

# Social Enterprise Governance Structures

Delivered by:  
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Facilitated by:  
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Rialtas  
na hÉireann  
Government  
of Ireland

Tionscadal Éireann  
Project Ireland  
2040



The European Agricultural Fund  
for Rural Development  
Europe investing in rural areas



Funded by the Department of Rural and Community Development

# Agenda

- ▶ The challenges of and rationale for building and motivating an effective Board/Committee
- ▶ The legal and administrative responsibilities of board directors, trustees and sub-committees
- ▶ The key board skills required to enable directors and trustees to work together successfully
- ▶ Complying with the Charities Governance Code/Voluntary Governance Code
- ▶ Mapping compliance gaps

# Board Governance Responsibilities

- ▶ What does good board/committee governance mean to different groups of stakeholders?
  - committee members
  - employees or volunteers
  - funders
  - donors
  - beneficiaries

# Overview of Committee Responsibilities

- ▶ Ensure that the committee sticks to its purpose
- ▶ Give the committee direction by setting aims and objectives
- ▶ Ensure legal requirements are met
- ▶ Ensure accountability to members and funders
- ▶ Ensure financial stability
- ▶ Ensure any property is protected and managed
- ▶ Ensure smooth running of the committee - conflict, communication styles and conduct at meetings

# Committee Roles - The Chairperson

- ▶ Plan meetings with the Secretary and staff
- ▶ Keep order at meetings
- ▶ Encourage contributions / ask questions to clarify
- ▶ Ensure decisions are made / keep to the point
- ▶ Summarise decision at the end of agenda item
- ▶ Make sure decisions are implemented
- ▶ Represent the organisation externally
- ▶ Establish clear reporting lines with management

# Committee Roles - The Secretary

- ▶ Plan meetings with the Chair
- ▶ Respond to correspondence
- ▶ Make arrangements for meetings
- ▶ Prepare and circulate the agenda
- ▶ Take minutes
- ▶ Keep contact details of members

# Committee Roles - The Treasurer

- ▶ Present budgets and accounts
- ▶ Present financial reports
- ▶ Alert committee to any cash flow problems
- ▶ Ensure accounting procedures and controls are in place
- ▶ Liaise with staff about financial matters
- ▶ Advise on financial implications of new projects
- ▶ Make sure appropriate insurance is taken out

# Committee Roles - The PRO

- ▶ Responsible for overall organisation publicity and advertising of organisation events
- ▶ Maintain record of organisation publicity
- ▶ Prepare organisation news updates and with Secretary circulate
- ▶ Contribute news items and press releases to local Media
- ▶ Contribute content to social media profiles and website
- ▶ Operate in accordance with best practice social media and photographic policies

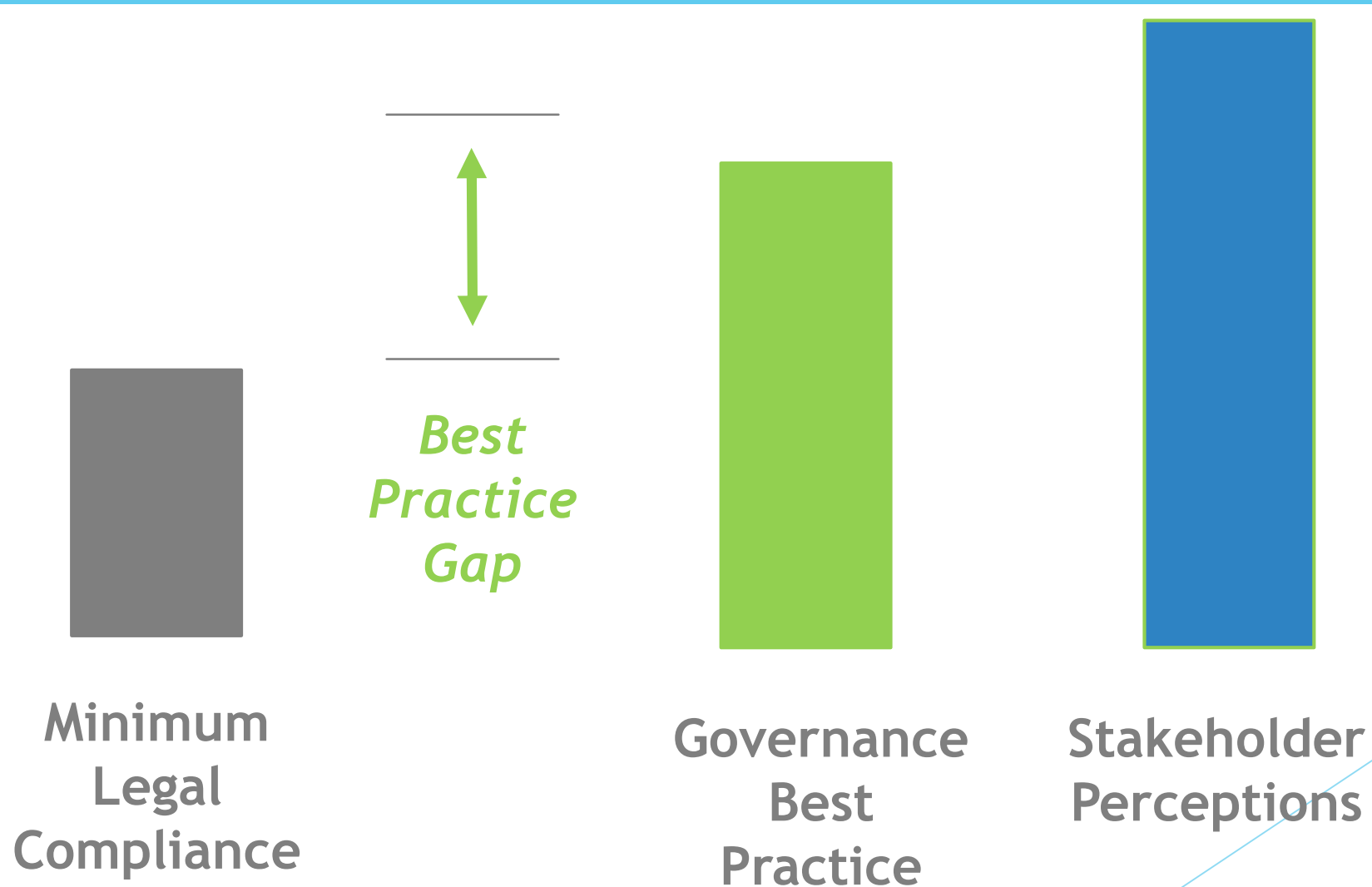


# Practical Committee Skills

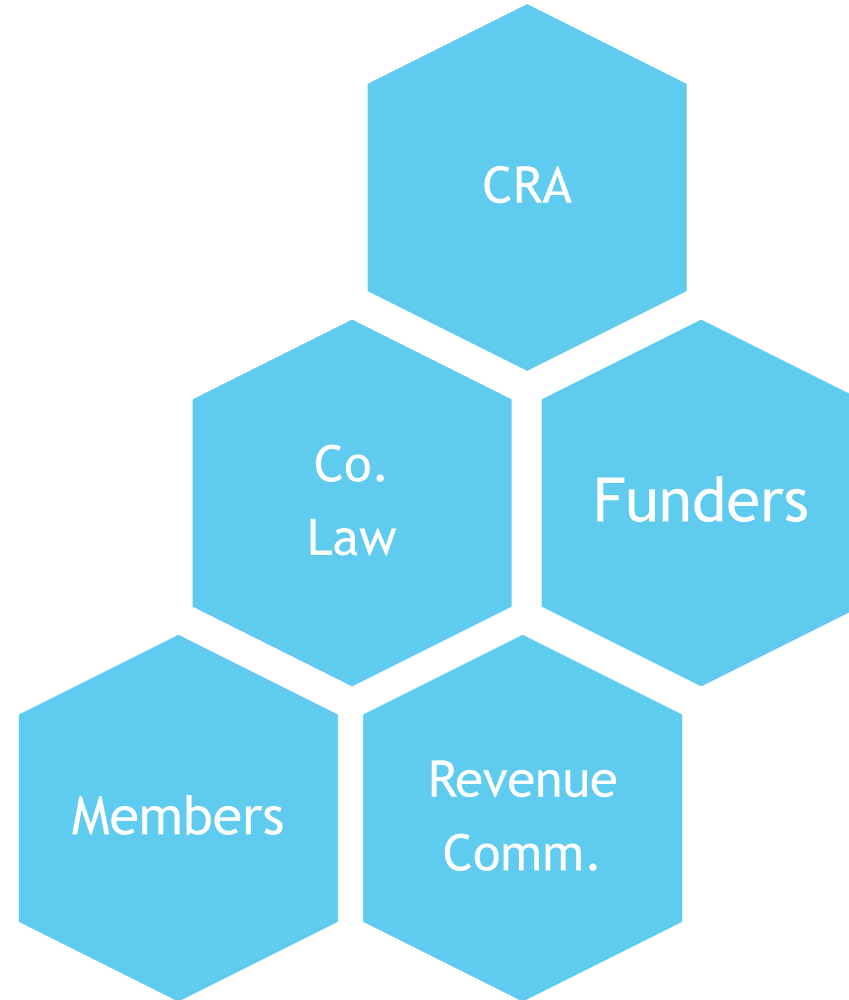
Five things an effective committee needs to be able to do:

- ▶ Develop an annual work plan (use a template)
- ▶ Set meeting agendas (structure how discussions will flow)
- ▶ Take meeting minutes (what do you actually need to know?)
- ▶ Run meetings (code of practice) and behave appropriately (code of conduct)
- ▶ Oversee Management Staff (reporting and appraisal)

# Company Law in Context



# Other factors to consider ...



# The Companies Act 2014 - CLG Compliance

## Important Points:

- ▶ Name ends in “CLG”. Name must include CLG. Exemption if Registrar of Companies accepts a CLG meets the criteria of a non-profit.
- ▶ Directors may not be paid, though reasonable expenses permitted
- ▶ Company secretary must be appointed
- ▶ Can have 1 member and no upper limit, but must still have 2 directors

# Using the Constitution to manage the Board or Committee - Use the articles as rules!

*What issues might typically affect the functioning of a board or committee?*

- ▶ Minutes
- ▶ Quorum
- ▶ Membership criteria
- ▶ Powers of Directors
- Conduct of Meetings
- AGM and EGM
- Sub-committees
- Keeping Accounts
- Wind-up of Company

# Role of Members

- ▶ Control the company and appoint the directors to act on their behaves.
- ▶ Approve the appointment of auditors (where relevant) and have power to block directors obtaining an audit exemption.
- ▶ Directors are accountable to company members.
- ▶ Act as guarantors of the company in the event of a wind-up (typically limited to €1.)

## Point to Remember:

Be able to identify the members of your company and keep your register of members up-to-date

# Companies Directors

## *Duties of Directors under the Act:*

- ▶ Act in good faith in what the director considers to be the interests of the company
- ▶ Act honestly and responsibly in relation to the conduct of the affairs of the company
- ▶ act in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law

# Companies Directors

## *Duties of Directors under the Act:*

- ▶ Not use the company's property, information or opportunities for his or her own or anyone else's benefit unless - permitted by constitution or approved by company resolution in general meeting
- ▶ Not agree to restrict the director's power to exercise an independent judgment
- ▶ Avoid any conflict between the director's duties to the company and the director's other (including personal) interests



# Companies Directors

## *Duties of Directors under the Act:*

- ▶ Exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both—
  - (i) the knowledge and experience that may reasonably be expected of
    - a person in the same position as the director; and
  - (ii) the knowledge and experience which the director has
- ▶ Have regard to the interests of its members (and employees in general)

# Companies Directors

*Required to:*

- ▶ Disclose Personal Information: name etc.
- ▶ Disclose interests in contracts or proposed contracts
- ▶ Keep Financial Records and arrange audits unless exempted
- ▶ Report to Members - each financial year

# Companies Directors

## *Required to:*

- ▶ Hold Meetings: AGM each year, 21 days notice
- ▶ Record Minutes of Meetings
- ▶ Keep Registers (Members, Directors, Interests)
- ▶ Comply with Filing Obligations: Annual Returns to CRO, changes in office address or directors and company secretary, details of charges/mortgages on the company's property and repayment of same

# Company Secretary

- ▶ Directors must ensure that the Company Secretary has the skills necessary to carry out their role.
- ▶ Question:  
Who can act as a company secretary?

# The Company Secretary

## *Legal Duties of the Company Secretary - CLG:*

- ▶ Complete, sign and send the company's annual return to the CRO
- ▶ Certify that the financial statements attached to the annual return are true copies of the originals
- ▶ Prepare an accurate statement of the company's assets and liabilities if the company goes into liquidation or receivership

# The Company Secretary

## *Typical Administrative Duties of the Company Secretary:*

- ▶ Maintaining director personal details: name, address, etc.
- ▶ Maintaining the company's registers (and available to the public)
- ▶ Sending documents to the CRO and publishing legal notices in media
- ▶ Organising the logistics of board meetings and arranging AGM/EGM
- ▶ Preparing meeting minutes and holding company seal
- ▶ Providing directors with legal and administrative support

# Reporting Obligations

## *Typical Reporting Obligations:*

- ▶ Annual Return to the CRO
- ▶ Preparing Financial Statements
- ▶ Making annual return to Charities Regulator
- ▶ Demonstrating compliance with the GDPR and Data Protection Act 2018

# Other Compliance Considerations

- ▶ Organisation complies with obligations under the The Data Protection Acts 1988, 2003, 2018 and GDPR
- ▶ Organisation complies with obligations under the National Vetting Bureau (Children and Vulnerable Persons) Acts 2012 - 2016
- ▶ Organisation complies with Children First Act 2015
- ▶ Organisation complies with Criminal Justice (Withholding of Information on Offences Against Children and Vulnerable Persons Act 2012)
- ▶ Regulation of Lobbying Act 2015
- ▶ Central Register of Beneficial Ownership



# Principles - Charities Governance Code

Purpose

Integrity

Leadership

Control

Effectiveness

Accountability

# Charities Governance Code

## Annual Reporting:

- ▶ Declaration
- ▶ Checklist
- ▶ evidence of compliance

# Review

- ▶ What are the implications for your social enterprise concept arising from the topics covered this evening?
- ▶ Is there anything that you have identified that may impede your progress?
- ▶ Facilitator contact details:  
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