

the
wheel

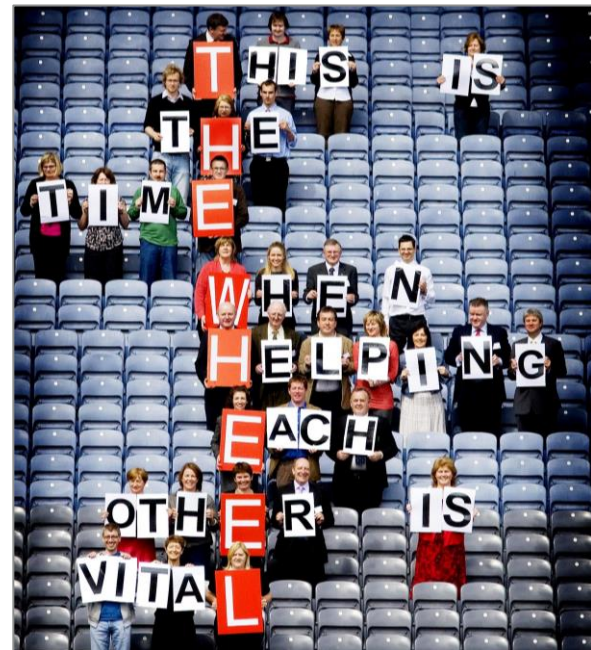
Stronger Charities.
Stronger Communities.



HELLO WE ARE...
THE WHEEL

LET US INTRODUCE OURSELVES...

- We are **Ireland's national association of community, voluntary and charitable organisations**
- We **represent** and **support** these organisations to help make Ireland a more **fair** and **just** place for all.



THIS IS OUR VISION...



A THRIVING COMMUNITY
AND VOLUNTARY SECTOR
AT THE HEART OF A **FAIR**
AND **JUST** IRELAND.

WE INCREASE THE COMMUNITY AND VOLUNTARY SECTOR'S CAPACITY AND CAPABILITY TO PLAY ITS PART IN ACHIEVING A FAIR AND JUST SOCIETY IN IRELAND AND WE DO THIS BY:

1. representing the shared interests of community and voluntary organisations,
2. supporting these organisations to do their work
3. promoting the importance of active citizenship

SOME BASIC FACTS...

- 19,000 + non profits in Ireland (Benefacts)
- Circa 12,500 known to the Charity Regulator – circa 8,300 registered charities
- 48,000 people serve as Directors/Board members of Non-Profits
- 149,000 employees (66,000 working in 310 “quasi-public” bodies and 83,000 in 4,000 other organisations)
- €10.9 Bn annual turnover, €5.3Bn in funding from Government
- Over 500,000 people volunteer every year, and 50,000 people help run charities as voluntary trustees.
- A larger employer than sectors like the agri-food or hospitality sectors.
- This is a large, important but often under- acknowledged sector!

• [*https://benefacts.ie/Explore](https://benefacts.ie/Explore)



19, 353 NON-PROFIT ORGANISATIONS IN IRELAND

Benefacts



▶ [Arts, Culture, Media](#)

914

▶ [Recreation, Sports](#)

3,465

▶ [Education, Research](#)

5,186

▶ [Health](#)

769

▶ [Social Services](#)

1,928

▶ [Development, Housing](#)

2,946

▶ [Environment](#)

736

▶ [Advocacy, Law, Politics](#)

295

▶ [Philanthropy, Voluntarism](#)

821

▶ [International](#)

360

▶ [Religion](#)

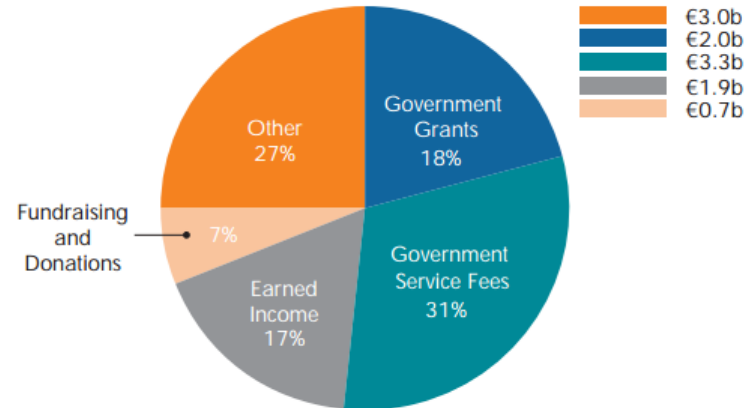
1,305

▶ [Professional, Vocational](#)

946

WHERE DOES THE MONEY COME FROM?

Where the €10.9b came from in 2015



**Note that in 2015, more than a quarter of all nonprofit companies elected to publish abridged accounts, which provide no analysis of the sources of their income. For a list of these see benefacts.ie/analysis.*

WHERE DOES THE MONEY COME FROM?

- HSE 2015 Annual Report
- 1,847 grants made
- About 550 organisations granted over €100,000pa
- €3.6 Bn per anum disbursed

FUNDRAISED INCOME

- *2into3* estimate that the Irish not-for-profit sector had a fundraised income of €740 million in 2013

ICEM April 2017 Results

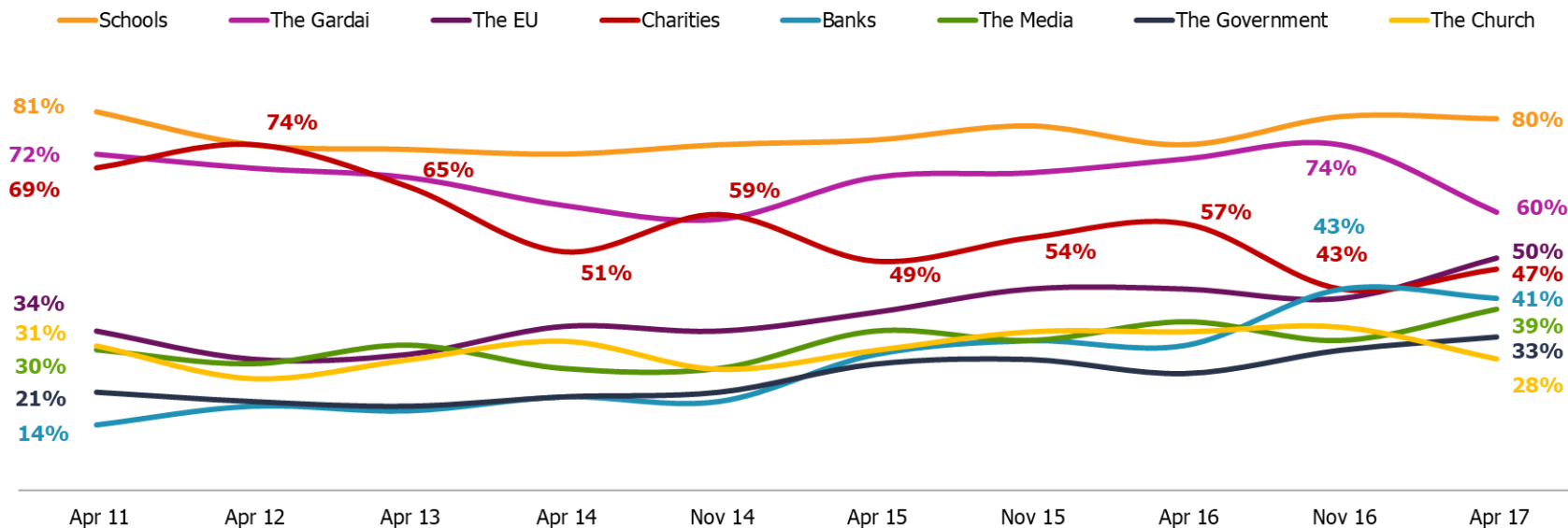
ICEM@nfpsynergy.net

Bijal Rama, Cian Murphy and Tim Harrison



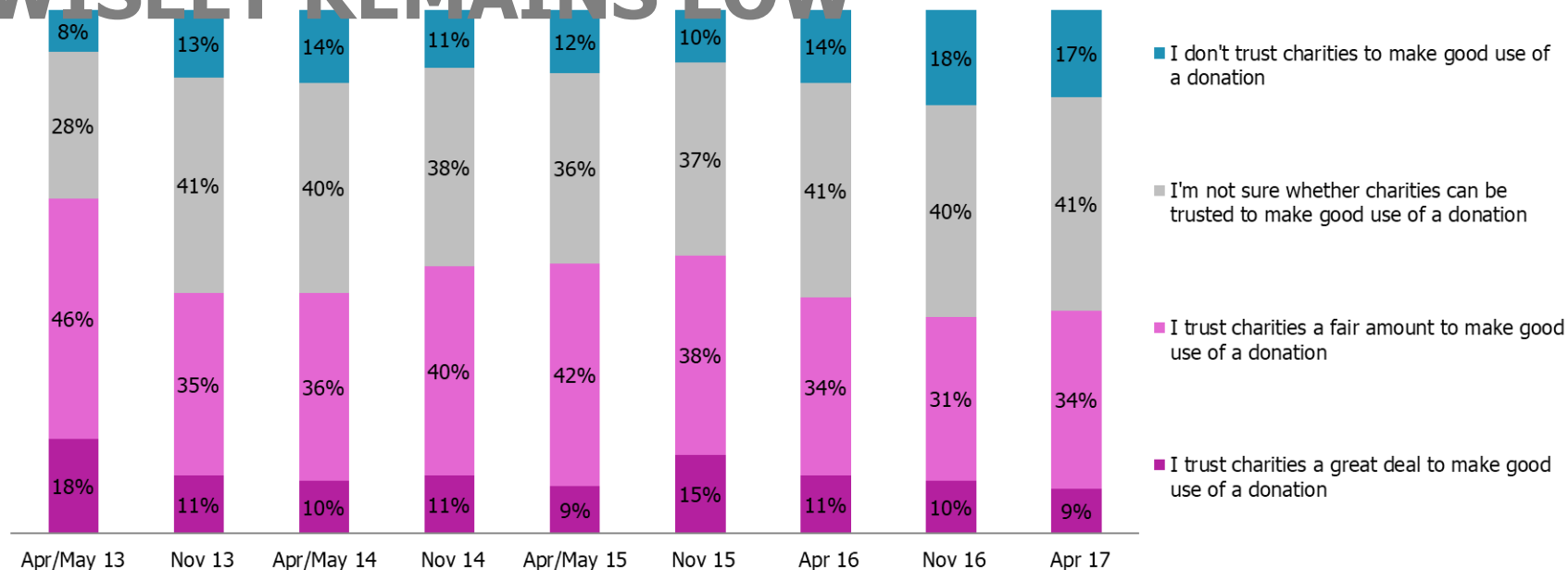
THERE STILL REMAINS WORK TO BE DONE TO RECOVER TRUST IN CHARITIES

8% say they trust charities "a great deal"
39% say they trust charities "up to a point"



"To what extent do you trust each of the following institutions?" **Ranked by 'Up to a point + A great deal'**

TRUST IN CHARITIES TO USE DONATIONS WISELY REMAINS LOW



“When you think about charities in general how much do you trust them to spend a donation wisely? Please choose the one that most represents your views.”

2017 POLICY CONTEXT:

- Continuing low levels of *public trust* and confidence: how to respond?
- Positive commitments re strategy to develop the CV sector in *Programme for Government*.
- Continuing moves towards **commissioning** approaches to funding (HSE / TUSLA / DPER)
- **Charities Regulator**: firmer stance, with investigative powers and a new financial reporting standard and guidance on governance on the way
- *Regulation of Lobbying*
- General Data Protection Regulation (**GDPR**)

TRUSTEES HAVE BIG RESPONSIBILITIES

- So trustees of Ireland's charities are responsible for the custodianship of over €10 Bn per annum (with €5Bn funding from the state (€3.6 Bn of that coming from the HSE alone) and a further €740 million in public donations
- Putting on our *members-of-the-public* hat:
- How many of us have donated to charities this year?
- do we have an interest in how charities spend all this money?

PUBLIC INTEREST IN OUR WORK

- There is a big public interest in the work that charities do
- **All** of the funds under the control of charitable trustees are public funds
- It's really important that we apply *highest governance standards* – with clarity about who is responsible: **the Trustees**

WHAT IS GOVERNANCE?

- What does the English word *Governance* literally mean?
- Where do we find Governors?
- Who owns your organisation's assets?
- What is Trusteeship?

GOVERNANCE: IT IS THE RESPONSIBILITY OF THE BOARD TO...

- provide *Leadership*
- develop, own and review *Strategy*
- Agree the Vision, Mission, High Level Goals, Objectives
- ensure adequate *resources* are provided
- provide *policies* to govern operational activity
- *delegate delivery of Strategy* to CEO
- ensure reporting framework set for CEO
- ensure compliance with *legal obligations*
- assess *Risk* and ensure it is managed
- hold CEO to account in relation to delivery of strategy
- be, and be seen to be, accountable to stakeholders

The Board Remains Responsible! (no delegation of responsibility)

CHALLENGE: RE-UNDERSTANDING *PUBLIC-BENEFIT TRUSTEESHIP*

- Charities are not *private*
- trustees are not “owners” of funds or assets – rather they are *guardians or custodians* of public funds that they control for a charitable purpose
- Charitable status is a **privilege** granted by society
- Trustees are accountable for use of funds: to all stakeholders, ultimately to public
- “Make decisions as though you are making them in public”

THE GOVERNANCE CODE

- The Governance Code is based on five principles, each with three sub-principles.
- Each principle is supported by guidelines for implementation, which are written in the form of suggested actions, so that practical assistance is provided to organisations in understanding how to translate each principle into reality

THE CODE - FIVE PRINCIPLES OF GOOD GOVERNANCE

The best boards

- provide leadership
- exercise control
- are transparent and accountable
- work effectively
- behave with integrity

THE BEST BOARDS...

Provide leadership by

- Agreeing our purpose, vision and values and ensuring that they remain relevant and valid.
- Developing, resourcing, monitoring and evaluating a plan to make sure that our organisation achieves its stated purpose.
- Managing, supporting and holding to account staff, volunteers and all who act on behalf of the organisation.

THE BEST BOARDS...

Exercise control by

- Identifying and complying with all relevant legal and regulatory requirements.
- Making sure that there are appropriate internal financial and management controls.
- Identifying major risks for our organisation and deciding ways of managing the risks.

THE BEST BOARDS ARE

transparent and accountable by

- Identifying those who have a legitimate interest in the work of our organisation (stakeholders) and making sure that there is regular and effective communication with them about our organisation.
- Responding to queries or views of stakeholders about the work of our organisation and its governance.
- Encouraging and enabling the engagement of those who benefit from our organisation in the planning and decision-making of the organisation.

THE BEST BOARDS...

Work effectively by

- Ensuring that our governing body, individual board members, sub-committees, staff and volunteers understand their role, their legal duties and their delegated responsibility for decision-making.
- Making sure that as a board we exercise our collective responsibility through board meetings that are efficient and effective.
- Making sure that there is a suitable board development and renewal process in place.

THE BEST BOARDS...

Behave with integrity by

- Adhering to high standards of honesty, fairness and independence
- Understanding, declaring and managing conflicts of interest and conflicts of loyalties.
- Safeguarding and promoting our organisation's reputation.

DUTIES OF TRUSTEES IN THE CHARITIES ACT

1. Comply with their charity's **governing document**
2. Ensure that their charity is carrying out **its charitable purposes for the public benefit**
3. Ensure that their charity is **registered** on the Charities Regulator's Register of Charities
4. Ensure that their charity keeps **proper books of account**
5. Ensure that their charity **provides an annual report and annual accounts** to the Charities Regulator
6. Act in the **best interests** of their charity
7. Act with **reasonable care and skill**
8. **Manage the assets** of their charity (make appropriate investment decisions)
9. Ensure **any information re any offence is disclosed** to the Charity Regulator in writing

COMPANIES ACT 2014

Legal Obligations of Directors include:

- Maintaining a Register of Members
- Maintaining a Register of Directors and Company Secretaries
- Maintaining proper books of account, portraying a 'true and fair' picture
- Preparing annual financial statements- having financial statements audited
- Holding an AGM-Providing a written report to company members
- Ensuring minutes of AGM/EGM, Board, sub-committees are kept
- Ensuring the annual report is completed and returned
- Ensuring legal obligations/reports are met

GOVERNANCE CHECKLIST 1

- Is there clarity about the governing body?
- Is there a focus on long-term direction?
- Are boundaries between governance, management and operations clear?
- Does your governing body adhere to the main principles of governance above?
- Do your governing body members understand their role?
- Can you identify your internal/external stakeholders?
- Do you know what your stakeholders expect?

GOVERNANCE CHECKLIST 2

- Are your organisation's existing structures and processes still valid?
- Do you have an up to date strategic plan?
- Do you have processes to manage risk?
- Does your governing body understand the long-term financial position?
- Do you have plans for recruiting and renewing your board and are directors' skills appropriate?
- Do you have a plan to develop your directors?
- Do you have a board handbook / code-of-practice?

REGULATION – RECENT DEVELOPMENTS

- The Charity Regulator has consulted and is to set a *financial reporting standard* for charities and that standard (for larger charities) will likely be the *Statement of Recommended Practice for Financial Reporting by Charities* (the *SORP*)
- Decision re threshold at which SORP would apply still being considered: €100k? €250k? What would public deem appropriate?
- Regulator is going to set *guidance for governance* (The Wheel is on the consultative panel advising the regulator) and set *guidance for fundraising* (we are on this panel too)

PROGRAMME FOR GOVERNMENT. *DEVELOPMENTS*

- *Cross Sectoral Working Group* located in new *Department of Rural and Community Development* tasked with producing an implementation plan for Local and Community Development – including supportive policy for charities
- The Wheel is participating on the group
- Presents opportunity to address the issues facing the sector such as coherence in funding processes, reporting processes and commissioning processes etc
- Also – **National Strategy to support Social Enterprise** is being developed in the same department – further opportunity
- Charity regulation – responsibility transferred to this Dept

CHARITIES REGULATOR

Charities Regulator

- Guidance for Trustees published
- Guidance for Fundraising published
- Governance Framework for charities in development
- Possible implications for Governance Code – there may be a new Regulator's Governance Code

CHARITIES REGULATION – RECENT DEVELOPMENTS

- The Charity Regulator has issued *Internal Financial Control* guidance and is to set a *financial reporting standard* for charities and that standard (for larger charities) will likely be the *Statement of Recommended Practice for Financial Reporting by Charities* (the *SORP*)
- Decision re threshold at which SORP would apply still being considered: €250k being mooted:
- Regulator is going to set *guidance for governance* (The Wheel is on the consultative panel working with the Regulator) and published *guidance for fundraising* (in September)

DUTIES OF TRUSTEES IN THE CHARITIES ACT

1. Comply with their charity's **governing document**
2. Ensure that their charity is carrying out **its charitable purposes for the public benefit**
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NEW DEPARTMENT OF RURAL AND COMMUNITY DEVELOPMENT

- Plan for local and community development in production (to deliver on Programme for Government commitment to develop a Strategy to support CV Sector)
- Social Enterprise Strategy also in production
- Review commencing into Local Community Development Committees (LCDCs)

REVIEW OF ROLE OF VOLUNTARY ORGANISATIONS IN HEALTH SERVICE PROVISION

Review group established by Minister Harris

Dr Catherine Day will chair the group, while Professor Jane Grimson and Professor Deirdre Madden have been appointed as members of the group.

The terms of reference provide for:

- An examination of current arrangements across the health and social care sector
- Consideration of issues currently arising, and those likely to arise in the future
- Recommendations on how the relationship between the State and voluntary organisations should evolve in the future

TUSLA

- Commissioning process fully commencing in 2018
- New *Service Agreements* being issued – deadline for signing 28 February

The Wheel is working as a member of Tusla's Commissioning Advisory group to positively shape commissioning guidance and practice for members.

GDPR – THE 7 DATA MANAGEMENT PRINCIPLES

GDPR comes into effect on May 25th 2018. By that date all organisations should be compliant.

- 1. Fair, Transparent and Lawful Processing
- 2. Purpose Limitation
- 3. Minimisation of Processing
- 4. Data Accuracy/Data Quality
- 5. Retention, Storage Limitation
- 6. Security and Confidentiality
- 7. Liability and Accountability

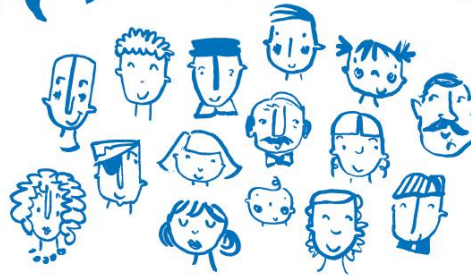
IN THE MEANTIME, THE WHEEL IS CALLING ON

All charities to *complete registration process* and *submit annual reports* (double-check that you have done so) and

- 1.All charities to comply with the *Governance Code for Charities* (400+ now compliant, 1,300 “on the journey”)
- 2.All fundraising-charities (70% of charities) to comply with the **Statement of Guiding Principles for Charities**
- 3.All larger charities to adopt **SORP**

Collectively, these three actions are sometimes called the Triple Lock for Charities

Let's COMMISSION for COMMUNITIES



Valuing the community and voluntary approach to human, social and community services



#Commission4Community

WE NEED TO BE VERY CLEAR!



Commissioning *is not* competitive tendering

WHAT DOES MAXIMISING SOCIETAL VALUE PRACTICALLY MEAN?

It means commissioning processes should put a value on and commission for outcomes characteristic of the community and voluntary led approach:

- responsive, tailored and holistic approaches to identifying and meeting needs
- flexibility, innovation, integration and collaboration in delivery
- ownership, involvement and empowerment of service-beneficiaries and the wider community
- contributions to building social capital and social cohesion
- bringing additional sources of funding to support the work that would not otherwise be available to the State.

COMMISSIONING FOR COMMUNITIES:

- Commissioning - understood as a *strategic planning process linking resource allocation with assessed current and future needs* - is a process that could work out well if it is implemented well.
- So let's get it right: If poorly implemented, commissioning approaches could undermine the future of the sector – and the *societal value* it creates for everyone

So let's make sure that doesn't happen

Let's ensure commissioning supports a communities and a thriving community and voluntary ecosystem instead



LOBBYING ACT 2015

Does an organisation need to register?

There is a three-step process that an organisation should apply. The Act states that an organisation must register if it passes each of the three tests.

Lobbying is communication by:

1. Persons within the scope of the Act
2. With Designated Public Officials
3. On relevant matters

Act makes no distinction regarding method, venue or formality of communication

- Mail, telephone, in-person, electronic, social media
- Office, social setting, casual encounter, other

LOBBYING ACT 2015

Persons within the scope of the Act

- Persons with more than 10 employees
- Representative bodies and advocacy bodies with at least 1 employee
- Third party lobbyists paid by a client (who fits one of the above criteria) to lobby on the client's behalf
- Anyone lobbying about the development or zoning of land

LOBBYING ACT 2015

With Designated Public Officials

- Ministers, Ministers of State, Members of Dáil Éireann, Seanad Éireann
- Members of the European Parliament for Irish constituencies
- Members of Local Authorities (elected officials)
- Special Advisors
- Senior Civil and Public Servants
- Civil service: Secretaries General, Assistant Secretaries, Director grades and equivalent
- Local authorities: CEOs , Directors of Services , Heads of Finance
- To be extended to PO grade within 12 months

LOBBYING ACT 2015

On Relevant Matters

- The initiation, development or modification of any public policy or of any public programme;
- The preparation of an enactment; or
- The award of any grant, loan or other financial support, contract or other agreement, or of any licence or other authorisation involving public funds...

Apart from matters relating only to the **implementation** of any such policy, programme, enactment or award **or of a technical nature**

LOBBYING ACT 2015 REGISTRATION REQUIREMENTS

- Register after first communication with Designated Public Official (DPO)
- Include in registration:
 - Organisation Name
 - Business address and contact details
 - Main business activities
 - Identify person with primary responsibility for lobbying
 - Company Registration Office Number or Charitable Registration Number
 - NIL return required

BE AWARE...

In February 2017...

- First fixed payment notices issued by the office to organisations which failed to file on time or failed to file a NIL return
- €200 fines



THE GDPR

- The General Data Protection Regulation
- EU Regulation – in force from 25 May 2018
- Increases the emphasis on accountability, security and transparency
- Grants citizens enhanced rights over their data
- Now is the time to become aware of any changes under GDPR that will affect your organisation – you will need to put a plan in place

Processing Principles & Accountability (Article 5)

When processing personal data, a charity which is a data controller must comply with all of the following principles (the first six being in-line with the previous data protection directives)

1. Lawfulness, fairness and transparency - Personal data must be processed lawfully, fairly and in a transparent manner.
2. Purpose Limitation. Personal data must be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
3. Data minimisation - Personal Data must be adequate, relevant and limited to what is necessary in relation to purposes for which they are processed.
4. Accuracy - Personal data must be accurate and, where necessary, kept up to date. Inaccurate personal data should be corrected or deleted.
5. Retention - Personal data should be kept in an identifiable format for no longer than is necessary.
6. Integrity and confidentiality - Personal data should be kept secure.
7. Accountability - An important change for Data Controllers. Under the GDPR, charities/ NFPs must not only comply with the above six general principles but must be able to demonstrate that they comply by documenting and keeping records of all decisions.



Stronger Charities.
Stronger Communities.

IN SUMMARY

THE THREE “RS” FOR CHARITIES

- In conclusion, we are working for a ***coherent policy framework*** for the community voluntary and charitable sector to operate in – a framework that
 - **recognises** and values the **role** of charities
 - **resources** their work adequately and
 - **regulates** the sector effectively.

We call it delivering the “***Three Rs for Charities***” and it needs to find form in a **national strategy for the community, voluntary and charitable sector.**

OUR CALL...



We are calling on Government to :

1. work with the sector to address these pressing issues,
 2. identify what needs to be done,
 3. and, working in consultation with the sector,
- ***develop a strategy for the community, voluntary and charitable sector that will deliver the coherent policy framework*** required.

WE'RE HERE TO HELP...





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Stronger Communities.

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