



**Minutes of Board Meeting No. 58 held on Wednesday 15 March 2017 at
9:15 am
At CCNI, 257 Lough Road, Lurgan**

Present:

Tom McGrath, Chief Commissioner
Steven Cockcroft, Commissioner (Legal)
Norman Bennett, Commissioner
Geraldine Donaghy, Commissioner
Séamus Magee, Commissioner

In Attendance:

Frances McCandless, Chief Executive
Aubrey McCrory, Head of Corporate Services
Punam McGookin, Head of Charity Services
Myles McKeown, Head of Compliance and Enquiries
Natasha Mann, Finance & Admin Officer

The Chair opened the meeting by welcoming everyone.

1. Minutes of Meeting 23 January 2017

Following discussion, the minutes of the meeting held on 23 January 2017 were agreed as a true and correct record, as proposed by Geraldine Donaghy and seconded by Séamus Magee.

AP1: Board minutes to be published on CCNI website

2. Conflicts of Interest

No conflicts of interest were declared at the outset.

3. Chair's Business, Correspondence and Meetings

The Chair outlined details of a forthcoming consultation event hosted by the Sponsor department's transformation team as part of the review of Arms Length Bodies. It was noted the CEX had drafted introductory letters pending appointment of a new Minister.

4. Chief Executive's Report

The CEX informed the meeting that current budget spend is within 1% of target and that, following a request from the DfC Permanent Secretary, the Commission is to submit a revised 17/18 budget with a 5% reduction. The

Board agreed this should include spend on seconded staff for the first half of the year.

The CEX informed the meeting that the preliminary hearing in the Crawford case is now scheduled for 27 March 2017. Following discussion, the Board requested circulation of skeleton arguments, statements and legal opinions. The CEX noted no response had been received as yet from the Northern Ireland Public Services Ombudsman to the Commission's submission and the Board requested this be followed up as it related to important process issues.

It was noted that Paula Sussex, Chief Executive of Charity Commission for England and Wales, will be joining SMT at a strategic development session in April 2017. Following discussion, it was agreed that some Commissioners and a member of SMT would meet informally with Ms Sussex prior to this event. Details of the recent customer survey exercises were highlighted, and the final report will be circulated to the Board.

In response to a query, the Head of Charity Services updated the meeting on the outcomes of the meeting between Commission staff and the Charities Regulatory Authority (CRA). It was noted that the Commission has accepted an invitation from CRA to take a place on its consultative panel on the governance of charities. The Chair agreed Norman Bennett should meet with the Deputy Chair of CRA.

The Board discussed the use of forensic accountancy firms to undertake examinations, with the Head of Compliance and Enquiries confirming the assignments were selected using a risk-based approach. Following discussion, the Board noted the tendering procedures followed and that the professional firms were used to assist in delivering the Commission's regulatory remit. The Head of Charity Services updated the meeting on turnover in casework team staffing and related risks. The Board noted arrangements were in place to minimise impact on service delivery and that a business plan target had been revised.

Séamus Magee tabled a paper on developing Board effectiveness after the recent Board Development Day. The Chair thanked Séamus, Geraldine Donaghy and the CEX for their recommendations on a revised agenda format and protocols, all of which were accepted by the Board.

During discussion of the Casework update, Commissioners raised a number of queries regarding authorisation of restricted funds and delays in some specific registrations. It was noted that a thematic report on registration refusals was in preparation and it was agreed to communicate the key messages that a range of bodies operating historically and doing worthwhile work are not necessarily charitable under the current legislation.

AP2: Chief Executive to circulate skeleton arguments and witness statement to the Board.

AP3: Chief Executive to follow up on response submitted to NIPSO
AP4: Available Commissioners and member of SMT to meet with Chief Executive of CCEW prior to development session.
AP5: Customer survey to be circulated to Board.
AP6: Revised Board agenda format and protocols to be implemented.
AP7: Strong communication messages to be developed to support thematic report on registration refusals.

4a. Investigations update

The Head of Compliance & Enquiries outlined changes to the report with use of red flags to highlight serious matters or issues that may have a reputational impact on the sector which are prioritised. It was noted many are unable to be progressed in a reasonable timescale given the current level of resourcing. It was agreed to develop the report to better reflect timescales.

The Board was updated on progress on a number of cases. Commissioners queried the number of concerns related to recruitment exercises by charities, noting some of these were high profile media cases. The Head of Compliance was asked to ensure the Commission acted where further clarification on proper governance was required.

The Board was also informed about the switch on of the Annual Monitoring Return 'in default' on the online register. At present only 3% of those charities due to submit were still in default. The Board noted this was a very successful result and commended staff for their work to communicate with and assist the sector.

AP9: Head of Compliance & Enquiries to meet with Geraldine Donaghy to discuss how to report on timelines in relation to concerns

5. Revision of Registration manual – V8.0 – trustee details/trustees religious designation

The Head of Charity Services highlighted two revisions to the manual: a) trustees and religious designation and b) trustee details withheld.

It was noted the Commission had received a limited number of requests from trustees to withhold home addresses for personal security reasons. It was noted that home addresses are not essential to determine charitable status and that this differs from a trustee anonymity request relating to names on the public register.

Under an amendment to the Charities Act in 2016, trustee disqualification no longer applies to religious designated charities. It is therefore not necessary to complete trustee checks on such cases if they are selected for quality review. The procedure has been amended to reflect this.

Following discussion, the Head of Charity Services confirmed that the Commission could order trustee details to be provided, if necessary and proportionate. It was noted that during the registration process, casework officers also inform organisations that trustee addresses are not published on the register but held securely by the Commission. The Board approved the update to the manual as proposed by Steven Cockcroft and seconded by Séamus Magee, subject to a minor adjustment to confirm use of alternative addresses for communication purposes with trustees.

AP10: Head of Charity Services to amend manual to add a confirmation process for trustees using alternative address for communication purposes.

6. Serious Incident Reporting

The Head of Compliance & Enquiries updated the Board on issues to be included in planned guidance on Serious Incident Reporting. The policy development plan target is July 2017. It was noted that CCEW has developed its own guidance, which has recently been subject to revision and consultation, of which we are awaiting the outcome.

Following discussion it was agreed that the Head of Compliance & Enquiries is to develop guidance on serious incident reporting along the lines suggested in the paper, as proposed by Norman Bennett and seconded by Geraldine Donaghy.

AP11: Head of Compliance & Enquiries to develop guidance on serious incident reporting.

7. Matters of Material Significance – High Level Procedure

The Head of Compliance & Enquiries updated the meeting on the proposed high level procedure for the Matters of Material Significance which will be, on approval, an Appendix to the Enquiries Manual, version 4.0.

Following discussion, the Board approved the draft procedure as proposed by Geraldine Donaghy and seconded by Steven Cockcroft.

8. Business Plan 2017/18 – proposed changes reflecting indicative budget

The Head of Corporate Services outlined the revised draft Business Plan 2017/18 following feedback received from sponsor branch.

In light of departmental feedback, SMT reviewed the previous Board-approved draft plan, reflecting on resourcing assumptions and output figures and proposed a number of changes. Following discussion, the Board agreed that the updated draft business plan, incorporating the proposed changes, should be sent to the sponsor branch as proposed by Norman Bennett and seconded by Séamus Magee.

AP12: Updated draft business plan and budget to be sent to sponsor branch along with strategic regulatory approach paper and info on decision-making

9. Communications Plan 2017/18 (including political communications strategy and enhancing social media)

The Head of Corporate Services updated the meeting on the new additional strategic agenda to focus on communications with political representatives as agreed at the November 2016 Board meeting. The Board reviewed the three elements for the year going forward:

- a) the Communications plan for 2017/18
- b) key messages and
- c) proposals for launching a Facebook page to further expand the social media channels used to promulgate communications.

Following discussion the Board agreed to adopt the Communications plan for 2017/18, postpone a Facebook presence but review enhanced social media channels in 12 months and that the current social media policy is put onto the Commission website as proposed by Séamus Magee and seconded by Geraldine Donaghy.

AP13: Agreed to adopt Communications plan for 2017/18

AP14: Review enhanced social media in 12 months

AP15: Put social media policy on Twitter onto the Commission website

10. Matters from A&RA Committee

The Chair of the Audit and Risk Assurance Committee updated the Board on the outcomes meeting held on 15 November 2016. The Chief Commissioner extended his thanks to Norman Bennett and the Head of Corporate Services for their work in this area.

The following items were discussed:

- a) minutes of the A&AR Committee meeting 15 November 2016
- b) corporate risk register
- c) Internal Audit plan 2017/18
- d) risk policy review and risk appetite for new business plan
- e) review of A&RA Terms of Reference
- f) review of policies: fraud policy, business continuity plan, whistleblowing policy

It was noted that the risk of resources not allowing investigations to be progressed should be better reflected. Following discussion, the Board accepted the recommendations made in relation to items a to f above, subject to minor changes to the risk register, as proposed by Séamus Magee and seconded by Norman Bennett.

AP16: A&AR Committee Minutes to be published on Commission website

AP17: Amend risk appetite 4d to medium and circulate risk register to staff

AP18: Updated Terms of Reference to be published on the Commission website

11. Matters from HR Committee

Geraldine Donaghy updated the meeting on outcomes of the HR Committee meeting held on 5 December 2016. It was noted that the Committee is down a member at present following the loss of Brenda Maitland and that Kieran Donaghy, independent member of A&RA, has agreed to become a temporary member.

The main issues discussed were the potential usefulness of IIP, the people strategy action plan and the updating of the HR dashboard to include additional indicators. It was noted that the Commission is not applying for IIP at present and that Commission values should be reconsidered as part of future strategic planning.

Following discussion, the Board agreed that Kieran Donaghy is to join the HR Committee temporarily, the minutes of the last meeting are to be published on the Commission website and that Commission values should be reconsidered as part of the people strategy action plan as proposed by Steven Cockcroft and seconded by Norman Bennett.

AP19: HR Committee Minutes to be published on Commission website

AP20: Kieran Donaghy to join HR Committee

AP21: Reconsider Commission values as part of strategic plan

12. Waiver Decision – lessons learned

The Head of Compliance & Enquiries updated the meeting on lessons learned from the first appeal against the Commission's decision in respect of waivers. The Board noted that this was the first case of its kind in the UK and that the process has highlighted several areas for improvement in the waiver procedure. The Head of Compliance & Enquiries informed the Board that the Commission's waiver manual is currently being reviewed and will be presented to Board for re-approval at a forthcoming meeting.

Following discussion it was noted that lessons learned from this case should be shared with other the UK regulators, CCEW and OSCR.

AP22: Share lessons learned with CCEW and OSCR

13. Levels of decision making within the Commission

The CEX updated the meeting on current levels of decision making within the Commission and the strategic themes to which they relate. It was noted that

this would eventually become part of the Commission governance framework.

Following discussion, the Board confirmed that it was content with the paper as a reflection of the current position and that the paper could be submitted to the Department. Broader discussion on decision making will be put on the next Board agenda.

AP23: Paper to be submitted to Department

AP24: Decision making to be added to next Board agenda

14. Budget

The Board noted the current position and planned spend to meet targets by year end across revenue and capital budgets.

15. Review of Compliance with MSFM

The Board was asked to note the review and the fact that the organisation is currently in compliance with its MSFM. The Board raised its concern regarding notification should a breach occur. The CEX confirmed that the Board would be notified immediately should this occur.

16. Legal Update

The Legal Commissioner updated the meeting on the issues/cases in progress with the legal team as discussed at the recent Legal Advisory Group meeting. The Chair praised the work of the legal team and the Board noted the following issues:

- a) Discussions with regard to charitable status of schools are still ongoing and legislative options will now be explored as a way forward.
- b) The substantial hearing for the application for various cy-pres schemes in relation to Belfast Health and Social Care Trust is listed for week commencing 5 June 2017.
- c) Mediation is being considered in an ongoing inquiry.

17. Press clippings.

Noted.

18. Hospitality Register

Noted.

19. Business Plan update and Data Hub

Noted.

20. Review of meeting.

Noted.

21. Issues for next meeting – 15 May 2017.

Apologies were received in advance from Stephen Cockcroft.

It was agreed to invite compliance team to present at May Board meeting. It was agreed to move the June Board meeting to Friday 26 June at 9am and hold the meeting in Belfast.

AP25: Invite Compliance team to present update to Board at May meeting.

AP26: June Board meeting moved to 26 June 2017 at 9am and venue to be sourced.

22. AOB

The Head of Corporate Services provided a verbal update on use of secure mobile devices for Board purposes. The Board noted its concerns regarding formatting of documents on different devices and overall security of information. It was agreed that the Head of Corporate Services would look at various options for secure devices.

AP27: Head of Corporate Services to look at options for secure mobile devices

Meeting ended at 12:15 pm

Register of Outstanding Action Points

Board Meeting and Action Point Number	Date Raised	Agenda Item	Action	Owners	Status
58 (AP7)	15/03/2017	4	Strong communication messages to be developed to support thematic report on registration refusals.	HCorpS	Underway
58 (AP9)	15/03/2017	4a	Head of Compliance & Enquiries to meet with Geraldine Donaghy to discuss how to report on timelines in relation to concerns	HC&E	Underway
58 (AP10)	15/03/2017	5	Head of Charity Services to amend manual to add a confirmation process for trustees using alternative address for communication purposes.	HCS	Underway
58 (AP11)	15/03/2017	6	Develop guidance on serious incident reporting.	HC&E	Underway
58 (AP12)	15/03/2017	8	Updated draft business plan and budget to be sent to sponsor branch along with strategic regulatory approach paper and info on decision-making	HCorpS	Underway
58 (AP17)	15/03/2017	10	Amend risk appetite 4d to medium and circulate risk register to staff	HCorpS	Underway
58 (AP21)	15/03/2017	11	Reconsider Commission values as part of strategic plan	HCorpS	Underway

58 (AP22)	15/03/2017	12	Share lessons learned on Waiver Decision with CCEW and OSCR	CEX	Underway
57 (AP1)	23/01/2017	1	Board minutes to be published on CCNI website	Admin	Complete
57 (AP2)	23/01/2017	3	Chief Commissioner to sign business case for International Regulators Forum	CEX	Complete
57 (AP3)	23/01/2017	4	Write to Arthur Scott to seek clarification on premises issues	CEX	Complete
57 (AP4)	23/01/2017	4a	Review layout of investigations information	HC&E	Complete
57 (AP5)	23/01/2017	4a	Risk register to be updated to reflect timeframe of investigations	HCorpS	Complete
57 (AP6)	23/01/2017	4a	Add notice on processing times for investigation of low risk concerns on website	HC&E	Complete
57 (AP7)	23/01/2017	5	Updated policy on matters of material significance to be published	HCorpS	Underway
57 (AP8)	23/01/2017	6	Revised Complaints policy and guidance to be published and existing internal procedure updated.	HCorpS	Complete
57 (AP9)	23/01/2017	7	Publish ICT Strategy 2017-20 and update CCEW MOU	HCorpS	Complete
57 (AP10)	23/01/2017	13	Date of next Board meeting to move to Wednesday 15 March 2017 at 9am		Complete
57 (AP11)	23/01/2017	14	Arrange Board development day for Monday 27 February 2017	CEX	Complete

56-10	12/12/2016	10	Corporate Governance Framework to be amended following Board development day (for consideration at May Board)		Underway
56-12	12/12/2016	18	MOU with CRA to be drafted	HCS	Underway
56-13	12/12/2016	18	Meeting between CCNI and CRA to be arranged	HCS	Underway
55-13	07/11/2016	8	Disseminate Records Management Policy to staff when agreed with PRONI	HCorpS	Underway
54-4	19/9/2016	3	Develop a protocol for attending meetings and producing an agreed note	CEX	Underway
54-5	19/9/2016	3	Arrange enhanced vetting for all Commissioners.	HCorpS	Underway
53-8	19/9/2016	6	Monitor and review 7 month reminders and report to Board	HM&C	Underway
53-10	19/9/16	9	Review arrangements for removing inappropriate material from the website register	HCorpS	Underway