



**Pobal**

**Youth Cafés Capital Programme 2013  
Guidance**

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**Procedures and reporting manual**

***1<sup>st</sup> Edition***  
***December 2014***

*Information and instructions on the procedures required to  
comply with the terms of a Pobal / YCCP grant agreement.*

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## 1. INTRODUCTION

The Youth Cafés Capital Programme (YCCP) manual provides information on the procedures required to comply with your YCCP grant agreement especially:

- Payments and eligible expenditure
- Monitoring and reporting on your grant
- 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 YCCP supported organisations (companies) to assist the effective management and administration of your YCCP, 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 Youth Cafés Capital Programme is managed for the Department of Children and Youth Affairs (DCYA) 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 organise training and information meetings for grantees from time to time. It is a requirement that grantees attend these events, when requested to do so.

## 2. CONTRACTING

All successful organisations will be issued with a grant agreement from Pobal subject to meeting any pre-contractual requirements and specific conditions identified during the application and appraisal process. The maximum period of any grant agreement issued will be September 2015 as all funding must be spent and reported to Pobal by this date.

During the projected lifetime of the funding under the YCCP, promoting organisations will be required to comply with all financial, monitoring reporting and publicity requirements of Pobal and the Department of Children and Youth Affairs, specifically those included in the grant agreement and those outlined or referenced in this manual. 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 application (and any subsequent information you provided) to Pobal under the Youth Cafés Capital Programme 2012 and 2013; including the decision and any recommendations from the Department of Children and Youth Affairs (DCYA) and the activities, outputs and outcomes contained in this agreement or in any subsequent written agreements with Pobal during the lifetime of the grant.

2.2 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.

2.3 The agreed budget is detailed in section 1.6 of your grant agreement. The budget reflects the total project costs; the grant awarded by DCYA and includes any matched funding outlined in your application and pre contracting phase of this funding process. The final instalment of your grant will only be paid when evidence of the payment of the total project costs has been submitted to the satisfaction of Pobal.

2.4 Clause 8.11 of your grant agreement states that you must provide Pobal with full and signed annual financial statements / audited accounts. We request that these are submitted to Pobal four months after the financial year end. Pobal will review these annual financial statements, with a view to gaining assurance of the company's continuing financial viability.

2.5 Any monies which Pobal deems to be ineligible expenditure will be reclaimable by Pobal. Please refer to the general conditions of the grant agreement, part 7, as well as condition 13, sanctions, condition 14 de-committal, conditions 15-17 on termination, recovery and refunds within the grant agreement that apply to the payment of grant aid, including those circumstances in which part or all of the grant aid may be repayable.

2.6 Any publicity documentation or press release or similar announcement should include acknowledgement of the Funder, the Department of Children and Youth Affairs and the Youth Cafés Capital Programme 2013.

## 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 7 of this manual, sets out the procedural standards required of your board in operating your YCCP 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. As a minimum the payments journal must provide headings which correspond with those used in budgets and allow for comparative analysis.

### 3.3 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](#).

### 3.4 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, in terms of Pobal, this retention period is 6 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 ensure that the following have been submitted in order to secure your first payment:

1. The return of both copies of your grant agreement signed by two of your authorised signatories. This must also include completion of annex IV authorised signatories of the grant agreement.
2. Submit evidence of meeting all pre-contract and pre-payment conditions. In summary these include:
  - a) A current tax clearance certificate (TCC). The company name on the TCC must match the legal name of the company and name included in the memorandum and articles of association (or rules); certificate of incorporation and the Pobal grant agreement. Your TCC must also be up to date, failure to submit an up to date TCC will affect your grant payments. Please check the date of your TCC submitted with your application and re-submit to Pobal if necessary.
  - b) A signed financial controls and bank account details form. This template was provided by Pobal as part of the pre-contracting process.
  - c) A signed public procurement declaration form. This template was provided by Pobal as part of the pre-contracting process.
  - d) Evidence of complying with any project specific pre-contract conditions or pre-payment conditions for example:
    - Signed lease agreement for a minimum of 5 years
    - Evidence of ownership of the proposed building for use as a youth café
    - Signed capital quotes/budget template
    - Confirmation in writing from the chairperson that the youth café will remain open for a period of 2 years after receipt of the final payment
    - Evidence of match funding is in place for completion of the project within the agreed timeframe
    - Evidence that change of use for the premises to be used for the youth café has been granted by the relevant authorities or individuals
    - A satisfactory project plan for the youth café has been submitted.

Ensuring these items are addressed in accordance with the timelines laid down will minimise queries and delays in finalising and approving the grant payment.

#### **Insurance Indemnification**

Please note the requirement outlined in your grant agreement in terms of insurance and indemnification (section 11 of the grant agreement). You are required to effect and maintain all insurances and indemnify on all insurance policies Pobal and the Department of Children and Youth Affairs. You are not required to submit evidence of this with your grant agreement but this will be inspected at a later date.

## 4.2 PAYMENTS

Your full grant will be drawn down over two instalments. The first instalment of 90% is paid when pre-payment contract conditions are met and the signed grant agreement has been received by Pobal. The final instalment of 10% is paid when the project is completed and the full project expenditure (as outlined in your quotes/budget template) is reported to Pobal. The following is an example of how this might work in practice:

Group A submitted their quotes/budget template at the pre-contract phase showing a total project cost of €90,000. This is funded by way of a Youth Cafés Capital Programme grant of €50,000 and the groups own funds of €40,000. The first instalment of 90% is paid when pre-payment contract conditions are met and Pobal has received the signed grant agreement. This group will receive €45,000 at this point.

The final instalment of 10% is paid when the project is completed and the expenditure of €90,000 is reported in line with the costs listed in the quotes/budget template. The group will receive a second and final payment of €5,000. In affect the final 10% is paid as a reimbursement of payments that have cleared the bank account.

## 4.3 ELIGIBLE EXPENDITURE

The Youth Cafés Capital Programme requires that the funding awarded is for the capital costs for the establishment of a new youth cafés i.e. for refurbishment or building enhancement, fixtures & fittings, equipment and professional fees.

- The youth café grant must be spent per your approved quotes/budget template (please refer to section 4.5 change of budget). It cannot be spent on any other items. In the event that any of the funding is not spent for the purpose for which it was approved, Pobal will pursue recovery of those funds from the grantee
- The grantee should expect to be the subject of a site visit and an audit/verification from Pobal
- Please note Pobal will not reimburse cash payments to suppliers
- All payments must appear on a bank statement or credit card statement and must be supported with a valid invoice
- Payments should only be made based on a valid supplier invoice. It must be on the supplier's headed paper; show the date, description of the good/service, net price, VAT and supplier's VAT number. The invoice must clearly show the name and address of the youth café organisation
- You must ensure that all contractors you engage have a valid tax clearance certificate, before making a payment to them
- VAT is deemed an ineligible expenditure for those organisations that are registered for VAT and can claim it back from the Revenue Commissioners
- Bank charges cannot be claimed from the grant

Should you have any concerns regarding the eligibility of planned expenditure please contact your Pobal finance officer for clarification in advance of incurring expenditure?

## 4.4 DATES FOR ELIGIBLE EXPENDITURE

Expenditure of YCCP funds is eligible from the issue date of the grant agreement. This date is found on page 1 of your grant agreement.

Costs incurred prior to this date are not eligible to be claimed from the grant. The exception to this is professional fees (e.g. architect, engineer or quantity surveyor), which are eligible during Phase 2 of the pre-contract process.

The project must be completed by 30 September 2015. Costs incurred after this date are not eligible to be claimed from the grant.

If you are unsure as to the dates of eligible expenditure please contact your Pobal development co-ordinator for clarification.

## 4.5 CHANGE OF BUDGET

There is an opportunity to change your budget. The budget that Pobal will work from, is the budget detailed in your quotes/budget template, which was approved at the pre-contract stage, and is detailed in section 1.6 of your grant agreement.

### When will a change of budget be needed?

A change of budget is needed, if you plan to spend any funds (either grant funds or own funds) on items that are not included in your current approved quotes/budget template.

### When should a change of budget request be submitted?

A change of budget request should be submitted to Pobal in advance of any actual expenditure on new costs. The change of budget must be approved by Pobal in advance of any spending on the new costs. Pobal are not obliged to agree to any revision of the project.

### How is a change of budget prepared?

You must make the necessary changes to the current quotes/budget template i.e. remove suppliers that will no longer be used, add new suppliers or alter the amount charged by a supplier. The template will now show the revised details of your youth café project.

Where a new supplier is used or the amount relating to an existing supplier changes, a new quote will be needed. Please note that public procurement procedures must be followed at all times.

### How is a change of budget request submitted?

The following must be submitted by e-mail to [youthcafe@pobal.ie](mailto:youthcafe@pobal.ie)

- An amended and signed quotes/budget template
- Copy of new quotes
- Written rationale for the change of budget
- Confirmation that the new quotes/budget template has been approved by the Board of Directors
- Where, the total cost of the project has increased, evidence will be needed that own funds are available to meet the increased costs

### What happens next?

Pobal will review the change of budget request and will notify you if the request has been approved.

If approved, you can begin to spend funds on the new costs. On the next expenditure report that you are completing, the new budget must be entered as the current grant budget.

### Example

Your current quotes/budget template states that all fixtures & fittings will cost €4,910 and all equipment will cost €3,585. The individual suppliers that make up these totals are listed on the quotes/budget template and you will have submitted a supplier quote for each cost item.

However, as the Youth Café project progresses, it is decided that additional expenditure on fixtures & fittings is needed, with less being spent on equipment.

You must source quotes for the additional fixtures & fittings needed. Once the new quotes have been received, the quotes/budget template can be amended. Details of the new quotes are added under the fixtures & fittings heading. The costs no longer needed under the equipment heading are removed. The new quotes/budget template must be approved by your Board of Directors. This quotes/budget template is submitted to Pobal, along with the items listed above. Pobal will review the change of budget request and if approved, you can spend funds on the new cost items.

#### **4.6 DOCUMENTS TO RETAIN ON FILE**

- Copy of signed grant agreement (contract) with funder (Pobal)
- Signed annual financial statements (AFS)
- Approved quotes/budget template and related quotes & tenders
- Signed public procurement declaration form
- Insurance documents including indemnifications of Pobal and the funding Department
- Copy of all procedures and policies signed and approved by Board
- Tax clearance certificate
- Financial controls /procedures
- Bank account details
- Copy of board minutes reflecting all financial decisions and sign-off of books and records

## 5. FINANCIAL AND MONITORING REPORTINGS

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

### 5.1 FINANCIAL AND 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 on the approved work plan
- 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.

YCCP grantees will be required to submit monitoring data to Pobal (the details of which have yet to be confirmed).

- Annual audited financial statements
- Half yearly financial expenditure reports
- Monitoring Data

### 5.2 AUDITED ACCOUNTS

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 four months after their respective financial year end.

The financial statements must also be in accordance with disclosure requirements of the Department of Finance circular 17/2010 further details of which is available [here](#). Pobal will review your AFS with a view to gaining assurance of the company's continuing financial viability.

### 5.3 HALF YEARLY FINANCIAL EXPENDITURE REPORTS

The objective of the reporting process is to ensure that the Youth Café Capital Programme funding, awarded by the Department of Children and Youth Affairs, is properly accounted for. Pobal has moved to an online reporting system and now requires expenditure reports to be submitted online. Each grantee is required to submit online, an expenditure report for the periods ended:

- 30<sup>th</sup> September 2014
- 31<sup>st</sup> March 2015
- 30<sup>th</sup> September 2015

You must submit an online expenditure report from the period in which you receive your first grant payment. For example, if you received your first grant payment in September 2014, then you must submit the expenditure report for the period ended 30<sup>th</sup> September 2014, even if no expenditure has been incurred. If you receive your first grant payment in October 2014, then the first expenditure report you must submit will be for the period ended 31<sup>st</sup> March 2015.

The deadline for completing your project is 30<sup>th</sup> September 2015. The online expenditure report consists of a number of areas including contact information, original budget information, details of payments made to period end and checklist for submissions of capital report.

Further details are available on the Pobal website. Please refer to this [link](#) for guidance notes on how to complete an online expenditure report. The on line expenditure report is specific to your organisation. Prior to accessing it online, you will require a password and username. Pobal will ask you to confirm the e-mail address which you will use as the username. Pobal will then issue you with a password. The username and password will give you access to your expenditure and monitoring online returns. While the returns are separate, they must both be completed and submitted by the dates notified to you for the reporting period/s set out above.

The submission of timely, accurate and complete 6 monthly 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. Please note the half yearly reports must be submitted within 2 weeks of the end of the reporting period.

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 concurs with the reported expenditure.

Please note where there is no expenditure in the period, the report must still be submitted. To submit the report, there must be at least one document attached to the report. Further details are available on the online expenditure guidance note.

If you have concerns about any aspect of the online expenditure report, please email [youthcafe@pobal.ie](mailto:youthcafe@pobal.ie) or contact your Pobal finance officer.

The following are examples of different expenditure return timeframes, in the first example the project finishes within the agreed timeframe and in the second example the project finishes early.

#### **Example 1 – This project finishes on time - September 2015**

Group 1 received their first grant payment in September 2014. No expenditure has cleared their bank account in the period up to 30<sup>th</sup> September 2014. In this situation the group must submit a September 2014 expenditure report, to show that there were no payments made during this period.

In this example, the project actually commences in January 2015. Therefore the next expenditure report due, is for the period ending 31<sup>st</sup> March 2015. This must be submitted showing all payments for the period from when the project commenced to 31<sup>st</sup> March 2015. The project finishes in September 2015 therefore the next expenditure report must be submitted showing all payments for the period from 1<sup>st</sup> April 2015 to 30<sup>th</sup> September 2015. Please note all expenditure reports are due into Pobal within two weeks of the end of the reporting period.

#### **Example 2 – This project finishes early - before September 2015**

Group 2 received their first grant payment in September 2014. In this situation the September 2014 expenditure report must be submitted, showing any expenditure that cleared the bank account in the period up to 30<sup>th</sup> September 2014.

If the project is completed early, for example on 31<sup>st</sup> January 2015, the March 2015 expenditure report can be submitted earlier than March 2015. This report will show expenditure which has cleared the bank account in the period 1<sup>st</sup> October 2014 to 31<sup>st</sup> January 2015. As the project is completed early, the final expenditure report for September 2015 will not be required.

## **5.4 HALF YEARLY MONITORING REPORT**

YCCP grantees will be required to submit monitoring data to Pobal the details of which are currently under review.

Some examples of what monitoring data to be collated will include:

- Numbers and profile of individuals/organisations benefiting from the funded activities undertaken
- An update on progress per action agreed as part of the YCCP grant agreement, including quantitative information on outputs delivered
- A narrative report on compliance with any specific contractual conditions, any issues/challenges arising in the delivery of the agreed activities

Guidance notes on what is to be collated, when this will be collected from YCCP grantees and how to complete your monitoring report will be communicated to all once discussions on this have concluded.

The submission of timely and accurate monitoring data is part of your grant agreement obligations with Pobal.

## 5.5 FINAL MONITORING REPORT

Grantees will be required to complete an end of project report. The timeframe for this submission is October 2015 which is immediately following the end of YCCP programme date. Further details of this report will be communicated to groups at a later date.

## 5.6 DOCUMENTS TO RETAIN ON FILE

The grantee shall (within its accounting records and its audited accounts) separately record all monies received including the grant, and all monies expended or liabilities incurred, relating directly or indirectly to the project. Documents to retain on file are:

- Payments journal (cheques, direct debits, electronic funds transfers)
- Record of credit card payments
- Lodgement records
- Receipts book
- Bank reconciliation statements & bank account statements
- Invoices relating to the youth café project
- Bank/credit card statements relating to payment of the invoices

Pobal grantees must maintain accounting records in support of their expenditure reports which provide an appropriate audit trail. Such records should clearly detail all transactions funded through YCCP. 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.

In summary, please note that technical support regarding the online reports is available to all Youth Café funded groups. If your group has any problems accessing the online report or have lost a password, you can contact [onlinesupport@pobal.ie](mailto:onlinesupport@pobal.ie) or 01 5117222. Any queries regarding the programme itself or budget changes should be sent to [youthcafe@pobal.ie](mailto:youthcafe@pobal.ie). Queries on the expenditure report should be directed to your Pobal finance officer and those on monitoring to your Pobal development co-ordinator.

## 6. POBAL AUDIT & VERIFICATION VISITS

In administering public funds on behalf of the Irish Exchequer and the EU (where applicable), 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 Children and Youth Affairs 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. 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, company or co-op. 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](#).

### 7.1 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 2013. 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. The Companies Bill 2012 is due to be enacted in 2014. Organisations should engage professional advice to make any necessary changes to their companies' constitution necessary under the newly amended Act.

### 7.2 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](http://www.odce.ie).

### 7.3 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](http://www.odce.ie). For more information, click [here](#).

### 7.4 POLICIES & PROCEDURES

The board of directors of each of each YCCP 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 operated 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.

## 7.5 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, click [here](#).

## 7.6 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 <http://www.irishstatutebook.ie/1995/en/act/pub/0022/index.html>. It is considered national and international best practice that all companies have a documented Directors' code of conduct. For more information, click [here](#).

## 7.7 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. Please refer to condition 8.15 of the grant agreement, general conditions which states that you cannot spend any portion of the grant in circumstances which would represent a conflict of interest without prior written authorisation from Pobal.

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.

## 7.8 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

## 8. STATUTORY AND OTHER COMPLIANCE

### 8.1 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](http://www.dataprotection.ie) for further information.

### 8.2 FREEDOM OF INFORMATION

As a public body, Pobal comes under the legislation of the Freedom of Information (FOI) Act 1997 and 2003. The Act imposes various duties on Pobal and gives 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 Bill 2013 when enacted states the 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: <http://foi.gov.ie>.

### 8.3 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:

- Auditors must familiarise themselves with the requirements of the Department of Finance circular 17/2010. Please refer to section 5.2 for further details in this regard
- 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

### 8.4 INDEMNIFICATION

As per condition a grantee, you must indemnify Pobal and the Department of Children and Youth Affairs throughout the life of your Pobal grant agreement. We recommended 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.

### 8.5 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.

## 8.6 PUBLIC PROCUREMENT

Please note that you signed and returned to Pobal the public procurement declaration form as part of the pre-contracting process and therefore you must adhere to this. Please click [here](#) for the link to the public procurement declaration form.

## 8.7 VAT REGISTRATION

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

## 8.8 PUBLICITY & LOGOS

It is also a condition of the grant that you use the Pobal logo and the logo of the Department of Children and Youth Affairs in printed material and websites. The link to the Pobal logo is [here](#). The link to the Department of Children and Youth Affairs logo is [here](#).

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

“Any publicity documentation or press release or similar announcement should include acknowledgement of the Funder, the Department of Children and Youth Affairs, Youth Cafés Capital Programme 2013”.

## 8.9 ACKNOWLEDGEMENTS

YCCP grantees are required to acknowledge the support of the Youth Cafés Capital Programme 2013 and the Department of the Children and Youth Affairs in their literature, including websites and other media.

## 8.10 CHILD PROTECTION GUIDELINES

The state child protection and welfare guidelines “*Children First*” were updated and revised in mid-2011. If your organization 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](http://www.dcy.gov.ie).

## 8.11 COMPLIANCE WITH LAWS AND PUBLIC REQUIREMENTS

It is required that companies funded through the Youth Café Capital 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
- 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.

Please note section 8.5 of your grant agreement-general conditions, which state that the grantee shall comply at all times with all applicable laws including without limitation all legal and regulatory requirements applicable to the grant, the project and the operation of its business. Therefore the onus is on the grantee to identify and comply with all relevant and appropriate regulatory and legal requirements in relation to the purpose of the grant.

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