



CODE OF GOOD GOVERNANCE in Associations

Recommendations



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1

Introduction

Purpose and Application of the Recommendations

This code of good governance is intended to complement the minimum requirements of the Finnish Associations Act. Its purpose is to

- promote compliance with good governance principles in the associations sector,
- facilitate and encourage members of associations to participate in their activities and decision making,
- clarify the status of the members of the executive committee and other staff in positions of trust and facilitate the organisation of their activities and decision making,
- reduce confusion and consequent disputes in associations,
- promote trust in associations among their stakeholders.

How to Read the Recommendations

The recommendations cover the following topics: membership and general meetings of the association (recommendations 1–15), executive committee (recommendations 16–26), and chief officer (recommendation 27). Under each heading in bold type are given the rationale for the recommendation and examples of how the recommendation can be put into practice. Finally, the minimum requirements are given with which compliance is absolutely mandatory. For the sake of clarity, the section on membership and the general meeting is prefaced by a short description of the background of the recommendation, mostly deriving from the Associations Act.

The practical needs of associations vary depending on size, purpose and activities, as well as other factors. The rationales for the recommendations explain how the recommendations should be applied in different types of associations.

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Membership and General Meetings of the Association

Background

An association is a legal entity founded for the common realisation of a non-profit purpose and composed of its members. The operations of an association are governed by the Associations Act, by the by-laws of the association, and by tried and tested practices.

Membership in the association is established when a person's or an organisation's membership application is approved. Membership criteria are laid down in the association's by-laws. Decisions regarding membership are generally made by the executive committee (Associations Act [AA], section 12). While applicants who satisfy the membership criteria are generally accepted as members, the executive committee nevertheless has discretionary power to accept or reject applicants.

The executive committee is required to maintain a list of the association's members containing their names and domiciles. The members of the association are entitled to access this information (AA, section 11). The collection, recording, use and disclosure of other membership information is subject to the provisions of the Finnish Personal Data Act (e.g. email addresses).

The power of decision making in an association belongs to its members. The members exercise their power at the general meetings of the association, which must be held at least once a year (AA, sections 16 and 17). Members have the right to vote, speak, ask questions and make proposals at the meeting. Prior to the meetings, members may also submit proposals to the executive committee regarding matters which should be addressed by the meeting (right of initiative). Moreover, members have the right to bring action against decisions of the association in a court of law (AA, section 32). Other stakeholders close to the association, such as members' relatives and other supporters and customers, have no rights based on membership, unless they themselves are members of the association.

The executive committee of an association is elected by the members. The members of the committee should possess wide-ranging experience and competences sufficient in light of the purpose and goals of the association. The members of the association elect a financial auditor or a performance auditor who is capable of auditing the association in the manner required under law.

Under the Associations Act, members of an association may never act so as to substantially damage the association or cause other harm to it (AA, section 14). Under the Act, substantial damage is sufficient grounds for the expulsion of the member from the association.

1. Recommendation – Obligations of Members

Members' obligations are laid down in the association's by-laws.

The obligations of the members of an association should be laid down in the association's by-laws. Applicants must be made informed about the rights and obligations that membership in the association will entail so that they are aware of the commitments undertaken by them as members of the association.

By-laws concerning the obligations of members are also important in situations that involve expulsion or other disciplinary measures.

Grounds for the expulsion of a member are laid out in the Associations Act and the association's by-laws (AA, section 14). Should the association require broader grounds for expulsion, these must be mentioned in its by-laws. The expulsion of a member always requires a decision by a competent body set up under the association's by-laws (AA, section 15(1)).

The by-laws may contain the provision that a member may be deemed to have resigned from the association if they have failed to pay their membership dues (AA, section 15(4)).

2. Recommendation – Rights of Members

Members of the association have the right to vote and to submit initiatives and proposals at meetings of the association. Members' benefits and rights may be defined in the association's by-laws.

Prior to the meetings of the association, members may present matters to the executive committee for inclusion on the agenda (initiative). The executive committee must inform the members in advance of the deadline and procedure for submission of matters for inclusion on the agenda. The last deadline for submitting initiatives is usually set out in the association's by-laws. The executive committee decides whether the proposed matter will be included in the notice of the meeting.

During a meeting of the association, members may present proposals for decisions regarding the matters indicated in the notice. If a matter is not stated in the notice, the chair of the meeting will assess whether the meeting can take decisions regarding the proposal. Proposals that emerge during the meeting may, at the discretion of the chair, be taken up for discussion.

The right of members to vote at meetings is based on the Associations Act (AA, section 16 and 17). The Act does not contain specific provisions regarding members' rights to submit initiatives and proposals; they are based on association practices and general principles of company law.

3. Recommendation – Convocation Period

The notice of a meeting of the association must be delivered to members well in advance and no later than one week prior to the meeting.

Delivering the notice well in advance ensures that as many members as possible can prepare for and participate in the meeting.

Under the Associations Act, a meeting of the association must be convened in the manner set down in the association's by-laws (AA, section 24). Individual meetings of the association may be held on a shorter notice period or without a notice of a meeting if this is supported unanimously by all members of the association.

4. Recommendation – Content of the Notice of a General Meeting

The notice of a general meeting must indicate the name of the association, the time and venue of the meeting, all matters that are on the agenda, and a mention of the time and place when the meeting documents are available to the members for review.

To ensure that members are able to consider their participation in a general meeting and prepare for decisions to be made there, all matters on the agenda need to be stated in the notice of the meeting. Although some matters may only involve discussion at the meeting, even then good governance requires that the matter be stated in the notice.

The by-laws may also stipulate that only matters stated in the notice may be decided on by the meeting.

The notice of meeting should also include a mention of the criteria under which members may participate in the meeting and vote in it. Usually only members who have paid their membership dues have the right to vote. The notice should also indicate whether members may use a representative or an assistant in the meeting.

Under the Associations Act, decisions may be passed on certain matters only if the matter is stated in the notice of the meeting (see AA, sections 23 and 24(3), under which decisions on e.g. amending the by-laws or electing or expelling a member of the executive committee may only be taken if the matter is stated in the notice of the meeting – under the Associations Act, decisions on matters comparable to these are also subject to the requirement of being stated in the notice).

5. Recommendation – Informing Members Prior to a General Meeting

Prior to a general meeting, members must be provided with sufficient information about the business of the meeting. Members must also be informed in advance of the executive committee's proposals for decisions to be taken.

Sufficient advance information helps members prepare for the meeting and makes it easier to address the business of the meeting.

Meeting documents can be made available for review or delivered to members using the association's website and email, for example. If the matters on the agenda include adoption of the association's action plan or budget, for example, being able to study relevant documents makes it easier for members to prepare for the meeting.

The Associations Act does not contain detailed provisions regarding the provision of advance information. As part of its general duties, however, the executive committee must ensure the provision of such information.

6. Recommendation – Meeting Time and Venue

The time and venue of the general meeting must be chosen so as to enable as many members as possible to attend.

Attendance of members is highly desirable, because association meetings provide members with their most important way of having a say in the association's affairs. Poor choices of timing or venue may impede the members from attending.

Easy participation in the association's meetings is not guaranteed by the Associations Act, because the minimum requirements in the Act regarding the organisation of meetings do not limit the time or place in any way.

7. Recommendation – Use of Representative or Assistant

The use of representatives or assistants is allowed in associations whose members are unable in practice to participate personally in the association's meetings.

Personal participation of members in decision making is the general starting point in associations. In certain sectors, however, it may be difficult or impossible for members of an association to participate in its meetings personally (such as associations that produce or promote services relating to health, old age or care, for instance). In such cases, the by-laws of the association should allow the use of representatives or assistants in the association's meetings or allow members to participate remotely.

The use of representatives can also be allowed in the by-laws of other types of associations. Any disadvantages from the use of representatives can be avoided by limiting the number of people one person may represent in a meeting.

Under the Associations Act, a private person may not use a representative or an assistant unless so provided in the by-laws (AA, section 25(1)).

8. Recommendation – Preparations for a General Meeting

The executive committee must prepare carefully for general meetings of the association.

Careful preparation, smooth running of the meeting, systematic proceedings with sufficient information, all these promote the members' exercise of their power of decision and right to request information.

The executive committee must prepare the meetings carefully. The chair of the committee and the chief officer are both required to prepare in advance to respond to members' questions in the meeting.

As part of careful preparations for the meeting, the executive committee must also acquaint itself with good meeting practices. Instructions are available at the website of the OK Study Centre, for example (in Finnish only).

The Associations Act does not contain detailed provisions concerning preparations for meetings; the obligation of careful preparation is based on the executive committee's general duty of care and loyalty.

9. Recommendation – Attendance of Members of the Executive Committee, Chief Officer and Other Members in Meetings of the Association

The members of the executive committee and the chief officer must be present in general meetings of the association.

An association's activities can only be developed in a dialogue between its members and management. The executive committee, the chief officer, the financial auditor or the performance auditor all need to attend general meetings of the association also to satisfy members' right to information.

The majority of the executive committee and the chief officer must participate in general meetings of the association. The financial and/or performance auditor must be present at least at meetings where the adoption of the association's financial statements is addressed.

Persons who are candidates for the executive committee must attend the meeting where the election is carried out unless they have compelling reasons for their absence.

The Associations Act contains no provisions concerning the attendance of such persons in the general meeting.

10. Recommendation – Members' Right to Request Information at the General Meeting of the Association

Members have the right to put questions to the executive committee and to receive a reply at the association's meetings.

Decision making and the development of the association's activities require effective dialogue between the association's members and its management. Access to sufficient information is also important to ensure that members can evaluate whether the association's activities are in compliance with its purpose and goals as set out in its by-laws, and how the goals have been attained.

When requested in a general meeting, the executive committee and the chief officer must supply detailed information on matters that may affect the outcome of an issue decided in the meeting. Information must not be supplied, however, if its disclosure would cause material harm to the association. The refusal to supply information is justifiable mostly in the case of non-disclosable personal information of the association's members and trade business secrets of the association's partners.

If it is the view of the executive committee that some information cannot be supplied without causing material harm to the association, the committee must immediately inform the member in question about this and submit the said piece of information to the financial and/or performance auditor. Within one month of the meeting, the financial and/or performance auditor submits to the executive committee a written statement regarding the impact of the information on the financial or performance auditor's report. The members of the association are entitled to review the statement.

If a question posed by a member cannot be answered on the basis of information available in the meeting, the answer should be given in writing within no more than two weeks. The answer must be delivered to the member who posed the question as well as to other members who wish to see it.

The principle of equality between members is crucial also in the matter of disclosure of information. When the association provides information about its activities to its members, it must ensure that all members have access to the same information.

Members' right to information is limited to the right of members to have their questions answered. In other words, members do not have a legal right, for example, to review the accounts of the association, which are audited by the association's financial and/or performance auditor.

The Associations Act contains no specific provisions regarding members' right to request information. The right is based on the purpose of the general meeting and on the general duty of care and loyalty on the part of the executive committee (see recommendation 17).

11. Recommendation – Decision Making

Decision making in a general meeting of the association must comply with good meeting practices.

Decision making in the association must comply with the stipulations of the Associations Act and the association's own by-laws as well as good meeting practices. Good meeting practices ensure that the meeting progresses smoothly.

Instructions regarding meeting practices are available online at the website of the OK Study Centre, for example (in Finnish only). As part of the planning of the association's general meetings, the executive committee must also acquaint itself with good meeting practices.

The Associations Act contains a section on the voting rights of members (AA, section 25) and a general section on the by-laws for decision making (AA, section 27). However, the Act does not contain provisions on such matters as the order to be followed in voting between alternative decisions or the voting procedure. Such matters are regulated only by the provisions (if any) in the association's by-laws and other regulations as well as meeting practice.

12. Recommendation – Chair of the General Meeting

The chair elected for a general meeting of the association must primarily be a member who has no conflicts of interest regarding any matters on the agenda and who is familiar with good meeting practices.

The smooth and equitable progress of a general meeting is promoted by the election of a chair who has no conflicts of interest.

The chair should have no conflicts of interest with regard to any matters on the agenda. He or she should also be familiar with the Associations Act, the by-laws of the association as well as good meeting practices to ensure that the meeting can be conducted smoothly.

The chair does not need to be a member of the association, unless otherwise stated in the association's by-laws. An external chair may be elected as necessary in the interests of ensuring equitable processing of matters in the meeting.

Interpretation of the Associations Act and the by-laws of the association is ultimately the chair's responsibility. The only provision in the Associations Act that pertains to the chair concerns the duty to draw up records of the meeting (AA, section 31).

13. Recommendation – Remote Participation

Remote participation can be used to enhance members' possibilities for active participation.

In addition to promoting members' active participation, remote participation can also improve their equality.

The Associations Act allows remote participation (using Skype or similar technology – for more details, see the guide of the Ministry of Justice on the organisation of remote participation (available in Finnish only)).

The executive committee must decide whether remote participation can improve the opportunities of members to participate in the association's activities. The possibility of remote participation and its scope must be set out in the association's by-laws. It is advisable, however, that remote participation is only allowed when its technological implementation can be guaranteed.

The Associations Act allows remote participation when it is based on the association's by-laws. The scope of remote participation is only regulated in the Act with regard to the right to vote and the correctness of vote counting (AA, sections 17, 19, 22, 24).

14. Recommendation – Committees

Preparations for a general meeting can be facilitated by appointing committees to prepare proposals for the meeting.

Committees can enhance the preparation of matters for a general meeting of the association.

The members of the association or the executive committee can set up committees to prepare the matters that will be discussed and decided on in a general meeting. A committee can typically be used to draw up a proposal for the election of members to the executive committee. A general meeting can also set up a committee to prepare matters for the next meeting or to serve the needs of the ongoing meeting, such as preparing a proposal for a decision. Members cannot delegate their powers of decision making to a committee; committees can only be used to prepare or assist in decision making.

In setting up a committee, care must be taken to ensure that the committee has access to extensive and best possible expertise. The Associations Act contains no provisions regarding committees.

15. Recommendation – Publicity of General Meetings and Their Minutes

Members must be informed about decisions made by a general meeting of the association.

Transparency in decision making enhances the commitment and loyalty of the association's members and the trust of its stakeholders in the association.

A general meeting of the association is a meeting of its members, and it may also be attended by the executive committee, the chief officer and financial/performance auditors. Members of the executive committee are generally also members of the association. If necessary, other persons may also participate in a meeting, and a meeting can decide that it is open to all. With regard to transparency, it is important that others besides only members, the executive committee, the chief officer or financial/performance auditors can participate in the meeting, depending on the matter under consideration.

The minutes of the meeting must be available for review by members. Although the minutes are not a public document, it is advisable that key stakeholders are informed about decisions that are important for the association.

The Associations Act only contains provisions regarding the members' right to attend a meeting (AA, section 17) and the obligation to draw up a record of the meeting and make it available for review by members (AA, section 31).

3

Executive Committee

16. Recommendation – Duties and Powers of the Executive Committee

The duties and powers of the executive committee must be defined clearly and in writing.

A clear division of duties and powers improves the efficiency of the administration of an association and the management of its operations. It also clarifies the division of responsibility between members, officers and employees.

The duties of the executive committee may be defined in the by-laws of the association, in the standing orders of the executive committee, or in another equivalent set of recommendations.

The executive committee can choose to divide its duties among the members of the committee or to delegate the preparation of matters to a committee. In that case as well, decisions are made by the executive committee collectively in matters that fall within its competence, and it is collectively in charge of overseeing the activities of the association. The executive committee also bears collective responsibility for its actions.

Under the Associations Act, the executive committee organises the administration of the association and oversees its activities in accordance with legislation, the association's by-laws and the decisions of its meetings. The executive committee is also responsible for ensuring that the accounts of the association are compliant with the law, and that financial administration is organised reliably. The association is represented by the executive committee (AA, section 35). The powers of the executive committee of an association are narrower than those of the board of directors of a company or a cooperative, which possess general competence. The Associations Act contains provisions regarding which matters are decided by a general meeting of the association and which are decided by the executive committee.

17. Recommendation – Duty of Care and Loyalty

The executive committee must act with care and promote the interests of the association.

The executive committee's actions play a vital role in the success of the association in its activities.

The executive committee must manage the affairs of the association with care and in compliance with the law as well as the by-laws and decisions of the association. The members of the executive committee must promote the attainment of the association's goals and treat all members equitably. The executive committee promotes the collective interest of all the association's members.

Careful management requires that the executive committee directs and oversees the association's activities. The committee is responsible for the strategy of the association and the organisation of its activities. If the association has no chief officer, the executive committee is also responsible for day-to-day operations as well as financial and personnel administration, such as the account keeping, payments, asset management and the performance of statutory employer obligations under labour legislation.

A member of the executive committee may not through his or her individual actions promote any activities that are counter to the association's interests, or promote exclusively the interests of the parties who nominated him/her (see recommendation no. 20 on the competence of the members of the executive committee).

The executive committee appraises whether the purpose and forms of operation set out in the by-laws of the association are up to date. If necessary, the executive committee takes action to amend the by-laws.

Members of the executive committee must possess wide and diverse competencies to serve the needs of the association. They must also be able to allocate sufficient time to the discharge of their duties. The members of the association must take note of this when electing members to the executive committee.

The Associations Act does not contain specific provisions regarding the executive committee's duty of care and loyalty, which is nevertheless a general principle of company law and one which must be observed in all private associations and foundations.

18. Recommendation – Right to Information and Communications

The executive committee must have sufficient information concerning the activities, operating environment and organisation of the association. The executive committee must promote transparency in communication.

For the executive committee to be able to discharge its duties properly, it must possess sufficient and timely information on the association's finances and operations. All members of the committee must have access to the same information so as to have equal opportunities for participation and decision making.

The executive committee ensures that the association communicates actively and transparently about its activities using different media.

An outgoing executive committee must pass on all information relevant to its duties to the newly elected committee.

The Associations Act does not contain any provisions specifically addressing the executive committee's obligation regarding the provision of information, which is based in part on the general duty of care and loyalty (see grounds for recommendation no. 17).

19. Recommendation – Quorum

The executive committee is quorate when more than one half of its members are present. The by-laws of the association may contain provisions that differ from this.

The executive committee has a quorum when more than one half of its elected members are present. Members disqualified due to a conflict of interest are not reckoned in the calculation of quorum. The presence of the chair or vice chair of the executive committee is not necessary for quorum, unless otherwise stated in the by-laws. The by-laws regarding decision making and quorum in the executive committee should be clear in order to facilitate the functioning of the committee.

To ensure equitable participation, all members of the executive committee should be afforded the opportunity to take part in proceedings. The same applies to the deputy member when an ordinary member is unable to attend a meeting.

The Associations Act contains no provisions regarding decision making in the executive committee. In practice, associations comply for the most part with general principles of company law. This recommendation is in line with current general practice in associations.

20. Recommendation – Meeting Practices of the Executive Committee

The executive committee chooses its own procedures and meeting practices. If the by-laws of the association contain provisions regarding this, they must be taken into account.

The executive committee may also make decisions in other ways than in meetings attended by its members in person. It can run its meetings electronically by email, for instance. When planning an electronic meeting, the executive committee should consider whether the matters on the agenda require a great deal of discussion.

Minutes must always be kept of the meetings of the executive committee. The minutes are numbered consecutively and stored in a reliable manner. Members of the executive committee are entitled to have their dissenting opinion recorded in the minutes. The minutes must be easily accessible by members of the executive committee, because they are used to monitor the implementation of decisions.

The requirement of keeping minutes of the executive committee's meetings is based on the general duty of care on the part of the executive committee. Reliable documentation of the committee's decisions is important also as regards the liability of the committee's members.

Members of the association do not have the right to review the minutes of the executive committee, unless otherwise provided in the by-laws. If a matter concerning a member is addressed in a meeting of the executive committee, that member has the right to know about it. The information can be supplied to the member in the form of a copy of the relevant passage in the minutes of the executive committee, for example.

The Associations Act does not contain provisions concerning the organisation of the executive committee's meetings or the right of the association's members to information of the committee's meetings.

21. Recommendation – Members of the Executive Committee

Members of the executive committee must possess competencies relevant to the operations of the association and also be able to allocate sufficient time to the discharge of their duties. Officers of the association cannot be elected to the executive committee.

To ensure that members of the association can assess the qualifications of candidates to the executive committee and their relationship with the association, they need to have sufficient information about the candidates.

It is advisable for members of the executive committee to possess a wide range of diverse competencies relevant to the running of the association.

For the executive committee to be able to act in the interests of the association in all situations, officers of the association may not be elected to the executive committee. In order to avoid conflicts of interest, no person can be elected to the executive committee who receives substantial remuneration from the association for work or other reason. In smaller associations it is common for a member of the executive committee to be in charge of tasks relating to the day-to-day management of the association. Such duties are not a source of conflict of interest.

The by-laws of the association may contain detailed provisions concerning the qualifications of the members of the executive committee (such as membership in the association). Under the Associations Act, a member of the executive committee may resign before the expiration of their term of office by giving the committee notice to this effect. It is not necessary to elect a new member immediately to replace the resigned member if the executive committee remains quorate even after the resignation.

The members of the executive committee must be at least 15 years of age. A bankrupt person may not serve as a member of the executive committee (AA, section 35). Under the Associations Act and the Auditing Act, a financial or performance auditor of the association may serve as a member of the executive committee (AA, section 38a and Auditing Act, section 25).

22. Recommendation – Chair of the Executive Committee

The chair of the executive committee directs the work of the executive committee. The chief officer also reports to the chair of the executive committee.

The activities of the chief officer are directed and supervised by the chair and the other members of the executive committee. An association's by-laws generally state that the chair is elected by the members of the association. If there are no provisions in the by-laws regarding

the election of the chair, however, the chair is elected by the members of the executive committee from amongst themselves.

The chair prepares the meetings of the executive committee carefully and ensures that the committee members are informed of the agenda well in advance of meetings. If the association has a chief officer, the officer and the chair will prepare for meetings together.

If the executive committee has a deputy chair, the deputy chair will be in charge of the above-mentioned duties when the chair is prevented from attending to these.

Under the Associations Act, the chair of the executive committee must be of age and otherwise legally competent, and may not be bankrupt (AA, section 35). The Associations Act contains specific provisions regarding the chair's duties only with respect to the right of representation (AA, section 36) and the filing of notice with the register of associations (AA, sections 48, 52 and 53).

23. Recommendation – Conflict of Interest of Executive Committee Members

In assessing conflicts of interest, the perception of third parties of the association must be taken into consideration.

When an association's purpose is to serve the public trust, it is important to prevent any perception of conflict of interest.

Outsiders may get an impression of non-impartiality even if no conflict of interest exists in the legal definition. For the sake of trust and transparency, the assessment of impartiality should be made carefully so as to avoid the impression of partiality.

Under the Associations Act, a member of the executive committee is disqualified if his/her private interest might be in conflict with the interest of the association (AA, section 37).

24. Recommendation – Communications

Transparent and clear communications reinforce trust and increase interest in the association's activities.

An association that manages its communications actively and with transparency is perceived as trustworthy and attractive also by new members and stakeholders. The executive committee is in charge of organising the association's communications while looking after the interests of its members, operations and stakeholders. Communications are used to maintain contact with stakeholders and develop the association's operations.

Suitable tools of communication for a large association include its website, social media platforms and the annual report. With electronic communications, even small associations can keep in touch efficiently with their stakeholders.

The Associations Act contains no specific provisions concerning communications. It only states that members of the association have an exclusive right to access information from the membership register and that they must be given an opportunity to review the

register. Other membership information may be disclosed to members and third parties only with the consent of the member in question (for more details, see the manual of the Office of the Data Protection Ombudsman on membership registers of associations and the Personal Data Act ('Yhdistyksen jäsenluettelot ja henkilötietolaki', available in Finnish only)).

25. Recommendation – Planning, Evaluation and Development of Operations

The operations of the association must be purposeful and they must be actively evaluated and developed.

The association's objectives can best be attained by adopting a purposeful approach coupled with ongoing development of activities.

The key principles and objectives of an association are adopted collectively by its members. In order to secure the members' commitment to the objectives it is important that they take part in the planning of the association's activities. In planning its activities, the association should try to identify foreseeable phenomena or changes in the operating environment that can create new opportunities for the association. Risks should be prepared for and prevented if possible.

The executive committee evaluates whether the association's activities are in compliance with the principles of good governance. The committee evaluates its own activities as well. Such evaluations are also useful in considering the composition of the executive committee to ensure its effectiveness.

Although the Associations Act does not contain any specific provisions regarding the executive committee's duty of care, it is nonetheless a general principle of company law which must be observed in all private associations and foundations.

26. Recommendation – Financial and Administrative Regulations

The financial and administrative regulations of the association clarify the division of duties and responsibilities within the association.

A clear and transparent definition of the duties and powers of decision making of those active within the association promotes the smoothness and efficiency of the association's operations.

Internal regulations are generally adopted by the executive committee, unless the matter falls within the competence of the general meeting of the association.

The Associations Act has no specific provisions concerning internal regulations.

4

Chief Officer

27. Recommendation – Chief Officer

The day-to-day running of the association is directed by a chief officer.

The chief officer is an employee of the association who is in charge of the association's daily activities and management. The chief officer works under the guidance and supervision of the executive committee. The chief officer of an association is commonly called an executive director or a general secretary. For the sake of clarity, the chief officer is not called a managing director.

The duties and powers of the chief officer are determined in writing. For example, the duties can be defined in the by-laws of the association, the officer's contract of employment, or in the association's regulations. Cooperation and communication between the chair of the executive committee and the chief officer is vital for the operations of the association. The chief officer supplies the executive committee with the information needed for the fulfilment of its duties.

The chief officer prepares the meetings of the executive committee and attends them, unless the committee decides otherwise. The chief officer usually possesses the best information needed for the executive committee's decision making and the preparation of its meetings.

The chief officer is subject to labour legislation (e.g. termination of employment and liability for damage to the association). Although the Associations Act contains no provisions regarding a chief officer, the officer is usually empowered to make decisions that are binding on the association. The association's by-laws often contain provisions regarding the chief officer's right to sign for the association.