



An Rialálaí
Carthanas

Charities
Regulator

Charities Governance Code

Legal Disclaimer

This governance code is issued by the Charities Regulator under section 14(1)(i) of the Charities Act 2009, to encourage and facilitate the better administration and management of charitable organisations. It is intended to provide support to charity trustees to meet their legal duties, by putting in place systems and processes which focus on advancing the charitable purpose and providing a public benefit and ensuring charities are managed in an effective, efficient, accountable and transparent way.

It is not, nor is it intended to be, a definitive statement of the law and it does not constitute legal advice. Charity trustees are recommended to obtain their own legal advice where necessary. The Charities Regulator accepts no responsibility or liability for any errors, inaccuracies or omissions in this governance code.

Contents

About the Charities Governance Code	5
What is the Code?	5
Who is the Code for?	6
Why did we write the Code?	6
How should you use the Code?	7
Showing how well you are complying with the Code	8
Legal duties of charity trustees	10
Ten steps to reporting on compliance	11
The six principles of charity governance	13
Principle 1: Advancing charitable purpose	14
Principle 2: Behaving with integrity	16
Principle 3: Leading people	18
Principle 4: Exercising control	20
Principle 5: Working effectively	22
Principle 6: Being accountable and transparent	24
Appendices	27
Appendix 1: Glossary of terms used	28
Appendix 2: Compliance Record Form	37
Appendix 3: Resources	50

**This Charities Governance Code explains
the minimum standards you should meet to
effectively manage and control your charity.**

About the Charities Governance Code

This Charities Governance Code explains the minimum standards you should meet to effectively manage and control your charity. Good governance involves putting in place systems and processes to ensure that your charity achieves its charitable objectives with integrity and is managed in an effective, efficient, accountable and transparent way.

We have included a glossary of terms we use in this guide on pages 28 to 36.

We refer to this Charities Governance Code as the ‘Code’ in this document.

What is the Code?

The Charities Governance Code is:

- six principles of governance which all charities should apply;
- core standards that we expect all charities to meet when putting the principles into action; and
- additional standards that reflect best practice for charities with high levels of income and/or complex organisational and funding structures and/or significant numbers of employees.

We wrote the Code with volunteer-only charities and charities with a small number of paid staff in mind, as this reflects the reality of the charity sector in Ireland where these two groups make up the majority of registered charities.

Additional governance standards have been included which we expect more complex charities to meet.

For these reasons, the Code is relevant for every charity operating in Ireland.

Who is the Code for?

This document is for charity trustees. The term ‘charity trustee’ can include:

- committee members;
- council members;
- board members; or
- directors of a charity.

By law, charity trustees have individual and joint responsibility for what happens within their charity. This means that if their charity does not meet its legal duties, they are responsible both as individuals and together as a board, committee, council or other core group (referred to in this Code as the ‘board’).

Why did we write the Code?

In March 2017, the Charities Regulator set up a Consultative Panel on the Governance of Charitable Organisations. The Panel’s report¹ was published in May 2018 and made 10 proposals including:

- There should be a new Governance Code for charities issued by the Charities Regulator to facilitate the better administration, management and governance of charitable organisations;
- The new Governance Code should be principles-based and should operate on a ‘comply or explain’ basis;
- The new Governance Code should be proportionate.

This Code will help charity trustees meet their legal duties under charity law.

The Charities Regulator is aware that some charities must also comply with other rules and codes specific to their area of work. This Code specifically aims to help charity trustees to put good governance systems and processes in place, which will assist them in meeting their legal duties under charity law. (See Legal duties on page 10).

1 ‘Report of the Consultative Panel on the Governance of Charitable Organisations’ - available from: <https://www.charitiesregulator.ie/media/1389/report-of-the-consultative-panel-may-2018.pdf>

How should you use the Code?

You should read this Code and be familiar with its six principles and its standards – core and additional. You then need to comply with the Code by deciding:

- what actions you will take to meet each core standard; and
- what evidence you will keep to show that you have met the standard.

To make it easy for you to give us this information, we have included at the end of this document the ‘Charities Governance Code Compliance Record Form’ also referred to as the ‘Compliance Record Form’ in this Code. A version that you can edit is also available on our website².

We expect all charities to meet all of the core standards set out in this Code, unless a particular core standard does not apply to a particular charity. For example, if you are a volunteer-only charity you cannot meet core standards that apply to charities that employ staff.

We expect more complex charities to meet both the core and the additional standards set out in this Code. Each charity should decide for itself whether their charity should meet the additional standards and base this decision on indicators such as:

- your charity’s income;
- the number of employees you have; and
- the complexity of your activities including things like,
 - working with vulnerable people,
 - operating overseas, or
 - having large numbers of volunteers.

Some charities, regardless of their complexity, may also decide to meet some or all of the additional standards if they have the organisational capacity to do so.

2 The ‘Charities Governance Code Compliance Record Form’ can be downloaded from our website - www.charitiesregulator.ie

Showing how well you are complying with the Code

Every charity must provide an annual report to the Charities Regulator. As part of your annual report, you must indicate whether or not your charity complies with the Code. If your charity is not complying with the Code, we will ask you to explain why. Valid reasons for non-compliance may include:

- Your charity is in the process of winding up.
- Your charity is newly established and needs more time to fully comply.

How to report compliance

To comply with the Code, you must complete the Compliance Record Form (included at the end of this document and on our website) every year. On the form, you need to identify the actions you took in the year to meet each standard.

You must keep this Compliance Record Form as the Charities Regulator could ask you for it at any time.

We know that every charity is unique. For this reason, the language we use in each standard is broad so that you can choose how your charity meets the standards to suit your charity's specific circumstances.

Example

The use of the phrases 'regularly' and 'from time to time' allows your board of charity trustees to discuss, agree and document what time period is appropriate for your charity, in terms of size, income and structure.

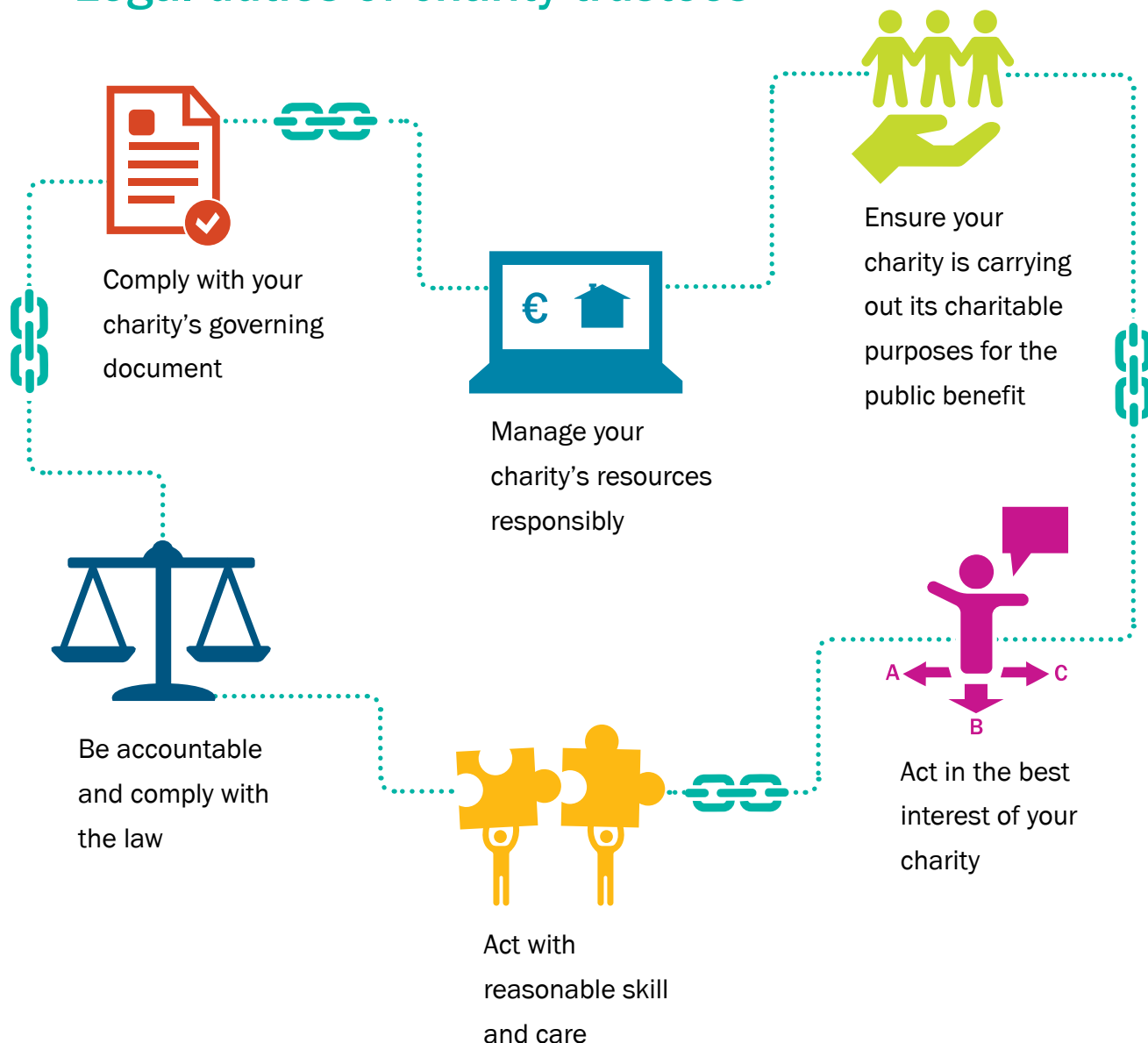
Evidence – wide variety acceptable

There is also flexibility about the type of evidence that we expect. For a volunteer-only charity, for example, we will be satisfied with board minutes that show decisions have been discussed and documented. This will be enough to meet many of the core standards in this Code.

In time, we will publicly display whether or not your charity complies with this Code. This will be part of your entry on the Register of Charities³. Where compliance with the Code is indicated on the Register of Charities, it should give confidence to all stakeholders that your charity has effective governance systems and processes in place.

3 The Register of Charities is available from:
<https://www.charitiesregulator.ie/en/information-for-the-public/search-the-charities-register>

Legal duties of charity trustees⁴



An important note about legal requirements

Charity trustees have specific duties under the Charities Act 2009 and must make sure that their charity complies with the requirements of other relevant legislation.

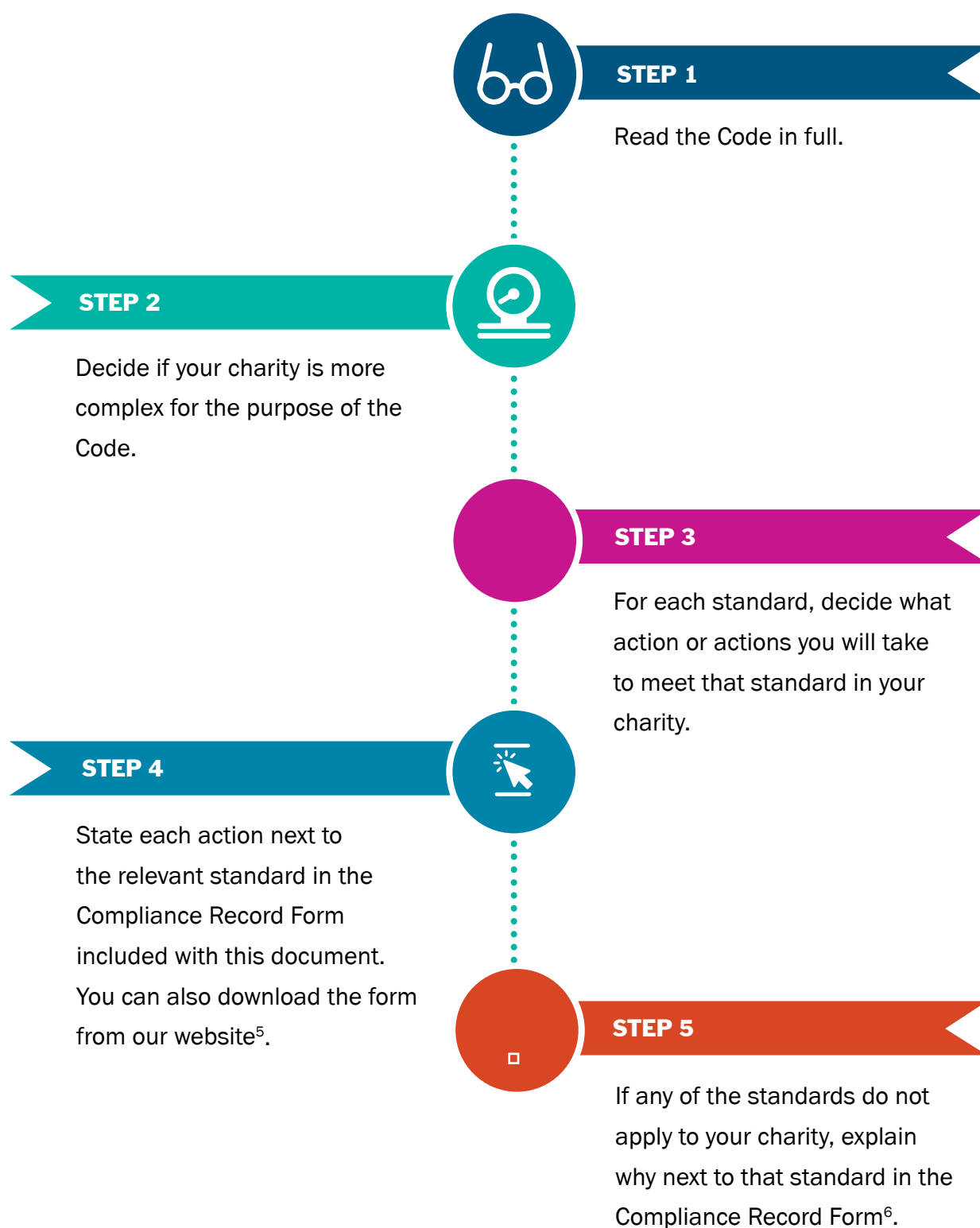
Other relevant legislation includes:

- data protection legislation;
- employment legislation; and
- health and safety legislation.

Where a charity is a company, a charity trustee who is also a director of the company has additional duties under company law and common law in their capacity as company directors.

⁴ See 'Guidance for Charity Trustees' - available from:
<https://www.charitiesregulator.ie/media/1078/guidance-for-charity-trustees-july-2017.pdf>

Ten steps to reporting on compliance



⁵ You can download the Compliance Record Form from our website - www.charitiesregulator.ie

⁶ The Charities Regulator expects all charities to meet all of the core standards where applicable.

STEP 6

Decide what evidence you can provide for the action or actions that you are taking to meet each standard that applies to your charity.

**STEP 7**

State the evidence you can provide next to the relevant action in the Compliance Record Form.

**STEP 8**

Review the Compliance Record Form and agree it is accurate at a board meeting.

**STEP 9**

Declare your charity's compliance (or provide your charity's reason for not complying) with the Code when submitting your annual report to the Charities Regulator.

**STEP 10**

Having considered the standards, actions and evidence (steps 3 to 7) again, complete a fresh Compliance Record Form at a board meeting every year before reporting on compliance to the Charities Regulator.



The six principles of charity governance

Charity trustees are responsible for the governance of their charity and should make sure that the following governance principles are being applied. Your charity is:



Some of these principles relate to the inner workings of the board of charity trustees and others to the external activities of the charity, but they are all equally important.

We discuss each of the six principles in turn to explain:

- why it is important; and
- how to put the principle into action using:
 - core standards, and
 - additional standards⁷.

⁷ If you are unsure about any of the information in this Code, please contact us.



Principle 1: Advancing charitable purpose

Why this principle is important

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

- prevention or relief of poverty or economic hardship;
- advancement of education;
- advancement of religion; and
- any other purpose that is of benefit to the community⁸.

A charity must promote at least one of these purposes and must provide public benefit.

A charity's governing document elaborates on the charitable purpose in the main object clause by describing:

- what outcomes the charity is set up to achieve;
- how it will achieve these outcomes;
- who will benefit from these outcomes; and
- where the benefits will be felt.

By law, charity trustees must ensure their charity promotes its charitable purpose only and that it is of public benefit.

⁸ See 'What is a Charity?' guidance document - available from:
<https://www.charitiesregulator.ie/media/1544/what-is-a-charity-rev-001.pdf>

Putting the principle into action

1. Core standards for advancing charitable purpose

- 1.1. Be clear about the purpose of your charity and be able to explain it in simple terms to anyone who asks.
- 1.2. Consider whether or not any private benefit arises (see glossary on pages 28 to 36). If a private benefit arises, consider if it is reasonable, necessary and ancillary to the public benefit that your charity provides.
- 1.3. Agree an achievable plan for at least the next year that sets out what you will do to advance your purpose.
- 1.4. Make sure your charity 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.
- 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.

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 the work of your charity.
 - 1.8. From time to time, consider the advantages and disadvantages of working in partnership with other charities, including merging or dissolving (winding up).
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Principle 2: Behaving with integrity

Why this principle is important

Ethics are fundamental in the charity sector. Statements about ethos can undoubtedly play an important role, but it is when these values are lived out that they are at their most powerful. Charity trustees have the power to create an ethical culture and set a tone where agreed values are reflected in everything the charity does. The behaviour of individual charity trustees is very important; they must lead by example.

The legal duty to act in the best interests of the charity means that charity trustees must:

- be independent; and
- not act in their own personal interest or the interest of other individuals or bodies.

This principle also means that charity trustees should maintain confidentiality about sensitive board matters. However, this requirement for confidentiality does not apply if it becomes necessary for a charity trustee to inform the Charities Regulator about any matter which could threaten the future of the charity.

Putting the principle into action

2. Core standards for behaving with integrity

- 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 topic⁹.
- 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 board confidentiality and what to do in relation to:
 - gifts and hospitality; and
 - out-of-pocket expenses.

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

9 See 'Managing Conflicts of Interest' guidance document - available from:
<https://www.charitiesregulator.ie/media/1417/managing-conflicts-of-interest-may-2018.pdf>



Principle 3: Leading people

Why this principle is important

The most essential resource of any charity is its people. This means people should feel valued and have clarity around their own roles and the roles of others. Charity trustees are responsible for providing leadership to volunteers, employees and contractors. This includes taking their duty of care towards these people seriously and promoting a culture of respect.

As employers, charities with paid staff also have particular legal responsibilities.

Putting the principle into action

3. Core standards for leading people

- 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.

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.
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Principle 4: Exercising control

Why this principle is important

All charities, no matter what their complexity, must abide by all legal and regulatory requirements that are relevant to the work they do. The charity trustees are responsible for making sure this happens. Charity trustees must understand that the governing document of a charity is a legally binding document in its own right.

The trustees are also responsible for a charity's funds and any property or other assets that it holds. As much as is possible, they must also consider and reduce risks to which their charity is exposed.

It is essential that you exercise proper control of your charity. This goes a long way to keeping the confidence of:

- regulators;
- funders;
- beneficiaries; and
- the general public.

Putting the principle into action

4. Core standards for exercising control

- 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.

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.

10 See 'Guidelines for Charitable Organisations on Fundraising from the Public' - available from: <https://www.charitiesregulator.ie/media/1265/guidance-for-fundraising-english.pdf>

11 See 'Internal Financial Controls Guidelines for Charities' - available from: <https://www.charitiesregulator.ie/media/1081/financial-controls-guidelines-june-2017.pdf>



Principle 5: Working effectively

Why this principle is important

Running a charity well means you need capable charity trustees who work together as an effective team. Board meetings are especially important, as this is where charity trustees exercise their collective authority. It is also important that there is a good mix of skills, experience and background amongst charity trustees and that these are refreshed on an ongoing basis. It is vital that new charity trustees receive a proper induction to the charity.

Putting the principle into action

5. Core standards for working effectively

- 5.1. Identify charity trustees with the necessary skills to undertake:
 - any designated roles set out in your governing document; and
 - other roles as appropriate within the board.
 - 5.2. Hold regular board meetings. Give enough notice before meetings and provide prepared agendas.
 - 5.3. At a minimum, your board agendas should always include these items:
 - reporting on activities;
 - review of finances; and
 - conflicts of interests and loyalties.
 - 5.4. Make sure that your charity trustees have the facts to make informed decisions at board meetings and that these decisions are recorded accurately in the minutes.
 - 5.5. Consider introducing term limits for your charity trustees, with a suggested maximum of nine years in total.
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- 5.6. Recruit suitable new charity trustees as necessary and make sure that they receive an induction.
- 5.7. Make sure all of your trustees understand:
- their role as charity trustees;
 - the charity's governing document; and
 - this Code.
- 5.8. Commit to resolving problems and emerging issues as quickly as possible and in the best interests of your charity.
- 5.9. From time to time, review how your board operates and make any necessary improvements.

Additional standards

- 5.10. Make sure you send out board packs with enough notice and include all relevant reports and explanatory papers to enable informed decision-making.
- 5.11. Make sure that you have a charity trustee succession plan in place and consider how you can maximise diversity among your charity trustees.
- 5.12. Put in place a comprehensive induction programme for new charity trustees.
- 5.13. Conduct a regular review that includes an assessment of:
- the effectiveness of your board as a whole, office holders and individual charity trustees;
 - adherence to the board code of conduct; and
 - the structure, size, membership and terms of reference of any sub-committees.
- 5.14. Do regular skills audits and provide appropriate training and development to charity trustees. If necessary, recruit to fill any competency gaps on the board or of your charity.
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Principle 6: Being accountable and transparent

Why this principle is important

Accountability for your charity does not just mean accounting for the money you have brought in and spent (although that is clearly very important). It involves being open and transparent about all charity matters. It is about being able to:

- stand over what your charity does and how it does it; and
- justify this to any person or group who queries what your charity has done or is doing.

As an organisation set up to provide public benefit, this means you should be able to explain this to anyone who asks.

A charity's stakeholders are any individuals or groups of people who have a legitimate stake in the work of that charity. This includes:

- the people who benefit (directly or indirectly) from any services provided by the charity;
- members;
- staff and volunteers;
- partner organisations and supporters;
- funders and donors;
- regulators;
- public representatives; and
- the general public.

Being open and transparent is an important way for charities to build public trust not only in their own organisation, but also in the charity sector as a whole.

Putting the principle into action

6. Core standards for being accountable and transparent

- 6.1. Make sure that the name and Registered Charity Number (RCN) of your charity is displayed on all of your written materials, including your:
 - website;
 - social media platforms; and
 - email communications.
- 6.2. Identify your stakeholders and decide how you will communicate with them.
- 6.3. Decide if and how you will involve your stakeholders in your:
 - planning;
 - decision-making; and
 - review processes.
- 6.4. Make sure you have a procedure for dealing with:
 - queries;
 - comments; and
 - complaints.
- 6.5. Follow the reporting requirements of all of your funders and donors, both public and private.

Additional standards

- 6.6. Produce unabridged (full) financial accounts and make sure that these and your charity's annual report are widely available and easy for everyone to access.
 - 6.7. Make sure all the codes and standards of practice to which your charity subscribes are publicly stated.
 - 6.8. Regularly review any complaints your charity receives and take action to improve organisational practice.
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Appendices

Appendix 1: Glossary of terms used

Assets

All funds held, and all property and equipment owned or held by the charity are assets.

Board

The board is the governing body of a charity. It is made up of the charity trustees. It may also be known by a different name such as the:

- committee;
- council; or
- core group.

Board packs

These are the papers that are sent out to the charity trustees before a board meeting. They should always contain:

- an agenda for the meeting; and
- draft minutes from the last meeting.

They may also include:

- written reports from staff, trustees and sub-committees;
- financial reports; and
- papers giving information about significant proposals to be discussed at the meeting.

Charitable object

A charitable object is the purpose of a charity as outlined in its governing document. It may consist of a main object and a number of ancillary objects. A main object is the primary purpose of a charity detailed in its governing document. An ancillary object is a purpose detailed in a charity's governing document that is incidental to and supports the charity's main object.

Charitable purpose

Under charity law, charitable purpose is one or more of the following:

- prevention or relief of poverty or economic hardship;
- advancement of education;
- advancement of religion; or
- any other purpose that is of benefit to the community.

Any other purpose that is of benefit to the community includes:

- integration of the disadvantaged;
- protection of the natural environment;
- promotion of health and voluntary work;
- promotion of religious or racial harmony;
- advancement of community welfare and development;
- advancement of environmental sustainability;
- advancement of conflict resolution;
- advancement of effective use of the property of charities;
- advancement of the sciences and the arts; and
- prevention or relief of the suffering of animals.

Charities Regulator

This is the Republic of Ireland's national statutory regulator for charitable organisations. The Charities Regulator is an independent authority and was established in October 2014 under the Charities Act 2009. Its main functions include setting up and maintaining a public register of charities and making sure that charities comply with the Charities Acts.

Charity

A charity is any organisation operating in the Republic of Ireland that has a charitable purpose and provides public benefit.

Organisations that are **not** charities include:

- those established only to promote athletic or amateur games or sports;
- trade unions;
- political parties;
- lobbyists;
- Chambers of Commerce;
- fundraising groups set up solely to fundraise for charities that are already registered; and
- fundraising groups set up solely to help a particular person.

Charity trustees

Charity trustees are the people who ultimately exercise control over, and are legally responsible for, the charity.

If the charity is a company, these people may also be known as directors or board members.

In an unincorporated association they may be known as committee members.

In the case of a trust it can be more complicated. If the trustees of the trust (see Trust) are the ones who decide policy and control the assets, then they are also charity trustees. However, if the trustees merely have their names on the deeds of property but cannot sell or dispose of the property without the permission of the Charities Regulator, and have no other responsibilities, they are not charity trustees.

Company Limited by Guarantee

This is the most common form of incorporated legal status for charities because:

- it is a distinct legal entity and in law is considered to be separate to its members or board members;
- it is a democratic structure – the company is controlled by the members who elect the board of directors;
- members cannot benefit from any profits made; and
- each board member's liability is limited to a nominal sum which they guarantee to pay if the company has debts on winding up.

Conflict of interests

A conflict of interest is any situation in which a charity trustee's personal interests could prevent them, or even just appear to prevent them, from making a decision in the best interests of the charity.

Example: a conflict of interest may arise if a charity trustee influences the awarding of a contract to a company owned by a family member.

It is legal to award a contract to the best qualified company, even if that company is owned by a relative of a charity trustee, but the charity trustee must not be part of the decision-making process.

Conflict of loyalties

A conflict of loyalties is when a charity trustee's loyalty to another group could prevent them, or even just appear to prevent them, from making a decision in the best interests of the charity.

Example: This might happen when the charity trustee has joined the board as a nominee of a particular group, such as members in a particular county, a funding body, or staff.

This situation could cause the charity trustee to think that they should act in the interests of the group that nominated them, rather than the charity as a whole.

Contractor

A contractor works on a 'contract for services' basis and invoices the organisation for the services provided. People such as graphic designers, consultants or lawyers would often fall into the category of contractor.

Employees are different because they have a 'contract of service' and are on the organisation's PAYE payroll.

Diversity

Diversity in the context of a board of charity trustees means the board members have a mix of skills and experience and they reflect the diversity that exists in our society.

Many charity boards are made up of people who are very similar to each other. Increasingly, diversity means considering how to attract people on to the board who are different in terms of:

- age;
- gender;
- ethnicity;
- background; and
- life experience.

It also means making sure there are no unnecessary barriers that might prevent people from joining or taking part on the board.

Fit for purpose

‘Fit for purpose’ is the term used in considering a charity’s legal form (see Legal form below) and governing document. It asks if these are robust enough to support the charity’s current operations and needs effectively.

Small charities are often unincorporated associations – associations that do not have a legal status of their own. But, if they grow in terms of income and are thinking of taking on staff they should consider becoming an incorporated entity like a company limited by guarantee (see earlier entry). An incorporated entity is established as a separate legal entity.

Governing documents can also become outdated, but still be legally binding on the charity unless they are amended (as detailed in the governing document rules).

Governing document

The governing document is the legal document outlining what a charity is and how it operates. It is usually called the 'constitution', but may also be known as the 'deed of trust' or the 'rules', depending on the charity's legal structure.

Companies limited by guarantee used to have a memorandum and articles of association, but these are now called 'constitutions'.

Legal form

Legal form refers to the type of legal status that the charity has. Many small charities are unincorporated associations, which means that the charity does not have a separate legal status of its own. The most common form of incorporated legal status for charities is a company limited by guarantee (see Company Limited by Guarantee).

Operational policy

Operational policies relate to the running of the charity rather than policy positions that are views and opinions that the charity holds.

Example: In a youth project, a policy on how to deal with substance abuse among service users would be an operational policy, while a policy on decriminalising drug use would be a public policy position.

Out-of-pocket expenses

Out-of-pocket expenses cover any costs incurred by charity trustees while carrying out their duties, provided that they were incurred 'wholly, exclusively and necessarily in the performance of their duties'¹² as charity trustees.

You should pay back expenses based on receipts from the person who paid the expense, not on a flat-rate basis.

12 Office of the Revenue Commissioners' definition

Private benefit

This is something that benefits an individual. It is acceptable for a charity to provide some private benefit, but it must be necessary and reasonable and contribute to the public benefit that the charity provides.

Example: A paid employee of a charity receives private benefit. That is acceptable if their employment is necessary to provide public benefit and their pay and conditions are reasonable.

Public benefit

This is something that benefits the public as a whole or a section of the public in Ireland or elsewhere.

Example: Raising funds for one person to receive medical treatment overseas is a private rather than a public benefit. However, raising funds to treat a number of people with a rare illness may provide public benefit, as long as everyone with that rare illness can apply to access the treatment.

Register of Charities

This is a list of all charities registered and regulated in the Republic of Ireland, and they are publicly accessible on the website of the Charities Regulator.

Standing items

Standing items appear on every board agenda and they should be discussed at every board meeting.

Example: Every board agenda should include:

- reporting on the charity's activities;
 - addressing any conflicts of interests and loyalties (even if there are rarely any conflicts to declare); and
 - discussion of the finances of the charity.
-

Succession plan

A succession plan is a way of identifying and developing new leaders who replace existing leaders as needed.

Trust

A charitable trust is a legal arrangement:

- established for a charitable purpose only;
 - established under a deed of trust that requires the trustees of the trust to apply all of the property (both real and personal) of the trust to further that purpose except for money expended in the management of the trust; and
 - under which none of the property is payable to the trustees of the trust other than in accordance with section 89 of the Charities Act 2009.
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Appendix 2: Compliance Record Form

Please fill in this form to record:

- the actions that your charity takes to meet each standard of the Charities Governance Code; and
- the evidence that backs this up.

You should approve the Compliance Record Form at a board meeting before you report on your compliance to us.

Every year after your first report, you need to follow the 'Ten steps to reporting on compliance'. The Charities Regulator may ask to see your most recent Compliance Record Form or any earlier Compliance Record Form at any time.

The type of evidence we expect depends on the complexity of your charity.

The minimum expected of all charities would be to discuss and agree at board meetings how they will meet the standards and document their decisions in the minutes. For volunteer-only charities this will be enough to meet many of the core standards.

We would expect a charity with paid staff to provide more documentation like workplans and written policies as evidence of the actions they have taken.

We would expect more complex charities to provide more extensive documentation than other charities.

Please use the glossary when filling in the form.



Principle 1: Advancing charitable purpose

Standards	Actions our charity takes to meet the standards	Evidence of our actions
1. Core standards for advancing charitable purpose		
1.1. Be clear about the purpose of your charity and be able to explain this in simple terms to anyone who asks.		
1.2. Consider whether or not any private benefit arises (see glossary). If a private benefit arises, consider if it is reasonable, necessary and ancillary to the public benefit that your charity provides.		
1.3. Agree an achievable plan for at least the next year that sets out what you will do to advance your purpose.		
1.4. Make sure your charity 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.		

Standards	Actions our charity takes to meet the standards	Evidence of our actions
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.		
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 the work of your charity.		
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 2: behaving with integrity

Standards	Actions our charity takes to meet the standards	Evidence of our actions
2. Core standards for behaving with integrity		
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 board confidentiality and what to do in relation to: ■ gifts and hospitality; and ■ out-of-pocket expenses.		



Principle 3: Leading people

Standards	Actions our charity takes to meet the standards	Evidence of our actions
3. Core standards for leading people		
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.		

Standards	Actions our charity takes to meet the standards	Evidence of our actions
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 policy is put in place and kept up to date.		



Principle 4: Exercising control

Standards	Actions our charity takes to meet the standards	Evidence of our actions
4. Core standards in exercising control		
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 guidelines ¹³ 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 assets.		

13 See Guidelines for Charitable Organisations on Fundraising from the Public - available from: <https://www.charitiesregulator.ie/media/1265/guidance-for-fundraising-english.pdf>

Standards	Actions our charity takes to meet the standards	Evidence of our actions
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.		
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.		



Principle 5: Working effectively

Standards	Actions our charity takes to meet the standards	Evidence of our actions
5. Core standards for working effectively		
5.1. Identify charity trustees with the necessary skills to undertake: ■ any designated roles set out in your governing document; and ■ other roles as appropriate within the board.		
5.2. Hold regular board meetings. Give enough notice before meetings and provide prepared agendas.		
5.3. At a minimum, your board agendas should always include these items: ■ reporting on activities; ■ review of finances; and ■ conflicts of interests and loyalties.		
5.4. Make sure that your charity trustees have the facts to make informed decisions at board meetings and that these decisions are recorded accurately in the minutes.		

Standards	Actions our charity takes to meet the standards	Evidence of our actions
5.5. Consider introducing term limits for your charity trustees, with a suggested maximum of nine years in total.		
5.6. Recruit suitable new charity trustees as necessary and make sure they receive an induction.		
5.7. Make sure all of your trustees understand: ■ their role as charity trustees; ■ the charity's governing document; and ■ this Code.		
5.8. Commit to resolving problems and emerging issues as quickly as possible and in the best interests of your charity.		
5.9. From time to time, review how your board operates and make any necessary improvements.		
Additional standards		
5.10. Make sure you send out board packs with enough notice and include all relevant reports and explanatory papers to enable informed decision-making.		

Standards	Actions our charity takes to meet the standards	Evidence of our actions
5.11. Make sure that you have a charity trustee succession plan in place and consider how you can maximise diversity among your charity trustees.		
5.12. Put in place a comprehensive induction programme for new charity trustees.		
5.13. Conduct a regular review that includes an assessment of: ■ the effectiveness of your board as a whole, office holders and individual charity trustees; ■ adherence to the board code of conduct; and ■ the structure, size, membership and terms of reference of any sub-committees.		
5.14. Do regular skills audits and provide appropriate training and development to charity trustees. If necessary, recruit to fill any competency gaps on the board of your charity.		



Principle 6: Being accountable

Standards	Actions our charity takes to meet the standards	Evidence of our actions
6. Core standards for being accountable		
6.1. Make sure that the name and Registered Charity Number (RCN) of your charity is displayed on all of your written materials, including your: ■ website; ■ social media platforms; and ■ email communications.		
6.2. Identify your stakeholders and decide how you will communicate with them.		
6.3. Decide if and how you will involve your stakeholders in your: ■ planning; ■ decision-making; and ■ review processes.		
6.4. Make sure you have a procedure for dealing with: ■ queries; ■ comments; and ■ complaints.		

Standards	Actions our charity takes to meet the standards	Evidence of our actions
6.5. Follow the reporting requirements of all of your funders and donors, both public and private.		
Additional standards		
6.6. Produce unabridged (full) financial accounts and make sure that these and your charity's annual report are widely available and easy for anyone to access.		
6.7. Make sure all the codes and standards of practice to which your charity subscribes are publicly stated.		
6.8. Regularly review any complaints your charity receives and take action to improve organisational practice.		

Appendix 3: Resources

Charities Regulator	www.charitiesregulator.ie
Companies Registration Office	www.cro.ie
Data Protection Commission	www.dataprotection.ie
Health and Safety Authority	www.hsa.ie
Office of the Director of Corporate Enforcement	www.odce.ie
Office of the Revenue Commissioners	www.revenue.ie
Workplace Relations Commission	www.workplacerelations.ie

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