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Running a Successful Organisation & ..Being 'Governance' Compliant


Senan Turnbull for Wicklow Public Participation Network,

Workshop 1 - 30/11/2020

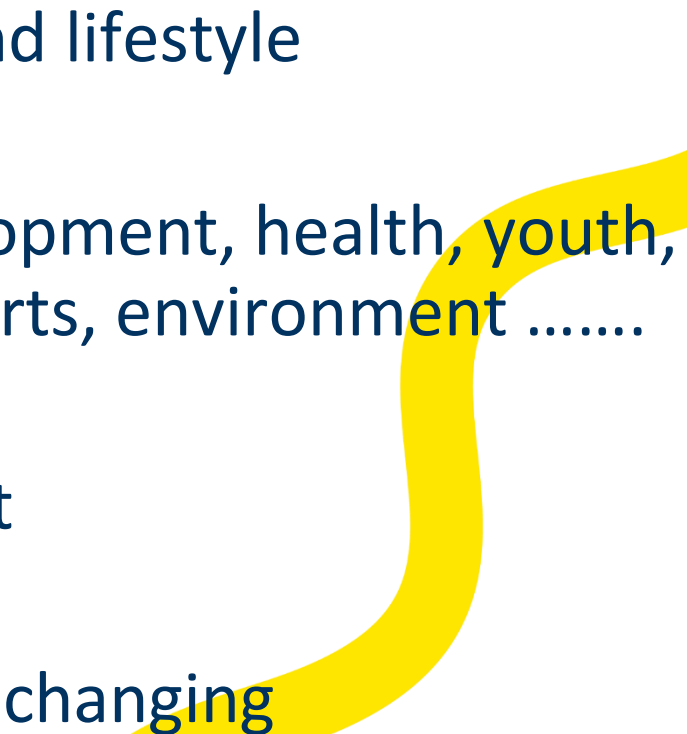
Guiding nonprofits
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Outcomes

- To Understand-
 - The changing context in which not-for-profit organisations exist
 - Key challenges and responsibilities of Boards/Committees
 - A Framework to assist in developing your organisation and being compliant with best practice
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- The changing context in which community/voluntary/charity/ not-for-profit organisations exist

The Not-for-Profit Sector

- Central to national culture and lifestyle
 - Has led on community development, health, youth, active aged, tourism, sport, arts, environment
 - Has been fairly informal... but
 - Attitudes & Expectations are changing
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Changing Nature of Society

- **Trust** in established order breaking down.
- Specific examples of 'failure' in all sectors have changed the landscape.
- Everyone expects accountability, transparency and integrity in our political, business, public services and voluntary organisations.


A List to Consider.....?

- Central Remedial Clinic & Rehab
- IFA
- Console
- Olympic Council of Ireland
- Scouting Ireland
- FAI
- Mayo & Galway GAA County Boards
- Bóthar

- Banks/Irish News & Media/ FÁS/Gardaí

- Good governance minimises **RISK** to your **REPUTATION**

A New 'Environment'

- Charities Act 2009 - Charities Regulator
 - Companies Act 2014 - CRO
 - Requirements from members, funders, donors and the public.
 - **'GOVERNANCE'** is the term which captures all of these legal and other expectations.
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Governance

- “the **duties and responsibilities of the committee members/trustees/directors** to put in place **systems and processes** to ensure that the organisation **achieves and sustains its objectives with integrity**, and is managed in an effective, efficient, accountable and transparent manner.
- (*from the Consultative Panel on the Governance of Charities, Charities Regulator/DPER, May 2018*)
- **Operations can be delegated to staff BUT**
- **Governance is the Board’s responsibility**

Good Governance

- It's **NOT** about always making the 'right' decisions, but it is about having the best possible practices to enable the making of the best possible decisions.
- Good Governance is about the processes for making, and implementing, decisions
- Its **how** you **do** your business.
- It doesn't have to be complicated but it must be **comprehensive** and **consistent**

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- Key challenges and responsibilities of Boards/Committees

Leadership and Oversight - 1


- Provide Leadership
- Develop, own and review the Organisation's Plan or Strategy
- Ensure adequate Resources are provided to make the plan a reality
- provide Policies to set out limits for the activities of the organisation
- Delegate delivery to management (IF ANY), and hold management to account
- Ensure compliance with Legal Obligations
- Assess Risk and ensure it is managed
- Be, and be seen to be, Accountable to stakeholders

Leadership and Oversight - 2


- Comply with your governing document, usually a Constitution
- Act in good faith in the best interests of your organisation
- Manage the assets of your organisation
- Keep proper accounts
- Organise your meetings in a methodical manner and keep proper minutes of all decisions
- Act honestly and responsibly in conduct of your affairs
- Do not use property/information/opportunity for personal/third party gain
- Avoid conflicts of interest
- Act with due care, skill and diligence
- Have regard to interests of employees/members
- Have regard to the interest of members with entitlement to appoint committee members/directors/trustees

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- A Framework to assist in developing your organisation and being compliant with best practice

The Charity Regulator's Code

- Launched November 2018
 - For charities only...butlikely to become the national standard for all not-for-profit organisations
 - Six governance principles
 - 32 Core standards which must be achieved by ALL charities
 - 17 Additional standards for more complex charities
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A 'more complex' organisation?

- No specific definition
 - Consider your income
 - Number of employees
 - Complexity of activities, e.g vulnerable people, operating overseas, large numbers of volunteers
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How to use the Code

- Read and understand the **principles** and **standards** and assemble the documentary evidence you already have against each standard
- Create lever-arch folders with dividers numbered for each of the 32/49 standards and put the documents which you believe provide the 'evidence' that you comply with each standard into their relevant sections (some documents can satisfy a number of standards)
- Agree a work programme to find/develop the documentation which needs to be written/updated to to meet the standards

The Code is.....

- A tool
- A means to see what you're already doing well and to find out how you can improve
- Proportionate to your size
- A process
- A long-term project
- Driven by the board/committee
- ALL about culture

Regulatory Burden...?

- Using the standards of the Governance Code should not be seen as an additional burden, but as
- An opportunity to examine the organisations policies, procedures, practices and where necessary change what is there to achieve the best practices contained in the standards
- Making these practices the everyday way of working will strengthen the capacity of the organisation to achieve its objectives

Six Principles

- 1 Advancing Charitable purpose
 - 2 Behaving with Integrity
 - 3 Leading People
 - 4 Exercising Control
 - 5 Working Effectively
 - 6 Being Accountable and Transparent
- These slides cover the CRA's 32 core, **plus 17 additional standards**

Principle 1: Advancing Charitable Purpose

- **Five CORE Standards**

- 1.1. Be clear about the purpose of your charity.....
- 1.2. Consider whether or not any private benefit arises.....
- 1.3. Agree an achievable plan for at least the next year.....
- 1.4. Make sure your charity has the resources it needs to do the activities you plan.....
- 1.5. From time to time, review what you are doing.....

Principle 1: Advancing Charitable Purpose

- **CORE 1.1. Be clear about the purpose of your organisation and be able to explain this in simple terms to anyone who asks.**
- <https://www.charitiesregulator.ie/media/1544/what-is-a-charity-rev-001.pdf>
- **Evidence on File**
- Constitution - Articles on Objects and Subsidiary Objects
- Minutes of meetings at which Constitution reviewed (working group/Board) and approved A/EGM
- Strategic Plan/Annual Plan/Annual Report - relevant pages where purpose/objects are referenced
- Website/ Facebook where purpose/objects are referenced

Principle 1: Advancing Charitable Purpose

- **CORE 1.2.** Consider whether or not any private benefit arises. If a private benefit arises, consider if it is reasonable, necessary and ancillary to the public benefit that your charity provides.
- **Evidence on File**
 - Extracts from the last Annual Report outlining beneficiaries
 - Remuneration policy for staff - links to benchmark scales
 - Expenses policies for staff, and board and committee members
 - Gifts and Hospitality policies for board and staff

Principle 1: Advancing Charitable Purpose

- **CORE 1.3.** Agree an achievable plan for at least the next year that sets out and budgets for what you will do to advance your purpose.
- <https://www.charitiesregulator.ie/media/1769/guidance-note-on-planning.pdf>
- <https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code>
- **Evidence on File**
 - Operational Plan(s) for the current year - linked back to the multi-annual Strategy
 - Budget for the current year
 - Minutes of the Board meeting(s) at which they were approved

Principle1: Advancing Charitable Purpose

- **CORE 1.4. Make sure your organisation has the resources it needs to do the activities you plan. If you don't have the resources, you need to show a plan for getting those resources.**
- (Resources = people, money, buildings, technology, partners/networks)
- **Evidence on File**
- Reports to, and minutes of, decisions of the Board analysing resource, their allocation against annual plans and budgets
- Approaches adopted to examine the sustainability of all current resources and plans to ensure these and seek alternatives.

Principle 1: Advancing Charitable Purpose

- **CORE 1.5.** From time to time, review what you are doing to make sure you are still: - acting in line with your charity's purpose and - providing public benefit.
- **Evidence on File**
 - Minutes of meetings at which Constitution was last reviewed with whatever changes might have been considered, even if not subsequently adopted and minutes of E/AGM where the Constitution was considered.
 - Minutes of the Board where the current and proposed work were looked at in line with the objects and subsidiary objects so as to ensure no 'mission-drift'

Principle 1: Advancing Charitable Purpose

- **Three ADDITIONAL Standards**

1.6. Develop your charity's strategic plan and associated operational plans.

1.7 Make sure there is an appropriate system in place to:

- monitor progress against your plans; and
- evaluate the effectiveness of your work.

1.8. From time to time, consider the advantages and disadvantages of working in partnership with other charities, including merging or dissolving (winding up).

Principle 1: Advancing Charitable Purpose

- **ADDITIONAL 1.6. Develop your charity's strategic plan and associated operational plans.**
- Evidence on file
- STRATEGIC PLAN for multiple-years and covering the current year
- STRATEGY IMPLEMENTATION PLAN may be included as time-lined actions in the Strategic Plan but may be a separate document especially for later in a Strategic Plan period where some of the outcomes of the strategy might have been varied following review.
- OPERATIONAL PLANS e.g. Annual Service delivery/activity Plans (by Department/Unit) and their link to the (reviewed) Strategic Plan

Principle 1: Advancing Charitable Purpose

- **ADDITIONAL 1.7** Make sure there is an appropriate system in place to: - monitor progress against your plans; - and evaluate the effectiveness of the work of your work
- **Evidence on File**
- Copies of Board Packs for recent meetings of the Board including reports of actual versus planned on actions and budgets, analysis of variations including possible need to take corrective action plus projections of annual out-turns.
- Reports on qualitative and quantitative achievements of work programmes and their impacts measured against the delivery of the Strategy and annual plans

Principle 1: Advancing Charitable Purpose

ADDITIONAL 1.8. From time to time, consider the advantages and disadvantages of working in partnership with other charities, including merging or dissolving (winding up).

- **Evidence on File**
- Reports to and Minutes of Board at which merging/dissolving were considered
- Copies of partnership/service level agreements/contracts with outer organisations which the Board have agreed to advance the strategy and plans

Principle 2: Behaving with Integrity

- **Three CORE standards**

- 2.1. Agree the basic values that matter to your charity and publicise these, so that everyone involved understands the way things should be done and how everyone is expected to behave.
- 2.2. Decide how you will deal with conflicts of interests and conflicts of loyalties. You should also decide how you will adhere to the Charities Regulator's guidelines on this topic.
- 2.3. Have a code of conduct for your board that is signed by all charity trustees. It must make clear the standard of behaviour expected from charity trustees. This includes things like maintaining confidentiality and what to do in relation to: gifts and hospitality, and out-of-pocket expenses.

Principle 2: Behaving with Integrity

CORE 2.1. Agree the basic values that matter to your organisation and publicise these, so that everyone involved understands the way things should be done and how everyone is expected to behave.

- **Evidence on File**
- The Values Statement of the Organisation
- Extracts from publications where it is prominently displayed
- Links to website/social media where it is displayed

Principle 2: Behaving with Integrity

CORE 2.2. Decide how you will deal with conflicts of interests and conflicts of loyalties. You should also decide how you will adhere to the Charities Regulator's guidelines on this topic.

<https://www.charitiesregulator.ie/media/1417/managing-conflicts-of-interest-may-2018.pdf>

From the CRA website - word docs to the above **Appendix A – Conflict of Interest Policy** **Appendix B – Template of Register of interests**

- **Evidence on File**
- Conflict of Interest and Loyalty Policy
- Signed Conflict of Interest and Loyalty Compliance Forms
- Disclosure of Interests Form

Principle 2: Behaving with Integrity

CORE 2.3. Have a code of conduct for your board that is signed by all directors/trustees. It must make clear the standard of behaviour expected. This includes things like maintaining confidentiality and what to do in relation to: gifts and hospitality, and out-of-pocket expenses.

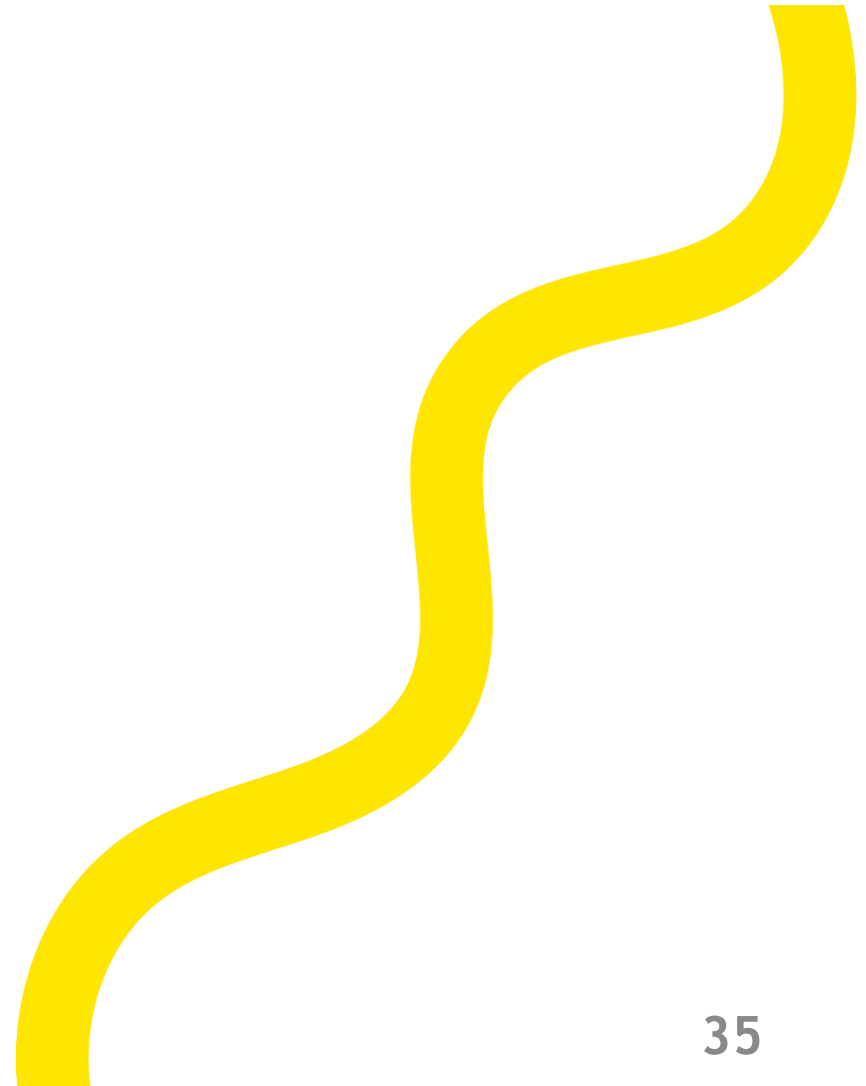
- **Evidence on File**
- Codes of Conduct for - Directors/Trustees, Staff and Volunteers
- Signed Acceptance of the relevant Code for everybody
- Copy of Confidentiality Policy
- Policy on Gifts and Hospitality and Expenses (as in 1.2)

From the CRA website Word Docs - [‘Code of Conduct for Charity Trustees’](#), [‘Code of Conduct for Employees’](#), [‘Code of Conduct for Volunteers’](#)

Principle 2: Behaving with Integrity

- There are NO ADDITIONAL STANDARDS for this Principle as behaving with integrity applies equally to all organisations, whatever their size or complexity
- Integrity is absolute, there are no 'degrees' of integrity, either its there in everything that the organisation and its people does and is, or its not

- Looking Ahead



Before Workshop 2 - 25th January

- Review Principles 1 and 2 and put the documents you have to indicate compliance with each standard in its appropriate divider.
- From this begin to develop a work programme of what you need to do to write/adapt and allocate a lead person/group to do the work setting a time-frame to carry it out.
- Look ahead at Principles 3 and 4 - see next slides - which together with a review of your work on 1 & 2 will be the content of
- Workshop 2, 7 PM on January 25th

Principle 3:



Principle 3: Leading people

- 3.1 Be clear about the roles of **staff** and/or **volunteers**
- 3.2 Make sure there are arrangements in place for the effective **involvement** of volunteers
- 3.3 Make sure there are arrangements in place that comply with employment legislation for paid staff
- 3.4 Agree operational **policies** where necessary, to guide the actions of everyone involved in your charity.

Principle 3 - Additional Standards

- 3.5. Make sure to document the roles, legal duties and delegated responsibility for decision-making of:
 - individual charity trustees and the board as a whole;
 - any sub-committees or working groups;
 - staff and volunteers.
- 3.6. Make sure that there are written procedures in place which set out how volunteers are:
 - recruited, supported and supervised while within your charity; and
 - the conditions under which they exit.
- 3.7. Decide how you will develop operational policy in your charity. You also need to decide how your charity trustees will make sure that the policy is put in place and kept up to date.

Principle 4:



Principle 4: Exercising control

- 4.1. Decide if your charity's current **legal form** and **governing document** are fit for purpose.
- 4.2. Comply with relevant **laws and regulatory requirements**
- 4.3. If your charity raises **funds from the public**, adhere to the Charities Regulator's guidelines
- 4.4. Make sure you have appropriate **financial controls** in place
- 4.5. Identify any **risks** your charity might face and decide how to manage them
- 4.6. Make sure your charity has appropriate and adequate **insurance cover**

Principle 4 - Additional Standards

- 4.7. Have written procedures to make sure that you comply with all relevant legal and regulatory requirements.
- 4.8. Make sure there is a formal risk register that your board regularly reviews.
- 4.9. Consider adopting additional good practice standards that are relevant to the particular work that your charity does.

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- [charitiesregulator.ie](https://www.charitiesregulator.ie)

<https://www.charitiesregulator.ie/media/1609/charities-governance-code.pdf>

<https://www.charitiesregulator.ie/media/1610/charities-governance-code-compliance-record-form-editable-and-downloadable.docx>

- [cro.ie](https://www.cro.ie)
- [carmichaelireland.ie](https://www.carmichaelireland.ie)
- [governancecode.ie](https://www.governancecode.ie)

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