

2016-2019



In the Community & Voluntary Sector

Procedures and Reporting Manual

2016-2019



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1. INTRODUCTION

The Scheme to Support National Organisations (SSNO) manual provides information on the procedures required to comply with your SSNO grant agreement especially:

- Grant agreement, payments and eligible expenditure
- Monitoring and reporting on your grant
- Recruitment and employment practices and procedures
- Decision making and board meetings
- Statutory regulation and other conditions placed on all recipients of public funding

The procedures in this document reflect the standard of accounting practice required of publicly funded organisations, combined with practical experience and lessons learnt by Pobal in the management of a number of programmes. They should be used by the boards of directors, managers and financial administrators of SSNO supported companies to assist the effective management and administration of your SSNO funding, and to inform your general operations as a company in receipt of public funds.

Please read this document in conjunction with the Pobal *Managing Better* toolkits *Volume 1 Good Governance* and *Volume 2 Financial Management for Community and Voluntary Groups*. The link to the documents is [here](#).

The Managing Better series assists organisations in achieving control over their finances and in establishing good financial practices, and can help ensure that you have the structures and basic procedures to meet your legal responsibilities and to be a successful board.

The Scheme to Support National Organisations is managed for the Department of Environment, Community and Local Government (DECLG) by Pobal, a not-for-profit company that manages programmes on behalf of the Irish Government and the EU.

1.1 POBAL SUPPORTS

Each grantee is assigned a Development Co-ordinator as a primary point of contact within Pobal in relation to your application, project delivery, monitoring and conditions of contract. You may also liaise with a finance officer in the event of queries relating to your grant payment. Pobal tries to assist grantees with queries and accessing additional supports that may be required. Support documents are provided mainly through the Pobal website. We may organise training and information meetings for grantees from time to time and as required. It is a requirement that grantees attend these events, when requested to do so.

2. CONTRACTING

All successful applicants will be issued with a grant agreement from Pobal subject to meeting any pre-contractual requirements and specific conditions identified during the appraisal process.

This grant agreement will cover a maximum of 3 years (01 July 2016- 30 June 2019). The initial allocation will be defined for the first 6 months of SSNO funding (July-Dec 2016), and thereafter budgets for the SSNO will be communicated to organisations on an annual basis and will be considered in the context of the annual Estimates process, subject to available resources, Government policy and Ministerial approval. The allocation of funding to individual organisations will also be reviewed on an annual basis by the Department in terms of the ongoing need for the funding.

During the projected lifetime of the funding under the SSNO, promoting organisations will be required to comply with the financial, monitoring, reporting and publicity requirements of Pobal and the Department of the Environment, Community and Local Government (DECLG). Failure to provide satisfactory evidence of compliance with these requirements will result in the withdrawal of funding.

2.1 The grant aid shall be used solely for the purposes as outlined in your grant agreement in section 1.2 (and any subsequent information you provided) to Pobal under the Scheme to Support National Organisations 2016 -2019; including the decision and any recommendations from DECLG, and or in any subsequent written agreements with Pobal during the lifetime of the grant.

2.2 Each organisation will be required to submit progress reports as required by Pobal, on the delivery of project outlined in the grant agreement in section 1.2.

2.3 Each organisation will be required to contribute and participate in any meetings, information, training or workshops, evaluations and networking activities as may reasonably be requested by Pobal.

2.4 The agreed budget is detailed in section 1.5 of your grant agreement. Grant aid is allocated on a calendar year basis. The annual profile of expenditure can only be changed with the agreement of Pobal. The approval of such changes will also be dependent on the availability of public expenditure resources. Written approval by Pobal for any significant changes to the agreed budget is required, as defined in the guidelines for grantees provided by Pobal with this agreement. Please note that Pobal are not obliged to agree to any revision of the grant agreement and any continuation of assistance.

2.5 Funding on an annual basis is subject to funding being made available through the annual Department budgetary process, performance against your grant agreement and a review of your annual financial statements. Consideration of this information will be at the discretion of the Department of Environment, Community and Local Government

2.6 If you do not spend all of the funds allocated in this grant on agreed eligible costs by 30th June 2019 (according to incurred and actually paid costs) the unspent balance will be unavailable to your organisation and if required, will be recouped by Pobal.

2.7 Any monies which Pobal deems to be ineligible expenditure will be reclaimable by Pobal. Please refer to the standard conditions of grant, Section 3 of the grant agreement for details of the full conditions that apply to the payment of grant aid, including those circumstances in which part or all of the grant aid may be repayable.

2.8 Any publicity documentation or press release or similar announcement should include acknowledgement of the Funder, the Department of Environment, Community and Local Government, and the Programme, the Scheme to Support National Organisations 2016-2019.

3. SYSTEMS AND RECORDS

All organisations in receipt of public funds must ensure that robust internal systems and procedures, books and records are in place that can evidence the accuracy and reliability of their monitoring information and financial reports submitted to Pobal. The award of a new contract for public funds presents a timely opportunity to review your systems and records to make sure that they are still fit for purpose. The Managing Better Good Governance and Financial Management toolkits, available on our website, set out the good practice standard required. The link to the documents is [here](#).

The critical areas for contract compliance are set out below.

3.1 GOVERNANCE AND DECISION MAKING

Section 8 of this manual, sets out the procedural standards required of your board in operating your SSNO grant agreement.

3.2 INTERNAL FINANCIAL PROCEDURES AND BOOKS & RECORDS

Your company must devise an internal financial procedures document specifying their practices and procedures, as well as who has responsibility for them. This document should be ratified by the board of directors. The company must ensure that responsibility for completing the various tasks outlined in their financial procedures document is clearly assigned to specific individuals, and consideration should be given to introducing formalised internal review procedures which will help to ensure that the Board's agreed financial policies are adhered to on an on-going basis. A sample template is available to download from our website. The link is [here](#).

Your company must maintain proper books of account to record the day-to-day transactions of the organisation. The main objective is to have a record of all financial transactions in a way that makes them easily accessible and that provides an accurate picture of the organisation's financial position. The books and records should record all income received and all payments made; these form the basis of the financial accounts. Your books and records include payments journal, lodgement records, receipts book, petty cash book, bank statements and bank reconciliations, payroll and Revenue records. At a minimum the payments journal must provide headings which correspond with those used in budgets and allow for comparative analysis.

3.3 INDIVIDUAL POLICIES AND PROCEDURES

We have provided guidance below on several topics that are particularly relevant to the Scheme to Support National Organisations:

3.3.1 ELECTRONIC BANKING

Electronic banking is now common practice among most Pobal grantees. The guidance note provided on our website sets out the procedures to safeguard your funds. The link to the document is [here](#).

3.3.2 TIMESHEETS

It is a requirement to keep timesheets for all staff and managers involved in your SSNO project. These timesheets should show the time spent on project activities. They should be signed by the employee and reviewed and signed off by the relevant manager on a regular basis, for example, weekly or monthly. Please refer to this [link](#) for a guide on using the timesheet and this [link](#) for a timesheet template.

3.4 DOCUMENTS TO RETAIN ON FILE

Organisations are required to retain all records after the cessation of funding/activities in line with legal and funder regulations. Funder requirements will be specified in your Pobal grant agreement. It is your responsibility to be aware of the length of time records relating to various stakeholders must be retained, as per standard conditions within your grant agreement. For Pobal, this retention period is 7 years after the end date of the funding. For other stakeholders the retention period for documents and information should be obtained from your accountant/auditor, funder, revenue commissioners etc. In no circumstances should any of the documentation be destroyed or otherwise disposed of before the relevant retention period has expired, or without the prior consent of the relevant party.

4. GRANT AGREEMENT, PAYMENTS AND ELIGIBLE EXPENDITURE

Pobal will issue a grant agreement (contract) based on the Department's funding decision. The funding represents the maximum grant for the period and payment of the grant is dependent on funding being made available to Pobal by the Department. The grant agreement (Contract) is also subject to the grantee's satisfactory performance during the term of the grant agreement.

4.1 YOUR FIRST GRANT AGREEMENT & PAYMENT

To ensure Pobal is in a position to approve the payment of your grant, it is essential that your board members read the grant agreement thoroughly, understand its provisions and address all pre-contract conditions, before signing and returning to Pobal. You will be asked to submit the following in order to secure your first payment:

- Current tax clearance access number (TCAN)
 - ❖ The Company name on the TCAN must match both that on your memorandum and articles of association (or rules) and the Pobal grant agreement
- Acceptance of the Agreement:
 - ❖ the grant agreement must be signed by two authorised signatories as set out and completed by you in the relevant Annex I to the Agreement
 - ❖ Complete the Bank Details Form in Annex II of the Grant Agreement, the first and subsequent payments will be made to this account
 - ❖ A Public Procurement Declaration must be completed and signed as per Annex III of the Grant Agreement
 - ❖ Complete Annex I of your grant agreement outlining at least 2 authorised signatories and two cheques signatories i.e. members of your Board and staff who are authorised by the Board to sign and submit documents to Pobal in relation to the funding awarded
 - ❖ Print **two copies** of this Agreement and both must be signed. Return ONE of your Signed Grant Agreements to Pobal within the specified timeframe on your cover letter. You are reminded to retain the other signed copy of the grant agreement for your records.

Insurance Indemnification

Please note the requirement outlined in your Grant Agreement in terms of Insurance and Indemnification (Standard Condition 3.6 Insurance and Indemnification). You are required to indemnify on all insurance policies Pobal and the Department of the Environment, Community and Local Government. You are not required to submit evidence of this with your grant agreement, but this may be inspected at a later date. Ensuring these items are addressed in accordance with the timelines laid down will minimise queries and delays in finalising and approving the grant payment.

4.2 PAYMENTS

The Pobal system of grant payments is intended to provide forward funding for grantees. The SSNO grant agreement payments will be made on the basis described in Section 4.3.

4.3 INSTALMENT VALUES

An initial payment of up to 100% of your 2016 budget will be made on receipt of your signed acceptance of the grant offer and the other information requested above, subject to the availability of Department funds. The balance of payments will be spread over 2016 - 2019.

Instalment values are shown below based on the three year budget supplied to Pobal. Any changes to the percentage of each instalment will be advised at the first opportunity. It is possible that in some instances the final payment of the grant of up to 10% of the total 2019 budget, may be retained and paid retrospectively. If this does not apply, the final 10% will be added to earlier instalments.

Payment	Value	When funding is available
1st	Up to 100% of total 2016 budget	Paid on receipt of signed grant agreement and when any pre-payment conditions outlined in the grant agreement have been met in full
2nd	50% of the total 2017 budget	Paid on foot of an approved Dec 2016 half year return
3rd	50% of the total 2017 budget	Paid on foot of an approved June 2017 half year return
4th	50% of the total 2018 budget	Paid on foot of an approved Dec 2017 half year return
5th	50% of the total 2018 budget	Paid on foot of an approved June 2018 half year return
6th	90% of the total 2019 budget	Paid on foot of an approved Dec 2018 half year return.
Final	10% of the total 2019 budget	Paid on foot of an approved final return (June 2019 half year return)

All Payments are subject to the availability of Department funds.

As stated above, the final payment of up to 10% of the 2019 Budget amount may be made retrospectively. This is payable on receipt of the completed and accurate final 2019 returns.

4.4 HOW TO REQUEST A PAYMENT

There are two ways to request a payment, post receipt of your 1st payment. These are as follows:

4.4.1 DRAWDOWN REQUEST

In exceptional circumstances, once you have spent 85% of the most recent instalment and 100% of all previous payments, you can submit a drawdown request to Pobal by submitting the following documentation:

- Signed drawdown request. Expenditure being reported in the period from the last half year end date to the drawdown date should be analysed over the agreed budget headings.
- Payments journal from date of last expenditure return to date of drawdown request.
- Supporting bank statement from the end of the last reporting period to the date of the drawdown request.
- List of outstanding cheques and outstanding lodgements at the period end.
- As you are paid a full six months in advance, you will not receive the full amount of the instalment as outlined in the table above, when drawing down funding using this method. You will have to wait until the next Half Year Return has been approved before you will receive the remaining funding due from this instalment.

4.4.2 THROUGH THE HALF-YEAR REPORT

Alternatively, you can wait until your next half-year finance report (HYR). If your completed HYR shows that your SSNO project has achieved the required spend of 50% of the most recent instalment and 100% of all previous payments, Pobal will release your next full payment. Most Pobal grantees choose this method for payments. The process is detailed in section 5.1.2 below.

4.5 TYPES OF EXPENDITURE

Organisations are approved for funding towards direct (salary and non-salary) and indirect costs.

Direct Costs: refer to the salary costs of a core member(s) of staff in the national organisation & the specific non-salary costs that are directly attributable to the SSNO-funded post

Indirect Costs: relate to the overheads and running costs of the national organisation.

Within the budget, applicants can claim indirect costs at a fixed flat-rate percentage, **up to a maximum of 20%, of the approved direct costs**. This percentage level (up to 20%) will be fixed over the lifetime of the grant and will be contained in your grant agreement.

As the programme has applied a flat-rate to the amount of indirect costs that can be charged to the grant, funded groups will not be required to provide supporting documentation to verify the amount of indirect costs to be included in the 6-monthly financial returns. Groups will however be required to retain evidence (i.e. invoices) of expenditure in relation to the indirect costs charged to the grant in the event of an audit/verification.

To charge an amount for indirect costs in the half-yearly report, simply enter the flat-rate % agreed in your contract onto your report and, as you enter Direct Cost transactions, this will then calculate the indirect cost charge.

4.5.1 ELIGIBLE COSTS

Direct Salary Costs

Core staff relates to posts that are considered pivotal to the operation of an organisation. In general, core staff are not directly involved in delivering services or time-bound projects on a full-time basis. Examples include: CEO, Human Resource Manager, Operations Co-ordinator, Finance Manager, Policy Officer, Membership Development Officer and Administrator.

The amount of funding requested for salary costs will depend on the level and salary of the post(s).

Full-time and part-time staff can be funded under SSNO. Timesheets for all SSNO funded posts must be held on file for review during an audit/verification visit.

Eligible salary costs include: employees gross pay, employer's PRSI and pension contribution, travel & subsistence, relevant staff training/development i.e. that is directly related to the job description.

Direct Non Salary Costs

Non-salary costs relate to those costs that are directly attributable to SSNO staff. It should be noted that the costs relating to a specific project/ programme undertaken by the core staff member are not eligible.

Non-salary costs are limited to the following under SSNO: mobile telephone for core staff that are 100% funded under SSNO, venue hire relating to the activities of the SSNO funded staff, information provision/operation of a helpline.

Indirect Costs

In the context of SSNO, indirect costs relate to those overheads that are necessary for an organisation to operate and which are generally shared with other funding streams. This will typically include the central running and administration costs of an organisation.

Examples of indirect overheads for the national office include:

Stationary/Postage; Utilities (heat, light, phone/broadband, water etc.); Rent/Lease of Premises; ICT; Website Development/Maintenance; Insurance; Security; Cleaning; Marketing and Publicity; Audit, Accountancy and Legal Fees; National Board Meetings and Strategic Planning.

4.5.2 INELIGIBLE COSTS

Samples of costs that are ineligible under SSNO are outlined below:-

- **Core Staff Posts:**
 - (1) That are fully funded (100%) through Exchequer or other funding; and/or
 - (2) For which there is a clear statutory responsibility e.g. specialist health staff (nurses, physiotherapists).
- **Project Level Costs:** that are directly incurred in implementing a specific project or programme e.g. project staff, tutors/facilitators, training materials, participant travel & subsistence etc.
- **Sub-Contracting:** delivery of a specific service by an entity that is external to the organisation.
- **Feasibility Studies and Evaluations**
- **Seed Grants:** start-up or development costs.
- **Capital:** purchase of a building (including refurbishment), vehicle, office furniture and equipment.
- **Redundancy:** for staff posts within the national organisation.
- **VAT:** (for those organisations who are registered for VAT).
- **Bank Charges:** fees, interest, fines, financial penalties

- **Costs of Litigation:** including any awards made against the organisation.
- **Retrospective Costs:** which have already been incurred prior to the notification of grant approval.
- **Sponsorship and Charitable Donations:** to individuals and other organisations.
- **Depreciation:** of fixed assets; all costs must be paid out to a third party.
- **Notional/Opportunity Costs/In-kind Contributions:** all costs must represent real costs that are paid out to a third party.

4.6 DATES FOR ELIGIBLE EXPENDITURE

Expenditure of SSNO funds is eligible on and from the 1st July 2016 to the grant agreement end date. Costs incurred prior to the 1st July 2016 are not eligible for funding. Costs incurred after your grant agreement end date are not eligible for funding. If you are unsure as to the dates of eligible expenditure please contact your Pobal Development Co-ordinator for clarification.

4.7 CHANGE OF BUDGETS

There will be one opportunity per year to formally request a significant change (a change greater than €3,000 per budget line item of your annual detailed budget) to your annual budget. You must clearly state the rationale for the change requested and set out how the project can continue to meet the intended objectives and offer value for money. This request will be considered with your December expenditure and progress report each year (half-year return).

Pobal are not obliged to agree to any revision of the project, and any continuation of assistance will be subject to the written approval of Pobal and the formal amendment to the grant agreement. Only in exceptional circumstances will significant changes to budgets be allowed outside of the one opportunity per year timeframe outlined above.

4.8 DOCUMENTS TO RETAIN ON FILE

- ☐ Copy of signed grant agreement (contract) with funder (Pobal) and notification of funding from the Department
- ☐ Signed declarations re: public procurement
- ☐ Insurance documents including indemnifications of Pobal and the funding Department
- ☐ Copy of all procedures and policies signed and approved by Board
- ☐ Tax Clearance Access Number
- ☐ Supporting documentation for all non-salary costs and indirect costs reported under SSNO
- ☐ Bank accounts details
- ☐ Payroll records including tax deductions cards, remittances to Revenue etc.
- ☐ Signed and dated management accounts
- ☐ Copy of board minutes reflecting all financial decisions and sign-off of books and records

5. MONITORING AND REPORTS

This section sets out the monitoring and reporting requirements associated with the SSNO grant agreement.

5.1 MONITORING SUBMISSIONS

Monitoring is the process which involves the regular recording and reporting of information about participants and funded activities in order to:

- Indicate how each grantee is progressing in delivering the service described in the application
- Ensure allocated funds are used for their intended purpose
- Provide data that Pobal can aggregate and analyse to generate information on the overall delivery, outputs and results of the programme.

SSNO grantees are required to submit the following set of reports to Pobal:

- Annual financial statements (audited accounts)
- Half-yearly financial expenditure reports
- Annual Monitoring Progress Report

5.1.1 AUDITED ACCOUNTS & RECONCILIATION OF INCOME AND EXPENDITURE

Each grantee must ensure that audited financial statements are prepared, finalised and approved by the board of directors, so the company's full annual financial statements (AFS) / audited accounts are submitted to Pobal six months after their respective financial year-end. Pobal will review your AFS as part of your annual monitoring.

The financial statements submitted to Pobal must include the following:

- Analysis of individual Pobal programmes income and expenditure
- A disclosure note in accordance with disclosure requirements of the Department of Finance circular 13/2014, further details of which are available [here](#).

5.1.2 HALF YEARLY FINANCIAL EXPENDITURE REPORTS

The Pobal system of grant payments and twice yearly reports (half year finance reports or HYRs) assures funders regarding use of public funding, while providing forward funding for contract holders. The payment stages are outlined above in section 4.3. SSNO grantees will be required to submit Half Year Finance reports for the 30th June and 31st December respectively. The first half-yearly report will be required for the half year ended 31st December 2016.

The submission of timely, accurate and complete half-yearly reports is part of your grant agreement obligations with Pobal. Please note that it is a condition of your grant agreement to submit a half yearly report, even if you have not incurred expenditure in that period or if you have submitted a draw down request during the period. The half-yearly reports must be submitted within 14 days of the end of the period. If your HYR shows that your area project has spent 50% of your previous payment and 100% of all other payments to date, then that will trigger the next payment due, without the need to supply a draw down request. This is the payment method preferred by most Pobal grantees.

It is always important to ensure that Pobal reports are approved by the appropriate personnel or board members in your organisation, and that all supporting documentation is attached and in agreement with the reported expenditure. This will reduce time spent in administration by you and by Pobal, and will result in quicker payments.

5.1.3 FINAL FINANCIAL REPORT

In concluding your SSNO grant agreement, you will be required to submit a final report. You can do this in one of two ways:

EITHER: your final half-year report that covers the period to 30th June 2019 can be accepted as your final expenditure report if:

- This is your final claim for expenditure incurred
- You have no outstanding eligible payments after your project end date
- You have provided sufficient evidence that all cheques outstanding at the date of the return have been presented and cashed through your bank account

OR: you can subsequently submit a “full and final expenditure report”, which will be due six weeks after the project end date of 30th June 2019. This details all eligible expenditure that was not included in the half-year report to 30th June 2019. It accounts for the remainder of project expenditure incurred before the project end date of 30th June 2019 but paid thereafter, for example, PAYE and PRSI payments to the revenue commissioners. The final report template will be sent to you about one month before the project end date. Please note that:

- All such expenditure must have been presented and cashed through your bank account. Un-cashed cheques will be ineligible
- Other than payments to revenue commissioners, no other salary costs incurred after the project end date will be eligible
- Where the final statement of expenditure is less than the total value of your SSNO grant, you will be required to waive your entitlement to the outstanding balance and return any unspent monies from your bank account. This process is often referred to in Pobal as “decommittal of funds”.
- Once we have received your final financial and monitoring reports and all outstanding queries are resolved, we will be able to issue the remaining part of your grant, up to 10% of the 2019 Budget amount (if such an amount remains to be paid by Pobal). Please ensure that you have “working capital” funds in place to cover your expenditure until the final report is approved and the final payment released.

Please note that not providing information as requested by Pobal may lead to sanctions, de-committals, recovery and refunds, as per your grant agreement Sections 3.7 to 3.12.

5.1.4 ANNUAL MONITORING PROGRESS REPORT

SSNO grantees will be required to submit an Annual Monitoring Progress Report during the contract term (01 July 2016 to 30 June 2019). The first of these reports will be due 12 months from the date of first contract issued (reporting on the period 1 July 2016 to 30 June 2017)

The Annual Monitoring Progress Report will contain:

- A profile of the SSNO organisation and information on the individuals/organisations benefiting from the funded activities under SSNO.
- An update on progress on work agreed as part of the SSNO grant agreement (which may include quantitative information on outputs delivered)
- Details on compliance with any specific contractual conditions, and any issues/challenges arising in the delivery of the agreed activities under SSNO.

Pobal will provide grantees with details on the Annual Monitoring Progress Report and guidance notes in advance of the due date for completion.

The submission of timely, accurate and complete Annual Monitoring Progress Reports is part of your contractual obligations with Pobal.

Pobal grantees must maintain accounting records in support of their expenditure returns, which provide an appropriate audit trail. Such records should clearly detail all transactions funded through SSNO. Accounting records should be printed off, signed and dated on a regular basis by a person of appropriate authority, as evidence of their review and approval.

5.2 DOCUMENTS TO RETAIN ON FILE

- ☐ A signed hard copy of the half-yearly report template
- ☐ Payments journal (cheques, direct debits, electronic funds transfers, bank charges etc.)
- ☐ Original invoices (where applicable)
- ☐ Lodgement records
- ☐ Receipts book
- ☐ Petty cashbook
- ☐ Bank reconciliation statements & bank account statements

6. POBAL AUDIT & VERIFICATION VISITS

In administering public funds on behalf of the Irish Exchequer, Pobal has a responsibility to ensure funds are spent on the purposes intended. It is the responsibility of each funded grantee to ensure that funds are spent on eligible activities, and that both the end users of the funds and the funded grantee have adequate controls in place to safeguard the funds at all times.

Pobal independently appraises the financial and administrative controls of funded grantees to ensure they comply with the public accountability requirements of the programmes they operate, using EU rules and regulations as a model of best practice. Pobal carries out this role through the audit team who continuously carry out comprehensive audits and verification visits of each of the programmes administered by Pobal.

- A verification visit is a routine visit conducted to verify the regularity and reality of activity, assets and expenditure
- An audit visit involves a more detailed and comprehensive examination of books and records, to ensure that money is spent for the purpose intended and that adequate controls and safeguards are in place

6.1 RIGHT OF ACCESS

Pobal, the Department of the Environment, Community and Local Government, and the Comptroller and Auditor General, and their agents have a right of access at all reasonable times to enter on any property owned or occupied by the funded company, and to inspect and take photocopies of all records relating directly or indirectly to the Pobal grant monies.

6.2 CONDUCTING THE AUDIT/VERIFICATION

The audit/verification is carried out at the company's premises. The length of the audit/verification varies, depending on issues such as the length of the period being audited, the number of programmes being audited, the complexity of the company etc.

If a previous audit/verification visit was carried out, the auditor will check that the recommendations of the previous audit/verification visit have been implemented. If these recommendations were not implemented satisfactorily, the audit report will highlight this.

A major part of the auditor's work is to examine the financial records that the funded grantee has used to prepare the expenditure reports to Pobal, and the audit trail (i.e. the 'paper trail' or direct link) from the records to the reports. In doing this, the auditor will assess the accuracy of the reports, the eligibility of spending, and the classification of spending in the reports. Similarly, the auditor reviews the adequacy of the accounting systems and related internal controls that the funded grantee operates, to ensure that the public funding is safeguarded and spent on eligible activities in keeping with the terms and conditions of the providers of funding (e.g. this would typically include the opening and maintenance of bank accounts, delegation of duties to staff members, etc.).

When the auditor has finished the fieldwork, he/she will normally hold an informal post-audit meeting with the CEO/Manager. In certain circumstances Pobal may request a board member to be present.

6.3 THE FINAL AUDIT/VERIFICATION REPORT

The audit/verification report is issued to the chairperson of the board of directors and the findings are set out under two specific categories, i.e. A and B. The category **A** findings are key issues which need to be addressed within the framework of specific action plans, whereas the category **B** findings are additional weaknesses identified which merit attention but are considered less significant. Pobal requires that a full-unabridged version of the audit/verification report is circulated to the company's board members in advance of their next board meeting, and considered at that meeting. Each grantee is asked to submit a written response to the audit/verification report, which includes a reasonable timescale for addressing any weaknesses identified.

6.4 FOLLOWING THE AUDIT/VERIFICATION

Pobal considers in detail the reply sent by the grantee in response to the audit/verification report. Depending on the reply, and on the particular circumstances of the audit/verification and the grantee, Pobal may then consider the audit/verification complete and satisfactory or request further clarifications/assurances from the grantee on a number of issues. If a grantee fails to adequately respond to requests for specific information, etc. arising from an audit / verification, Pobal reserves the right to take additional follow up action by way of sanction in certain circumstances as appropriate.

7. RECRUITMENT AND EMPLOYMENT

The recruitment and employment procedures set out in this section are intended to provide evidence that the grantee is observing the specific employment criteria and restrictions, as set out in the application guidelines of the Scheme to Support National Organisations, *and* the general HR standards that are required in publicly funded employment. The link to Pobal *Managing Better* toolkit *Volume 3 Human Resources for Community and Voluntary Groups* is: [here](#).

7.1 RESPONSIBILITY OF THE GRANTEE

The provision of employment is an important element of the programme. The SSNO grantee is the employer of all posts supported by SSNO and is responsible for determining the following:

- Contract of employment
- Ensuring the eligibility of individuals to hold SSNO supported posts
- Determination of the hours of full and part-time posts
- Terms and conditions of employment
- Duration of contract
- Salary scale and remuneration policy
- HR policies
- Holidays
- Grievance processes
- Retaining an employment file for each individual

7.2 CONTRACT OF EMPLOYMENT

It is a requirement to ensure there is a signed contract of employment for each SSNO funded employee. Pobal produces a recommended, standard model contract of employment which is available to download from our website under the Employment section. The links are:

- [Sample Indefinite Term Contract \(Part-Time\)](#)
- [Sample Indefinite Term Contract](#)
- [Sample Fixed-Term Contract \(Part-Time\)](#)
- [Sample Fixed-Term Contract \(Full Time\)](#)

It is not necessary to use the Pobal contract template, should a contract document already be in place. Some programmes and public funders require that a contract of employment be renewed and signed annually. This is not a specific SSNO requirement but can be considered good practice. Some Pobal funded employers include a clause in the contract indicating that the post is subject to the continuation of funding.

7.3 TRANSPARENT AND FAIR RECRUITMENT PRACTICES

Pobal requires that recruitment be fair and transparent. This means that posts must be advertised and filled through a competitive process. It is the responsibility of the grantee to decide how best and where to advertise e.g. local press or radio. Other media used by grantees include

- <http://www.localemploymentservices.ie/>
- <http://www.ildn.ie>
- <http://www.jobsireland.ie/>
- <http://www.activelink.ie/content/community-exchange>

The Employment Equality Acts 1998 and 2004 recommend that a positive action statement is included in job advertisements, in order to ensure full equality in practice. The suggested wording is “We particularly welcome applications from.... for example lone parents, Travellers and people with disabilities.”

Please retain evidence of your recruitment processes: the advertisement and where it was placed, which candidates were shortlisted for interview, the membership of interview boards and results of the interview process.

7.4 RETAINING EMPLOYMENT RECORDS – CHECKLIST

The following checklist summarises the employment documents that you must keep on file for each employee in a SSNO supported post:

- ☐ A signed contract of employment for each SSNO funded worker which specifies the number of working hours per week
- ☐ Job description for each SSNO supported post
- ☐ Evidence of transparency of recruitment processes (e.g. advertisement)
- ☐ Records of recruitment procedures (as set out above)
- ☐ Evidence of hours worked e.g. time sheets or other type of record. These should be signed by manager and employee at regular intervals e.g. weekly

8. PROCEDURES FOR BOARDS OF MANAGEMENT

All the procedures and systems required in managing public funds are set out in this manual and must be applied, monitored and reviewed by the board of each grantee's company or co-operative. The quality of your corporate governance and decision-making is therefore fundamental to your grant compliance. Some main points are therefore set out below that highlight (a) the compliance requirements made of boards of companies by Irish Company Law and (b) good practice in decision-making.

You are also encouraged to read and apply Pobal's *Managing Better Volume 1 Good Governance* toolkit that provides guidance on good practice in corporate governance in the non-profit sector. All Pobal grantees are encouraged to read and apply the practices recommended. The link to the document is [here](#).

8.1 GOVERNING DOCUMENTS

Each grantee is a recognised legal entity and operates under the rules and regulations of their memorandum & articles of association, or rules in the case of co-operatives, as well as the Companies Acts 1963 to 2014. The memorandum sets out the aims of the company, its powers to carry out these aims, a statement that the liability of members is limited and the names and addresses of the first members. The articles set out the rules on how the company is run, including items such as the election of directors, rotation of directors, roles of officers, keeping accounts, meetings, quorums, etc. Although these are usually drafted in dry, legalistic language, they are essential documents to the operation of a company and essential reading for managers and directors. It is advisable to keep a copy of the memo & articles (or rules) at hand during board meetings.

8.2 DIRECTORS

It is important that each company director is aware of Irish company law requirements and ensures that they are up-to-date in complying with them. Failure to comply with company secretarial obligations can result in prosecution and fines for both the company and the directors personally, strike off of the company from the Companies Register, and disqualification of the director from acting as a director in other companies. For detailed guidance on the responsibilities of directors, visit the website of the Director of Corporate Enforcement at www.odce.ie.

8.3 COMPANY SECRETARY

The directors of every limited company must appoint a company secretary, who can be one of the directors or a member of staff. The company secretary's role is to ensure that the company keeps to the company rules as set out in the articles of association, including the requirements of the Companies Office. There are quite a few such requirements, and it is important that the company secretary is very familiar with the relevant obligations and with the company's own articles of association. Further guidance on the company secretary's role is available on www.odce.ie. For more information, see section 4 of the following publication click [here](#).

8.4 POLICIES & PROCEDURES

The board of directors of each SSNO funded organisation is ultimately responsible for safeguarding the assets of their company. The board of directors should ensure that all significant decisions that affect the company are discussed and approved at board level and documented in the minutes of the meeting.

The board of directors must document and approve the policies and procedures that are adopted and used by them, their managers and staff members, for example, the internal financial procedure document outlined in section 3.2 above. This will help ensure that the financial resources allocated to them through Pobal's programme contracts are being used effectively and prudently in accordance with public accountability requirements. In particular, the grantee's documented policies and procedures must ensure that value for money is always sought and achieved.

8.5 REPORTING TO THE BOARD, DIRECTORS AND MINUTES

In order to discharge their statutory and contractual obligations, it should be a normal part of your Board's business to consider, decide on and formally record the following (including but not exhaustive):

- Consideration of regular management accounts
- Key financial decisions including changes to staff remuneration, changes to budget, authorisation of new bank accounts, cheque book and electronic signatories, significant purchasing decisions
- Operating policies e.g. apportionment policy where multiple programmes /funding contracts are in place, reserves policies and financial procedures
- Actions taken to meet conditions of the grant agreement or audit findings (from your own auditor, Pobal's audit section or other inspectors)

Each grantee must keep minutes of all board and sub-committee meetings. The minutes must document all financial decisions. They should be clear, concise, impartial and free from ambiguity. The minutes must clearly list the names of directors present and other advisors or observers in attendance. The minutes should be signed and dated by the chairperson following their review and acceptance. The minutes should be filed in logical order and any documents discussed at the meeting (e.g. management accounts) should be filed along with the minutes. For more information, see section 5 of the following publication, click [here](#).

8.6 CODE OF CONDUCT

It is good practice that the directors comply with the Ethics in Public Office Act, which requires a general ethos for all directors including loyalty, integrity, fairness, impartiality and independence, etc. The link to the Ethics in Public Office Act is [here](#). It is considered national and international best practice that all companies have a documented Directors' code of conduct. For more information, see section 7 of the following publication, click [here](#).

8.7 DISCLOSURE OF INTERESTS AND CONFLICT OF INTEREST

Each grantee must have documented procedures that enable them to identify situations where there may be possible conflicts of interest with any director, the company secretary or a key staff member. If a conflict of interest arises the company must ensure the nature of this interest is formally disclosed and the conflict must be addressed and resolved, and is not allowed to persist in a manner that would have adverse effects or perceived adverse effects for the company.

Aside from the company law obligations, it is in any event recommended as best practice that where a conflict of interest arises in a matter being discussed, that the individual should formally declare the nature of their interest and absent him/herself from the discussion on the matter. The minutes must record that this was done.

Please note section 3.15 of the SSNO grant agreement, and that all grantees will also be required to sign a public procurement declaration which includes conflict of interest.

8.8 BOOKS AND RECORDS TO RETAIN

- ☐ Agendas of meetings
- ☐ Reports and papers circulated with the agenda and tabled at meetings
- ☐ Minutes of the meeting, signed by the chairperson
- ☐ Standing orders

9. STATUTORY AND OTHER COMPLIANCE

9.1 DATA PROTECTION

Companies controlling or processing data on individuals must register their company with the Data Protection Commission as data processors or data controllers or both, depending on what they do with the information. Data protection compliance is an essential legal requirement for all companies. It is best to put data protection procedures in place before problems occur, to avoid legal liability, negative publicity and cost of regulatory enforcement. At the very least, the company must have a policy in place. Information may only be retained for as long as the purpose for which it was collected remains. If that purpose ceases, the personal data should be deleted, or made anonymous to remove any identifying characteristics if it is desired to use the information for another purpose such as research etc. An excellent source for information is the Data Protection Commission. Please visit their website: www.dataprotection.ie for further information.

9.2 FREEDOM OF INFORMATION

As a public body, Pobal comes under the legislation of the Freedom of Information (FOI) Acts 1997, 2003 and 2014. These Acts impose various duties on Pobal and give certain rights to individuals to access the records of the public body concerned and reasons for decisions made by the body. Pobal will hold records about your company and these will be subject to FOI requests. As a matter of courtesy, Pobal will inform you if records pertaining to your company are being released. If, at the time of providing information to Pobal, your company considers certain information to be commercially sensitive, confidential or of a personal nature and should not be subject to FOI, there is a need to identify the relevant information and specify the reasons for its sensitivity. The Freedom of Information Act 2014 states that companies in receipt of large amounts of public funding will be subject to compliance with the legislation. Please visit the Freedom of Information's website for more information. Here is the [link](#).

9.3 ACCOUNTING FOR STATE BENEFITS

The employer must claim sick/maternity benefit in respect of employees in SSNO supported posts when applicable. If the employer decides to pay an individual their full salary while on sick/maternity leave, benefit must be payable to the company and set off against any SSNO grant amount. This must be clearly indicated in the Pobal finance return. Pobal is obliged to recoup any amounts which have not been duly set off.

9.4 APPOINTMENT OF YOUR EXTERNAL AUDITOR

Where a statutory auditor is appointed, the grantee must ensure that a letter of engagement is in place, and includes the following additional provisions/clauses:

- The need for the auditors to familiarise themselves with the public accountability requirements of the various programmes the grantees administer.
- An all-inclusive audit fee, agreed in writing at the commencement of each audit.

9.5 INDEMNIFICATION

As per condition as a grantee, you must indemnify Pobal and the Department of the Environment, Community and Local Government throughout the life of your Pobal contract. We recommend that you leave a note on file with your current insurance policy to ensure that the indemnification is continued when you renew your policy or change insurers.

9.6 CONNECTED PARTIES

Pobal may require sight of financial statements and governing documents of connected companies / companies under common control. This will help us assess viability and capacity of an applicant or grantee.

9.7 PUBLIC PROCUREMENT

You must sign and return a declaration to abide by public procurement regulations. Click [here](#) for the link to the public procurement declaration form.

9.8 VAT REGISTRATION

You must advise and supply details of VAT registration where held.

9.9 PUBLICITY & LOGOS

It is also a condition of Pobal's grants that you use the Pobal logo in printed material and websites. The link to the Pobal logo is [here](#).

There is also the following standard condition of grant aid, which is included in all SSNO grant agreements as follows:

"Any publicity documentation or press release or similar announcement should include acknowledgement of the Funder, the Department of the Environment, Community and Local Government and the Programme, the Scheme to Support National Organisations 2016-2019"

9.10 ACKNOWLEDGEMENTS

SSNO grantees are required to acknowledge the support of the Scheme to Support National Organisations and the Department of the Environment, Community and Local Government in their literature, including websites and other media.

9.11 CHILD PROTECTION GUIDELINES

The state child protection and welfare guidelines “*Children First*” were updated and revised in mid-2011. If your organisation works with children, please ensure that you read and understand the guidelines and that the recommended child protection arrangements are in place in your organization. Further information and details are available from the Department of Children and Youth Affairs: www.dcy.gov.ie.

9.12 COMPLIANCE WITH LAWS AND PUBLIC REQUIREMENTS

It is required that companies funded through the SSNO programme are fully compliant with all laws applicable to their organisation including (but not limited to) the following:

- Tax legislation – payment of taxes & compliance with tax laws
- The Company must be registered with Charities Regulation Authority and maintain evidence of same on file.
- Organisation of Working Time Act 1997 – working hours and annual leave/break entitlements
- Irish Pension Regulations – provision of access to PRSA
- National Minimum Wage Act – payment of staff
- Companies Acts –filing of returns, holding of AGMs etc.

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Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government

