Scouting Ireland Governance Review
Coming Up

• Part 1: A New Landscape, Annette Byrne
• Part 2: The Charities Act, Ivan Cooper, The Wheel
• Part 3: The Charities Act & Scouting Ireland, Ian Davy / James O’Toole
• Part 4: Governance Code & Scouting Ireland, Annette Byrne
Part 1

A New Landscape

Annette Byrne, National Treasurer
Scouting Ireland
A New Landscape

People 'are less willing' to give to charities after CRC scandal

MORE than half of people admit they would be less willing to donate to charities in future because of the Central Remedial (CRC) scandal.

Public 'lost trust' in charities following 'top-up' scandals

Jack and Jill chief executive says organisations faced drastic drop in donations

Charities in crisis as 400,000 people stop donating after recent scandals

Garda investigation under way into financial irregularities at Positive Action

Public contributions to Irish charities fell dramatically following controversy over payments for directors at the Central Remedial Clinic and Rehab, according to the chief executive of the Jack and Jill foundation.

But Tánaiste Sabina also sought to defend the role of Irish running charities...
A New Landscape

‘Sizeable cohort’ of charities not yet engaged with regulator
Some 72% of charities report increased demand despite economic recovery

Calls for mandatory code of governance for charity sector

Irish charity data set to go online
website
From next year anyone will be able to know what is happening financially and in terms of corporate governance at 12,000 Irish charities.

Charity board members seek greater regulation
Majority say governance levels are average or poor

“Immediate action is needed to address the issues in the sector,” says Maire Quinn, chief executive of the Institute of Directors
Why is this relevant to Scouting Ireland?

• We are a values based organisation
• Largest volunteer-led youth movement
• Reputation and Trust is critical

BUT

• There are gaps in our governance processes and procedures

• We need to get our house in order
The New Reality

- Northern Ireland
  - Charities Act (NI) 2008
  - Charities Commission 2013

- Republic of Ireland
  - Charities Act (RoI) 2009
  - Charities Regulator 2014
  - Companies Act 2014

- The Governance Code for community and voluntary bodies
What does this mean?

• New laws and Governance Structures mean we have to change

• Status quo is no longer an option

• This is a journey to becoming compliant and above reproach

• But retain our core values
Why is it important

- Legal Compliance is not optional
- Greater Transparency
- Better Management of Risks
- Trust of the public and volunteers
- Safeguarding volunteers from personal liability
Part 2

Charities Act 2009 and Governance Code

Ivan Cooper
Director of Advocacy, The Wheel
Role of the Charities Regulatory Authority

• Regulating the charity sector in the public interest
  – To register all charities operating in the State
  – To monitor the compliance of registered charities with their obligations under the Charities Act
  – To ensure accountability of charities to donors, beneficiaries and the public
  – To carry out investigations of charities
  – To promote good practice in charity management and administration
  – To provide public information about the charity sector
  – To increase public trust and confidence in the management of charities
The Charities Act 2009

- Charities Regulatory Authority
- Register of Charities - all charities operating in the State must register
- Definition of Charitable Purposes
- Annual activity reports/financial reports
- New law on fund-raising, to cover non-cash collections
- Clear duties on Trustees
- Charity Appeals Tribunal
- Consultative panels
- Investigations
- Fines for non-compliance
Overview

• Any organisation in receipt of charitable tax exemption from the Revenue Commissioners on the day that the register was established was automatically deemed registered with the Regulator.

• All other charitable organisations operating or carrying out any activities in the state will be required to register by April 15th 2016.
Overview

• All charitable organisations will be obliged to ensure that the particulars relating to them are correctly entered in the register.

• All charities will be obliged to state in their public literature that they are a registered charity.

• All registered charities will have a unique registration number.
Fundraising

• Charities that fundraise will be expected to comply with the non-statutory **Statement of Fundraising Principles** (available at [www.ictr.ie](http://www.ictr.ie)), and will also be expected to comply with specific **Codes of Good Practice for Fundraising** developed by Fundraising Ireland

• Charities encouraged to comply with **Governance Code for Community Voluntary Organisations**
Trustees

- Charity Trustees’ are those persons having day to day control of a charitable organisation.

- This means that the Directors of a charity that is a company limited by guarantee, or the board-members of an unincorporated association, will be considered to be the trustees of the charity.
In summary

- It will be an offence for a body not on the register to claim that it is a registered charity or to operate or fundraise as a registered charity.
- All charities will have to submit an Annual Activity Report and most will have to submit a financial report.
The Governance Code

• The Governance Code is based on five principles, each with three sub-principles.

• Each principle is supported by guidelines for implementation, which are written in the form of suggested actions, so that practical assistance is provided to organisations in understanding how to translate each principle into reality.
The Governance Code

Five Principles of Good Governance

The best organisations

• provide leadership
• exercise control
• are transparent and accountable
• work effectively
• behave with integrity
The Best Organisations…

Provide leadership by

– Agreeing our purpose, vision and values and ensuring that they remain relevant and valid.

– Developing, resourcing, monitoring and evaluating a plan to make sure that our organisation achieves its stated purpose.

– Managing, supporting and holding to account staff, volunteers and all who act on behalf of the organisation.
The Best Organisations…

Exercise control by

– Identifying and complying with all relevant legal and regulatory requirements.
– Making sure that there are appropriate internal financial and management controls.
– Identifying major risks for our organisation and deciding ways of managing the risks.
The Best Organisations…

Are transparent and accountable by

– Identifying those who have a legitimate interest in the work of our organisation (stakeholders) and making sure that there is regular and effective communication with them about our organisation.
– Responding to queries or views of stakeholders about the work of our organisation and its governance.
– Encouraging and enabling the engagement of those who benefit from our organisation in the planning and decision-making of the organisation.
The Best Organisations…

Work effectively by

– Ensuring that our governing body, individual board members, sub-committees, staff and volunteers understand their role, their legal duties and their delegated responsibility for decision-making.

– Making sure that as a board we exercise our collective responsibility through board meetings that are efficient and effective.

– Making sure that there is a suitable board development and renewal process in place.
The Best Organisations...

Behave with integrity by

– Adhering to high standards of honesty, fairness and independence
– Understanding, declaring and managing conflicts of interest and conflicts of loyalties.
– Safeguarding and promoting our organisation’s reputation.
Governance Code: It’s work! Why bother?

Operating to the highest standards of governance will help to:

• appeal to current and potential funders
• avoid and minimise risk:
  – good governance processes will help organisations to identify risks.
• increase operational efficiency:
  – implementing good governance processes can help reduce inefficiencies and costs.
• Maintain trust in our entire sector
That’s it for now!

For more information and support:

Visit www.wheel.ie

Email ivan@wheel.ie
Part 3

Charities Act and Scouting Ireland

Ian Davy, Chief Commissioner
(Youth Programme),

James O’Toole, Provincial Commissioner NE
Our Priorities

• Be legally compliant
• Safeguard volunteers from personal liability
• Maintain the democratic ethos of Scouting Ireland
• Facilitate greater transparency
• Better Decision Making
• Information Roadshow
Structure of Scouting Ireland

2003
Scouting Ireland the Association established from two unincorporated bodies (Associations)

2004
Scouting Ireland (The Company) was established

Governance of Scouting Ireland as an Association and as a Company currently enmeshed.
Current Status

• Scouting Ireland is a registered charity
• Accounts relate **only** to the national level of the organisation
• We do not comply with Charities legislation
• New legislation has forced us to change and make a decision
• Doing nothing is not an option
Alternatives Considered

Option 1:

Scouting Ireland registers as one big charity

- NMC acts as Charity Trustees responsible for and controls all money and assets at both Scout Group and National level
- Significant additional staff required at National Office
- Scout Groups lose a measure of independence
- Significant changes to organisation
Alternatives Considered

Option 2: Scouting Ireland: Scout Groups are Individual Charities

• All Scout Groups register as individual Charities
• Scout Groups appoint Charity Trustees
• Retain Control of Assets and Finances
• Less organisational change required
Decision of NMC

- The core of Scouting Ireland is at Group level
- NMC believes Scout Groups should remain in control of their own money and assets
- Scouting Ireland will be registered as a charity
- Scout Groups to register individually with Charities Regulator

The Best Option for Scouting Ireland
New Mandatory Requirements:

• All Scout Groups in the Republic of Ireland must register with Charities Regulator by **April 15th 2016**

• Scout Groups in Northern Ireland will be advised on process for registration with Charities Commission in due course
New Mandatory Requirements:

• Volunteers of the Scout Group Council will become Charity Trustees
• Financial Reporting at Scout Group and National level
• Statutory duties for those who are Charity Trustees
Why adopt this approach?

• To be legally compliant
• Better preserve the organisational structure and culture of Scouting Ireland.
• Least amount of organisational change.
• Preserves the autonomy of our groups.
Action Required

• Each Scout Group will have to register separately with the Charities Regulators

• Volunteers of the Scout Group Council will become Charity Trustees with statutory duties
Scout Group Charity Trustees

Statutory duty to:

• Keep proper books of account
• Keep a record of assets and liabilities
• Report annually to the Charities Regulator
• The Scout Group Council ultimately responsible for Scout Group compliance
• Scout Group to report annually to Charities Regulator.
Support

• Email queries to governance@scouts.ie
• ‘How to’ support packs.
• Upcoming events and seminars
• Trained support staff
• Charities Regulators’ Websites
• Scouting Ireland Website
Part 4

Governance Code & Scouting Ireland

Good Governance
The Governance Code

• Chosen tool to ensure legal compliance.
• Improve ability to meet obligations under Charities and Company legislation
• A better run organisation.
5 Principles of the Code

- Leading the Organisation
- Exercising Control over the Organisation
- Being Transparent and Accountable
- Working Effectively
- Behaving with Integrity
Scouting Ireland &
The Governance Code

- Governance Review Group established
- Governance Audit identified serious deficiencies
- Decisions required by NMC to address deficiencies and comply with The Governance Code
Key Decisions of NMC

- September 2014: 6 work streams
- January 2015: Adoption of Code of Conduct
- June 2015: New organisational structure
- July 2015: Adoption of a Strategy
- Audit & Risk Management: Sept 2015
Principles behind decisions

- Compliance with Charities legislation
- Compliance with Governance Code and Company Law
- Safeguarding Volunteers from personal liability
- Maintaining democratic ethos of Scouting Ireland
- Facilitating better decision making, transparency accountability
- Supporting and developing Scout Groups
Current Structure of Scouting Ireland

2003
Scouting Ireland the Association established from two unincorporated bodies (Associations)

2005
Scouting Ireland (The Company) was established

Governance of Scouting Ireland as an Association and as a Company currently enmeshed. Under new legislation this needs to change.
Structure considerations

Three options considered and evaluated, external expert advice sought

- Company and Association in tandem
- Association only
- Company only
## Why current structure unacceptable

- Lack of clarity
- Unnecessary legal and financial risks.
- Duplication of processes and manpower
- Not practical or prudent
Recommended Structure

• Scouting Ireland restructures to conduct its operations through a **company only** (limited by guarantee).

This Structure will:
• Meet requirements of The Governance Code
• Fulfil obligations of Scouting Ireland under Charities legislation
What Next?

1. Every Scout Group must register with Charities Regulator deadline April 2016
2. Continue with Implementation of the Governance Code
3. Scouting Ireland will transition to ‘Company Only’ structure

- Consultation and support provided throughout the process
- Governance Changes will happen over time
Future of Scouting Ireland – Key Takeaways

- Changes to the organisation only
- Aims and objectives are unchanged
- Democratic ethos and primacy of Scout Groups remains the same.
- Principles and Programmes are unchanged
The future of Scouting Ireland – Key Takeaways

• Delivery of Youth programs not impacted
• Changes will enhance reputation of Scouting Ireland
• Greater protection for our Volunteers
• Best practice will enhance public trust
• Meet obligations under Charities legislation
Panel discussion

Questions and answers session 30 mins