



The Governance Code

A Journey to Success

A Short Workbook On The Adoption, Deployment & Development of Your Group Using The Good Governance Code.

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Brought to you by the Cavan Public Participation Network in partnership with Breffni Integrated and Cavan Childcare Committee.

What Is The Good Governance Code?

The Governance Code, found at www.governancecode.ie , is a resource to assist community, voluntary and charity (CVC) organisations develop their overall capacity in terms of how they run their organisation. It is a voluntary code provided free to all boards/committees/ executives of not-for-profit groups to encourage them to check themselves against best practice in the management of their affairs.

The Code has been put together by people with extensive experience in the CVC sector and it takes account of the different types of organisations which exist in the diverse world of volunteering across the country.

Although The Code was first developed in 2012 it is regularly updated, the latest being released in 2016 with changes relevant to different organisations. In this Workbook we shall focus on Organisation Type B as a half way point between Types A and C. We shall explore these aspects in the following pages.

The Code itself is 87 pages long and laid out in the following contents:

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Why Do We Have A Code?

The Governance Code was developed in light of the following developments:

- (i) To assist CVC groups in formatting their organizational skills
- (ii) To provide a platform of contractual adoption so groups may develop ethically, responsibly and for the benefit of all.
- (iii) In the light of cases of worst practice it was deemed necessary to develop documents guiding groups to avenues of best practice.

The prime motivation behind The Good Governance Code is to build a CVC sector in Ireland where groups work by best practice principles and don't fall foul to organizational methods that may lead to malpractice.

Forming a Group

FORMATION: The job of forming a group can be as easy or complex as you need it to be. A basic community group consists of at least 3-5 people constituted as a group with a formal name, constitution outlining the groups mission and having been formally mandated at an Annual General Meeting (AGM). This process fulfills the most basic type of group.

ACCOUNTS: The next stage in group development is the establishment of a bank/credit union account. This would be required for processing of funds and holding membership fees etc. It will require the names, addresses of at least 2 signatories who are officers of the group and a copy of the meeting's minutes where those officers were designated as signatories. These requirements may vary between account facilitators.

CHARITY: Beyond this stage a group will register as a charity at www.charitiesregulatoryauthority.ie for a charity number to avail of funding models requiring one, or a permit for public events. This process all occurs online.

COMPANY: The next level of group formations would be the development of a company/cooperative. This is a burdensome load for a group to take on and involves incorporating the group into a CLG (Company Limited by Guarantee) in most cases. This will be required when processing larger funds or the hiring of staff to undertake work. Resources on setting up a new company and the registration of such can be found at www.cro.ie, the Company Registration Office website. In many cases this level of group organization will require audited accounts and annual reports to be submitted to the CRO. It will also require designated Directors who bear responsibility for the company well beyond the responsibilities of officers.

3 Types of Organisation According To The Code

Type A: These groups are run by volunteers and do not employ staff. The members of the board are therefore responsible for: 1. Overseeing the work of the organisation (governance); 2. Organising the daily work (management), and; 3. Carrying out the work of the organisation (operations).

Type B: These groups take on paid staff, tend to be incorporated and have a charity number. They most certainly have accounts and a board structure. If they take on agreements with governmental or statutory agencies they should work toward Type C.

Type C: The main characteristics of these organisations is that the people who sit on the board focus solely on their governance/oversight role, delegating management and operational duties to the staff. There is a clear division between the governance role of the board and the management role of staff. They usually hire from ten to hundreds or staff.

7 Steps of The Good Governance Code

The Good Governance Code recommends fulfilling the 7 following steps in your journey toward and completion of The Code. These steps are recommended to work in unison with the capacity of your group to fulfill them within your time allowances.

STEP 1: Read The Code. The Code is in 3 main parts (i) The 5 Principles (ii) Definition of Organisational Types and (iii) List of recommended practices.

STEP 2: Identify Your Organisation Type. The 3 categories of organization (as described above) will help to find which parts of the Code are applicable to you. In this Workbook we focus on Type B as a halfway point in the spectrum of organisations.

STEP 3: Inform Good Governance of Your Journey The Good Governance office have a form on their site to let them know you are undertaking the code. You will be publicly listed as “On The Journey” on their website as a formal commitment to undertaking the process to comply with the code.

STEP 4: Fill in the Appropriate Checklist. Having identified which group you belong to you must then identify the recommended practices you think you need to introduce to comply with each of the 5 principles. Rank them in order of preference to achieve with a timeframe beside each. Then work to achieve these practices as required. The timeframe and compliance is a journey wholly dependent on you and your time and energy to undertake the adoption of the code. It may take weeks or months. Having made completion at a minuted meeting fill in the checklist.

STEP 5: Complete The Forms. Form 2 (Public Statement of Compliance) and Form 3, if needed, (Explanations Form) in Appendix 1 to be completed and sent to info@governancecode.ie This will lead to your group being listed as “compliant” for 3 years on their website.

STEP 6: Public Statement of Compliance. Once you are listed as compliant on the website, you may publicly declare “*We confirm that our organisation complies with The Governance Code for the Community, Voluntary and Charitable Sector in Ireland*”. You can now use the Good Governance Logo on all your material.

STEP 7: Ongoing Self-Assessment. Each year it is recommended to self-assess your practices and approve them at a meeting. Every third year it will be required to review your practices and completing Form 2 (Public Statement of Compliance) and if required Form 3 (Explanations) and emailing it to the Governance Code at info@governancecode.ie to renew your compliance with the Code.

The 5 Principles

The Good Governance Code's 5 Principles contains 56 recommendations for board implementation so this is merely a summary of the 5 Principles. For an in depth list please see the Code on www.governancecode.ie

Principle 1 Leading Your Organisation: This principle has 3 main sub-principles of

- (i) Agreeing Your Vision (with 4 recommended Board Practices)
- (ii) Developing A Plan (with 3 recommended Board Practices)
- (iii) Managing Staff & Volunteers (with 3 recommended Board Practices).

Principle 2 Exercising Control Over Your Organisation: This principle has 3 main sub-principles of

- (i) ID & comply with relevant legal and regulatory requirements (10 recommended board practices)
- (ii) Making sure there are appropriate internal financial and management controls (3 recommended board practices)
- (iii) ID major risks & How To Manage (3 recommended board practices)

Principle 3 Being Transparent & Accountable: This principle has 3 main sub-principles of

- (i) ID Your Stakeholders and ensure communications (5 recommended board practices).
- (ii) Communicating with Stakeholders (2 recommended board practices)
- (iii) Outreach to those impacted/affected by the organization (2 recommended board practices)

Principle 4 Working Effectively: This principle has 3 main sub-principles of

- (i) Roles, legal duties & responsibilities of board members, committees, staff & volunteers (4 recommended board practices).
- (ii) Collective Board responsibility for efficient & effective meetings (4 recommended board practices).
- (iii) Board rotations, competencies & reviews (3 recommended board practices).

Principle 5 Behaving With Integrity: This principle has 3 main sub-principles of

- (i) Being Honest, Fair & Independent (6 recommended board practices).
- (ii) Conflicts of Interest & Loyalties (2 recommended board practices).
- (iii) Protecting & Promoting Your Reputation (2 recommended board practices).

DATABASE OF IRISH NONPROFITS



Benefacts has built the Database of Irish Nonprofits, with extensive directory, governance and financial data about 20,000 civil society organisations in Ireland.

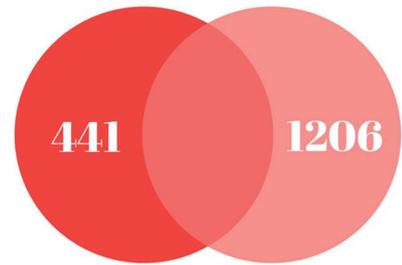
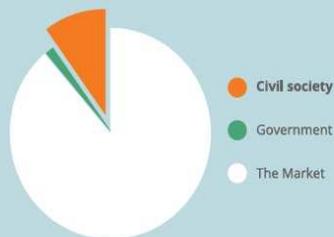
"Civil society" includes charities, community and voluntary associations, political, professional and representative bodies, schools, faith-based organisations, not-for-profit companies and social enterprises, amongst others.

CIVIL SOCIETY ORGANISATIONS

This is a sector that makes an incalculable contribution to the quality of life in Ireland. Through direct grants and service contracts, it accounts for about 10% of total current public expenditure. It is a sector that employs more than 105,000 people, with a further half million people involved as volunteers.

Collectively, they play a role in:

- building communities
- protecting the vulnerable
- facilitating expression
- promoting social justice
- saving lives
- celebrating diversity



Compliant Organisations Organisations on the Journey

Source: www.governancecode.ie

Above: As of 2017 there are 441 compliant organisations (2 in Cavan) and 1206 on their journey to completion.

Left: Nonprofit organisations contribute considerably to Irish society as reviewed by benefacts, an Irish charity database in 2016.

Source: www.benefacts.ie

Right: In 2017 Cavan Public Participation Network who are responsible for community group representation, networking and training, partnered with Cavan Volunteer information Service to assess the monetary potential of community volunteering in County Cavan.

Assuming 5 people makes a group and they volunteer only 5 hours per week on a modest valuing of their work the value of community volunteering to County Cavan alone in a single year is astounding.

WHAT ARE YOU WORTH?

An Infographic on the value of community & voluntary people in County Cavan

Brought to you by
Cavan Public Participation Network (CavanPPN) & Cavan Volunteer Information Service (CavanVIS)
www.cavancommunity.ie www.volunteercavan.ie

<p>CavanPPN has 260 community groups registered with it.</p> <p>It takes at least 5 people to be able to form a group. Some have hundreds of volunteers. Let's assume each only has 5 people.</p> <p>Let's also assume that they volunteer 5 hours per week!!!</p> <p>Then let's say their valuable giving is worth the minimum wage of €9.25 per hour.</p> <p>That's 1300 volunteers volunteering 5 hours per week at €9.25 per hour.</p> <p>In one year the groups contribute a MINIMUM of €3,126,500 to County Cavan!!!</p>	<p>CavanVIS has 199 independent volunteers registered with it.</p> <p>These volunteers are not part of groups and are seeking volunteer opportunities.</p> <p>Let's assume they are willing to volunteer 5 hours per week.</p> <p>Then let's value their giving at the minimum wage of €9.25 per hour.</p> <p>That's 199 volunteers volunteering 5 hours per week at €9.25 per hour</p> <p>In one year the volunteers contribute a MINIMUM of €478,595 to County Cavan</p>
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WHAT'S THE VALUE OF COMMUNITY & VOLUNTARY PEOPLE IN CAVAN EVERY YEAR?

€ 3,605,095

Officers Roles & Responsibilities

A group often requires a committee to run its basic organisational needs. Below are a list of what the officers of an organisation are and a brief description of their role.

Chairperson: The Chairperson hosts the meetings of the group and tends to form a leadership role of the committee, fairly allowing members to have their say. The Chairperson often works with other officers and members in developing an agenda for meetings. The Chairperson often holds an extra vote in the event of a deadlock.

Vice Chair: As above but only in the absence of the Chairperson.

Secretary: The Secretary undertakes the administrative role of an organization, minuting meetings, working on agendas and ensuring smooth communications within the group. It is the job of The Secretary to ensure members receive information in a timely manner and to record meetings and correspondence properly.

Assistant Secretary: As above but only in the absence of the Secretary.

Treasurer: The Treasurer holds responsibility over the finances of an organisation. This would include the organising of accounts, managing of cashflow and general financial accountability. If required it would also require liaising with an accountant for audits etc.

Assistant Treasurer: As above but only in the absence of The Treasurer.

Public Relations Officer (PRO): This officer hosts responsibility for engaging with the public, press and outreaching into the community. The PRO is the face of the group both online and in person.

Directors

A company requires Directors to direct the management of the company and oversee policies, staff and execution of the orders of the company via the executive officer. When a group has a constitution they are deemed constituted and abide by that document as their guiding principles. However, when a group wants to become a company it must become incorporated. This is done through the nomination of Directors and the adoption of another policy document called a Memorandum of Articles and Association (M&A) which outline the running of the company.

Directors are nominated at an AGM to run the company and this is minuted and their details submitted to the Companies Register Office (CRO) when registering the company. They then hold responsibility for the company. If the company is CLG (which almost all community companies are) it is a "Company Limited by Guarantee" which diminishes the financial impact of the company on the personal lives of the Directors.

A Company Secretary is usually a Director's role whose responsibility it is to oversee the logistics of running the company in close partnership with the executive officer.

Devising a Constitution

A constitution is a set of agreed principles according to which an organization is governed. The process of developing a constitution can be brought about by the following:

- (i) Plan your Constitution
- (ii) Draft your Constitution
- (iii) Consult with Members
- (iv) Adopt your Constitution

(i) Plan your Constitution: in the initial phase of this you should work to include as many members as possible and potentially bring in an external facilitator to develop the document. This session is the most complex but easy enough to achieve. You will have to take the following into account:

1. **Name of Organisation**

This should reflect the nature of the work and area in which your group works

2. **Aims of Organisation**

Likewise this point fleshes out the guiding motivations and philosophy behind the group, with emphasis on the mission statement of the organization.

3. **Entitling Members**

Who can join? Does it target a particular demographic, does it require a fee to join? There are many points to consider here. It will also take into account how a person can join and in which cases a person is no longer a member.

4. **Equal Opportunities**

Usually a separate document adopted as part of the constitution, this aspect highlights the equal opportunities available as part of the group.

5. **Committee & Officers**

Development of this takes many forms. A rotating series of officers, a set time for officers or, in smaller groups, no officers but merely designated persons for allocated jobs such as finance and chairing meetings. These must be outlined clearly in the constitution.

6. **AGM & Other Meetings**

This will outline the requirements of time for a meeting notification, the general outline of meetings agendas and who will hold responsibility for the meeting organization. In most cases AGMs must be held within 15 months of the previous AGM & at least 2 weeks notice given to all members to attend. A Special General Meeting (SGM) can also be undertaken to make important changes to groups between AGMs.

7. **Rules for procedure of Meetings**

In this point there will be sections on who will host and record meetings, whether lack of attendance means dismissal from group, what makes a quorum (least number of people to host a meeting) and whether decisions be by majority vote, block vote (only by a certain %) or by consensus. If decisions are made by voting here is where you insert that the Chair has the "deciding vote" in this case.

8. Finances

Planning financial responsibilities goes here, including who will be signatories for accounts, who the account host is (bank, credit union etc.) and if each payment will require 1, 2 or more signatories to mandate. It is worth stating here that accounts are transparent to all members at the AGM where points may be raised to clarify.

9. Changes to The Constitution

Should changes be required to the constitution you must place this in the original constitution. Typically this can only be done by two thirds majority and at an AGM or SGM and the proposed changes should be send out with the notification of AGM/SGM for members to consider.

10. Dissolution of Organisation

Planning to close the group a constitution will outline how this is achieved and what will happen to the capital or physical belongings of the group. In some cases a charitable or other similar organization is nominated at the closing SGM to receive these but that decision will require a vote of howsoever many you deem necessary to carry it forward. This will then terminate the organization.

(ii) Draft your Constitution: Prior to your opening AGM the constitution should be drafted by members in writing, according to the above points. This should be send with notification to the members for a consultation meeting before the due notice is required to host an AGM.

(iii) Consult with Members: By consulting with your members prior to the AGM you will be able to liaise with them to have their input on the draft document in order to have a smoother running AGM. All these meetings should be minuted. The final draft will then be sent to members with their invitation to the AGM to approve the constitution and adopt it.

(iv) Adopt your Constitution: By consulting with your members prior to the AGM in facilitated sessions it will cut down on the confusion and messiness at an AGM and members feel included and comfortable at adopting a guiding document they themselves had a hand in developing. Adoption will take place by the majority of people present casting a vote in favour of the constitution.

It should be signed by members afterwards and dated with an indication of their role in the organization. You are now a constituted group.



What To Do Next?

If you are a group of individuals wanting to organize: You can now seek assistance from Cavan Public Participation Network in establishing yourselves as a group. We can guide you from a scattering of peoples up to a constituted community group, registered and ready to open accounts, register for a charity and managing projects.

www.cavancommunity.ie

086 351 2308

cavanppn@gmail.com

If you are an existing unconstituted group: You can now seek assistance from Cavan Public Participation Network in a facilitated session in devising your constitution. This session usually takes 60-90 minutes to complete from our Coordinator.

www.cavancommunity.ie

086 351 2308

cavanppn@gmail.com

If you are an existing constituted group: You are midway on your journey to becoming a fully fledged group. This is the best time to take stock and see if you have the time and energy to expand into charitable status, incorporating and/or adopting The Good Governance Code.

If you are seeking charitable status: You can find all you need on the Charity Registers Office website. Please look at what is entitled to see what you need to do prior to making the decision to register as a charity and do look at alternatives. For example, individual Men's Sheds can use the national Men's Shed charity number for all their events and activities. Perhaps you may be linked to a similar network?

www.charitiesregulatoryauthority.ie

If you seek to begin Your Good Governance Journey: You will find all you need at the website www.governancecode.ie and you can begin to assess the required needs to fulfill this journey and measure them against your capacity to undertake the journey. Be aware that your wants may exceed your abilities to deliver and take steps on the journey accordingly. Better small steps done slowly and well than large leaps badly.

If you seek to incorporate: You will want to consult the Company Registers website at www.cro.ie for a detailed breakdown on registering as a company. Local supports may also be available through Breffni Integrated's www.breffniint.ie Social Enterprise Forum or the Local Enterprise Office www.localenterprise.ie depending on the nature of your organization. These organisations and others such as The Wheel www.wheel.ie provide valuable training for community groups, particularly those who are setting up as a company/business.

The Partners Who Developed This Workbook

CavanPPN is a networking body developed for the benefit of representation, sharing and upskilling of community groups in County Cavan.

There is a PPN in every Local Authority area of Ireland.

CavanPPN is a community owned and driven organization who is directed and managed by community group directors.

CavanPPN's Coordinator Daniel Downey undertook the writing and printing of this workbook and is available to roll the facilitated training associated with this training upon request by a PPN registered community group.



www.cavancommunity.ie

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Breffni Integrated is a Local Development Company whose main mission is to promote development of rural areas of Ireland through a number of funding mechanisms, programs and developments.

Breffni Integrated is a company with a significant amount of community input into its direction. This particular project was born from the Breffni Integrated hosting of a Social Enterprise Forum in its offices and the identification of a need to produce community supports for the Good Governance Code for community groups. This is a prime example of the positive promotion of partnerships by agencies such as Breffni Integrated.

Special thanks to Terry Hyland in Breffni Integrated.



www.breffniint.ie

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Cavan Childcare Committee hosted the initial trainings of this

document and was instrumental in triggering its development by identifying a more simplified and easier-to-access document for community groups.

The Cavan Childcare Committee supports access to information and supports for childcare matters in the county, working closely with local childcare facilities.

The Cavan Childcare Committee also serves parental supports for information, for choosing childcare, supporting parent and toddler groups and more.

Special thanks to Treasa Quigley in Cavan Childcare Committee



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THE GOVERNANCE CODE WORKBOOK

A SHORT GUIDE TO BEING AN EFFECTIVE & ACCOUNTABLE COMMUNITY GROUP

by CavanPPN

The Good Governance Code has been developed as an aid to assist community based organisations to become the best they can be by citing helpful tips of best practices for their groups.

This Workbook, brought to you by Cavan Public Participation Network, is a quick dissection of The Code with helpful sections on the roles and responsibilities of Officers, the role of Directors in companies and a short guide to writing a constitution.

This can be perused yourselves or delivered as part of a capacity upskilling workshop deliverable by CavanPPN.

We hope that this document can help community groups to become effective and brilliant agents of positive change in Irish and Cavan society. We also hope it may help simplify some of the more intimidating aspects of developing from volunteers to groups to organisations in your journey into growth and flourishing.

