



**Press release**

**Minister Kyne launches Report of the Consultative Panel on  
the Governance of Charitable Organisations**

**10 May 2018**

The Charities Regulator will publish Ireland's first code of governance for charities later this year, Charities Regulator chief executive John Farrelly confirmed today.

Mr Farrelly was speaking at the launch of the Report of the Consultative Panel on the Governance of Charitable Organisations which undertook extensive research and consultation on the issue since March 2017. The panel found there was a need for a code of governance for charities, and that the Charities Regulator should produce it. The panel's 10 proposals have been accepted by the Charities Regulatory Authority.

The panel proposed that the Governance Code should be principles-based and should operate on a 'comply or explain' basis by charities. It proposed that the code's content be developed in collaboration with the charity sector and that the code should be proportionate.

The Consultative Panel brought together members with wide and varied experiences in the charities and corporate governance sector. Their deliberations were supplemented by a

public consultation process (involving almost 1,200 individuals and organisations), international research and presentations.

The Report of the Consultative Panel on the Governance of Charitable Organisations was formally launched this morning by Minister of State at the Department of Rural and Community Development, Seán Kyne.

“The panel’s proposals are the result of extensive research and consultation with charities, their trustees, the public and other interested groups,” Minister Kyne said. “Their proposals have been accepted by the Charities Regulatory Authority and will shape the new Code of Governance. This new code will play a significant role in improving the governance of Irish charities in the coming years.”

Mr Farrelly said the Charities Regulator would immediately begin work on the new code, and aimed to publish it before the end of the year. A reference group of organisations representing charity trustees, governance groups and donors would be established to provide feedback on the code as it was being developed to ensure it would be suitable for a wide array of charitable organisations, he said.

The publication of the Code of Governance would be a landmark in the development of Irish charities, Mr Farrelly said. “For the first time there will be a code which will clearly set out what is expected from charity trustees,” he noted. “Good governance is the foundation stone of a well-managed charity. It needs to be proportionate to the size of the charity and the work that particular charities do. It is clear from our work to date that a one-size-fits-all approach will not work.”

The Charities Regulator is continuing to work with the Department of Rural and Community Development to draw up reporting and accounting regulations for charities.

The [Report of the Consultative Panel on the Governance of Charitable Organisations](#) is available to download from the Charities Regulator’s website [www.charitiesregulator.ie](http://www.charitiesregulator.ie)

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#### **Notes to the editor**

- In March 2017, the Charities Regulator established a Consultative Panel on the Governance of Charitable Organisations (the ‘panel’) in accordance with section 36 of the Charities Act 2009.
- The panel made the following proposals:
  1. Rather than issuing additional regulations specific to governance, a more proportionate approach, as set out in this report, is the approval/issuing of governance guidelines or codes.
  2. There should be a new Governance Code for charities issued by the Charities Regulator to facilitate the better administration, management and governance of charitable organisations.
  3. The new Governance Code should be principles-based and should operate on a “comply or explain” basis.
  4. The content of the new Governance Code should be developed in collaboration with the charity sector.
  5. The new Governance Code should be proportionate.
  6. The Charities Regulator should promote efforts to streamline compliance and reporting duplication between State bodies.
  7. The Charities Regulator should develop and issue guidance (where possible online and/or in digital/video format) to support prospective and current charity trustees.
  8. The term of office of charity trustees should not be subject to a mandatory limit. However, the new Governance Code should include an advisory maximum limit on a ‘comply or explain’ basis.

9. The Charities Regulator should consider in the context of the new code of governance the issue of former senior management becoming charity trustees of the same organisation.
10. Further research should be conducted on the profile and number of charity trustees in Ireland.