

Carmichael.

Is the Charities Governance Code different to the Governance Code for Community, Voluntary and Charitable (CVC) Organisations?

The Charities Governance Code (Charities Code)	The Governance Code for Community, Voluntary and Charitable Organisations (CVC Code)
<ul style="list-style-type: none">• Six governance principles• 32 Core Standards that apply to ALL charities• 17 Additional Standards for more “complex” charities• Compliance is demonstrated by completion of a Compliance Record Form	<ul style="list-style-type: none">• Five governance principles and 15 sub-principles• Three organisation types: A, B and C• The principles and sub-principles apply to all organisations but there are different action points depending on organisation type• Compliance is demonstrated by completion of a checklist. There are different checklists for A, B or C organisations.

What are main the differences?

- The Charities Code is mandatory, the CVC code is voluntary
- The principles of the Charities Code are very similar to the CVC code
- The principles appear in a different order
- There is one extra principle in the Charities Code: Advancing charitable purpose. This is concerned with ensuring you are adhering to charitable purpose as defined by the Charities Act; that you adhere to your own governing document; and your plans are aligned with your charitable purpose.
- You must complete a Compliance Record Form annually for the Charities Code.
- Your charity must report on compliance with the Charities Code as part of your annual report to the CRA

Carmichael.

Charities Governance Code
(Minimum requirements,
mandatory)

- 1: **Advancing charitable purpose**
- 2: **Behaving with integrity**
- 3: **Leading people**
- 4: **Exercising control**
- 5: **Working effectively**
- 6: **Being accountable and transparent**

 **The Governance Code**
(Best practice, voluntary)

- 1: **Leading the organisation**
- 2: **Exercising control**
- 3: **Transparency & accountability**
- 4: **Working effectively**
- 5: **Behaving with integrity**

How to transition from the CVC Code to the Charities Code

- All charities must go through the 32 Core Standards
- Type A: Go through and apply the 32 Core Standards
- Type B: Apply the Core Standards. The board needs to decide if the 17 Additional Standards apply.
- Type C: Go through and apply the 17 Additional Standards
- Go through any evidence you have compiled for the CVC code
- Is it still relevant?
- Use this evidence to complete the CRA Compliance Record Form where appropriate

What trustees need to do now

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

Timeline

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

Carmichael.

Example 1

Clontaggart Community Development has been on the CVC Code “journey” for a number of years. It is type B and is a registered charity. They had kept a ring binder with some documentary evidence but this has not been kept up to date. For example, their Constitution was updated last year but the original version is still in the binder. Rather than going through all the documentation again, the board have agreed to start from scratch.

Having decided that they are NOT a more complex charity, they will now go through the core standards and record their actions and evidence on the Compliance Record Form. While one of the trustees will take responsibility for completing the form, the board will systematically go through the Code to identify actions and evidence as required. They have already agreed to set aside time for discussion at board meetings for the rest of the year.

Example 2

Clontaggart Home for the Elderly is fully compliant with the CVC Code. It is type C and is a registered charity. They have all their evidence on a spreadsheet which has been updated regularly by the Governance and Risk sub-committee. The board has agreed that they are a more complex charity, so they will need to go through the additional as well as the core standards.

The Governance and Risk sub-committee have agreed to complete the Compliance Record Form over a number of sub-committee meetings, but will keep the board informed of any issues that may need to be dealt with at board level. For example, there is no trustee succession plan in place. This will need to be agreed by the board and inserted into the board handbook. The board will review the completed Compliance Record Form and will agree that it is accurate at a board meeting.

To get started, go to:

<https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code>

© Carmichael 2019