



**Minutes of Board Meeting No. 40 held on Monday 22 September 2014  
at 10:25 hrs, 257 Lough Road, Lurgan.**

**Present:**

Tom McGrath, Chief Commissioner  
Walter Rader, Deputy Chief Commissioner  
Norman Bennett, Commissioner  
Rosemary Connolly, Commissioner (Legal)  
Geraldine Donaghy, Commissioner  
Brenda Maitland, Commissioner  
Philip McDonagh, Commissioner

**In Attendance:**

Frances McCandless, Chief Executive  
Aubrey McCrory, Head of Corporate Services  
Myles McKeown, Head of Compliance and Enquiries  
Kathryn Jennett, Administrative Officer, CCNI

**Apologies**

Punam McGookin, Head of Charity Services

**1. Minutes of Meeting 23 June 2014**

The minutes of the meeting held on 23 June 2014, were proposed by Geraldine Donaghy and seconded by Philip McDonagh, and agreed as a true and correct record. The action points were reviewed and further steps by the Commission regarding 31 (9) were noted.

**AP 1: Minutes to be published on CCNI website**

**2. Conflicts of Interest**

The Chair reminded Commissioners of the Freedom of Information protocol and the need to declare any conflicts of interest prior to the meeting.

**3. Chair's Business, Correspondence and Meetings**

The Chief Commissioner indicated he had met Roy Keenan (Chair DSD Audit Committee) on 27 June 2014 as part of general engagement with the Department, and that he and the Chief Executive had attended the Chief Executive's Forum's breakfast meeting on Corporate Governance on 17 September 2014. The Chief Commissioner also highlighted a very positive event he attended in Church House, Westminster at which CCEW had

launched its Annual Report to the public. Following discussion the Board agreed to test this as a model for CCNI to develop public awareness and engagement with the charity sector. It was pointed out the BBC were filming in the Commission's offices and the Chief Commissioner would be interviewed for the Lifeline monthly charity appeal programme.

In terms of future meetings the Chief Commissioner will attend the launch of a research report by RSM McClure and Watters on 16 October 2014, and it is anticipated the Chief Commissioner and Chief Executive will meet the chair of the new Charities Regulatory Authority in Dublin.

Following a request, the Chair of the HR&R Committee updated the Board on the strategic review of HR policies, pointing out that following extensive work by officers the Commission could use the HR Connect framework to review all policies, develop a new Staff Handbook, and obtain ongoing HR support. The Board agreed to proceed with procurement for these services.

## **AP 2: Officers to progress HR Connect support for strategic review of policies**

### **4. Chief Executive's report**

The Board welcomed the Chief Executive's report as a clear and helpful summary of the current position. The Chief Executive noted the high risk of the Commission not reaching its registration targets, which underpinned the Commission's business plan, as the number and quality of responses not meeting expectations. The Chief Executive advised at this point in time appeals to the Charity Tribunal were depleting the current Legal budget, and confirmed no allowance had been made for the Commission securing costs from Trustees. Following discussion of the perception that challenges were being submitted to the Tribunal to challenge Commission decisions as a matter of course, rather than principle, the Legally Qualified Commissioner undertook to engage with colleagues in the legal profession to counter this view. The Chief Executive advised she had spoken to CIPFA regarding the Mark of Excellence award which was available, and following discussion of resourcing, it was agreed to proceed on the basis of the cost outlined by the Chief Executive, if resources are available, following proposal by Geraldine Donaghy and seconding by Philip McDonagh.

## **AP3: Legally Qualified Commissioner to engage with legal profession on appropriateness of appeals**

### **5. Issues from Audit & Risk Meeting 9 September 2014**

The Chair highlighted a concern expressed by A&R Committee members that difficulties in finalising a Trade Union recognition agreement which met Board expectations meant recommendations from Internal Audit and the agreed changes were not yet implemented after 18 months. It was agreed that the HR&R Committee would follow up on these issues as part of their strategic review of HR policies.

**a) Minutes of Meeting 11 February 2014**

**b) Minutes of Meeting 12 May 2014**

The Board noted that all actions were completed regarding the meeting of 11 February 2014, and following review of the minutes of 12 May 2014 these were proposed by Walter Rader and seconded by Brenda Maitland, and adopted as a true and correct record.

**AP4: Minutes to be published to CCNI website**

**c) Risk Register**

The Head of Corporate services outlined a series of amendments to the register following the recent A&R Committee meeting and the overall changes since the last Board meeting. Commissioners agreed to adopt the revised register subject to inclusion of legal challenges in the new risk (10), and the register was adopted following proposal by Philip McDonagh and seconded by Rosemary Connolly.

**d) NIAO Report**

Commissioners noted the NIAO report and the unqualified audit conclusion.

**6. Annual Monitoring programme manuals**

The Head of Compliance and Enquiries introduced the paper to the Board, and highlighted the overall approach. It was noted the full compliance programme workload will come into effect in 2016. During discussion of the proposed working procedure Commissioners expressed concern that the proposed areas to be examined may duplicate the work of charity auditors. The Head of Compliance and Enquiries indicated that while the Commission intended to take reliance from the work of auditors where appropriate, the Commission would still need to confirm the auditor's opinion even for large charities. During discussion of the two-phased approach, it was noted resourcing for this would be considered as part of the next strategic planning cycle, and in the meantime the priority would continue to be progressing registration. The annual monitoring programme manuals were agreed as proposed by Brenda Maitland and seconded by Norman Bennett.

**7. Participation Strategy final**

The Policy and Research Manager introduced the strategy to the Board, noting a paper on effective consultation was previously considered in June 2012. Since then the Commission have carried out several major consultations. The Board noted an 8 week consultation on the Participation Strategy ran from 6 May 2014, with 42 responses received - 10 of which were from individuals. Commissioners welcomed the positive feedback, and going forward it was agreed to strengthen links between the strategy and the Equality Scheme, and consider more interactive tools when consulting individuals, especially younger people. It was also agreed the Commission

would document and publish the decision-making process if consultations were less than 12 weeks, and to amend section 4.1 to indicate at the close of consultation the Commission would normally provide a summary report of what was asked, what consultees told us and how the Commission will respond. Subject to these minor amendments it was agreed to adopt the strategy as proposed by Walter Rader and seconded by Philip McDonagh.

**AP5: Finalise strategy, email to consultees and publish to CCNI website**

**8. Amendment to Legal Manual**

The Chief Executive introduced the paper to the Board and outlined a number of amendments including: removing email from the method of issuing an order, scheme or direction; including provision for obtaining counsel opinion when new powers are being used for the first time; and holding a pre hearing review involving officers not previously part of the decision-making process. The Legally Qualified Commissioner also requested the Commission develop a template letter of instruction to counsel, and indicated she would assist legal officers to develop this. Following discussion the amendments set out in section 2 were adopted as proposed by Rosemary Connolly and seconded by Philip McDonagh.

**AP6: Legal officers to Draft a template letter for use when instructing counsel**

**9. Possible amendment to NI Charity legislation**

The Policy and Research Manager introduced the paper to the Board and highlighted that the Commission had been approached by DSD to provide a position on whether the draft Protection of Charities Bill should be extended to Northern Ireland. The draft Bill, which was prepared by Cabinet Office, is intended to strengthen the powers of the Charity Commission for England and Wales (CCEW) in regulating charities. Commissioners reviewed the list of 10 proposals set out by the Cabinet Office for inclusion in the Bill following a consultation process. Concerns were highlighted about the impact of proposal 1, ie extending the list of criteria that trigger automatic disqualification to trusteeships for individuals with relevant terrorism related convictions. Following proposal by Geraldine Donaghy and seconded by Rosemary Connolly it was agreed to recommend to DSD that with the exception of proposal 1 the draft Protection of Charities Bill should be extended to Northern Ireland. The Board commended the staff for the paper.

**AP7: Communicate Board recommendation to DSD and request that CCNI are kept informed of developments**

**10. Review of compliance with standing orders and code of conduct.**

The Chief Executive introduced the results of her review and confirmed the view that the Board was complying with its standing orders. A review of the orders was undertaken and several changes were suggested: to amend

section 4.2 to reflect that a meeting would be held at least once a year outside CCNI premises, Lurgan; under section 4.7 that papers would be circulated at least 3 clear working days before the meeting; and that under section 4.23 that conflict of interest would be noted as withdrawal by way leaving the room or taking no part in the discussion and that the member with the conflict would be named in the minutes. The above changes were agreed following proposal by Philip McDonagh and seconded by Brenda Maitland.

**11. Annual review of Board Terms of Reference**

It was agreed to defer this item to the Board away day in December.

**12 a. Travel and Subsistence for Non-Executive Directors**

The Head of Corporate Services introduced the paper that set out options available in order to meet HMRC requirements for appropriate tax and National Insurance of Travel and Subsistence payment for Non Executive Directors. Details of the DAO (DFP 09/13) were highlighted and the Board considered 2 options with relevant pros and cons. Following discussion the Board agreed to adopt option 1 ie enter a PSA settlement agreement with HMRC, following proposal by Walter Rader and seconded by Brenda Maitland.

**AP8: Officers to progress agreement with HMRC**

**b) Budget Report**

The Head of Corporate Services briefed Commissioners on the monthly budget report noting the position at the end of August, and the projected 4% revenue overspend, which had resulted in SMT recommending an in year bid of £65k to cover Legal spend on programme related work. Commissioners endorsed this approach in light of commitments and anticipated the need to make provision for legal programme work in the second half of the year.

**C) Budget Review**

The Head of Corporate Services briefed the Board on the contingency arrangements set out as four options following notification from DSD officials that there was potential for in year and medium term budget reductions. During discussion the legally qualified commissioner highlighted that at present the assumptions used to inform the light touch review and associated business cases had under scoped the frequency and nature of challenges and the reality of Tribunal/High Court related work involved in the initial phase of registration and statutory enquiry work. In light of concerns that some of the motivation of those appealing could be to exhaust Commission resources it was agreed that the Commission should therefore future seek to recover costs, where appropriate.

**AP9: Legal Officers to seek to recover costs where appropriate**

It was also confirmed that provision for the recent pay award was included within the existing spend and Commissioners agreed if budget pressures

necessitated the CIPFA Mark of Excellence project would be curtailed and resources switched to staff training.

### **13. Investigation & Compliance Update**

The Head of Compliance and Enquiries highlighted the update and outlined cases closed and information on organisations currently under investigation. The Board noted that the USPCA had withdrawn its appeal to the Charity Tribunal against the opening of a statutory inquiry, and that the risk assessment would be reviewed in light of the new governing document that increased the number of Trustees and should counter governance risks identified. An update was provided with regard to the Disabled Police Officers' Association NI (DPOANI) case.

During the update potential conflicts of interest were declared by the Chair and Deputy Chair in relation to two organisations against which concerns had been received. They took no part in discussion of the cases.

### **14. Casework Update**

The Chief Executive introduced the casework update and highlighted the poor quality of applications being submitted, with an estimated 90% involving casework staff having to follow up deficiencies and omissions. Following discussion it was noted that during follow up work when charities did make use of the registration toolkit the quality improved. The Board therefore agreed poor quality applications would be returned to the charity and a completely new application sought. It was also agreed to feed back to charity Trustees where agents or solicitors firms had submitted poor quality applications or not reflected the registration toolkit.

In light of the fact that the Commission was not going to meet its registration targets due to the poor quality applications, it was agreed to set up a series of Commissioner led events with umbrella bodies including NICVA and consider a series of proposals to raise awareness of these supporting poor quality applications.

Commissioners noted their concern at the slowness of proposals being brought forward by the Presbyterian Church, noting that the Commission was ready to receive their application and had been awaiting proposals on their governing document for some time, and that the Commission was at a stage that it needed a more definite timetable to be agreed with several churches.

### **AP10: Commission to seek definite timetable for registration from the Presbyterian and the Methodist churches**

### **15. Quarterly update against Business plan**

Noted.

### **16. 6 monthly MSFM compliance report**

Agreed to defer to next Board meeting.

**17. Report on action plan from Board review**

Agreed to defer to next Board meeting.

**18. Autumn Board Development session**

Timing and agenda items discussed, officers to confirm final arrangements and notify Commissioners.

**AP11: Final arrangements to be made and communicated to attendees**

**19. Discussion of recent court and tribunal decisions**

Sarah Doherty, Legal Advisor, briefed the Board on recent tribunal decisions in the matter of Bangor Provident Trust Ltd and Victoria Housing Estates Ltd. Following consideration of related correspondence it was agreed the Commission would write to the charities' solicitor to establish if recent correspondence from an MLA arose as a result of Trustee actions, and follow up with the courts as appropriate. Further discussion of recent court and tribunal decisions will be deferred until 15 October 2014.

**20. Review of Hospitality Register**

Noted.

**21. Future Board agenda schedule**

Noted.

**AP12 : Dates for 2015 to be identified and circulated**

**22. Press Clippings**

The Board noted the coverage of an awareness raising event hosted by Edwards & Co which included information regarding Commission staff in error. The Chief Executive outlined the Commission's general approach to supporting events hosted by third parties in order to maximise our resources. The Board requested that support for events run by commercial organisations was kept under review and underlined the view that charities do not need legal support to complete the online registration process.

**23. Review of Meeting**

Noted.

**24. Issues for next meeting 10 November 2014**

Issues identified included 6 monthly MSFM compliance report, Report on action plan from Board review and that the meeting would start at 09.15 hrs.

**25. AOB**

The Chair undertook to progress appraisals over the next two weeks.

**AP13 : Chair to finalise Commissioner appraisals and submit to DSD**

The meeting concluded at 14:40 hrs

<b>Register of Outstanding Action Points</b>					
<b>Board Meeting and Action Point Number</b>	<b>Date Raised</b>	<b>Agenda Item</b>	<b>Action</b>	<b>Owners</b>	<b>Status</b>
31 (2)	13/05/2013	Chair's Business Correspondence and meetings.	Meeting with CCEW to be set up.	Chair	Complete
31 (9)	13/05/2013	Review of Compliance with Standing Orders	Commissioners to check indemnity wording in letters of appointment and liaise with Chief Executive re MSFM wording	Board	Complete
34 (10)	11/11/2013	Press Clippings	MOU with RQIA to be developed	HCE	Underway
37 (4)	10/03/2014	Options for developing HR Policies	Staff to progress procurement of expert HR support	HCorpS	Underway
38 (3)	19/05/2014	Review of HR policies	Officers to take forward procurement of external expertise	HCorpS	Underway
39 (2)	23/06/2014	Chair's Business, Correspondence and Meetings	HR&R Ctte Terms of Reference to be amended	Cex	Complete
39 (6)	23/06/14	Budget Report	Head of Corporate Services to break down Programme Costs	HCorpS	Complete
40 (1)	22/9/14	Minutes of Meeting 23/6/14	Minutes to be published on CCNI Website	HCorpS	Complete
40 (2)	22/9/14	Chair's Business, Correspondence and Meetings	Officers to progress HR Connect support for strategic review of policies	HCorpS	Underway
40 (3)	22/9/14	Chief Executive's Report	Following discussion of a recent tribunal appeal and actions of the charities solicitor it was agreed that the legally qualified commissioner would engage with colleagues in the legal	Rosemary Connolly	Underway

			profession to counter the view that it was a way to challenge the Commission's decision as a matter of course rather perhaps than need		
40 (4)	22/9/14	Minutes of Meeting 11 February 2014 Minutes of Meeting 12 May 2014	Minutes to be published on CCNI Website	HCorpS	Complete
40 (5)	22/9/14	Participation Strategy final	Finalise strategy, email to consultees and publish to CCNI website	Policy & Research Manager	Complete
40 (6)	22/9/14	Amendment to Legal Manual	Legal officers to Draft a template letter for use when instructing counsel.	Legal Advisors	Underway
40 (7)	22/9/14	Possible amendment to NI Charity legislation	Communicate Board recommendation to DSD and request that CCNI are kept informed of developments.	Policy & Research Manager	Complete
40 (8)	22/9/14	Travel and Subsistence for Non- Executive Directors	Officers to progress agreement with HMRC	HCorpS	Complete
40 (9)	22/9/14	Budget Review	Legal Officers to seek to recover costs where appropriate	HCorpS	Underway
40 (10)	22/9/14	Casework Update	Commission to seek definite timetable for registration from the Presbyterian and the Methodist churches.	CEX	Underway
40 (11)	22/9/14	Autumn Board Development session	Final arrangements to be made and communicated to attendees	Kathryn Jennett	Complete
40 (12)	22/9/14	Future Board agenda schedule	Dates for 2015 to be identified and circulated	Kathryn Jennett	Complete

40 (13)	22/9/14	AOB	Chair to finalise Commissioner appraisals and submit to DSD	Chief Commiss ioner	Underway
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