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Charities Governance Code – Empower

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Guiding nonprofits
carmichaelireland.ie

About the Charities Governance Code

- Explains minimum standards for charity governance
- Ensures charities can achieve their purpose in an accountable way



What is the Code?

- Six governance principles
- Core standards for ALL charities
- Additional standards for more complex charities



The six principles



advancing
its charitable
purpose



behaving with
integrity



leading people



exercising
control

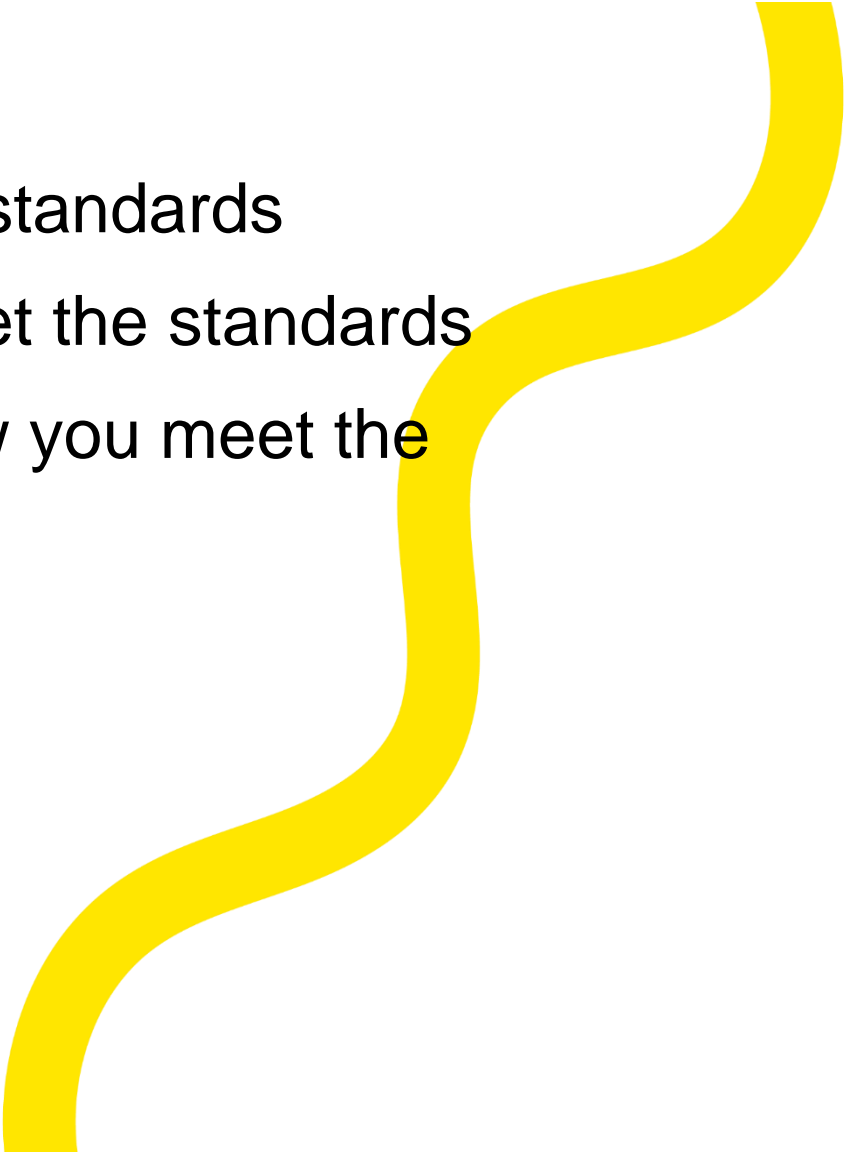


working
effectively



being
accountable and
transparent

How to use the Code

- Read the principles and standards
 - Decide on actions to meet the standards
 - Identify evidence to show you meet the standards
- 



Principle 1: Advancing charitable purpose

Charitable purpose has a specific meaning under charity law. The Charities Act 2009 sets out four categories of charitable purpose:

1. Relief of poverty
 2. Advancement of education
 3. Advancement of religion, and
 4. “any other purpose that is of benefit to the community”
- Section 3(11) gives greater clarity to 4



Principle 1: Advancing charitable purpose

Section 3(11) of the Charities Act 2009

- the advancement of community welfare including the relief of those in need by reason of youth, age, ill-health, or disability
- the advancement of community development, including rural or urban regeneration
- the promotion of civic responsibility or voluntary work
- the promotion of health, including the prevention or relief of sickness, disease or human suffering
- the advancement of conflict resolution or reconciliation
- the promotion of religious or racial harmony and harmonious community relations



Principle 1: Advancing charitable purpose

- the protection of the natural environment
- the advancement of environmental sustainability
- the advancement of the efficient and effective use of the property of charitable organisations
- the prevention or relief of suffering of animals
- the advancement of the arts, culture, heritage or sciences
- the integration of those who are disadvantaged, and the promotion of their full participation, in society.



Principle 1:

Advancing charitable purpose

Key Test – Public Benefit

- An organisation's purpose(s) must benefit the public or a section of the public in Ireland or elsewhere.
- The benefit your organisation's purpose(s) provides should be identifiable.



Principle 1: Advancing charitable purpose

- 1.1. Be clear about your charities purpose and be able to explain it
- 1.2. Consider if **private benefit** arises and if so is it reasonable, necessary etc?
 - This is something that benefits an individual
- 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. **Review** what you are doing to ensure you are still in line with charitable purpose and public benefit.



Principle 2: Behaving with integrity

- 2.1. Agree the basic **values** that matter to your charity and publicise them
- 2.2. How do you deal with **conflicts of interests / loyalties**? (CRA have a guidance document)
- 2.3. Have a **code of conduct** for your board that is signed by all charity trustees.



Principle 3: Leading people

3.1 Be clear about the **roles** of everyone working in the charity both voluntary and on a paid basis

3.2 Make sure there are arrangements in place for the effective involvement of volunteers

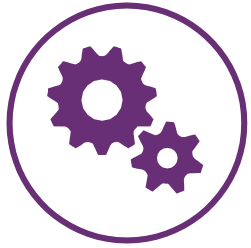
3.3 Make sure there are arrangements in place that comply with **employment legislation**

3.4 Agree operational **policies** to guide the actions of everyone involved in the charity



Principle 4: Exercising control

- 4.1. Decide if your charity's current **legal form** and **governing document** are fit for purpose
- 4.2. Find out what **laws and regulations** apply to your charity and comply with them
- 4.3. If your charity raises funds from the public see the CRA guidance on this topic and adhere to it
- 4.4. Make sure you have appropriate **financial controls** to manage money and other assets
- 4.5. Identify risks and how do you **manage** them?
- 4.6. Make sure your charity has appropriate **insurance** cover



Principle 5: Working effectively

5.1. Identify charity trustees with relevant **skills**

5.2. Hold regular **board meetings**, give notice, provide agendas

5.3. Board meeting **agendas** should include:

- reporting on activities
- review of finances
- conflicts of interests & loyalties

5.4. Make sure trustees have facts to make informed **decisions** and record them accurately in the **minutes**

5.5. Consider **term limits** for trustees – 9 years



Principle 5:
Working effectively

5.6. **Recruit** suitable new charity trustees and make sure they receive an **induction**

5.7. Make sure trustees understand:

- **roles** and **responsibilities**
- governing document
- CRA Code

5.8. Commit to resolving **problems** as quickly as possible


5.9. **Review** how your board operates and make improvements



Principle 6: Being accountable and transparent

- 6.1. Display your charity **name** and **Registered Charity Number** on website, social media, emails etc.
- 6.2. Identify your **stakeholders** – how are you communicating with them?
- 6.3. If / how do you **engage with them?**
 - planning / decision making / review processes
- 6.4. Make sure you have procedures for dealing with **queries, comments and complaints**
- 6.5. Follow the **reporting** requirements of all of your funders

What is a “more complex” charity?

- Consider your income
 - Number of employees
 - Complexity of activities, e.g.: vulnerable people, operating overseas, large numbers of volunteers
- 



Principle 1:

Advancing charitable purpose

Additional Standards

1.6. Develop strategic plan and operational plans

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

- monitor progress against plans
- evaluate the effectiveness of the work of your charity

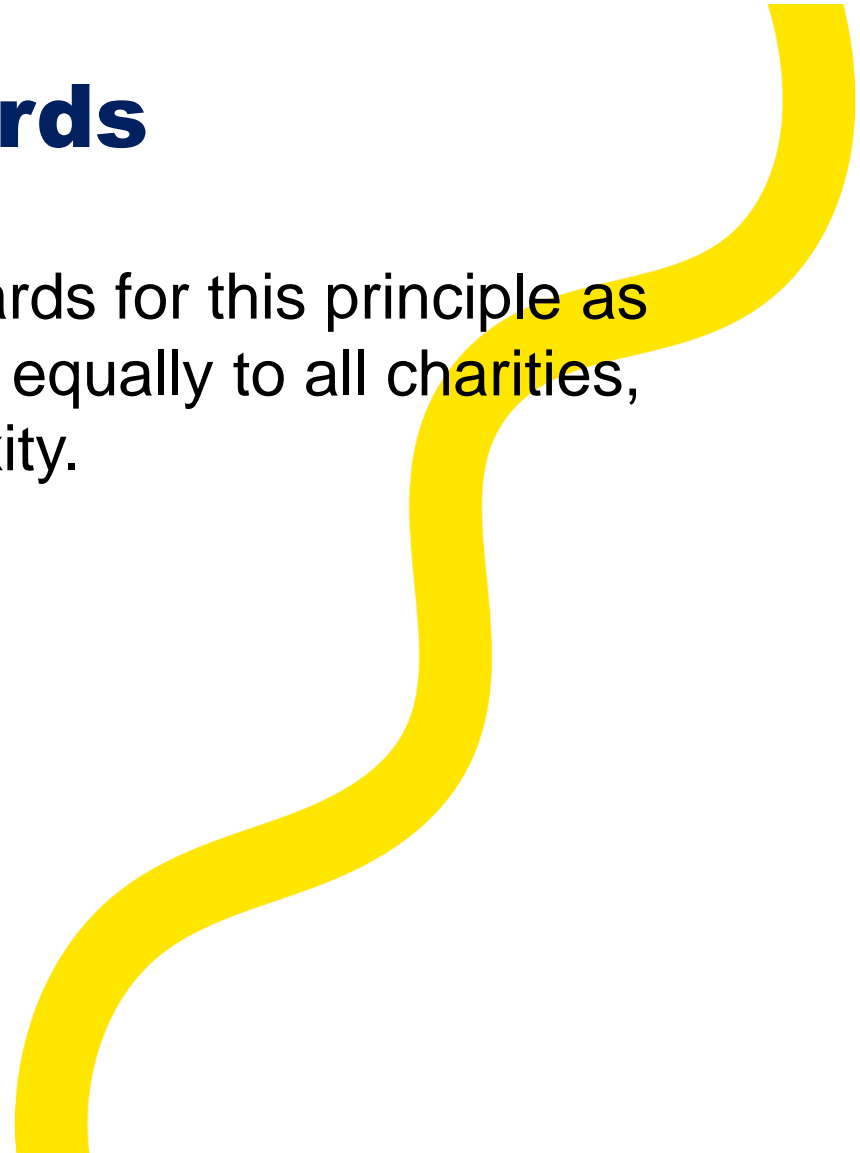
1.8. Consider advantages/disadvantages of working with other charities, merging, dissolving.



Principle 2:
Behaving with integrity

Additional Standards

There are no additional standards for this principle as behaving with integrity applies equally to all charities, whatever their size or complexity.





Principle 3:
Leading people

Additional Standards

- 3.5. Make sure to document roles, legal duties etc. for:
- charity trustees/board/sub-committees/staff/volunteers
- 3.6. Make sure there are written procedures for:
- recruiting, supporting, supervising volunteers
- 3.7. Decide how you will develop operational policy and how charity trustees will ensure policy is implemented and kept up to date.



Principle 4:
Exercising control

Additional Standards

- 4.7. Have written procedures to make sure you comply with 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.



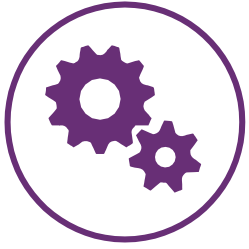
Principle 5:
Working effectively

Additional Standards

5.10. Make sure to send out board packs with enough notice, include everything needed to enable informed decision-making

5.11. Make sure you have charity trustee succession plan in place, consider how to manage diversity

5.12. Put in place a comprehensive induction programme for new charity trustees.



Principle 5:
Working effectively

Additional Standards

5.13. Conduct a regular review including:

- effectiveness of board, office holders, trustees
- adherence to board code of conduct
- structure, size, membership, TOR of sub-committees

5.14. Do regular skills audits and provide appropriate training and development for trustees, recruit accordingly.



Principle 6:
Being accountable and transparent

Additional Standards

6.6. Produce unabridged financial accounts, make sure these and annual report are widely available

6.7. Make sure all codes / standards of practice to which your charity subscribes are publicly stated

6.8. Regularly review any complaints received and take action to improve charity practice.

How to report on compliance

- Complete the **Compliance Record Form**
 - Indicate your compliance in your **annual report** to the Regulator
 - Keep the form for the Regulator if requested
 - Complete a fresh Compliance Report Form each year
- 

Compliance Record Form

- Actions our charity takes to meet standards

- Evidence of our actions

(Can be minutes that show discussion and agreement)



1.1 Be clear about the purpose of your charity and be able to explain this in simple terms to anyone who asks.

- Actions our charity takes to meet standards.

Mission is reviewed once a year by the board.

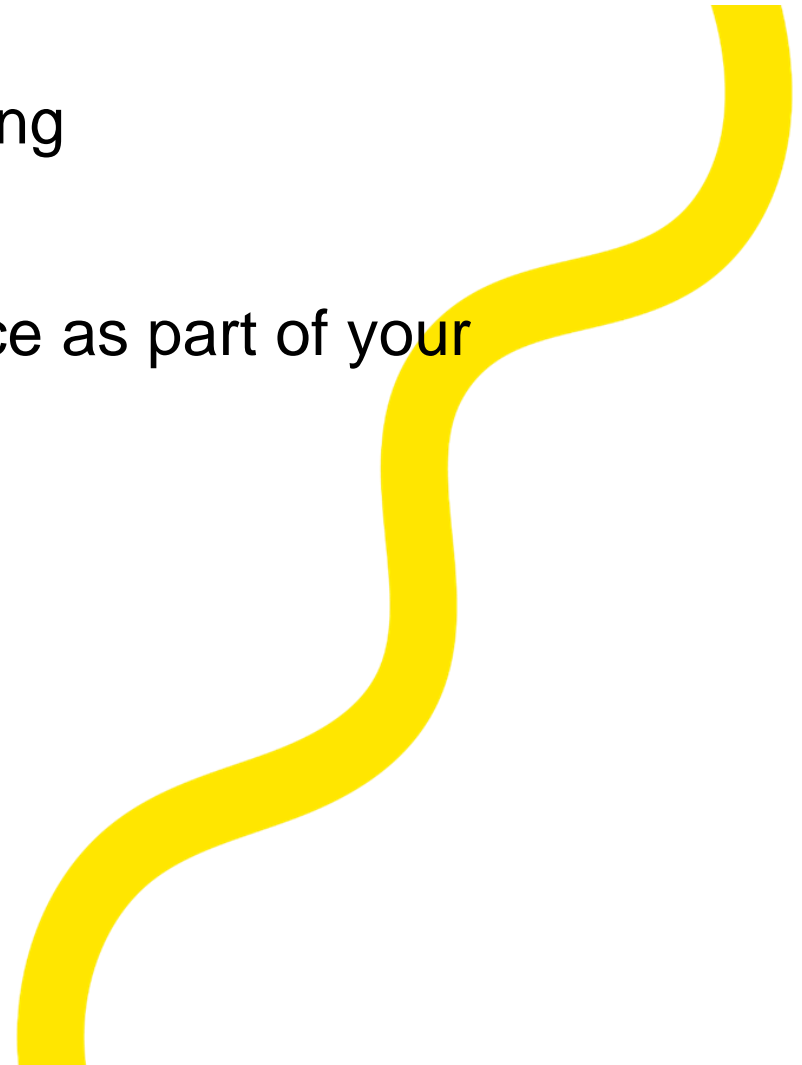
- Evidence of our actions

Minutes of board meeting on (date).

Mission Statement on our website homepage.

Timeline

- 2019: Guidance and Training
- 2020: Implement the Code
- 2021: Report on compliance as part of your annual report to CRA



Trustees need to:

- Read the Code
- Decide if you are a more complex charity
- Identify who will lead the compliance process
- Set timelines for completion



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Next Steps:

- Watch out for CRA guidance documents in 2019
- Download the Code and Compliance Form from the CRA website:
<https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code>
- Check out Carmichael Training:
<https://www.carmichaelireland.ie/courses/>

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