

Address by Mr Kevin McCarthy, Secretary General, Department of Rural and Community Development. Carmichael Good Governance Awards 2018

6 p.m., 15 November 2018, Davy House, Dublin

Good evening, ladies and gentlemen.

I want to begin by thanking the Board of Carmichael and Diarmaid Ó Corrbuí, the Chief Executive, for inviting me to be a part of this prestigious awards ceremony. It's a great honour and great pleasure to be a part of an occasion of celebration like this.

The Department of Rural and Community Development is delighted to be associated with this event. Our mission is to promote rural and community development and to support vibrant, inclusive and sustainable communities throughout Ireland.

As part of this, we have a particular mandate to support the community, voluntary and charity sectors. And to work with them to strengthen their capacity to contribute to civil society, recognising the

huge scale of activity and the enormous collective contribution of this to our overall well-being as a society.

Protecting, sustaining and growing the contributions of charitable, community, voluntary and other non-profit organisations is a core strategic purpose of the Department. And building and protecting public trust in the activities of the sector is a fundamental part of that.

Tonight is a really important opportunity therefore to highlight and recognise some of the excellent work that is underway to develop governance standards in non-profit organisations.

Although trust has been damaged in recent years by high profile cases of poor governance and mismanagement, these cases constitute a tiny minority.

We can't allow this tiny minority to shape public perceptions of the non-profit sector. Unfortunately however, we know that public trust is fragile. It takes time and effort to build and it can be destroyed all too easily and with very damaging consequences.

The Irish Charities Engagement monitor demonstrates the scale of the fall-off in the level of public trust in charities over the last six years.

Over that period, public trust went from a high of 74% down to a low of 43%. This is sobering and underlines the fragility. On the positive side, the same research does point to the beginnings of a recovery of trust over the last year or so.

As taxpayers and as donors, we are all entitled to know that our money is being used appropriately and used well. That places a premium on good information and transparent practice.

There is a deep and very basic importance therefore to the effort here to promote and improve good governance in the non-profit sector and to acknowledge best practice.

The vast majority of non-profit organisations are committed to actively improving governance controls. Their boards and trustees take their responsibilities very seriously. It is important for public assurance that this message is communicated and understood.

Many organisations, including several of you represented here tonight, have distinguished themselves in driving reform, and in displaying real leadership in the pursuit of best practice standards.

Tonight is about recognising this leadership. It is also about showcasing and recognising exemplars in the sector.

Let's be honest here. Leadership in the field of governance can be a bit unexciting when stacked against visible leadership on other fronts in broader society - in developing communities, in delivering on the front line to those who need help.

However, as you all appreciate, strong financial management systems and robust governance controls are essential for success on wider fronts. Non-profit organisations cannot survive where they're shrouded in doubt, or where any questions linger over staff or their operations.

Excellence in governance is indicative of a broader culture of excellence in any organisation. It reflects quality people, quality

services and, most importantly, a high quality impact on those that an organisation seeks to serve.

This is why the work that is reflected in tonight's event is so important.

Annual reports and financial statements are a real opportunity for organisations to go beyond tick-box compliance; to engage with stakeholders; to communicate their work, to invite comment and questions.

This opportunity should be embraced. Non-profits should be eager to demonstrate how they are managing their responsibilities, how they are complying with the relevant legislation and regulations and what they are delivering. But transparency in reporting goes further. It can be a valuable communication tool for an organisation to grow public confidence and support and to make value statements.

These value statements are important internally as well as externally. The confidence, morale and motivation of staff and volunteers relies on transparent leadership.

And culture spreads.

Sharing best practice, engaging with other organisations across the sector, and supporting training, development and learning opportunities are all vital to the diffusion of best practice.

I want to acknowledge the leadership that is being shown on this front by Carmichael and indeed by others represented here tonight.

As most of you know, a new Charities Governance Code was launched last week by the Charities Regulator, which aims to promote best practice for the benefit of the sector and the public. The Code is the result of an extensive consultation process. It seeks to provide proportionate and realistic requirements for charities and their trustees.

It reflects the fact that an important part of the Regulator's work is the protection of the sector and the organisations that work within it. It is in everyone's interest that we can weed out dishonest and immoral individuals who frankly do not belong in the sector and that we

support those who are working to the common goal of a well-run, open and trustworthy sector.

Non-profit organisation shouldn't see the new Code as creating new obstacles or distractions from doing their valuable work in the community. On the contrary, they should see it as a resource and assistance to them in this work.

I know that the Charities Regulator will endeavour to make this very clear, and I'm confident that organisations will quickly come to recognise the value of the code.

In addition to these regulatory developments, the Department has given policy commitments to build support for volunteers, for community and voluntary organisations generally and for social enterprise.

We will shortly be consulting on a draft social enterprise policy. Minister of State Sean Canney has also given a commitment to the development of a volunteering strategy. And we will shortly be

commencing a consultation process in preparation for the proposed new strategy.

And work is ongoing, in partnership with the sector, on the development of an implementation plan for the Framework Policy on Local and Community Development.

The challenge is to ensure that the various supports, strategies and policies in place are aligned and complementary in enabling organisations to deliver on their mission and in supporting the sector to realise its full potential.

Before I conclude, I want to reiterate my congratulations to the Carmichael Centre on their initiative in supporting these awards. I want to thank the other partner organisations and supporting organisations involved also. To acknowledge them by name: Davy, Governance Online, Mason Hayes and Curran, Mazars; Boardmatch Ireland, Charities Institute Ireland, Dochas, Enclude, The Wheel and Volunteer Ireland.

I also want to commend each of the judges and volunteer assessors for giving their time and expertise so generously.

It's very encouraging to see that the overall number of entries is up on last year and I understand that there are a good number of new entrants in the frame also.

This signals a very welcome recognition of the fundamental importance of governance controls to the success of the work of organisations across the sector – large and small.

Organisations don't provide services in the community in isolation. Behind them are sources of advice and support like Carmichael and the Charities Regulator. Staff, trustees and volunteers in non-profits should never hesitate to turn to these resources when in need of support.

We are very fortunate in this country to have such a truly dynamic non-profit sector, complete with thriving networks engaged in identifying and addressing governance issues and developing and implementing solutions.

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This willingness to engage in governance best practice is vital for sustaining and developing the sector - to the direct benefit of wider society.

I want to congratulate all of the entrants and award recipients tonight for your commitment to this.

It's my hope that your message of commitment to high quality governance can resonate with the wider public, and be met with appreciation. The often unseen and unheralded work that is being undertaken to develop strong governance standards within the non-profit sector merits acknowledgement and I'm delighted to have this opportunity to join in acknowledging it this evening.

Thank you.

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