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Running a Successful Organisation/Being 'Governance' Compliant

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Wicklow PPN - Workshop 2 of 4 - 25/01/21

Guiding nonprofits
carmichaelireland.ie

Before today...

- Participants reviewed Principles 1 and 2 and put the documents you have to indicate compliance with each standard in its appropriate divider.
- From this, you began to develop a work programme of what you need to write/adapt and allocated a lead person/group to do the work setting a time-frame to carry it out.
- HOW DID IT GO?....QUESTIONS?.....
- Looked ahead at Principles 3 and 4 - see next slides - which together with a conversation on your work on 1 & 2 will be the content of this Workshop on October 6th

The Six Principles



advancing
its charitable
purpose



behaving with
integrity



leading people



exercising
control



working
effectively



being
accountable and
transparent

Principles 1 and 2

- **Presented here solely for the purpose of reviewing how working through them has gone**
- **QUESTIONS, COMMENTS etc.....**

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

Principle 1: 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 charities, 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 not

- Today
 - **Principle 3 - Leading People**
 - 4 CORE Standards
 - 3 ADDITIONAL Standards
 - **Principle 4 - Exercising Control**
 - 6 CORE Standards
 - 3 ADDITIONAL Standards
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Principle 3 - Leading People

- **Four CORE Standards**

- 3.1. Be clear about the roles of everyone working in and for your charity, both on a voluntary and paid basis.
- 3.2. Make sure there are arrangements in place for the effective involvement of any volunteers, including what to do if any problems arise.
- 3.3. Make sure there are arrangements in place that comply with employment legislation for all paid staff including:
 - recruitment;
 - training and development;
 - support, supervision and appraisal;
 - remuneration (money paid for work) and dismissal.
- 3.4. Agree operational policies where necessary, to guide the actions of everyone involved in your charity.

Principle 3 - Leading People

- **CORE 3.1. Be clear about the roles of everyone working in and for your charity, both on a voluntary and paid basis.**
- **Evidence on file**
- GOVERNANCE HANDBOOK including ROLES OF DIRECTORS/TRUSTEES. OPERATING GUIDELINES FOR DIRECTORS/TRUSTEES and ROLE OF COMPANY SECRETARY
- <https://www.charitiesregulator.ie/media/1691/legal-duties-of-charity-trustees-infographic.pdf>
- CEO JOB/ROLE DESCRIPTION
- FINANCE MANAGER JOB/ROLE DESCRIPTION
- OTHER STAFF AND KEY VOLUNTEERS -IF ANY- ROLE DESCRIPTIONS.

Principle 3 - Leading People

- **CORE 3.2. Make sure there are arrangements in place for the effective involvement of any volunteers, including what to do if any problems arise.**
- **Evidence on file**
- If the organisation has volunteers involved in delivering services (other than membership of the board)
- VOLUNTEER MANAGEMENT POLICY
- VOLUNTEERS HANDBOOK
- [sample-volunteer-recruitment-policy](#)
- [sample-code-of-conduct-for-volunteers](#)

Principle 3 - Leading People

- **CORE 3.3. Make sure there are arrangements in place that comply with employment legislation for all paid staff including:**
 - recruitment, - training and development, - support, supervision and appraisal, - remuneration (money paid for work) and dismissal.
- **Evidence on file (if there are paid employees!)**
- EMPLOYEE HANDBOOK (including all of the above)
- SIGNED ACKNOWLEDGEMENT FORM OF ITS RECEIPT AND ACCEPTANCE BY ALL STAFF
- SIGNED CURRENT CONTRACTS FOR ALL STAFF
- NEW EMPLOYEE INDUCTION PACK

Principle 3 - Leading People

- **CORE 3.4. Agree operational policies where necessary, to guide the actions of everyone involved in your charity.**
- **Evidence on file**
- EMPLOYEE HANDBOOK (AS AT 3.3)
- STAFF JOB DESCRIPTIONS and ANNUAL PERFORMANCE TARGETS AND REVIEWS
- DATA PROTECTION POLICY
- SAFEGUARDING POLICY
- WHISTLEBLOWING (PROTECTED DISCLOSURES) POLICY
- ICT / SOCIAL MEDIA POLICY
- ++++++++ as appropriate to your scale and range of activities

Principle 3 - Leading People

- Three **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 3 - Leading People

- **ADDITIONAL 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.
- Evidence on file
- SCHEDULE OF MATTERS RESERVED FOR THE BOARD
- TERMS OF REFERENCE FOR EACH COMMITTEE/WORKING GROUP ,,,
- STAFF ROLES DESCRIPTIONS (as in 3.1)
- VOLUNTEER ROLE DESCRIPTIONS (as in 3.2)

Principle 3 - Leading People

- **ADDITIONAL 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.
- Evidence on file
- VOLUNTEER RECRUITMENT AND RETENTION POLICY
- VOLUNTEER MANAGEMENT POLICY (as in 3.2)
- VOLUNTEER HANDBOOK (as in 3.2)
- VOLUNTEER ROLE DESCRIPTIONS (as in 3.2)

Principle 3 - Leading People

- **ADDITIONAL 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.**
- **Evidence on file**
- **GOVERNANCE SCHEDULE - A list of all policies and procedures with the dates on which they were adopted by the Board (or other delegated body) and when they are scheduled to be reviewed (unless otherwise required reviews should be every three years)**
- **REPORTS FROM STAFF/COMMITTEES ETC with proposals or new policies and minutes as of when these were dealt with by the Board**

Principle 4 - Exercising Control

•Six CORE Standards

- 4.1. Decide if your charity's current legal form and governing document are fit for purpose. Make changes if necessary, telling the Charities Regulator in advance that you are doing so.
- 4.2. Find out the laws and regulatory requirements that are relevant to your charity and comply with them.
- 4.3. If your charity raises funds from the public, read the Charities Regulator's guidelines¹⁰ on this topic and make sure that your charity adheres to them as they apply to your charity.
- 4.4. Make sure you have appropriate financial controls in place to manage and account for your charity's money and other assets¹¹.
- 4.5. Identify any risks your charity might face and how to manage these.
- 4.6. Make sure your charity has appropriate and adequate insurance cover.

Principle 4 - Exercising Control

- **CORE 4.1. Decide if your charity's current legal form and governing document are fit for purpose. Make changes if necessary, telling the Charities Regulator in advance that you are doing so.**
- **Evidence on file**
- **CONSTITUTION and REPORTS on when it was re-considered by the Board and, if held, Minutes of AGM/EGM meeting at which any changes were made to it.**

Principle 4 - Exercising Control

- **CORE 4.2. Find out the laws and regulatory requirements that are relevant to your charity and comply with them.**
- **Evidence on file**
- STATEMENT OF COMPLIANCE WITH LEGAL AND REGULATORY REQUIREMENTS BY THE BOARD together with the advice sought to enable the statement to be made. (The list of what might be included is unique to each organisation This is where the skills of the Board will be challenged to know and understand what it required and what is adequate).
- Charity Law, General Law, Sectoral Laws & your Constitution
- <https://www.charitiesregulator.ie/media/1820/general-note-on-other-legal-and-regulatory-requirements.pdf>

Principle 4 - Exercising Control

- **CORE 4.3.** If your charity raises funds from the public, read the Charities Regulator's guidelines¹⁰ on this topic and make sure that your charity adheres to them as they apply to your charity.
- Evidence on file (if there is fundraising from the public?)
- NOT APPLICABLE or
- FUNDRAISING POLICY and PROCEDURES
- FUNDRAISING STRATEGY/PLAN
- FUNDRAISING STAFF ROLE DESCRIPTION(S)
- FUNDRAISING ANNUAL REPORT
- <https://www.charitiesregulator.ie/media/1083/guidance-for-fundraising-english.pdf>

Principle 4 - Exercising Control

- **CORE 4.4. Make sure you have appropriate financial controls in place to manage and account for your charity's money and other assets.**
- **Evidence on file**
- FINANCE MANAGEMENT POLICIES and PROCEDURES. These can be extensive and wide ranging including but not limited to
- PROCUREMENT, BANKING,
- RESERVES
- INVESTMENT POLICY
- <https://www.charitiesregulator.ie/media/1081/financial-controls-guidelines-june-2017.pdf>

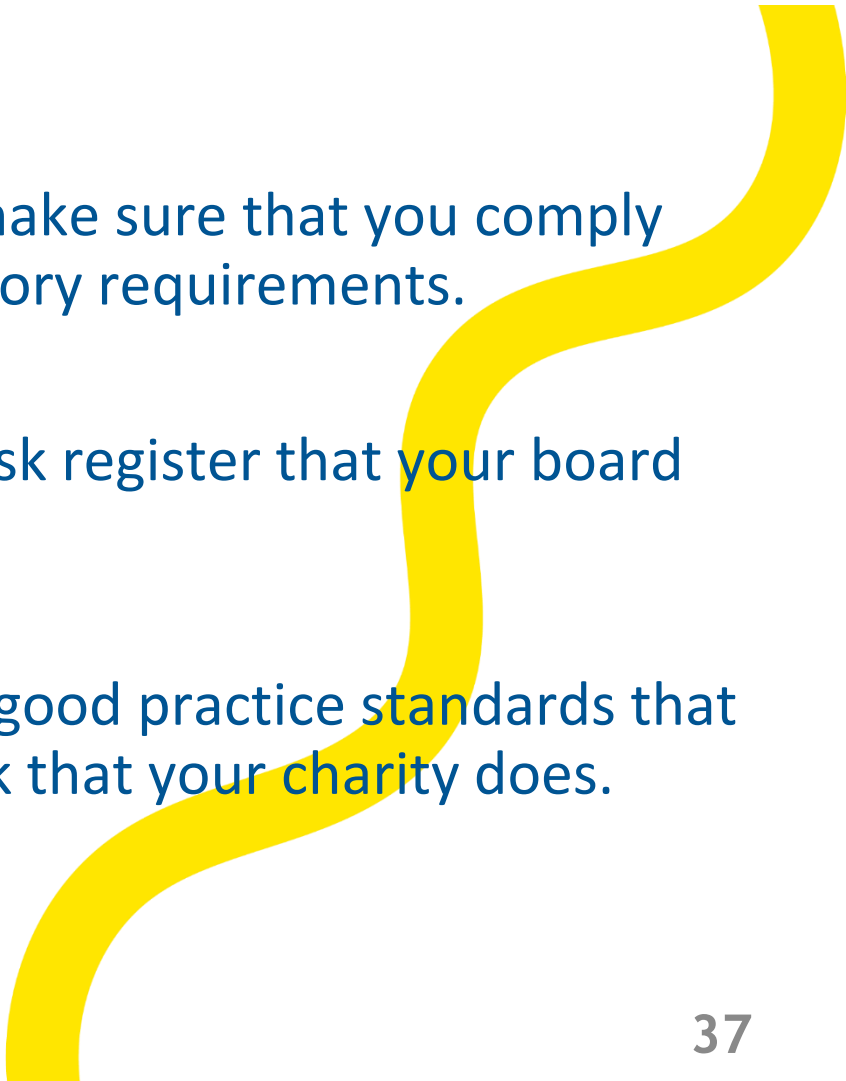
Principle 4 - Exercising Control

- **CORE 4.5. Identify any risks your charity might face and how to manage these.**
- **Evidence on file**
- RISK (MANAGEMENT) POLICY
- RISK REGISTER
- MINUTES OF COMMITTEE/BOARD MEETINGS WHERE RISK HAS BEEN DEALT WITH.
- <https://www.charitiesregulator.ie/media/1693/risk-management-for-charities.pdf>
- [risk-register-template](#)

Principle 4 - Exercising Control

- **CORE 4.6. Make sure your charity has appropriate and adequate insurance.**
- **Evidence on file**
- ANALYSIS OF INSURANCE NEEDS - do you have the right type
- INSURANCE CERTIFICATES

Principle 4 - Additional Standards

- **Three 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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Principle 4 - Exercising Control

- **ADDITIONAL 4.7.** Have written procedures to make sure that you comply with all relevant legal and regulatory requirements.
- Evidence on file
- GOVERNANCE SCHEDULE (as in 3.7) - A list of all policies and procedures with the dates on which they were adopted by the Board (or other delegated and when they are scheduled to be reviewed (unless otherwise required reviews should be every three years)
- COMPLIANCE STATEMENTS

Principle 4 - Exercising Control

- **ADDITIONAL 4.8. Make sure there is a formal risk register that your board regularly reviews.**
- Evidence on file
- RISK (MANAGEMENT) POLICY (as in 4.5)
- RISK REGISTER (as in 4.5)
- SCHEDULE AND MINUTES OF MEETINGS AT WHICH RISK IS CONSIDERED

Principle 4 - Exercising Control

- **ADDITIONAL 4.9. Consider adopting additional good practice standards that are relevant to the particular work that your charity does.**
- Evidence on file
- CHARITIES S.O.R.P. (STATEMENT OF RECOMMENDED PRACTICE) style of Annual Financial Statement
- If involved in food preparation/distribution - HACCP
- Many sectors have their own specific standards
- ISO

Before Workshop 3 -

- Review Principles 3 and 4 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 out the work.
- Look ahead at Principles 5 and 6 - see next slides - which together with reports on your work on 3 & 4 will be the content of
- Workshop 3; Monday 1st March @ 7pm via Zoom
- Workshop 4; Monday 12th April @7pm via Zoom

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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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