



AIDLINK CORPORATE GOVERNANCE POLICY

Approved By Board: 14 June 2010

Updated By Board: 21 October 2014

Part I – Governance Structure

Objective: the board of Aidlink should be balanced, effective, suitably experience, dynamic and accountable to an informed membership.

1. Director Terms and Composition

- 1.1 Directors are expected to serve a minimum term of three years.
- 1.2 Under the Articles of Association of Aidlink, each director is required to submit himself or herself for re-election every three years at the annual general meeting.
- 1.3 The board should comprise of between eight and twelve members.
- 1.4 At least two new directors should be appointed in each rolling three year period and at least two current directors should step down in each rolling three year period so as to both maintain continuity and experience and enable the introduction of fresh insights to the board. If there are no voluntary retirements from the board necessary to meet this policy, the Chairman shall nominate the directors who shall next retire, taking into account the objectives of this policy.
- 1.5 Candidates for appointment to the board should be assessed based on the board's requirements for expertise from time to time: for example in the areas of development aid, finance, projects, public health, fundraising or governance. The board should comprise of a balance of expertise and disciplines.
- 1.6 Retiring directors shall be invited to become members of Aidlink, subject to approval by the board and the maximum number of members not being exceeded.
- 1.7 New directors shall be subject to a six month initial trial before formal appointment, during which time either Aidlink or the director can decide to end the individual's involvement.

2. **Membership Structure**

- 2.1 Aidlink is targeting having a total of 25 members by 2014, a maximum of twelve of whom will be the current board members at the relevant time.
- 2.2 The purpose of the membership will be to provide a forum where the performance of Aidlink and its board can be assessed in a rigorous manner at the Annual General Meeting.
- 2.3 Membership is for a seven year term, which may be renewed or extended at the invitation of the board.
- 2.4 The Annual General Meeting will include a presentation of the performance over the past year by the Chairman or Executive Director and a presentation of concrete objectives for the coming year.
- 2.5 At present the only members of Aidlink are the board of directors. It is proposed to expand the membership as follows:
 - (a) With effect from the adoption of this policy, retiring directors shall be invited to become members of Aidlink on the proposal of the Chairman.
 - (b) An additional five new members, approved by the board, drawn from people who have a past or current connection with Aidlink, but who are not current board members, shall be invited to become members by December 2010.
 - (c) An additional two new members, either drawn from retiring directors or having another connection with Aidlink, shall be appointed by the board each year until 2014.

3. **Committees of the Board**

- 3.1 Audit Committee: responsibility to meet during the preparation of the audit and to report to the board. One or two meetings per year.
- 3.2 Remuneration Committee: responsibility to conduct the employee reviews in December and make recommendations to the board regarding salaries. One meeting per year.
- 3.3 Risk Committee: responsibility to prepare a report to the board on the key risks impacting on Aidlink (for example partner & programme risk, financial risk, employee risk, funding risk). One meeting per year.
- 3.4 Director Performance Review: responsibility to assess the individual performance of board members individually and as a body and to identify expertise requirements and the assessment of board candidates. One meeting per year.

4. **Conflicts and Remuneration**

- 4.1 Directors should notify any matter in respect of which they may have a conflict of interest with Aidlink to the Executive Director whenever that conflict first arises.
- 4.2 A director may not participate or vote in any discussion at a board meeting in respect of a matter where he or she has a conflict of interest. A director shall immediately notify the meeting of the conflict when such a matter first arises for discussion.
- 4.3 Directors of Aidlink are not entitled to any fees or expenses in respect of their office and should not enter into any contract or arrangement involving payments by Aidlink to that person.
- 4.4 Aidlink shall not enter into any contracts or arrangements involving payments by Aidlink to a company, firm or person who is connected with a director of Aidlink.
- 4.5 All conflicts of interest shall be recorded by the Executive Director in the register of conflicts to be kept with Aidlink's statutory registers.

Part II – Reporting and Oversight

Objective: to ensure that the board actively monitors the strategy and performance of Aidlink and is fully appraised of organisational risks

1. **Papers to be circulated to the Board**

One week before each board meeting a pack should be emailed to the directors containing the following:

- Agenda for the meeting
- Most recent management accounts
- Draft Board minutes for the last meeting
- Executive Director's report

A director may ask the Executive Director to add further items to the agenda.

2. **Regular matters to be included in each Executive Director's report**

Matters that should be included in each Executive Director's report are as follows:

- A summary of projects approved/funded since the last board meeting
- A summary of any new partner initiatives
- Chair of the Projects Committee to discuss any point of note, key successes or significant problems on any projects
- All proposals for spending above €5,000

- A note as to how key metrics in the management accounts (such as current cash position, projected cash position at financial year end based on current projections, income/funds raised year-to-date) compared against the budget and the equivalent period in the last two years
- Update on any meetings with Irish Aid or any policy or relationship issues arising with Irish Aid
- A brief update on current fundraising initiatives and review of outcome of completed fundraising initiatives
- An update on staff development and performance

3. **Matters to be referred to the Board if they arise**

In addition to the matters for regular reporting, the following matters should be referred to the board of Aidlink:

- Any material development or problem impacting on the relationship with key partners or funders
- Any issues likely to impact on the reputation of Aidlink
- Any staff difficulties, departures or proposed appointments
- Any withdrawal of funding by any key funder or to any key partner
- Any withdrawal of partnership status
- Any improper use of funds by a partner or within Aidlink

4. **Periodic matters for Board review**

In addition to the matters for regular review, the following matters should be reviewed by the board once a year during a board meeting:

- *Budget:* a formal budget including fundraising and spending targets should be presented to the board for consideration and approval (October/November).
- *Partner Review:* the strategy and relationship with each of the seven biggest partners should be reviewed once a year (i.e. one partner per board meeting). Instead of reviewing the partners individually, other options might include reviewing all partner operations by country, or partner operations by development area (e.g. water/health/education). One meeting per year should also review the Partnership Policy.
- *Fundraising:* a formal review of fundraising strategy and policy should be conducted once a year (March/April).
- *Salary/HR Review:* a review of performance and salary levels should be conducted once a year based on the performance reviews carried out by the Executive Director and the recommendations of the HR Committee (November/December). The review should include a review of the HR Policy.

- *Risk Assessment*: a review of the material risks and threats impacting on Aidlink should be conducted once a year (September/October).

5. **Emergency Board meetings**

Any director or the Executive Director may, having discussed the matter with the Chairman request, an emergency board meeting to be called between regular board meetings.

APPENDIX I

Aidlink Governance Project

(Approved March 2009, updated June 2010)

1. Reporting of Issues and Board Oversight: implemented March 2009, reviewed March 2010
2. Training on Director Responsibilities: Training held on directors duties in 2009; *director training on new charitable codes of practice to be held in September 2010.*
3. Review of Corporate Structure:
 - 3.1 Board composition policy: adopted by approval of the Governance Policy in June 2010, following a consultation period from March to June 2010.
 - 3.2 Membership structure policy: adopted and approved by the Governance Policy in June 2010, following a consultation period from March to June 2010.
 - 3.3 Board performance reviews: *to commence in December 2010 in accordance with the Governance Policy adopted in June 2010.*
 - 3.4 Director recruitment: additional directors recruited in 2009 and 2010.
4. Sub-committee structures: committees appointed in accordance with Governance Policy in June 2010, following a consultation period from March to June 2010; *detailed terms of reference to be reviewed by the committees for approval by the board by November 2010.*
5. Assessment of Governance Standards Against Relevant Codes: *to commence in August 2010.*

APPENDIX II

Extract from Strategic Plan

2.3 Governance Strategy

Overall Objective: To ensure that Aidlink is governed in accordance with best national and international standards and meets its legislative requirements

Director Training

Objective: Directors should be fully briefed and confident as to their obligations

- A memorandum of the obligations and duties of members of the board as directors of Aidlink will be drafted and reviewed annually.
- Initiation training will be introduced for new members of the board, addressing their duties and obligations as directors of a charity and the operations and objectives of Aidlink.
- There will be an annual training session on a relevant topic for existing directors (for example, directors duties, new legislation or risk management and development topics).

Board Composition

Objective: the composition of the board should be balanced, effective and dynamic

- New members to the board shall be subject to a six month initial trial, before formal appointment, during which time either Aidlink or the director can decide to end the individual's involvement.
- The establishment of maximum terms of office for directors shall be considered for new board members; however, any such maximum terms shall not be implemented for existing board members until the board is satisfied that this will not adversely affect the expertise and skills pool currently available to the board.

Membership of Aidlink

Objective: Aidlink's membership structure shall reflect the size and needs of the organisation

- Expanding the legal membership of Aidlink beyond the board members to include former board members will be evaluated and considered. The main criterion in assessing this issue will be the practical assistance and oversight that having a small membership of experienced past board members will have on the effective functioning of Aidlink.

New Legislation and Guidelines

Objective: Aidlink will comply with the incoming charities legislation and best practice charity governance guidelines applicable to organisations of Aidlink's size

Risk Management

Objective: Aidlink will implement a more structured review procedure for organisational risk

- A board approved risk management plan, encompassing annual review meetings, will be prepared and implemented.