our work, development and impact. The particular individuals involved in this process will change over time as our work and strategy develop.

In practice, this will mean that those we are looking to for guidance and advice are those that understand who we are, where we are looking to go, and what we are trying to achieve. We will be governed by a group of active stakeholders i.e. our partners, members, clients that we are currently working/engaging with, although be responsible and accountable to ourselves. Strategic decisions will be made by Senior Partners in accordance with a new Charter, and we will therefore as a group have a stronger voice in our own development and impact.

### The new AccountAbility structure



### Governance Elements in a nutshell:

1. An *AccountAbility Charter* has been established to frame and guide the activities of AccountAbility and associated ventures.
2. A *Council* has been established to steward the effective application of the AccountAbility Charter.

3. The *AccountAbility Forum* has been established as an annual convening of our stakeholders, enabling direct involvement in governance by those committed and active in driving our success. The first Forum took place in October 2008.
4. The *AccountAbility Accounts* are to be the Governing Council's key accountability instrument, informed by the AccountAbility Forum.
5. *AccountAbility (AA)*, internationally, will (as of 1<sup>st</sup> April 2009) be constituted as a global, not-for-profit, self-managed partnership.
6. *AccountAbility Standards Board* governs standards stewarded by the AccountAbility Group.
7. *AccountAbility Members* are engaged stakeholders while no longer the legal owners of AccountAbility.

### AccountAbility's legal status

AccountAbility will retain its status as a Company Limited by Guarantee, although as of April 1<sup>st</sup> 2009, will be run as a not-for-profit, self-managed partnership, governed by its multi-stakeholder council.

### What is the AccountAbility Charter?

The AccountAbility Charter ([www.accountability21.net/governance](http://www.accountability21.net/governance)) frames how we work and the basis on which we will be held to account. It is made up of our vision, mission, values, core principles and basis of accountability. The Charter will be owned by the Council and will feed into the AccountAbility Forum and annual AccountAbility Accounts.

### What is the purpose of the Council?

The Council ensures the application of the AccountAbility Charter across AccountAbility's activities. To achieve this, Council members review and input into the AccountAbility Accounts process and participate in, guide and learn from the annual AccountAbility Forum. Their role is to steward the application of the Charter.

In comparison, the old Council had responsibility for:

- Establishing, reviewing and updating the strategy;

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- Nominating, reviewing, appointing and dismissing non-exec directors;
- Approving proposed changes to policies, rules and regulations as considered necessary.

The responsibilities of the new Council are therefore those that best utilise their skills and experience, whilst allowing for those more directly involved in the day-to-day workings of AccountAbility to have responsibility for planning and guiding the strategy.

### How are Council members chosen?

Selection criteria to choose the first Council have been developed by the Operating Board and Senior Team. The criteria form a framework which considers both individual and overall characteristics, taking into consideration skills, expertise, engagement with AccountAbility and credibility.

Those individuals initially selected will be a cross-section of the current Operating Board and Council members, who meet the criteria set. In addition, there will be executive members of the Council, who will be Senior AccountAbility team members. New individuals will then be brought in to the group as and when appropriate.

### The AccountAbility Forum

The AccountAbility Forum is an annual convening of key stakeholders selected by the Council who:

- Are committed to AccountAbility
- Represent the interests of those we impact
- Underpin our success

The AccountAbility Forum fulfils its governance role by integrating:

- Assessment of AccountAbility's activities and behaviour
- Grievance opportunities for all stakeholders
- Forward planning of our specific activity networks
- Activity innovation and development through network cross-fertilisation
- Engagement in AccountAbility's strategic planning

The AccountAbility Forum supports inclusive and effective governance of AccountAbility framed by the AccountAbility Charter, and stewarded by the Council empowered through the AccountAbility Accounts.

### **Who decides who will attend the AccountAbility Forum?**

The Council members along with the Senior Partners will recommend attendees for each Forum to ensure our most engaged partners, members and funders are included in the convening.

### **How are the AccountAbility Accounts developed?**

The AA Accounts will be drafted internally and then reviewed by the senior team. Following revisions, they will be circulated amongst AF participants and will be developed further in real time during the AccountAbility Forum. The session outcomes, learnings and individual comments will be fed into the Accounts and the revisions will take place at the time.

Following a professional edit and design process, they will then be officially published within two months of the Forum taking place. The Accounts will then be published on an annual basis.

### **Why are we moving to a partnership model?**

Whilst looking at the new governance structure and associated accountabilities, the next question was how, as an organisation, we wish to function on a day-to-day basis. The unanimous response to this question was that we wanted more say in what we do as an organisation and a partnership model was an effective way of achieving the aim.

### **The Partnership Model**

As of April 1<sup>st</sup> 2009, AccountAbility will be internally organised as a partnership and the starting position in this respect is to be determined by the current Board on the advice of the Chief Executive.

A matrix has been created detailing both rights and responsibilities, and selection criteria. This matrix will be utilised for all prospective candidates to the partnership to ensure consistency moving forward.

It is the responsibility of the Senior Partners to ensure a fair and reasonable selection process for all new entries.

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With the Senior Partners Group in effect being the new Board, they are tasked with the following:

1. Overseeing adherence of all parts of AA to the Charter
2. Strategic Planning, financial management and compensation

The Board will meet 4 times per year, being a mixture of virtual and face-to-face meetings.

We will continue to have a Business Management Group, made up of Senior Partners and Partners, which will continue to meet on a monthly basis and be responsible for the day-to-day running of the organisation.

### How do these changes affect our membership base?

AccountAbility will remain a membership organisation. Moving forward however, we will have a 2 tier membership system:

- The legal members of AccountAbility will be the AccountAbility team, the individuals who work for AccountAbility.
- Our current members will relinquish their governance authority, but acquire direct participation governance rights through the AccountAbility Forum process. All other membership benefits will however remain as they currently stand.

### Question and Answer Section

Q. Why are we changing our name to 'AccountAbility Strategies'?

A. Our initial name of The Institute of Social and Ethical AccountAbility has been deemed to now be out of date and no longer reflective of whom we are as an organisation. With our Memorandum and Articles of Association requiring an update in terms of the other changes, it is the perfect time for our name to also be updated. AccountAbility itself is already registered by another organisation and therefore AccountAbility Strategies has been chosen for our officially registered name. We will continue however to trade under the name of AccountAbility as we have been doing to date.

Q. Will the new AccountAbility Governance structure mean we will have a new strategic goal?

A. AccountAbility will continue to have the same strategic focus, although the new structure will strengthen the organisation and therefore create improved leverage opportunities to help us achieve change.

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Q. Beyond the change in job titles, how will I be affected in my day-to-day operations in light of the new governance structure?

A. Our new governance model is built upon the concept of network governance and we will therefore continue to build and strengthen our networks to have them be a core part of our team, work and ultimate achievements. This will mean that whilst day to day roles will not be significantly altered by the change, those you interact with will broaden and our ability to leverage change will increase.

Q. Are there any specific reasons for implementing the new structure at the current moment?

A. Our governance review has been underway for approximately 18 months and having finalised the proposals and received sign off from the Operating Board and Council, starting the new structure on the first day of the new financial year seemed appropriate.

Q. Who are primary decision makers?

A. The primary decision makers will be the Senior Partners supported by the Partners Group. Being a self-managed partnership will allow us to make decisions in-house which will mean we can speed up the decision-making process and make decisions based on our own current knowledge of working within the organisation.

Q. How do you become a partner?

A. You must firstly work for or with AccountAbility to become a partner of the organisation. Partners will be voted in to the group on an annual basis by the Partners Group, and a selection criteria framework has been developed to guide these decisions.

Q. What are the criteria for partner?

A. The selection criteria include: Values, Commitment/Continuity, Strategic contribution, leadership skills, securing and earning income and budget size.

Q. What is Simon's role in this new structure?

A. Simon will initially become the Managing Partner of AccountAbility and therefore be a part of the Senior Partners Group.

Q. How will the change be communicated externally?

A. Our website will be fully reflective of our new structure and will provide details of the specifics as appropriate. This information document will also be available to all stakeholders as of 1<sup>st</sup> April to provide further clarification.

From the 1<sup>st</sup> April, when describing AccountAbility, the following terminology should be used: "AccountAbility is a non-profit, self-managed partnership,

governed by our multi-stakeholder council, in accordance with the AccountAbility Charter”.

Q. Given these changes, is there to be a new membership strategy?

A. AccountAbility continues to be a membership organisation, with members remaining core to our vision and strategy. Membership will however no longer mean legal ownership of the organisation and therefore the right to vote on key strategic matters. Members will however continue to receive all other benefits as previously.