



**Aidlink Limited**

**Corporate Governance Manual**

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## Introduction

### Overview

This handbook provides directors of the board of Aidlink Limited (Aidlink) with the necessary information to understand their role and responsibilities with regard to the overall governance and management of the organisation.

### Aims and Objectives

Founded in 1982, Aidlink exists to improve the lives of people living in poverty in Africa. The main objects for which the company is established as a nonprofit charity are:

- i. to relieve poverty;
- ii. to take over the business of an unincorporated company known as Aidlink;
- iii. to assist in relieving poverty in the Global South by funding long-term sustainable development projects and by ensuring the full participation of local communities therein;
- iv. to assist the people of Global South countries by promoting projects including community development projects to better the living conditions of people in need and to assist persons and bodies therein involved by identifying appropriate sources of financial funding for such projects and giving emergency relief; and
- v. to liaise with national and international agencies concerned with the relief of poverty in developing countries and areas in the Global South and to engage in development education by providing channels through which information, opinions and contacts may be exchanged and communicated.

Building on the objectives of the company, Aidlink's current strategic goals are:

- i. People in target communities in Africa will be better able to secure what they need to have healthy and fulfilling lives.
- ii. Aidlink's partners will have the requisite capacity for sustainably supporting programmatic initiatives with and on behalf of the poorest communities.
- iii. Aidlink's partners will have the requisite funding to undertake programmatic initiatives with and on behalf of the poorest communities.
- iv. More people in Ireland, especially young people, will support a global, social-justice oriented agenda that advances the interests of people living in the poorest communities in Africa and elsewhere in the world.
- v. Development efforts will be strategically focused and advanced through coordinated action by a range of relevant stakeholders.

## **Board: Terms of Reference**

### **1. Legal Structure**

#### **1.1. Legal Structure and Liability**

Aidlink Limited (Aidlink) is a Company Limited by Guarantee (CLG) (limited by guarantee not having a share capital): Aidlink was incorporated on 30<sup>th</sup> July 1987 and its registered number is 124133. The members' liability is limited to the amount they have undertaken to contribute to the assets of the company, in the event it is wound up, not exceeding the amount specified in the memorandum. As a guarantee company does not have a share capital, the members are not required to buy any shares in the company. Many charitable and professional bodies find this form of company to be a suitable vehicle as they wish to secure the benefits of separate legal personality and of limited liability but do not require to raise funds from the members. Part 18 of the Companies Act 2014 refers.

An advantage of the company structure is that:

- a) It has limited liability
- b) It has a separate legal identity, meaning that it can
  - o exist forever.
  - o sue and be sued, as all assets of the company are registered in the name of the company and not individuals.
  - o Employ people and issue contracts.

The incorporated status of the company means that directors do not have liability for the company debts. The only situation in which this does not apply is in the situation of fraud or gross negligence by directors, in which case individual directors may be held responsible for debts.

#### **1.2. Charitable Status**

Aidlink is a registered charity (charity number CHY 9078) listed on the Register of Charities, Aidlink must state this fact and the charity number on all formal documents, letters and media outlets. As a registered charity Aidlink must comply with specific laws and is governed by specific charity legislation. It is the company's responsibility to ensure company details are correctly detailed, compliance ensures Aidlink is liable for beneficial taxation breaks and can undertake specific types of fundraising.

Annually under Section 52 of the Charities Act, all registered charities are required to send an activity report no later than ten months after the end of the financial year, this documents the charities annual activities, provides income and expenditure information,

and provides details of all the charities trustees. The trustees are defined as the individuals responsible for decision making within the organisation and will generally be the full board. The trustees for Aidlink are the full board of directors.

The charity trustees are responsible for the governance of their charity and should make sure that the six principles of the Charities Governance Code along with core standards and best practice are being applied. The six governance principles are;

- i. Advancing charitable purpose
- ii. Behaving with integrity
- iii. Leading people
- iv. Exercising control
- v. Working effectively
- vi. Being accountable

### 1.3. Legal Requirements for a Company

#### 1.3.1. Annual Returns

Aidlink is required to file an annual return with the Registrar of Companies (CRO). Each Annual Return must have annexed to it relevant accounts. These relevant accounts are:

- i. Balance sheet,
- ii. Income and expenditure accounts,
- iii. Directors' report,
- iv. Auditor's report.

The Aidlink annual accounts are prepared in compliance with recommended best practice namely the Charities Statement of Recommended Practice (the SORP). Aidlink has its accounts audited by an external third party professional firm of Auditors, who provide an Independent Auditors' Report. The role of ensuring this is done is that of the company secretary, and the responsibility for ensuring this is done is that of all of directors of the board.

Annual returns received more than 28 days after the company's annual return date will be liable to a late filing penalty and an additional day penalty amount accruing thereafter. The annual return date of Aidlink is the 30<sup>th</sup> September each year. This penalty is in addition to the standard filing fee. Failure to file an annual return and accounts could result in the prosecution of the company and its directors and/or the striking off of the company from the Register of Companies.

The Companies Acts contains a number of legally binding obligations which directors must ensure that both they and the company comply with. These include:

- i. Maintaining proper accounts and submitting audited accounts with the annual return,
- ii. Maintaining a register of directors,
- iii. Holding an annual general meeting,
- iv. Making annual returns to the Companies Registration Office,
- v. Notifying the Companies Office of any special resolutions and of any changes to the memorandum and articles of association,
- vi. Notifying the Companies Office of any changes in the directors, secretary, auditors or the registered office,
- vii. Keeping minutes of all meetings.

#### 1.4. Constitution

These are rules by which a company is governed and managed. Companies are required by law to have Constitution. These documents form the legal basis for the company. Essentially, the Constitution sets out the name and objectives of the company (i.e. the reason for which the company has been established).

It also sets out how the company will be governed. These documents are very important as they set out the company's rules and procedures and outline what rights directors will have in terms of having a say in how the company is run. In the event of a dispute involving the company, the courts will look to the Constitution as being the internal legal documents which govern the company's activities. All companies must lodge their Constitution with both the Charities Regulator and the Companies Registration Office, where they are publicly available.

##### 1.4.1. A review and amendments of the Constitution will be made to reflect agreements and procedures of Aidlink in the following circumstances:

- i. There is a new policy or procedure in relation to any aspect of governance,
- ii. There is a change in the mission or objectives of the organisation,
- iii. There is a change to any significant aspect of the organisation activities or structure.

The constitution will be formally reviewed by the board of Aidlink every five years. Any changes to these should be completed on a G1 form and sent to the Companies Registration Office. Aidlink solicitor will be employed to oversee any changes to the Constitution.

### 1.5 Members

The current members of Aidlink are those persons whose names are entered into the Register of Members. They are:

1. Dhruva Banarjee
2. Kevin O'Donnell
3. Marion Drumm
4. Maighread Mhic Dhomhnaill
5. Fr Brian Starken
6. Martin Tormey
7. Mick Dunne
8. Dr. Stephen Ranalow
9. Fr. Gerald O'Connor
10. Mary Scully
11. Clive Byrne
12. Philip Owende
13. Meadhbh McCann
14. Marie Moynihan
15. Gemma Grimes
16. Brendan Feehan
17. Elaine Brennan

The members of the company own the company and have ultimate authority. A minimum of 7 members is required. The company reports formally to its members once a year at the AGM. Formal notification is sent to the members of the company 21 days in advance. Each member has one vote and can attend and vote at meetings or by proxy. Membership is non-transferable; however, a member can resign from membership.

### **Directors**

Aidlink is governed by the Board of Directors and they are responsible for ensuring that the company is appropriately managed and achieving the objectives agreed by the Board. They manage the business on behalf of the members. The Directors are:

1. John Lynch (Chair)
2. Liam Byrne (Treasurer)
3. Eoghan Caffrey
4. Aishling Lennon (Company Secretary)
5. Brian Ingarfield
6. Marion Shaw
7. Sean Crowe
8. Margaret O'Donoghue
9. Ciaran O'Muirthile

## **2. Board Roles and Responsibilities**

### **2.1. Relationship Between Board of Directors and Board**

The number of members with which the Company proposes to be registered is seven but the Directors may from time to time register an increase or decrease in the number of members.

### **2.2. Directors Code of Conduct**

Directors are bound by an overriding duty, individually and as a board, to always act reasonably in the interests of the Aidlink and of its present and future beneficiaries.

All directors are equally responsible in law for the board's actions and decisions and have equal status as directors of the board. At all times, the board acts collectively, even if when an individual does not agree with the majority decision. The chairperson has the right to call a vote, although this would only be exercised when the usual consensus decision making processes have not been successful. By reading this document and agreeing to participate at board level, all directors agree to:

- i. understand their role and responsibilities as described in this document,
- ii. Understand and support the mission of the organisation, uphold the values, aims and objectives of the organisation,
- iii. Give adequate time and energy to the duties of being a director, prepare for meetings in advance, achieve attendance at three quarters or more of meetings, maintain confidentiality, avoid any conflicts of interest offer informed and impartial guidance,
- iv. Be tax compliant and have no judgements against them,
- v. Present their views on all topics and listen to those of other directors, act with integrity, and avoid or declare personal conflicts of interest.

### 2.3. Board Responsibilities

#### 2.3.1. Vision and leadership

The Board will review and ensure the relevance of the vision, values, ethical principles and strategic direction of Aidlink.

#### 2.3.2. Accountability

The Board has overall responsibility for everything that Aidlink does, including its spending and activities.

#### 2.3.3. Legal matters

The board will ensure compliance with all relevant legal and regulatory requirements<sup>1</sup> and will seek guidance around any uncertainties. All activities and processes of the board and the organisation will be in line with its governing document: the constitution or memorandum and articles of association.

#### 2.3.4. Financial responsibilities

The board will ensure that all money, property and resources are properly used, managed and accounted for.

### 2.4. Specific Roles and Responsibilities

#### 2.4.1. Chairperson

The chairperson must be one of the directors of Aidlink. An overview of the role is outlined below:

- i. To ensure the board functions properly, the chairperson is responsible for making sure that each meeting is planned effectively, conducted according to the memorandum and articles of association, and that matters are dealt with in an orderly, efficient manner. The chairperson should run the board and set its agenda. The agenda should take full account of the issues and the concerns of all board directors. The chairperson should utilise the diverse skills and expertise of all board members and 'lead the team', promoting effective relationships and open communication, both inside and outside the boardroom. This also involves regularly reviewing the board's performance and identifying and managing the process for renewal of the board.

#### 2.4.2. Secretary

The company secretary must be one of the directors of the company. The responsibilities of the company secretary are to ensure that relevant rules and regulations of the Companies Act are complied with.

- i. To ensure there is a record of all minutes,
- ii. To ensure that the company complies with its

Constitution,

- iii. To ensure that any amendments are incorporated in accordance with the correct procedures,
- iv. To maintain Statutory Registers, including: Register of Directors, Register of Directors and Secretaries,
- v. To ensure the safe custody of and proper use of the company seal,
- vi. To complete Statutory Returns,
- vii. To file information with the Companies Registration Office, annual returns, notices of appointment, removal and resignation of officers and changes to their particulars, change of registered office.

#### 2.4.3. Treasurer

The treasurer's role is to report to the full board on the financial budgeting and management systems. The final responsibility for financial management lies with the board as a whole. Duties are as follows:

- i. To review financial procedures,
- ii. To ensure that appropriate accounting procedures and controls are in place,
- iii. To ensure compliance with relevant legislation,
- iv. To ensure any recommendations of the auditors are implemented.

#### 2.4.4. Auditor

Aidlink has an appointed independent external auditor appointed at the AGM. The auditor is a professional auditing firm. The auditor needs to be re-appointed at each subsequent AGM. The auditor's main duty is to ascertain and state the true financial position of the company by an examination of the books, specifically: To report solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014.

Auditors must notify the Director of Corporate Enforcement as well as the Register of Companies should they form the opinion that a company is not keeping proper books of account or, if in the course of the auditor's audit, they come into possession of information which may point to an indictable offence under the Companies Acts. The ODCE has published guidance notes on the duties of auditors, as well as their reporting duties to the Director of Corporate Enforcement. These are available on [www.odce.ie](http://www.odce.ie).

### **3. Meeting Frequency and Structure**

#### **3.1. Frequency**

The board meets a minimum of six times per annum, and the Quorum is 4.

#### **3.2. Notification of Meetings**

It is the responsibility of the Company Secretary that meeting notification is sent by email. A copy of the agenda and minutes of the last meeting will be sent out at least one week before scheduled meeting date, by the Aidlink's executive.

#### **3.3. Agenda**

The agenda is a list of meeting activities in the order in which they are to be undertaken. The agenda is established and agreed by the chairperson. Directors can request to have issues included on the agenda by contacting the chairperson two weeks prior the meeting. The chair reserves the right to postpone any issues as seen fit. The agenda will be circulated a minimum of one week in advance of the meeting by the executive. During the meeting the chair will also provide an opportunity for directors to raise issues under 'any other business' (A.O.B). Issues are included on the agenda at the chairperson's discretion.

#### **3.4. Minute Taking**

It is a legal requirement that minutes of meetings be retained on file, and also be accessible to directors. Minutes are taken in a standard format and are approved at subsequent committee meetings as an accurate reflection of proceedings. Minutes are kept on file in the Secretary's records and will be sent out one week before the meeting.

### **4. Quorum**

#### **4.1. Quorum**

The quorum will be 4 unless otherwise fixed by the Directors. The quorum is the number of directors of the board who must be present for the organisation to conduct its business.

#### **4.2. Expectation of Attendance at Meetings and Confirmation of Attendance**

Directors are expected to make at least three quarters of all meetings in a given year. When a Board member cannot attend they should contact the company Secretary/Executive Director by phone or email as soon as possible so that a quorum can be assured. An attendance list will be maintained in the minutes.

## **5. Decision Making Process**

### **5.1. Approach**

In all cases the board aims to make decisions through consensus. This is based on the board having access to appropriate information and sufficient time for discussion and debate.

The chairperson reserves the right to move to vote where consensus cannot be reached after adequate discussion. Voting must be organised in the way outlined in 5.2. If the voting results in a tie the Chairman will have the casting/deciding vote.

### **5.2. Voting and Proxy Votes**

In the instance of a vote there should be equal time allotted for discussions of the various options. All directors have one vote. No proxy votes can be facilitated.

### **5.3. Committees**

Committees may be established to progress specific pieces of work or to focus on strategic area of the organisation, five sub-committees (The Audit and Risk Committee; The Remuneration Committee; Nominations and Governance Committee; The Programmes Committee; and Fundraising Committee) have been established. Where a committee exists specific terms of reference are established. Committees will present recommendations to the full board who will be responsible for approving any recommended actions.

## **6. Strategic and Annual Planning**

### **6.1. Strategic Planning**

The strategic plan will take direction from the organisations goals and vision, a strategy will documents the long-term direction of the organisation for a period of 5 years. The annual 'action' plan sets out how that strategy will be operationalised.

Strategic planning will be a transparent and coherent process, which includes engagement with key internal and external stakeholders. The strategy will feed into an action plan, which will identify key performance indicators (ways of proving that the project has achieved its objectives), so that it can be determined whether the goals have been met. This process will be monitored and reviewed by the Board of Directors on a regular basis.

## 7. Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs)

### 7.1. Purpose of the AGM

Every year Aidlink holds an annual general meeting between May and September. The purpose of the meeting is to:

- To elect the board for the next year,
- To make any changes to the articles and memorandum of association.
- To adopt the audited accounts
- To appoint the auditors for the next accounting year.

### 7.2. Organising and Running the AGM

The AGM is held once a year and all directors and members are invited by email. All directors should be given 21 days notice of the meeting. The quorum for AGMs is the standard for board meetings, which is 4.

Nominations for new directors of the board should be recommended by the Nomination & Governance Committee to the board meeting immediately preceding the AGM. All nominations should be proposed and seconded by directors of the board.

If any directors wish to propose changes to the articles and memorandum of association then these should be brought to the attention of the chairperson one month before the meeting. Directors should be given sufficient information and time to discuss proposals prior to a vote on making changes to the articles and memorandum of association.

The board of Aidlink will approve the annual accounts of the prior year by the end of the first quarter each year and these accounts will be adopted and ratified at the AGM.

### 7.3. EGMs

7.3.1. EGMS are formal meetings of the directorship that are called outside of AGMs. The purpose of these meeting is to agree a change in the organisation's articles and memorandum of association.

7.3.2. The period of notice, quorum and requirements for taking minutes are the same as that of the AGM.

## **8. Termination of Directorship**

### 8.1. Resignation Procedure

If a director wishes to resign from the board, the following guidelines apply:

- Notification should be made in writing to the Secretary,
- The Company Secretary will ensure that a form B10 is filed with the Companies Registration Office.

## **9. Audit of Board, Rotation and Recruitment of Directors**

### 9.1. Rotation of Directorship

The following rules govern terms and rotation of directorship:

- 9.1.1. A third of the Directors must retire each year, those who have been longest in office since last election. A retiring Director is eligible for re- election.

## **10. Induction of New Directors**

Induction to the board will occur as soon as possible after an individual has been selected to join the board. In all cases this will take place before attendance at the first meeting.

Induction is the responsibility of the chair and will involve:

- 10.1. A meeting in which the following will be introduced: the role and aims of Aidlink, its core activities, history and successes.
- 10.2. The new director will receive an induction pack which will include at a minimum:
  - A copy of the corporate governance handbook,
  - Minutes of the previous three board minutes.
  - Copy of Articles and memorandum of association.

## **11. Review and Amendment of the Aidlink Corporate Governance manual**

These will be reviewed and updated every 3 years and will be approved by the Board.

## Appendices

### i. Glossary

Agenda	The agenda is a list of meeting activities in the order in which they are to be undertaken.
AGM	Annual general meeting, this is held once a year. The main functions are the discussion of the annual report and accounts, and the re-election of directors of the board. If there is a need this is where any changes to constitution will take place
Auditor	This is an accountant who is hired by the organisation to review the organisations book-keeping and ensure it is appropriate and legal. Every organisation that is registered as a company must have an
Constitution	This is a description of what the organisation does and the limits of what it does. An organisation must work within their constitution. The constitution is formulated in the articles of association and
CRO	Companies Registration Office: the government body responsible for ensuring the organisation is operating according to the law. Every organisation which is registered needs to send in forms and accounts to this office every year.
Induction	The way that the new member is introduced to the organisation, generally through meeting staff and reading about the organisation
Memorandum and Articles of Association	This is the legal framework of the constitution and is held with the CRO. These documents state how the organisation should run and can only be changed at the AGM and EGM by special resolution.
Mission Statement	Defines the fundamental purpose of an organisation. Basically describing why it exists and what it does to achieve its 'Vision'.
Quorum	The quorum is the number of directors of the committee who must be present for the organisation to conduct its business.
Vision	Vision is a long term view, describing in ambitious terms how it sees its working in the future. The vision describes what organisation wants to be, or how it wants the world in which it operates to be.

**ii. ToR Sub Committee**

**iii. Role Description – Chair**

The chairperson has a strategic role to play in representing the vision and purpose of the organisation. The chairperson's role involves ensuring that: meetings are effectively run, all directors are able to participate, decision making is clear and transparent, and that the committee and organisation functions to standards of good practice.

**Ensure the board functions properly:**

- To plan and run meetings in accordance with the governing document,
- To ensure matters are dealt with in an orderly, efficient manner,
- To bring impartiality and objectivity to meetings and decision-making,
- To facilitate change and address conflict within the board,
- To review governance performance and skills,
- To plan for recruitment and renewal of the board.

**Represent the organisation:**

- To communicate effectively the vision and purpose of the organisation,
- To be aware of current issues that might affect the organisation.

**Qualities and skills required:**

- Sound understanding of roles and responsibilities of board,
- Good leadership skills,
- Good communication and interpersonal skills,
- Impartiality, fairness and ability to respect confidences,
- Ability to ensure decisions are taken and followed up

#### **iv. Role Description – Secretary**

The responsibilities of the Company Secretary are to ensure that relevant rules and regulations of the Companies Act are complied with.

#### **The duties include:**

- Maintaining the statutory registers including the register of directors,
- Ensuring that statutory forms are filled promptly,
- Providing directors and auditors with notice of meetings,
- Sending the Registrar copies of resolutions and agreements,
- Sending a copy of the accounts to every member of the director's meetings and general meetings,
- Ensuring that people entitled to do so can inspect company records,
- Custody and use of the company seal.

#### **Other duties:**

- To ensure that meetings such as the annual general meeting comply with the organisation's governing document and its procedures (for example, voting),
- To ensure that publications such as annual reports and accounts, and their dissemination, comply with the organisation's governing document and statutory requirements,
- To keep under review all legislative, regulatory and governance developments that might affect decision making or the organisation's operations. The company secretary has no powers under Company law but the act allows them to sign most of the forms prescribed under the act.

## **v. Role Description – Treasurer**

The overall role of a treasurer is to maintain an overview of Aidlink's financial affairs, ensuring its viability and that proper financial records and procedures are maintained.

### **General financial oversight:**

- To oversee and present budgets, accounts and financial statements,
- To ensure that appropriate accounting procedures and controls are in place,
- To ensure compliance with relevant legislation,
- To ensure any recommendations of the auditors are implemented,

### **Financial planning and reporting**

- To present financial reports to the board,
- To make a presentation of the accounts at the annual general meeting (AGM),
- To advise on the organisation's reserves and asset management,
- To advise on the financial implications of the organisations strategic and operational plans.

### **Other Useful Links**

<http://www.aidlink.ie/>

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

<https://www.wheel.ie/>

<https://www.charitiesinstituteireland.ie/>

<https://www.dochas.ie/>

<https://www.charitiesregulator.ie/media/1079/charities-act-2009.pdf>