

CONSULTATION REPORT ON THE SUPPORT NEEDS OF THE NONPROFIT SECTOR

March 2021



a consultation by Sheila Cahill Consulting on behalf of



Carmichael.

supported by



An Roinn Forbartha
Tuaithe agus Pobail
Department of Rural and
Community Development

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Foreword

Carmichael and The Wheel carried out this wide-ranging consultation with the community and voluntary sector across Ireland to establish what training and support is needed by organisations of different sizes and in different locations, what types of supports are currently being accessed and how they could best be organised and developed to enable these organisations to meet the challenges they face. As two of the largest providers of training and supports to the sector we decided to work in partnership to undertake this important consultation.

This report contains the results of extensive qualitative research carried out with organisations representing the full diversity of our sector as well as policymakers, regulators and funders. We hope that the information in the report will assist not just Carmichael and The Wheel, but all infrastructure organisations in designing the supports and training that they will offer in the future.

In the context of the COVID-19 crisis, the sector, now more than ever, needs a range of appropriate and tailored supports to play its part in building a sustainable future for communities all over Ireland.

We wish to acknowledge the support of the Department of Rural and Community Development in co-funding this important study.

Finally, we would also like to acknowledge the work of Sheila Cahill in carrying out such an extensive consultation and producing this very valuable and timely report.



Deirdre Garvey
Chief Executive
Officer
The Wheel



Diarmaid Ó Corrbuí
Chief Executive
Officer
Carmichael

Executive summary

Purpose of consultation

The consultation was commissioned by Carmichael and The Wheel, co-funded by the Department of Rural and Community Development and carried out by Sheila Cahill, an independent consultant. The purpose of this qualitative research was to establish the support needs of nonprofit organisations in Ireland by: examining the needs of organisations of different sizes and in different locations; establishing what supports are currently being accessed; and identifying how supports could be best organised and developed to enable nonprofit organisations to meet the challenges they are facing. There is significant complementarity between this research and *Research on Appraisal of Upskilling Employees in the Nonprofit Sector*, carried out by Indecon Economic Consultants.

Methodology

In order to achieve a comprehensive and representative view of such a diverse sector's challenges and support needs, the methodology comprised a review of recent desk research of relevance to the nonprofit sector, key stakeholder interviews and focus groups. A total of 26 interviews took place with stakeholders from government departments, statutory bodies and funders as well as national and local nonprofit support providers. The focus groups were made up of staff, board and committee members and volunteers from national, regional and local nonprofit organisations and took place in Carlow, Castlebar, Cork, Dublin and Navan. In total, 19 focus groups were carried out, with 116 attendees representing 81 organisations. The focus groups took place in February and March 2020 and came to an end as the first measures to control the COVID-19 outbreak were being put in place, enabling this report to provide a pre-COVID snapshot of the Irish nonprofit sector. Capturing the diversity of the sector in terms of the types and sizes and locations of organisations as well as how they do their work was key; and participation was secured from organisations across the whole spectrum of the nonprofit sector, including: community development, publicly funded service providers, charities, volunteer-only local community associations and social enterprises.

Findings: Challenges

The most frequently mentioned challenge is, unsurprisingly, financial resources, with specific problems including: the general lack and insecurity of funding; rising costs; the time-consuming and frustrating nature of the funding process; and specific issues with the current statutory funding model. These challenges are clearly having negative impacts in creating uncertainty and making it very difficult to plan effectively, as well as demoralising board members, staff and volunteers who often feel their time is being wasted. Another significant challenge is being felt in relation to regulatory compliance, with the multiplicity of demands and the cost of compliance creating what is seen as an overly onerous burden.

The recruitment and retention of board members is cited as another challenge, with some linking this directly to the challenges of funding and compliance requirements. Recruiting new board members is seen as particularly difficult in rural areas. Recruiting and retaining staff members is also difficult, resulting in staff and volunteers being spread too thinly across a number of roles. Mental health issues and burnout are repeatedly identified as challenges for both staff and volunteers. A number of organisational issues are also identified as challenges, including: maintaining a clear focus on purpose; managing organisational change; measuring impact; managing accountability; internal communications; and a lack of knowledge across a range of technical issues.

For some participants, the very nature of the relationship between the nonprofit sector and the state is a significant challenge with difficulties being experienced in the impact of government policy

on their work, a lack of consistency between government departments or a perceived lack of understanding or respect for the work of nonprofits. Some pointed to an ideological gap in terms of the role that the sector should play in the provision of services on behalf of the state.

Findings: Support

Participants demonstrate awareness of a wide range of available support, which fall into four broad categories: National sectoral support organisations; Locally delivered support, both statutory and nonprofit; National statutory support and funders; and National sub-sector support organisations. In terms of accessing available support, a number of barriers are identified, with the most frequently mentioned being: cost; time; lack of information; and access issues.

When asked to identify what improvements are needed to help meet the challenges being faced, participant responses fall into three categories: subject areas; type and structure of support; and changes required in the external environment. Specific subject areas where support is needed are collated in the report under the following headings: Starting up; Planning; Funding; Governance; Financial management; Staff management; Volunteer management; Legal; Impact measurement; Technology; Communications; Policy; Collaboration; and Sectoral work. In this report, these subject areas have been identified as the support agenda for the nonprofit sector.

Participants identify three main types of support: information; ongoing support and training. In relation to information, improved access is a significant issue at a local and national level as well as methods of signposting that help and guide people who are unsure about the specific information they need. A wide range of ongoing support methods are identified: advice and guidance; templates; hand-holding; consultancy; mentoring; access to professional services in specialist areas; and shared services. Training also featured strongly as an important type of support, with participants making a variety of suggestions in relation to access and quality. Networking and Technology are seen as both methods of providing support and areas where support is needed.

In relation to the external environment, participants make a significant number of suggestions in relation to financial resources and compliance with many, though not all, mirroring recommendations made in some of the desk research. Some participants identify a need for a more strategic approach to the use of technology in the sector, requiring more effective partnerships between the sector and the state.

Conclusions

The broad picture emerging from the consultation is of a sector increasingly struggling with: reducing financial resources and increasing demand for services; shortages of staff and volunteers with the necessary skills; the need for increasing investment in governance and severe shortages of board members in some areas; and ever-increasing compliance demands. The issues being dealt with by the nonprofit sector are large and complex and the sector relies on the precious resource of people's time to fill the gap left by inadequate financial resources. While the ongoing Covid-19 crisis has underlined the need for the nonprofit sector in many ways, it is also likely to result in a period of economic uncertainty that will exacerbate many of the challenges that the sector faces.

The consultation has identified a support agenda for the sector and participants are clear that better information, on-going support and training are required across that support agenda at local and national levels. They want to see support that is based on national and international best practice, tailored to recognise the diversity of organisations in the Irish nonprofit sector and delivered by those with a strong understanding of the nonprofit sector. This report makes specific

recommendations for the nonprofit sector and the statutory sector that outline the actions required in order to meet the support needs of the sector. It also recognises the range of new strategies and initiatives that have been developed by the Department of Rural and Community Development, which point the way towards delivering the supports that this report identifies as needed by the sector.

The nonprofit sector is founded on the principles of self-help – people getting together to make life better for their communities and society. When the sector looks to the state for support, it is in order to do better in achieving better outcomes for communities and societies. What it needs is the support to help itself.

1 Introduction

This consultation was undertaken by Carmichael and The Wheel working in partnership. It was co-funded by the Department of Rural and Community Development on a matched-funding basis. The consultation was carried out in order to establish the support needs of nonprofit organisations in Ireland. The intention was to examine the support needs of organisations of different sizes and in different locations, to establish what supports are currently being accessed, and identify how supports could best be organised and developed to enable these organisations to meet the challenges they are currently facing.

The purpose of this consultation was to provide:

- Evidence of the nature and scope of the challenges faced by the sector
- An analysis of the problems that the sector's support infrastructure needs to address
- Information about the support that is currently being accessed by the sector
- An outline of the options for the sector's support infrastructure in addressing these problems.

It was recognised that there are some common assumptions about the challenges that the nonprofit sector faces such as:

- Nonprofit organisations are under increasing pressure from funders to be innovative and collaborative, to generate more income and 'do more with less'. At the same time, the demand for services from beneficiaries continues to grow and service level agreements become more complex and restrictive, resulting in a drop-off in funding for some.
- The increase in the regulatory obligations facing nonprofit board members in general and charity trustees in particular (for example, the establishment of the Charities Regulatory Authority, the requirements for Garda vetting of volunteers and staff, the registering of lobbying activity, General Data Protection Regulation (GDPR) requirements, service level agreements with statutory funders, the register of Beneficial Owners and the new Charities Governance Code) are having a negative impact on those responsible for governance and management within the sector.
- There are skills and capacity gaps at both staff and board level. Staff sometimes struggle at an operational and management level in delivering on organisational purpose and in providing support to the board in meeting its obligations. Boards sometimes struggle to lead, oversee and monitor organisational impact, effectiveness, efficiency and compliance.

This consultation set out to test these assumptions in order to provide an evidence-informed definition of the 'problem' in regard to sector support needs and make recommendations in relation to possible solutions. Carmichael and The Wheel's commitment to publishing the report in full will also inform other sector support organisations, funders and regulators in their efforts to support the sector.

It should be noted that the research element of this consultation came to an end as the first measures to control the COVID-19 outbreak were being put in place, with the final focus groups taking place on 12 March 2020, which was the day that the schools and colleges were closed.

The contributions of the people who took part in the key stakeholders interviews and the focus group meetings must be acknowledged, with thanks to them for giving their time and insights so generously. Thanks are also due to the staff from Carmichael and The Wheel, as well as the local representatives and volunteers who took part as focus group facilitators when it became evident that the desire to participate in the focus groups outstripped expectations.

The contribution of the Department of Rural and Community Development to this consultation report must also be acknowledged, both in terms of providing matched-funding and in their involvement in the process. This is further evidence of their commitment to engage with the nonprofit sector, to continue to build relationships based on mutual respect and understanding and to fulfil their strategic role in helping to sustain rural and urban communities.

2 Methodology

2.1 Desk research

The consultant reviewed the following documents:

- *Sustainable, Inclusive and Empowered Communities: a five-year strategy to support the community and voluntary sector in Ireland 2019-2024*
Published in August 2019 by the Department of Rural & Community Development
- *National Social Enterprise Policy for Ireland 2019-2022*
Published in July 2019 by the Department of Rural and Community Development
- *Working Draft of Volunteering Strategy 2020-2025*
Draft for public consultation published in December 2019 by Department of Rural and Community Development
- *Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services*
Published in February 2019 by the Department of Health
- *Report of the Consultative Panel on the Governance of Charitable Organisations*
Published in 2018 by the Charities Regulator
- *Compliance Report 2018*
Published in June 2019 by the Charities Regulator
- *Report into the Potential for a 'Charity Passport' Facility for Charity Data in Ireland*
Prepared for the Charities Regulator by Indecon International Economic Consultants and published in November 2019
- *Draft Report on Research on Appraisal of Upskilling Employees in the Nonprofit Sector 2020*
Commissioned by The Wheel and produced by Indecon Economic Consultants, for publication in December 2020.

A review of the desk research can be found in Appendix One.

2.2 Key stakeholder interviews

From January to March 2020, 26 phone interviews were carried out with key stakeholders involved in the support infrastructure for the nonprofit sector. The stakeholders included government departments, statutory bodies and funders as well as national and local nonprofit support providers. A list of these stakeholders can be found in Appendix Two.

2.3 Focus groups

During February and March 2020, 19 focus groups were carried out with nonprofit organisations. The original plan had been to carry out five focus groups in total, to take place in Navan, Carlow, Castlebar, Cork and Dublin. However, the numbers of people who wished to take part were such that three or four focus groups were held at each meeting, facilitated by the consultant, staff of Carmichael and The Wheel and a number of volunteer facilitators. The meeting in Dublin was co-hosted by Carmichael and The Wheel and the other focus groups took place at regional meetings already scheduled by The Wheel. They were attended by a total of 116 participants, representing 81 organisations. In addition, some members of the Carmichael Chairs' Network requested the

questions being put to the focus groups, and responses from three Chairs are included in the findings from the focus groups. This gives a total of 119 individuals from 84 nonprofit organisations who took part in this phase of the research.

2.4 Note on terminology

For the purposes of this report, the consultant has used the term ‘nonprofit’ to describe the sector as a whole. Definitions of the sector and even a title for the sector have been problematic for many years, both nationally and internationally. The sector is diverse in terms of the issues it deals with and the size and type of organisations that are involved. The term nonprofit is not ideal for a number of reasons: it does not apply to all organisations that fall under the social enterprise umbrella. Some social enterprises do operate on a for-profit basis while aiming to achieve a social, societal or environmental impact. Additionally, the term does include organisations like universities, schools and voluntary hospitals, which are not regarded as the target beneficiaries of the type of support provided by the nonprofit infrastructure. Nevertheless, the term ‘nonprofit’ has been chosen as the widest possible one that has meaning for the highest number of organisations requiring the type of support examined in this consultation.

The term ‘sector’ has been used within the report to indicate issues that apply to, or service providers that work with, all nonprofit organisations. The term ‘sub-sector’ has been used to indicate specific issues such as childcare or homelessness, specific fields of activity such as sport or the arts or specific business models e.g. social enterprise.

The term ‘board member’ has been used to denote the member of the governing body of a nonprofit organisation as the one most widely used throughout the nonprofit sector as a whole. For all registered charities, board members are synonymous with charity trustees.

The term ‘support needs’ has been used to denote all types of upskilling, knowledge-enhancing or experience-building measures that nonprofits may need in order to fulfil their organisational purpose. This includes information, advice, ongoing support and access to professional services, as well as training.

Under the term ‘support needs’ a large majority of the stakeholders and focus group members consistently added ‘funding’ to the types of supports and training described in the previous paragraph. This report, therefore, also includes ‘funding’ as and where it was used by consultees. Although funding enables access to various types of support, it should be noted that funding in itself is not skills or capacity building and in that sense is not the focus of this report.

The term ‘all-volunteer organisation’ denotes an organisation that does not employ any paid staff.

In order to more accurately reflect the feedback received, terms such as ‘community and voluntary sector’, ‘charities’ and ‘trustees’ and the distinction between support and training have been retained when reporting on the findings where these were the terms used and the distinction made by key stakeholders and focus group participants.

3 Findings - challenges

3.1 Challenges

The starting point for this research were assumptions in relation to financial pressure, increased regulatory compliance requirements and skills and capacity gaps at board and staff level. Issues in these three areas were indeed the most frequently cited throughout the consultation process and will be dealt with first. Two further themes were also identified, namely organisational issues and the relationship of organisations with the state. These are dealt with at the end of this section.

It should be noted that this section is confined to a presentation of the findings and does not contain any commentary from the consultant.

3.1.1. Financial resources

Assumption: Nonprofit organisations are under increasing pressure from funders to be innovative and collaborative, to generate more income and 'do more with less'. At the same time, the demand for services from beneficiaries continues to grow and service level agreements become more complex and restrictive, resulting in a drop-off in funding for some.

Problems in this area are reflected in the desk research and clearly identified in the findings of the consultation. An overall funding shortfall is a constant theme in the focus groups with a number of participants making reference to rising demands. Statutory funders talk about cuts to their own budgets during the last recession that have never been restored and which have resulted in ongoing under-funding among service providers. The insecure nature of funding is another significant theme with much criticism of annual funding and late notice of funding decisions. In the findings and the desk research, there are specific references to the need for funding to cover the actual cost of providing services (including the cost of financial reporting itself) and a need for the certainty and sustainability provided by multi-annual funding arrangements.

Rising costs are also identified as an issue. Very obviously, insurance costs have significantly increased in recent years, but the costs involved in governance, administration and securing funding also feature and, in particular, the disproportionate impact that these costs have on smaller organisations.

The most pressing concern for most focus group participants, after the general lack and insecurity of funding, is the time-consuming and frustrating nature of the funding process itself. Lack of clarity regarding criteria, inconsistency in funders' decision-making and a lack of usable feedback are all reported as challenges.

Some consultees express specific concerns with the current statutory funding model. There is a view that organisations reliant on state funding lack autonomy and are less likely to challenge the state. There are also concerns about the way in which the current public procurement process can specifically disadvantage social enterprises and the difficulties faced by many nonprofits competing with private providers as part of the commissioning process for health and social care services.

As far as the starting assumption is concerned, the findings indicated that nonprofit organisations are under pressure to generate more income and do more with less, largely due to the fact that cuts made during the last recession had not been reversed in the face of the growth in demands over the same period. The level of under-funding relative to costs is making it increasingly difficult for

organisations to deliver services on the ground and meet the increased compliance requirements expected of them. In some cases, more complex service level agreements and increasing competition have resulted in organisations losing funding or choosing to opt out of some types of service delivery.

It is also clear that these funding challenges have a number of negative impacts that go beyond the starting assumption. The level of difficulty that organisations are having with the funding process itself wastes significant amounts of time and has a demoralising effect on board members, staff and volunteers. The lack of multi-annual funding creates uncertainty about the future, undermines job security and makes it difficult to be strategic and plan effectively. The only element of the starting assumption not reflected in the findings is that there is pressure from funders to be innovative or collaborative. While the findings indicate a desire to be innovative and collaborative, the tone of the focus group feedback would indicate that many nonprofit organisations are more concerned with survival and lack the time and the money to be as innovative or collaborative as they would wish.

3.1.2 Compliance

Assumption: The increase in the regulatory obligations facing nonprofit board members in general and charity trustees in particular (for example, the establishment of the Charities Regulatory Authority, the requirements for Garda vetting of volunteers and staff, the registering of lobbying activity, GDPR requirements, service level agreements with statutory funders, the register of Beneficial Owners and the new Charities Governance Code) are having a negative impact on those responsible for governance and management within the sector.

Issues in relation to regulatory compliance feature heavily in the findings and there is no doubt that board members and staff are struggling with this. There is a recognition of the need for regulation and a willingness to comply, but a common theme is that the sheer multiplicity of demands is creating an overly onerous burden. There are issues in relation to the appropriateness of some of the information being sought, as well as the fact that a number of agencies are looking for similar information but require it to be presented in different formats to meet their own specific needs.

The cost of compliance is identified as a significant issue in the desk research and this is reiterated by focus groups and stakeholders. There are indications that staff members are spending an increasing amount of time on meeting regulatory compliance demands, with some organisations taking on staff specifically for this purpose. The point was made on a number of occasions that regulatory compliance is a fixed cost and therefore disproportionately affects smaller organisations. The process of compliance is also an issue, with organisations struggling with jargon, unhelpful online systems and poorly explained changes to requirements.

A number of specific references are made to the Charities Governance Code by focus group participants and stakeholders. There are positive contributions in terms of the importance of good governance and the usefulness of the code in spelling out what needs to be done. It is also clear that many organisations, particularly smaller and all-volunteer groups, are concerned about the amount of time that will be needed to comply and are fearful of the consequences of failing to comply. Difficulties with GDPR in relation to restricting referral information and internal communications and the lack of streamlining in the Garda vetting process (i.e. individual volunteers needing to be vetted separately for each organisation they wish to volunteer for) are also mentioned by focus group participants.

The starting assumption in relation to the impact of regulatory compliance has clearly been borne out by the findings with the negative impacts including: increasing costs; the amount of time being

taken away from service delivery, strategic thinking or other activities necessary for sustainability, such as fundraising or volunteer recruitment; and duplication of effort, time-wasting and unnecessary stress. There is some evidence that board recruitment is suffering and that some organisations have closed as a result of the regulatory burden.

3.1.3 Skills and capacity gaps

Assumption: There are skills and capacity gaps at both staff and board level. Staff struggle at an operational and management level in delivering on organisational purpose and in providing support to the board in meeting its obligations. Boards struggle to lead, oversee and monitor organisational impact, effectiveness, efficiency and compliance.

There is evidence of skills and capacity gaps at staff and board level in the desk research and the consultation findings, with the biggest difficulties being the recruitment and retention of board members, other volunteers and paid staff. For board members, the level of responsibility and paperwork in general are cited a number of times as disincentives to recruitment and retention, with the Charities Governance Code specifically mentioned in this context. The findings also indicate that rural areas, in particular, are experiencing significant difficulties in recruiting new board members with the same people serving on numerous boards and an ageing profile of board members.

A broad range of other skills and capacity gaps at board level are identified: a lack of knowledge about governance and legal duties; difficulties in taking shared responsibility; not exercising effective oversight; too much decision-making at an operational rather than a strategic level; conflict between board members or between staff and board members; conflicts of interests; failure to meet regularly; and not keeping minutes.

High levels of employment are seen to be causing difficulties in the recruitment and retention of both staff and volunteers, particularly those with the necessary skills sets. A number of contributors made the point that nonprofit organisations require a wide range of skills, partly because funding levels do not allow for the employment of sufficient specialists in areas such as human resources (HR), information and communications technology (ICT) and financial management and partly because the issues being dealt with also require specialist knowledge.

There were repeated references to staff and volunteers being time poor because they were spread too thinly across a number of roles and because of the multiple calls on their time. In many nonprofit organisations, the same people deal with administration, compliance, internal communications, recruiting and managing staff and volunteers, fundraising and supporting governance, in addition to service delivery. Not surprisingly, mental health issues and burnout are repeatedly identified as challenges for both staff and volunteers with particular concerns being raised in relation to those working with emotionally challenging issues and/or areas experiencing high levels of violence.

These findings point to organisations struggling on a number of levels and largely bear out the assumption above.

3.1.4 Organisational issues

This section focuses on further issues which impede the delivery of organisational purpose.

When asked about challenges facing the nonprofit sector, participants identify a number of internal organisational issues. Some organisations are struggling to be clear about their purpose or struggle

with the planning process, while others are having difficulties in managing organisational growth or change. While the need to collaborate is recognised, it is felt that lack of funding and staff resources to devote the necessary time to it and competition within the sector all work against it.

There are a number of contributions in relation to measuring impact, with some organisations not understanding what should be measured and others questioning whether their funders are asking them to measure the right things. Data collection in itself is problematic at both an operational and strategic level. Some organisations are unsure as to what data they should be collecting or where they could go for help. Other organisations have to collect similar data for different funders and present it in a different way for each funder.

Managing accountability is also seen as an issue with some references to recent charity scandals having a negative impact on the sector's reputation and a recognition of the difficulties in being accountable to multiple audiences. Some organisations struggle with internal communications while many have difficulty in communicating the story of what they do to funders or the public.

Some organisations identify a lack of knowledge in terms of how to access the information that nonprofits need in areas such as: starting up; appropriate legal forms; establishing need or market; funding and procurement; marketing; and technical knowledge and data on client groups, services and other organisations in the sector.

The range of organisational issues identified as challenges further supports the assumption that some nonprofit organisations are struggling to deliver on their organisational purpose in an effective and efficient manner.

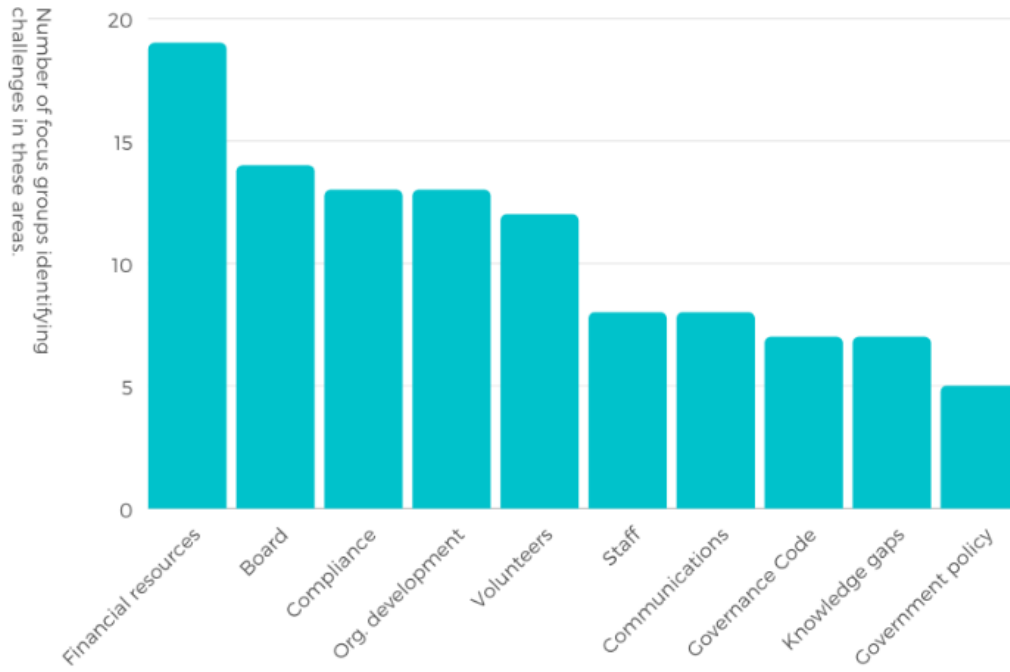
3.1.5. Relationship with the state

Focus group participants identify a number of areas in which they feel the relationship between the sector and the state is problematic: the impact of government policy on their work; a lack of consistency from one government to the next and/or between government departments or statutory bodies; a lack of understanding of or sometimes respect for the work of nonprofits; and a lack of communication with or between state agencies.

The contributions from key stakeholders reflect the issues above but also go beyond them, with a number identifying difficulties in defining the sector and its role and some pointing to an ideological gap in terms of the role that the nonprofit sector should play in the provision of services on behalf of the state. Some nonprofit stakeholders see the state as very risk averse, lacking a culture of innovation and struggling with strategic approaches that require cross-department thinking. One statutory funder feels that the lack of a funding strategy across government departments leads to duplication on the ground. Other statutory funders find that their need to provide an equitable service across the country can be at odds with the diversity and plurality of the nonprofit sector as well as a very specialised approach to service delivery on the part of some nonprofits. One stakeholder suggests that funders who meet core costs should also be providing guidance to the organisations they fund on the size of their management structures.

It should be noted that a number of references were made to recent policy developments in relation to the nonprofit sector (i.e. the strategies and policies emanating from the Department of Rural and Community Development and the Independent Review Group report and implementation process initiative by the Department of Health). These developments are very much welcomed by contributors, with the only concerns being expressed focussing on the challenges of implementation.

CHALLENGES



4 Findings - support

4.1 Support currently available

It should be noted that this section is confined to a presentation of the findings and does not contain any commentary from the consultant.

4.1.1 Awareness of support available

Focus group participants demonstrate an awareness of a wide range of types of support. Four types of support are widely mentioned in the focus groups:

National sectoral support organisations

National sectoral support organisations that were mentioned by name were The Wheel, Carmichael, Charities Institute Ireland, Boardmatch and Volunteer Ireland.

Locally delivered support

Nonprofit organisations delivering support at a local level that were specifically mentioned were Partnership and Local Development Companies, Public Participation Networks and Volunteer Centres. Local statutory support that was specifically mentioned were Local Enterprise Offices and local authorities.

National statutory support and funders

Agencies and organisations specifically mentioned under this category were the Health Service Executive, Charities Regulator, Revenue, Tusla, Rethink Ireland (previously the Social Innovation Fund) and Community Foundation Ireland.

National sub-sector support organisations

Agencies and networks specifically mentioned under this category were the Irish Council for Social Housing, National Youth Council of Ireland, Immigrant Council of Ireland, Community Health Networks and Disability Federation Ireland Family Support Networks, as well as more informal networking at regional and local level.

These types of support are also the most frequently mentioned in stakeholder interviews. In relation to national sectoral support organisations, there is a recognition of the valuable work being done in providing training and capacity-building opportunities, particularly in relation to governance, organisational structure and recruitment and succession planning for boards. It is suggested by one stakeholder that there is a level of duplication in the services being provided by national organisations. Another stakeholder feels that the support available nationally in relation to organisational development did not meet some of the specific needs of social enterprises.

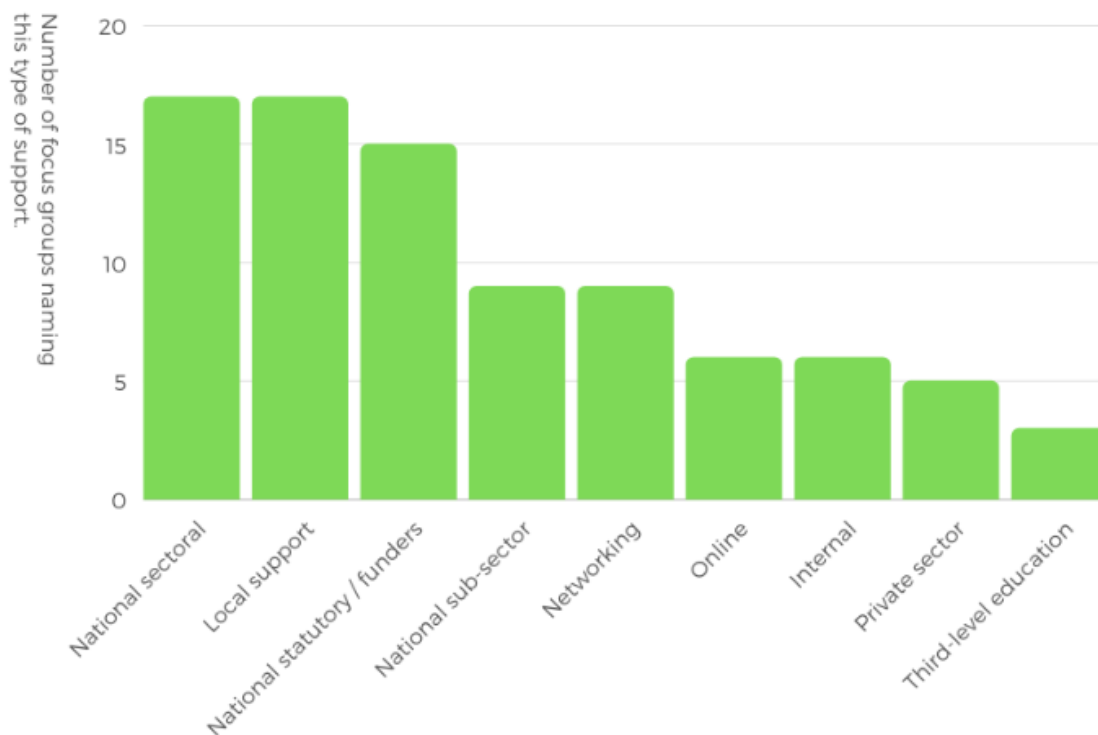
These stakeholders also recognise the value of work happening locally and feel that examples of good practice should be shared more widely or even rolled out nationally. More detail on these examples and other case studies can be found in Appendix Three. There is also a general belief that support is harder to access outside Dublin and, while Partnership and Local Development Companies and Volunteer Centres do provide a local infrastructure and Local Enterprise Offices are opening their doors to social enterprises, their offerings can be variable and some types of support are restricted to specific types of programme.

Nearly half the focus groups mention networking and national sub-sector organisations as sources of support, with a number of positive contributions in relation to the value of sharing knowledge and expertise in both formal and informal networking settings. Stakeholders from national sub-sector organisations indicate a wide range of supports that they provide to organisations, which include: provision of sub-sector training; access to training provided by other organisations; organisational reviews; mentoring for staff; access to employment advice; opportunities to meet and learn from others experiencing similar issues; and assistance with programmatic issues.

Other types of support mentioned in focus groups include: internal support, such as in-house training and informal or pro bono support provided by board member or client contacts; online support, such as fundraising platforms, Benefacts and international nonprofit resources; and private sector support, such as pro bono training from corporate partners and paid advice in relation to legal, accounting and HR issues.

It should be noted that only three focus groups mention third level colleges as a source of support and only one focus group mentions an Education and Training Board. However, one stakeholder from a local support provider comments that they deliver very little training themselves because so much is available from the Education and Training Board, third level and private colleges in their area. In relation to the awareness of support available, it should also be noted that a number of significant support providers were not mentioned by any focus groups. These included: Aontas; NALA; Institute of Directors; Institute of Public Administration; Regional Skills fora; Family Resource Centres network; local community training centres; and Pobal.

AWARENESS OF SUPPORT AVAILABLE



4.1.2 Barriers to accessing support

In the focus group feedback, the four most frequently mentioned barriers are: **cost; time; lack of information; and access issues.**

Cost is identified as an issue in relation to the cost of training and the cost of travel to training as well as the cost of accessing support in areas such as HR. Cost also relates to the cost of funding staff to cover front line staff when they attended training, which does not get covered by funding agreements.

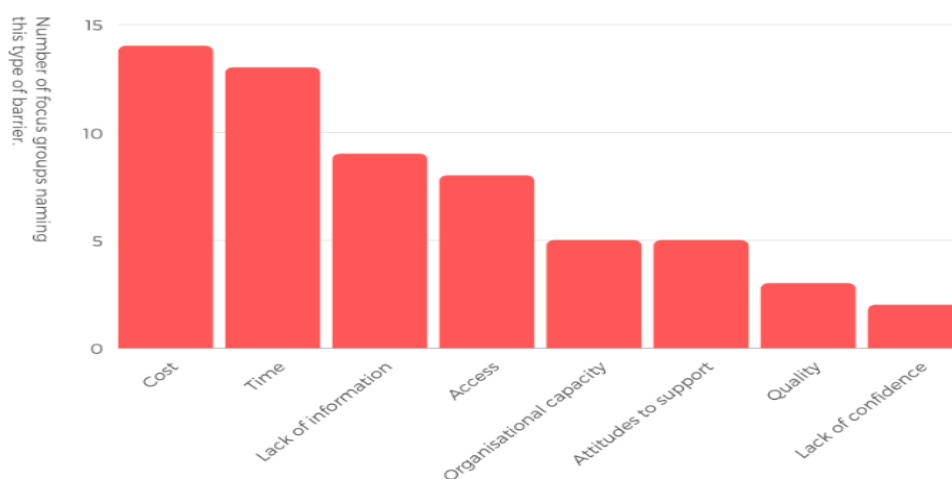
Time constraints inhibit the accessing of support because of: the workload of staff and volunteers within nonprofits; the additional commitments that volunteers have; time spent travelling to training; time spent identifying the right support; and the timing of training, as many people struggle to attend training during working hours.

Lack of information is a barrier to accessing support because people do not know what support is available or how to access it. If the needs of the organisation are not clear, people can be in the situation of ‘not knowing what they don’t know’. This appears to be especially true for organisations that are starting up and for immigrant-led groups. It is also difficult to find the right type of support, the right training to meet the needs of the group and best value for money in doing so.

Access issues mentioned in focus groups include: problems with the location of training in terms of transport problems; training and support is less available outside Dublin, and particularly problematic in rural areas; older people and people with disabilities have difficulty in accessing support; online support does not suit everyone and access to broadband can be problematic; and talking to a person is much easier than dealing with an automated system.

Organisational capacity, attitudes to support and the quality of support are also identified as barriers but to a lesser degree than the issues above. Organisational capacity can be a barrier when lack of strategy or a lack of staff with the right skills make it difficult to access the right support. In terms of attitude, it is felt that a lack of support from the board and a resistance to change within an organisation could be barriers, as well as confidence and trust issues preventing people from asking for support. Some focus group participants feel that inadequate or conflicting advice, particularly from statutory agencies, is a barrier, as is continually being passed on from one agency to another.

BARRIERS



4.2 Improved support

After considering the challenges being faced by the nonprofit sector, the support available currently and the barriers to accessing that support, focus groups and stakeholders were asked to identify what improvements are needed to help them to meet the challenges they face. Their responses fell into three categories: subject areas; type and structure of support; and change required in the external environment.

4.2.1 Subject areas

Throughout the findings, specific areas where support is required have been identified and these are collated below:

- **Starting up:** working out mission and purpose; exploring options regarding charitable status and legal structure, to include options for social enterprises; assistance in developing appropriate governing documents.
- **Planning:** strategic planning; goals and performance indicators; making strategic plans operational.
- **Funding:** exploring options including statutory, philanthropic, fundraising, earned income, social finance; funding map that sets out who funds what and funding deadlines; dealing with funding process, including assistance with filling out application forms; developing a business model and business plan, including building markets for services or products; dealing with procurement and commissioning process; complying with reporting requirements; advice on fundraising methods; setting up online fundraising.
- **Governance:** understanding roles and legal duties; running effective meetings; working with the CEO; getting transparent and understandable information about strategy and finances; recruiting and managing board members; complying with Charities Governance Code or Community and Voluntary Governance Code.
- **Financial management:** book-keeping; payroll; financial reporting; protecting against fraud.
- **Staff management:** preparing to be an employer; developing skills progression, including how to identify training needs and source appropriate training; developing leadership and management skills; support for CEOs; dealing with HR issues; providing clinical support, including access to employee assistance schemes; career advice.
- **Volunteer management:** recruiting, managing and supporting volunteers; skills progression and career pathways for volunteers.
- **Legal:** advice on activities; compliance with legislation; dealing with legal issues.
- **Impact Measurement:** developing a theory of change; deciding relevant data to collect and setting up appropriate data management systems; how to interpret and communicate the findings.
- **Technology:** help with software and information management systems; using technology for meetings; accessible websites; access to applications that help with the work; using mobile phones to make videos.

- **Communications:** telling our story; public relations; promotion, advertising and marketing; using social media.
- **Policy:** understanding the political system and how to influence change; policy resources; policy research; access to data on client groups, demographics and other organisations doing similar work.
- **Collaboration:** physical and virtual spaces for networking; regular sector-specific networking forums; locally based networking; creating joint approaches to addressing social problems, measuring impact, data collection and financial reporting; creating consortia to tender for services; demystifying mergers.
- **Sectoral work:** advocacy on issues such as: multi-annual funding and full-cost recovery; an innovation agenda; policy around reserves management; and contracting for outcomes rather than process and inclusion of social benefit in tendering for services.

In addition to these subject areas, contributors identify the need for information about and support in accessing available resources, support and training at a local and national level, as well as access to national and international good practice.

4.2.2 Type and structure of support needed

Focus group participants and key stakeholders identify three main types of support: **information**; **ongoing support** and **training**. **Networking** is seen as both a method of providing support and an area where support is required. The same is true of **technology**, with the additional need for a strategic approach to the use of technology in the sector being dealt with in section 4.3 below.

Improved access to information across all the subject areas above is a significant issue for many contributors with repeated references to the need for a central hub or a one-stop shop. Some contributors identify a need for information hubs at a local as well as a national level, and that such hubs should have a physical as well as a virtual presence. The need for a promotion campaign is identified so that people know where to go for this sort of information. People need to be signposted to the information that they need, particular those who may be unsure what their information requirements are.

Contributors also identify the need for **ongoing support** which could take the form of: advice and guidance; templates; hand-holding; consultancy; mentoring; access to professional services in specialist areas; and shared services. The types of services that people feel could be delivered through some form of shared services model include: financial management services such as book-keeping and payroll; ICT; HR; affordable office space; sharing ideas and learning from other organisations. The idea of a one-stop shop came up again in relation to ongoing support as well as the need for these sort of services to be locally based and affordable if not free to at least the smaller nonprofits.

Training also features strongly in the findings as an important type of support although it is mentioned less often than the above, very likely as a result of the specific barriers of cost, time and access already identified. Contributors see the need for: physical and virtual training events; blending face-to-face with online training; locally based training; peer organisations training each other; training being co-delivered by corporate and nonprofit providers; clarity about the level of training being provided; and post-training follow-up to support implementation. A number of suggestions are made in relation to improving the quality of training: training being based on

evidence of need; more solution-based training on specific problems being faced; and helping people to apply training to their own situation.

In terms of the structures needed to provide the necessary support, a number of themes emerge: support needs to be available nationally and locally; gaps need to be filled and any identified duplication needs to be reduced; greater partnership and collaboration among support organisations would improve the support delivered; support should be provided by people with a good knowledge of the nonprofit sector; a single support entity for sectoral support needs would help but does not have to do everything itself; there will be a continuing need for sub-sector support and umbrella bodies.

4.3 Changes required in external environment

4.3.1 Financial resources

When asked what improvements are necessary to help deal with the identified challenges, some of the most common responses are the introduction of multi-annual funding and the covering of core costs or full-cost recovery. There are also a number of contributions about the need to increase the overall amount of funding available, with specific suggestions including: a more strategic approach being taken in terms of analysing funding gaps and how to fill them; further discussion on how to stimulate and broaden the philanthropic sector; including social and environmental benefit as criteria in the public sector commissioning process; encouraging state agencies to rent premises from nonprofit organisations; and a government programme aimed at making nonprofit organisations more self-sufficient. There are also some contributions about increasing financial resources available to social enterprises: social financing or investment for a return could provide opportunities for larger scale investment beyond the capacity of grants or donations; and social enterprises need access to business support to ensure that they cost their services appropriately when taking part in public procurement processes.

Funding for sectoral support infrastructure also features in the feedback. Focus group participants and stakeholders want to see a more strategic approach in this area as well, with an analysis of the support currently being provided at national and local level in order to identify gaps in service provision and reduce duplication where it exists. Another stakeholder would like to see a percentage for training and support in all government funding with a requirement that the training and support is carried out and evaluated for impact.

The need to make the funding process clearer and provide support for organisations within the process is reiterated, with the following specific suggestions: funders visiting projects in order to increase their understanding of the work; different criteria and requirements being considered for smaller organisations for more limited amounts of money; and funders publicising typical mistakes made by funding applicants. In order to bring insurance costs down, it is suggested that government needs to take action in order to facilitate the entry of more insurers into the Irish market and restrict the size of insurance claims.

4.3.2 Compliance

The biggest compliance issue for focus groups and stakeholders is the need for the streamlining of reporting and compliance requirements and a number of suggestions are made as to how this might be achieved: multi-reporting being tackled at a macro level across government departments and statutory agencies; the introduction of an appropriately designed and widely recognised charity

passport; the creation of a central repository or cross-governmental database that all government departments could draw on for the information they need; and a single financial reporting system for reporting to all government departments.

The issue of financial reporting and regulatory compliance has been examined in detail by the Independent Review Group established to examine the role of voluntary organisations in health and social care and the Indecon research into the viability of a charity passport. The Indecon report recognises that the successful development of a universal charity passport is some way off, but identifies some immediate gains that would ease the regulatory burden. Firstly, ensuring that charities do not have to submit the same information to different parts of the same funding organisation and secondly, developing a Memorandum of Understanding by funders and other agencies to re-use data as already recommended by the Independent Review Group report. In its recommendations, the Indecon report on the Charity Passport specifies more detailed actions that could be taken to ensure these and other gains in this area. Although the report focuses exclusively on charities, it can be assumed that all nonprofit organisations would benefit from the measures that are suggested.

Some additional compliance issues identified in the focus groups are: the need for more responsiveness and clarity from statutory agencies in relation to compliance queries; and more user-friendly reporting technology.

4.3.3 Technology

Some key stakeholders identify a need for a more strategic approach to the use of technology within the sector. The development of standardised Customer Relationship Management (CRM) systems within specific sectors, for example, has the potential to deliver more user-friendly reporting mechanisms as mentioned above, improve data collection for impact measurement more generally and save considerable time and money. It is recognised that the development of such systems would require a partnership approach between the sector and various arms of the state.

5 Conclusions

5.1 The sector and its challenges

Before COVID-19, the nonprofit sector in Ireland was delivering services and taking action that reached all corners of Irish society. Since the crisis, the sector has formed an integral part of the frontline response and has been facilitated in doing this by the work of support infrastructure organisations. This report provides a snapshot of the Irish nonprofit sector just before the crisis hit, but needs to be read with an awareness that whatever challenges the sector was facing when this consultation took place, things are now worse and will be worse for some considerable time. In the aftermath of the COVID-19 crisis, Ireland clearly needs the nonprofit sector and this consultation shows that, in turn, the nonprofit sector needs help if it is to address both existing and emerging challenges.

In understanding the nonprofit sector in Ireland, it is important to note the preponderance of all-volunteer organisations and organisations with a small number of staff. The Charities Regulator Compliance Report 2018 states that in annual reports filed in that year, 42% of charities indicated that they employ no staff at all and 43% indicated they employ between 1 and 19 paid staff¹. When considering the support needs of the sector, the number of all-volunteer groups and small organisations must be seen as a significant aspect of the context.

The broad picture emerging from the consultation is of a sector that is increasingly struggling with: reducing financial resources and increasing demand for services; shortages of staff and volunteers with the necessary skills; weak governance and severe shortages of board members in some areas; and ever-increasing compliance demands. There are two defining characteristics of the sector that run through all of these issues. **The first is the size and complexity of the task in hand.** Nonprofits exist to solve a problem or meet a need in society. The solutions are rarely obvious and often require levels of innovative thinking and collaboration that need both skills and time. **And time is the second defining characteristic of the sector that is relevant to this research.** In a sector that struggles to find the money to employ the staff it needs, there is never enough time to do everything that needs to be done. The pressure of being time-poor while being faced with a multiplicity of competing demands is an unpleasant reality for many employed in the sector. Time is of equal relevance to board members and other volunteers. The value of the Irish nonprofit sector (including its monetary value to the state in the services that it delivers on behalf of the state) rests on the unpaid work of around one million volunteers at operational, management and governance levels. These people give this time for free: it is an essential resource to the sector and giving the sector the help it needs is critical if this precious resource is not to be wasted. People will not continue to volunteer if they feel their time is not being respected.

This consultation has identified the challenges facing the sector on the eve of the COVID-19 crisis. There are lessons that can be learnt from the crisis and, even at this early stage, it is possible to say that the COVID-19 crisis has demonstrated: the need for the nonprofit sector in the delivery of frontline services; the value of the support infrastructure in enabling organisations in doing the frontline work; and the potential for doing so much more online than had previously been thought possible. But there can be no doubt that further challenges lie in the future. A period of economic uncertainty and environmental challenge is likely to call even more heavily on frontline services and

¹ It is unfortunate that there is currently no comparable data for the nonprofit sector as a whole. In addition, it would be helpful if the 1-19 staff category were broken down further, as organisations employing staff a handful of staff are very different to those employing 10 or more.

require even more agility and innovation in structural responses. This is an essential part of the context in which the findings of this consultation need to be considered.

5.2 What the sector needs help with

5.2.1 Support agenda

A number of specific organisational needs were identified in the consultation process and they are outlined in Section 4.2.1 of this report. These are organisational development needs that have to be met by all nonprofits irrespective of the type of activity they are engaged in and they form the support agenda for the nonprofit sector.

5.2.2 Governance

Governance emerged as a critical issue for focus groups and stakeholders alike, with challenges in board recruitment and skills and capacity gaps at board level giving cause for concern. When Indecon carried out their research into the charity passport concept, charities were expressing concern about charity regulation at a time when they were only being required to produce an annual report. It is little wonder, therefore, that the compliance requirements arising from a mandatory Charities Governance Code are perceived as daunting by many small and all-volunteer organisations. It is clear from this consultation that compliance requirements in general, and the Charities Governance Code in particular, are increasing the challenges for some nonprofits in recruiting and retaining board members, most especially in rural areas. The challenges of governance in general, and board recruitment in particular, pose a threat to the sector that cannot be ignored and additional support in this area is essential.

5.2.3 Telling their story

Another specific issue that was raised in focus groups and stakeholder interviews alike was the difficulty many organisations have in 'telling their story' and the impact that this has on attracting support for the cause. Behind this deceptively simple phrase lies the need to understand what you do and the difference you want to make, being able to collect the data about what you do and what difference it makes and having the communication skills and the technical skills to get that story and the data out there. In other words, impact measurement. Funders, quite rightly, want to know about the impact of the work that they fund but many nonprofits do not have the time, staff resource or knowledge base to plan their work with a proper view to outcomes and then set up the necessary systems to collect and manage the data. This is compounded by funder-imposed requirements for what they regard as impact data. Unfortunately, impact measurement is one of the many things essential to the running of an effective nonprofit that most funders do not pay for.

5.3 How that help should be provided

5.3.1 Information, ongoing support and training

Nonprofit organisations want information, ongoing support and training across a range of organisational needs as well as information on how to access the support and training that they need. Throughout this report the term 'support' has been used by the consultant as a term that covers all types of support, including training. However, contributors consistently used the term to identify a wide range of interventions that were different to training, and support in that sense was mentioned more often than training in the focus groups. This is important as training can be seen as

an easy win by support providers – the cheapest way to deliver support, or to be seen to deliver support, to a large number of organisations. But training is expensive for the participants in both time and money and good training can take more time to design and deliver than support organisations or participants are prepared to give. Training is undoubtedly part of the support solution but should not be regarded as the whole or even the most significant part of the solution.

5.3.2 Support delivered by nonprofits

Support for the nonprofit sector needs to be delivered by the nonprofit sector or, in some instances, translated by and for the sector. Some private sector providers have limited knowledge about the nonprofit sector and this can have disastrous results, such as: solicitors advising nonprofits in difficult employment law situations without the understanding that they do not have the resources to settle out of court if things go wrong; or auditors advising nonprofits that they are entitled to file abridged accounts with the Companies Registration Office without the understanding that this type of practice runs in complete opposition to the principles of good corporate governance for charities. Nonprofit support organisations are also best placed to understand the variety within the sector in terms of size and type of organisation and that a ‘one size fits all’ approach will not work.

5.3.3 Recognising organisational diversity

The needs of small and all-volunteer organisations need to be taken into account in the provision of information, support and training. Current thinking on nonprofit management is informed by literature written primarily in the UK or US, where the nonprofit sectors have a much bigger proportion of large organisations, and this encourages a drift towards more complicated and business-orientated processes and systems. While this is not necessarily a bad thing in itself, it is extremely unhelpful if small and all-volunteer groups cannot recognise themselves in the resources or advice that is being given. Some thought also needs to be given to the specific requirements of social enterprises which are in some danger of falling between the two stools of nonprofit support and enterprise development.²

5.3.4 Awareness of support

It is clear that not knowing where to go for help is a significant stumbling block, even among nonprofits that are sufficiently linked in with support organisations to be invited to attend the focus groups for this consultation. This challenge prompted numerous calls within the consultation process for the setting up of a ‘one-stop shop’ at a national level, with some desire for ‘one-stop shops’ at a local level also being expressed. This can seem like an obvious solution but should be treated with caution. There are a significant number of entities, services and online supports which could be described as ‘one stop shops’ already in existence and there is little merit in adding more in a time of scarce resources and potentially ongoing recession. It is more useful to ask why, given existing support and information services, are people still asking for this? There are other ways to respond to this expressed need and they include: an awareness raising campaign to point people to the places and locations where they can get help; more coordination across and between providers of existing information sources; and potentially including capacity-building supports into funding agreements with local infrastructure networks like Citizens Information Boards, Volunteer Centres

² It must be noted that the fieldwork for this study overlapped with the very early stages of the roll out of a national programme of investment into training and supports specifically targeted at social enterprises. The impact of this on support for social enterprises would not have been experienced at the time of the interviews.

and local authorities. More discussion in relation to this issue is needed and should form part of the strategic planning process outlined in Recommendations.

5.3.5 Access to support

There was a view expressed in the consultation that more support and training is available in Dublin than around the country. This is undeniably true at one level given that there is a higher concentration of nonprofits in Dublin, due to the size of Dublin's population relative to the rest of the country and the natural tendency for national organisations to base themselves in the capital. A more dispersed population outside of Dublin coupled with poor rural transport links has made it difficult in the past to ensure the numbers at support or training events needed to make such events viable. It also clear from the findings that a number of national and local support organisations do deliver support and training around the country, although it is likely that access to support and training can be patchy. What is important is that access to support and training around the country is given serious consideration in any future improvements to the sector support infrastructure.

5.4 The relationship between the sector and the state

In the findings, contributors from the sector and the state identified issues with the relationship between the sector and the state. A degree of role conflict would appear to lie behind many of these issues, which is surely a product of an ideological gap in Irish society. There is a lack of clarity in relation to what services citizens are entitled to expect from the state and therefore a lack of clarity in relation to the role of the nonprofit sector in the provision of services. While this remains a debate that needs to take place, there are some signs of hope for this relationship and positive steps being taken.

Good relationships are built on getting to know each other and good examples of this include the work done by the Charities Regulator in their nationwide 'Meet the Regulator' roadshow in 2019 and on-the-ground engagement with services by staff from the Department of Rural and Community Development, Pobal and Tusla. Focus group contributions would suggest that local nonprofits would like to see more engagement like this.

There are also good examples of nonprofit sector organisations and the state working in partnership, particularly since the outbreak of COVID-19. The Department of Rural and Community Development also engaged strongly with the nonprofit sector in developing integrated community responses such as the Helping Hands initiative and the Community Outreach programme, as well as the development of the stability fund for nonprofit organisations in need.

However, notwithstanding the progress and initiatives led by the Department of Rural and Community Development, this consultation also found different and more negative experiences from people who work in organisations funded from other departments across government. These contributions often echoed the findings of the 'Report of the Independent Review Group into the role Voluntary Organisations in the provision of publicly funded health and social care'.³

It is not within the remit of this report to review the relationship between the sector and the state, but in consideration of the feedback received during the course of this work, this matter has been addressed here.

³ See Appendix One, Section 1.2.5 on Relationship between the sector and the state.

6 Recommendations for the nonprofit sector

6.1 A more strategic approach

A sector-led support and development strategy needs to be developed, in partnership with the Department of Rural and Community Development and other state agencies, in order to meet the needs identified in this report.

Such a strategy needs to identify how the sector will address the following areas:

- Ongoing Identification of support gaps and ways of meeting those gaps
- Greater collaboration between national and local support providers in developing and delivering the support agenda outlined in this report
- Innovation being driven in areas such as improved use of technology in administration, financial management and data collection
- Maximising the potential of online delivery models in support and training
- Proactive approaches to finding better ways of meeting compliance requirements.

The strategy should also fulfil the principles which emerged from the consultation, as outlined below.

6.2 Guiding principles of support provision

6.2.1 Ease of access

People want to know where to go for help. They are happy to be signposted elsewhere for the help they need but not to be endlessly passed around from one agency to another. They also want support to be available at times and in places that suit them. Access to support could be improved by:

- Better promotion for available support
- Improved signposting to required support
- More use of online support that can be accessed 24/7
- More support and training available at a local level.

6.2.2 Ongoing support

The need for 'hand-holding' was referenced consistently in the feedback, in order to enable people to implement the information and advice that they are given. Sometimes people do not know what it is that they need to know and they need help working that out. Written guidance can often raise more questions than answers and people need help in applying advice or regulations to their own organisations, particularly given the level of organisational diversity within the sector. Ongoing support is sometimes necessary to enable people to put into practice the training that they have received. The level of ongoing support could be improved by:

- Improved written guidance that links people to further resources

- More use of FAQs by government departments, statutory agencies, funders and nonprofit support providers
- Use of chatbot technology to deal with regular queries
- More access to phone support for more complex queries
- More access to support staff and affordable consultancy services, particularly during start-up or when dealing with difficult organisational issues
- More investment in board recruitment measures
- More support for small and all-volunteer charities in complying with the Charities Governance Code.

6.2.3 Quality of support

People want information and advice that is consistent and understandable and training that is designed to meet their needs. The quality of support could be improved by:

- More consistency in what constitutes good practice in the management of nonprofit organisations
- More use of case studies and templates in written guidance
- Support organisation staff taking the role of relationship manager when working with an organisation
- Quality assured online and face-to-face training
- A list of approved providers of services to nonprofit organisations.

6.2.4 Access to affordable legal and technical expertise

People who are managing and governing nonprofit organisations need legal and technical advice in areas such as: HR; financial management; ICT; and communications. They need access to specific expertise to deal with both time-limited issues, such as a HR crisis, and ongoing work, such as book-keeping and auditing. They may need advice to guide them in these areas, or access to services to which they can outsource particular types of work. Access to affordable legal and technical services would be improved by:

- More legal and technical expertise being provided by nonprofit organisations, such as a comprehensive nonprofit HR service similar to that provided by IBEC
- Increased technical support to nonprofits to enable board members and staff to get online
- More support for the development of shared physical or online services that enable groups of nonprofits to purchase services in a more cost-effective way
- A greater degree of coherence and consistency some areas, such as accounting systems, that enables the delivery of more cost-effective support
- Better guidance in finding professional advisers who are aware of the needs of nonprofits.

7 Recommendations for the statutory sector

Finally, it must be recognised that not all the challenges facing the nonprofit sector can be ameliorated by the sector itself. Funding, compliance and the relationship of the nonprofit sector with the state make up the bulk of the challenges identified in this consultation. Statutory bodies and funders, as well as government itself, clearly have a role to play in creating an environment for the nonprofit sector that is constructive rather than challenging or even obstructive, and to that end the following recommendations are being made.

7.1 Policy Implementation

- 7.1.1 Implementation of the *Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services 2019; the Report into the Potential for a 'Charity Passport' Facility for Charity Data in Ireland 2019; Sustainable, Inclusive and Empowered Communities: a five-year strategy to support the community and voluntary sector in Ireland 2019-2024; National Social Enterprise Policy for Ireland 2019-2022; and National Volunteering Strategy 2021 - 2025.*
- 7.1.2 Progress the streamlining of multiple compliance requirements through actions which include reinstating the Dialogue Forum set up as a result of the Independent Review Group report.

7.2 Funding for nonprofit support

- 7.2.1 Department of Rural and Community Development to support the development of a sector-led support and development strategy.
- 7.2.2 When planning to fund nonprofit support, statutory agencies to prioritise nonprofit support providers (all else being equal) in order to build the capacity of the sector to undertake and deliver on its capacity-building and development agenda, which will change over time.

7.3 Charities Governance Code

- 7.3.1 The Charities Regulator to consider measures to reduce the burden of the Charities Governance Code for all-volunteer groups, such as: introducing a three-year compliance framework for all-volunteer groups to facilitate an easier and more effective transition to compliance; or removing the requirement of compliance with the code for all-volunteer groups and replacing it with a more tailored compliance regime.

7.4 Supporting improvements in reporting and compliance

- 7.4.1 A review to be initiated, in consultation with the nonprofit sector, of the potential for greater efficiency and improved data collection in the development of sub-sector Customer Relationship Management systems.
- 7.4.2 Government departments and statutory agencies who deal with funding applications, financial reporting and regulatory compliance following the Charities Regulator's lead in

publicising FAQs and typical errors and consider other ways of clarifying their requirements for nonprofits.

8 Final remarks

The nonprofit sector is founded on the principles of self-help – people getting together to make life better for their communities and society. The sector seeks to be agile, innovative, collaborative and empowering. It both fills in gaps in service on behalf of the state and adds dimensions that the state cannot. There is a long history of the nonprofit sector working in partnership with the state, but also strong feelings of being undervalued in terms of the work that it does and disregarded in relation to the contribution it can bring to policy development and societal change. The recent work of the Department of Rural and Community Development in developing policy in relation to the support of the sector is heartening and implementation of these policies would go a considerable way towards underpinning a better relationship between sector and state and better outcomes for communities and society.

When the sector looks to the state for support it is in order to do better in achieving these outcomes and what it needs is the support to help itself. By supporting the implementation of the recommendations in this report, the state would help to ensure that the nonprofit sector can better deal with the challenges it currently faces and is better equipped to deal with future demands.

Appendix One: Desk research

1.1 Policy Context

Responsibility for the sector currently resides with the Department of Rural and Community Development (DRCD) and the publishing of the three key strategies outlined below form a policy framework for the nonprofit sector for the foreseeable future.

Sustainable, Inclusive and Empowered Communities: a five-year strategy to support the community and voluntary sector in Ireland 2019-2024 (DRCD, August 2019)

This document is intended to fulfil the commitment to: *“produce a coherent policy framework and develop a strategy to support the community and voluntary sector and encourage a co-operative approach between public bodies and the community and voluntary sector.”* Programme for a Partnership Government, Government of Ireland 2016

In describing the sector, the document recognises the diversity of organisations within the sector: *“These organisations work in, and support, every community. They support people with disabilities and medical conditions, support children and young people and support older people. They advocate for environmental causes, campaign for social justice and support people experiencing poverty. They support migrants, promote arts and culture and advocate for climate justice.”*

The strategy sets out what the Department wants to do:

- Involve communities in decision-making
- Support people and organisations working with communities
- Develop partnership and collaborative approaches to policy and programme development
- Support local government to work with communities.

How it will do this:

- Develop processes for meaningful consultation, inclusion and participation of all communities in decisions that affect them
- Develop capacity in community and voluntary organisations to support communities
- Support education and training opportunities for community workers, volunteers in community organisations and voluntary board members
- Ensure local decision-making and participatory structures are fit for purpose
- Introduce a sustainable funding model for the community and voluntary sector
- Develop capacity at all levels to deliver key policy initiatives including UN SDGs, climate action and Public Sector Duty.

And what it aims to achieve:

- A thriving community and voluntary sector
- A strengthened partnership between Government and the community and voluntary sector
- Community supports underpinned by societal value and community need
- Resilient communities empowered to meet emerging challenges
- Empowered communities informing and shaping responses to their needs
- A thriving volunteering culture.

National Social Enterprise Policy for Ireland 2019-2022 (DRCD, July 2019)

This policy document is part of a suite of initiatives from DRCD intending to “*support the full ranges of organisations that are providing services to communities, or tackling social, societal or environmental issues.*”

It is recognised that there is currently no single accepted definition of social enterprise but, drawing on the research work and consultation which informed the policy, the document set out the following definition:

“A Social Enterprise is an enterprise whose objective is to achieve a social, societal or environment impact, rather than maximising profit for its owners or shareholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives. It is governed in a fully accountable and transparent manner and is independent of the public sector. If dissolved, it should transfer its assets to another organisation with a similar mission.”

The policy has three objectives:

1. Building awareness of social enterprise, with measures aimed at raising awareness of social enterprise in Ireland and increasing support to social entrepreneurship and social enterprise start-ups
2. Growing and strengthening social enterprise, with measures to improve business and leadership supports, improve access to finance and funding for social enterprises, improve access to markets for social enterprises and conduct research and analysis of appropriate legal structures for social enterprises
3. Achieving better policy alignment, with measures aimed at developing a better understanding of the interaction between social enterprises and relevant policy areas across Government, engaging closely with policy developments at an international level and improving data collection on the extent and impact of social enterprises in Ireland.

Working Draft of Volunteering Strategy 2020-2025 (DRCD, Dec 2019)

DRCD’s volunteering strategy is currently being finalised and will be the third element of the government policy framework for the nonprofit sector. In the draft published for public consultation in December 2019 and the Government’s commitment to recognise, expand and support the role of volunteers in civil society was stated.

The proposed strategy includes the following strategic objectives:

- To increase participation and diversity in volunteering
- To facilitate, develop and support the volunteering environment
- To recognise, celebrate and communicate the value and impact of volunteers and volunteering in all its forms
- To promote ethical and skills-based overseas volunteering to deliver results for beneficiaries and to enhance Global Citizenship in Ireland
- To improve policy coherence on volunteering across government both nationally and locally.

1.2 Sectoral challenges

The DRCD documents outlined above and a number of other reports commissioned by government departments or the nonprofit sector itself speak to specific challenges faced by the sector.

1.2.1 Funding

Sustainable, Inclusive and Empowered Communities

In this commitment to the sector the strategy acknowledges the funding challenges faced by the nonprofit sector: *“Community and voluntary organisations will be supported with appropriate funding models for the supports and services they deliver in partnership with Government, creating greater financial certainty and sustainability, improving capacity and effectiveness, and ensuring viability of services for communities. Funding organisations for the ‘additional marginal’ service provided, rather than the actual cost of delivering the service, often requires organisations to provide public-funded services at a loss, threatening their sustainability and, ultimately, the services they deliver.”*

National Social Enterprise Policy for Ireland

This policy identifies funding challenges faced by social enterprises in particular: *“Access to working capital from mainstream financial providers presents many challenges for social enterprises. This is because the nature of the services the enterprises provide are innovative and they may lack traditional forms of collateral, or because they are unlikely to have strong income streams in their early years.”*

Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services (Department of Health, 2019)

This report identifies a number of funding challenges facing nonprofit organisations delivering health and social care services. Firstly, annual negotiations being based on the amount received in the previous year *“does not allow for any innovation or reform or piloting of new ideas and it may even penalise organisations which have been able to make economies through efficiency gains. Moreover, it does not put patient/service user needs at the centre of negotiations on delivery of services.”*

Secondly, a number of organisations reported an accumulation of deficits as their budgets do not meet the costs of the services they are providing. *“If organisations refuse to sign SAs[Service Agreements] which do not cover their costs, 20% of their budgets can be withheld.”*

In addition, *“organisations have also reported that decisions on their funding are taken too late in the year and that the annual nature of the exercise does not allow for forward planning. Funding for capital expenditure is handled separately and even where capital funding is provided the necessary operational funding (for staff, administration, equipment etc.) is not always integrated, making longer term investment planning very difficult.”*

Report into the Potential for a ‘Charity Passport’ Facility for Charity Data in Ireland 2019 (Prepared for the Charities Regulator by Indecon International Economic Consultants, 2019)

One of the recommendations in this report concerns the cost of meeting the reporting requirements of funders: *“Complying with reporting requirements of funding agencies represents a cost for many charities. This should be recognised as an integral part of the provision of services on behalf of the State, and some allowance for this cost should be considered in concluding funding agreements. There is international recognition of the necessity to ensure charities have adequate resources to meet such requirements. As a result, many funders internationally provide grants to cover nonprofit such overhead costs. Indecon understands that in Ireland this is also taken into account of by some funders as part of their evaluation of overall administration costs. While this is not directly related to the case of whether or not to establish a ‘Charity Passport’, this is an important issue identified as part of our stakeholder consultations and one which Indecon believes is valid to highlight in the context of this review.”*

1.2.2 Compliance

Sustainable, Inclusive and Empowered Communities

One of the actions that form part of this strategy identifies the need for appropriate compliance and monitoring arrangements, including the need for:

- Reviewing the appropriateness of regulatory compliance requirements
- Developing and implementing a strategy to reduce, streamline and standardise all public-funded programme and regulatory monitoring, reporting and compliance requirements, where appropriate
- Resource and support organisations to fulfil compliance requirements.

Working Draft of Volunteering Strategy

In the stakeholder consultations that fed into the strategy some common challenges emerged for organisations wishing to involve volunteers, which included: *“funding levels, governance and regulatory requirements, administrative burden and capacity building. Smaller VIOs emphasised the impact of governance and regulatory requirements as one of the biggest challenges to volunteer-led organisations.”*

The draft strategy goes on to include the following action: *“Examine the scope to reduce the cost of compliance and administrative burden of regulation, insofar as possible, in order to free up resources for volunteering.”*

Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services

In the Executive Summary of this report there are a number of references to the challenges faced by health and social care organisations in relation to compliance requirements: *“We heard a great deal from voluntary organisations in relation to repetitive requests for information in a variety of formats and templates from different units and individuals within the HSE.*

Furthermore, many voluntary organisations are also registered charities and/or companies. Therefore, in addition to reporting to the HSE, they are required to report the same or very similar information to the Charities Regulator and the Companies Office in respect of common issues such as governance and finance. We therefore propose that State bodies agree a Memorandum of

Understanding to re-use data provided to them, and which is publicly available, instead of asking voluntary organisations to provide data that has already been supplied elsewhere. Furthermore, they should agree not to repeat verification and control work already done by another State body.

We make recommendations to re-balance the burden of current contractual relations between the voluntary sector and the HSE from a heavily bureaucratic emphasis on control of spending towards a greater focus on the quality of services delivered and outcomes. The heavy onus of compliance on some organisations and the amount of time and resources required of the HSE to ensure compliance seems to us in many cases to be disproportionate to the funding received. We therefore make recommendations in relation to simplifying the process of financial reporting in such cases.”

Report of the Consultative Panel on the Governance of Charitable Organisations for the Charities Regulator (Charities Regulator, 2018)

Arising from the public consultation process that informed their deliberations the Panel noted that: *“many Irish charities currently face regulatory, reporting and funding-compliance requirements from a variety of statutory bodies, with these becoming increasingly burdensome for organisations. Furthermore, the interaction of the many separate, but related, regulatory and reporting demands from donors, funders and oversight bodies has been singled- out as hampering the core operations of charitable organisations.”*

Report into the Potential for a ‘Charity Passport’ Facility for Charity Data in Ireland

One of the key findings in this report focuses on the cost of meeting the information requirements of funders and other agencies: *“There is a significant cost faced by many charities in meeting the continued information requirements of funders and other agencies. This reflects the importance for funders and other public agencies in ensuring that charities operate to the highest standards and that information is obtained to evaluate the effective use of scarce public funds. While Indecon’s research indicates that the Charities Regulator’s information requirements do not impose significant reporting costs on charities, charities face significant costs in meeting the combined requirements of funders and other agencies. This finding is consistent with existing international research. An analysis of new empirical research by Indecon of the governance costs of a sample of Irish charities showed that these were significant and ranged from €159,000 to over €1.3 million and as a share of resources ranged from 0.5% to 3.1%. The significance of costs in meeting, reporting and other requirements of funders and other agencies, was aligned with estimates of governance costs of charities in the UK examined by Indecon. It is also consistent with the views expressed by stakeholders during our extensive consultation programme. This suggests that any cost-effective initiatives which would reduce reporting costs should be given a high priority.”*

The report concluded that: *“significant reductions in the reporting costs of charities would only arise if there was a whole-of-government approach to co-ordinate and streamline information requirements. While this longer-term initiative is being assessed, immediate gains can be achieved by ensuring that charities do not have to submit the same information multiple times to different divisions within individual funding organisations. Development of a memorandum of understanding by funders and other agencies to re-use data should also be prioritised. Given the vital role played by charities and other nonprofit organisations in Ireland, every effort should be taken to ease any unnecessary information requirements or duplication while maintaining key information to meet regulatory and accountability objectives.”*

1.2.3 Governance

Compliance Report (Charities Regulator, 2018)

In 2018 the main categories of concerns raised with the Charities Regulator were: Governance Issues (32%), Legitimacy of a Charity (30%) and Financial Control and Transparency (21%). A number of recurring themes identified in the 2017 report continued throughout 2018 and the issues related to governance are listed below.

Trustee duties and responsibilities:

- Charity trustees not aware of their legal duties and responsibilities
- Charity trustees lack knowledge of the requirements and conditions in their charity's governing document
- Charity trustees not holding meetings or trustees not attending meetings
- Charity trustees making decisions without documenting those decisions in formal Board minutes
- Charity trustees making significant decisions without seeking out specialist advice;
- Charity trustees allowing one or a group of trustees control the charity
- Charity trustees not aware of their legal obligations to the Charities Regulator around making an annual return, keeping their details up to date on the public Register of Charities or disclosing suspected offences under the Criminal Justice (Theft and Fraud Offences) Act, 2001.

Managing conflicts of interest:

- Charities having too many connected persons as charity trustees
- Charities having no conflict of interest policy in place
- Charities not having a 'conflict of interest' standing agenda item
- Where a conflict exists, the conflicted charity trustees not being removed from the decision-making process
- Charities not recording how they managed conflicts that were identified.

Internal financial controls:

- A lack of documented financial policies and procedures in place
- No segregation of duties
- Cash not being counted in the presence of two people
- Receipts/acknowledgments not being issued for donations received
- Reconciliations not being performed
- Restricted and unrestricted income not being adequately identified and recorded
- No contracts of employment in place
- Lack of supporting documents to validate expense claims
- Credit card expenditure not supported by receipts
- Charity trustees not being provided with regular financial reports detailing the financial performance and position of the charity
- No fixed asset register in place.

Transparency:

- Charities submitting abridged accounts
- Charities not clearly communicating how they are using charitable funds and the impact of those funds
- Charities not publishing key finance and governance information.

Fundraising:

- Charities not obtaining and/or displaying a valid collection permit
- Charity collectors not displaying charity information and authorisations
- Charities not using sealed boxes for cash collections
- Charities not describing the purpose of the fundraising
- Charities using third party fundraising agents without a written contract in place.

Unregistered charitable organisations:

- Charitable organisations not applying to the Charities Regulator to be included in the Register of Charities
- An organisation (other than a registered charity) describing or promoting itself as a charity.

Report of the Consultative Panel on the Governance of Charitable Organisations

Some of the key findings that emerged from the Panel's public consultation process identified specific governance challenges:

- The main barrier to good governance emerging from the consultation process was a lack of knowledge and understanding of what good governance is and what is expected of the board, followed by a lack of expertise and a lack of knowledge of their legal obligations.
- Respondents also cited the absence of dedicated, low cost training for charity trustees as being a barrier, along with an inappropriate skills mix on some boards.
- Charities - both big and small, have a cost associated with good governance. Individuals at the public meetings mentioned how their organisations had contracted auditors or solicitor firms to inform them of their duties, at a high cost.
- It was further suggested that there is a role for state funders to ensure funding received includes an element for governance training.
- Other barriers mentioned included recruiting new charity trustees, monitoring and auditing volunteers, a lack of strategic planning by boards of charity trustees and the lack of data on the subject in Ireland.

Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services

This report makes reference to funding issues creating difficulties in relation to board recruitment: *"In the course of our work, some voluntary organisations have expressed concern about a growing challenge in recruiting new Board members because of difficulties regarding perceived erosion of autonomy, lack of adequate funding and more specifically because of the risk of funding deficits. Some potential members have expressed reservations about joining Boards due to the risk of a shortfall in the funding of the organisation with a consequent potential that it might be found to be trading while insolvent. This could lead to prosecution and imposition of personal liability on Board members for reckless trading under company law."*

National Social Enterprise Policy for Ireland

The consultations undertaken during the preparation of this policy called for greater clarity on the current legal structure options for social enterprises and social entrepreneurs, along with a call to examine options for bespoke legal structures in the longer term for social enterprises.

1.2.4 Skills deficit

Sustainable, Inclusive and Empowered Communities

The strategy acknowledges the support in relation to governance and operations that is needed by the nonprofit sector: *“Governance and operational capacity in groups and organisations will be strengthened through a public-funded programmatic approach to locally delivered training in governance, management, strategy development and fund-raising, human resource management, and communications, marketing and social media. It will equip board members with the knowledge and skills required to lead community and voluntary organisations, plan more strategically and deliver better services for communities.”*

National Social Enterprise Policy for Ireland

Respondents to an on-line survey conducted as part of the background research to this Policy referred to the need for specific programmes focused on recruitment, development, and entrepreneurial learning for Board directors, Committee members and management within the social enterprise. This was also highlighted during the public consultation process.

Working Draft of Volunteering Strategy

Stakeholder consultation which informed the draft strategy found that *“the primary challenge to volunteering isn’t a lack of people willing and able to volunteer, rather it is the limited resources of volunteer involving organisations and their lack of capacity to engage and adapt to the changing needs of volunteers.”*

Draft Report on Research on Appraisal of Upskilling Employees in the Nonprofit Sector

(Commissioned by The Wheel and produced by Indecon Economic Consultants, for publication in December 2020)

The analysis suggests the presence of critical skills gaps in the nonprofit sector with levels of training below that of other sectors in Ireland and international nonprofit levels. Key findings of the draft report included:

- When asked to rate specific skills levels against current organisational needs as ‘Adequate’, ‘Some upskilling needed’ or ‘Significant upskilling needed’, none of the skills levels reached a 50% rate for Adequate. Finance and Compliance received the highest rating at 48.1% Adequate with Fund-raising, IT and Marketing receiving the lowest Adequate ratings at 19.6%, 21.7% and 24% respectively.
- 71% of respondents felt that they needed further training to cope with their present duties.
- In relation to the impact of skills shortages in the sector, 74% of respondents felt they hindered the introduction of new working practices, 60% felt they reduced the quality of services and 57% felt they resulted in lower productivity.

1.2.5 Relationship between the sector and the state

Report of the Independent Review Group established to examine the role of voluntary organisations in publicly funded health and personal social services

The opening paragraph of the executive summary states: *“The voluntary sector is composed of a wide range of organisations that vary significantly in terms of size, geographical coverage and the type of services provided. In this context the main finding in this Report is the clear need for the statutory and the voluntary sectors to recognise that they depend upon and benefit from each other. An intertwined and complex relationship has existed between the two sectors for many years during which time there has been mixed success in terms of co-operation at local and national levels. In many instances, strong and effective local relationships ensured the provision of services, sharing of learning, and collaboration on quality improvement measures. However, in other instances, particularly at national level, this relationship has become strained, especially during the recent financial crisis and the rapid succession of different proposals for structural reform. We recognise the debt of gratitude that Ireland owes to the voluntary sector and consider that it is necessary to put the ongoing relationship between the State and the voluntary sector on a clearly defined basis, in keeping with the expectations of our citizens.”*

The executive summary goes on to state: *“During the process of this review we became conscious of a strained relationship between the voluntary sector and the State, represented by the HSE as the funding agency. There seems to us to be a breakdown in mutual trust and respect which must be restored in order to maintain this essential relationship in a healthier way for the benefit of all our citizens. We therefore recommend developing a new relationship between the State and the voluntary sector based on trust, partnership and on mutual recognition of need. To underpin a transparent and collaborative relationship, we recommend public recognition of the separate legal status and of the important role of the voluntary sector through a Charter based on principles such as putting the patient/service user at the centre of the system, shared purpose, active involvement, dialogue and joined up government. The Charter should be developed and its principles put into practice through a Forum, which should be established to facilitate regular dialogue between the relevant State representatives and the voluntary sector.”*

Appendix Two: List of stakeholders

The following contributors took part in key stakeholder interviews:

1. Nina Arwitz CEO, Volunteer Ireland
2. Ciara Bates Principal Officer, Voluntary and Community Supports Unit, Department of Rural and Community Development
3. Seamus Boland CEO, Irish Rural Link
4. Siobhan Cafferty Social Enterprise Project Manager, Probation and Irish Prisons Services, Department of Justice
5. Benny Cullen Partnership and Governance Manager, Participation and Ethics Unit, Sport Ireland
6. Sara Denny Director of Impact, Social Entrepreneurs Ireland
7. Derek Fanning Manager, Tipperary Volunteer Centre
8. Caitriona Fottrell Vice-President, Ireland Funds
9. Caroline Gardner CEO, Quality Matters
10. Chris Gordon CEO, Irish Social Enterprise Network
11. Eva Gurn CEO, Boardmatch
12. Sean Healy Director, Social Justice Ireland
13. Liz Hughes CEO, Charities Institute Ireland
14. Anne Kavanagh Chief Executive, Paul Partnership
15. Suzanne Keatinge CEO, Dóchas
16. Patricia McCormack General Manager, Compliance Unit – non statutory sector, Health Service Executive
17. Helen Martin Chief Executive, Charities Regulator
18. Deirdre Mortell CEO, Social Innovation Fund Ireland (now renamed as Rethink Ireland)
19. Tricia Nolan Manager, South Dublin County Volunteer Centre
20. Mary O'Connor CEO, Federation of Irish Sport
21. Paul O'Sullivan CEO, Clann Credo (retired in July 2020)
22. Paul Skinnader Executive Director, Pobal
23. Eamon Stack CEO (outgoing), Enclude
24. Donal Traynor Associate Director, Community Finance Ireland
25. Karl Wallace Head of Festivals and Events, Arts Council
26. Eifion Williams Service Director, Tusla

Appendix Three: Case studies

1. Board recruitment project

Volunteer Ireland carried out a board recruitment project in 2019 which was funded by DRCD. Seven new Volunteer Centres were being created and the task was to recruit 8 – 10 people to form boards in each of the counties concerned. This was achieved within a four to five-month timeframe.

Methodology:

- Nine board role descriptions were created in the following areas: legal/governance; financial management; volunteer management; community development; business development; HR; communications; advocacy/public affairs; and general. The role descriptions were explicit about the qualities and expertise required but only required five years of experience in order to attract younger board members.
- Two public meetings were held in each county in order to explain what Volunteer Centres are and what would be involved in board membership. The meetings and board roles were promoted widely in the following ways: paid ads; press releases resulting in local media coverage; posters; Activelink; information circulated to County Councils and PPNs; bilateral face-to-face meetings in each county by the Volunteer Ireland CEO; listings on the national volunteering database I-VOL; listings with Boardmatch; and communication through the networks and forums of other organisations such as The Wheel.
- People were asked to express their interest by sending in letters of application and CVs. Meetings were held with those who met the criteria. On that basis the successful candidates were selected.

Outcomes:

- 70 applications were received
- 59 interviews took place
- 44 new trustees are currently serving across seven boards.

Learning:

- It is possible to get beyond the usual suspects but it takes time and money
- It is not just about getting people on boards, but getting people with the necessary skills and qualities on boards. That requires a more proactive approach
- Using role descriptions with criteria in terms of the required experience puts off the serial board members who do not have the necessary skills
- Getting the people with the right skills and qualities also involves saying no to some people, which can be difficult
- Using a breadth of advertising platforms attracted people with diverse backgrounds in terms of age, skill sets, profession, cultural background, etc.

2. Board training and recruitment project

TrustIE was a pilot programme run by six Volunteer Centres (Cork, Dublin City, Dun Laoghaire Rathdown, Fingal, Galway and South Dublin County) in 2018, with funding from DRCD and the training provided by The Wheel. The pilot arose out of the needs of small community organisations to better recruit and support board members as well as the needs of volunteers for better information and awareness about becoming board members.

Methodology:

- Organisations seeking board members were invited to a training event that gave an overview of good governance and an opportunity to assess their needs, undertake a gap analysis and work on their recruitment process.
- Volunteers interested in becoming board members were invited to a training event that gave an overview of the charity sector in Ireland, outlined board members responsibilities and gave participants an opportunity to explore what they might have to offer as a board member as well as what they needed to know to find the right role for them.
- Representatives from organisations and volunteers were invited to matching events. Some events included panel discussions with sitting trustees followed by a question and answer session with volunteers. All events conducted a 'speed dating' activity where volunteers met briefly with organisations seeking trustees.

Outcomes:

- 49 organisations and 79 volunteers took part in training events with 41 organisations and 67 volunteers taking part in matching events
- 66 trustee roles were created by participating organisations, with a 560% increase in the number of board related volunteer opportunities registered with the 6 participating Volunteer Centres compared to the same period in the previous year
- By January 2019, 222 applications for board member roles had been made, 20 matches were complete and 38 matches were in progress.

Learning:

- Many people who sign up to volunteer centres do not see themselves as potential board members or are unaware that such volunteer positions are a possibility
- The vast majority (89%) of potential volunteers who attended training on the responsibilities involved were still interested in becoming board members after the training
- Volunteer involving organisations need support in order to complete and advertise roles and to follow through on the selection process.

3. Boardmatch recruitment process

Board and committee recruitment is the focus of the work done by Boardmatch. They have seen a significant increase in board appointments in the last eight years, with annual board appointments rising from 30 in 2012 to 316 in 2019.

Methodology:

- Premium service: Boardmatch undertakes a skills audit with the board and agrees the recruitment and selection process; potential candidates are identified by Boardmatch and introduced to the board
- Free website: Nonprofit boards and potential candidates enter their details on the Boardmatch website and search the website for matches; Boardmatch tracks interventions and provides prompts to further action if necessary
- Charity Trustee Speed-Dating Event: Boardmatch provides an annual event with 50 nonprofits seeking new trustees, an opportunity for potential candidates and nonprofits to meet face to face and match by sector interest and skills
- Boardmatch provides information and training tailored to the needs of nonprofits seeking board members and candidates interested in serving on boards.

Outcomes:

- In 2019, 205 appointments were made through the website, 39 appointments through the premium service, 40 appointments through the speed-dating event and 32 appointments from the Leadership Development programme
- On the website, 7 weeks is the average length of recruitment process
- In 2019, there were 155 female appointments and 161 male appointments.

Learning:

- Many nonprofits struggle to meet the requirements of following through a recruitment process once candidates contact them on the website. The importance of agreeing a board recruitment policy at the beginning of the process of seeking new trustees is underrated.
- The majority of candidates are not deterred by information or training on legal duties of trustees. The number of candidates on the website is consistently greater than the number of vacancies on the website.
- Investment in support to nonprofits and potential candidates increases the number of matches and successful board appointments made.

4. Charities Governance Code training

Carmichael and Volunteer Ireland collaborated in the delivery of online training on the Charities Governance Code in 2019, with the participation of 13 Volunteer Centres in Clare, Cork, Donegal, Dublin City, Dun Laoghaire Rathdown, Fingal, Galway, Kerry, Longford, Louth, Mayo, Sligo and Wicklow.

Methodology:

- Volunteer Centre managers promoted the training within their networks and hosted a physical venue where participants could watch a Carmichael live webinar on the Charities Governance Code. Participants were invited to send questions in advance of the webinars.
- Three webinars were presented at intervals of three to four weeks. Each webinar focussed on two principles within the Charities Governance Code and how organisations might meet the standards in those two principles.

- The webinars were beamed live to each venue and participants could also log on at home if they wished. Participants were able to ask questions which were moderated by Volunteer Centre staff and typed into the chat facility. Follow-up questions were invited and they were responded to by email.
- Access to the recorded webinars was provided after each webinar.

Outputs:

- Total attendance for all three webinars was 363 for the physical events and 74 for the online events. Attendance varied greatly from one Volunteer Centre to another and gradually declined over the three webinars for both the physical and online events.

Learning:

- This approach maximised the access opportunities for participants, with some opting to view online rather than travel to the Volunteer Centre and others choosing to attend the physical venue
- One manager felt that the low turnout in their Volunteer Centre in relation to bookings was a result of the training being offered without charge.

5. Pilot governance standards initiative

Pobal collaborated with DCYA on a pilot initiative to improve governance standards within DCYA funded childcare services, for implementation by Pobal's Compliance, Audit & Risk Directorate. Ten childcare services were involved in a pilot exercise.

Methodology:

- One day was set aside to conduct an onsite visit at each childcare service
- The key issues identified by Pobal staff were discussed with representatives of the relevant childcare services (managers, plus in some cases members of the board).

Outcomes:

- In general, a more supportive and developmental approach has had a strongly positive effect on relationships.

Learning:

- The visits made a number of findings, for example: the need to distinguish between mandatory statutory or regulatory requirements versus good practice guidance; and the need to consider obtaining independent professional advice in relation to complex areas such as employment legislation and insurance.

6. Auditing project

In 2015 Enclude worked with 207 parishes in the Archdiocese of Dublin in order to streamline parish management and financial accounting across the diocese. After a pilot project with 7 parishes, a modified solution was rolled out to all parishes.

Methodology:

- All parishes were set-up in both Salesforce CRM and Accounts IQ with respective integrations
- Parish financial totals on July 1 were uploaded for each parish
- Parishioner records, Families and individuals, standing order data and envelope details were added to the Pastoral Management solution
- Contributions made from individuals and families for 2015 year to date were also uploaded.

Outcomes:

- By February 2016, all parishes had their 2015 Annual Accounts completed and bank accounts reconciled on the new Pastoral Management system.
- Parish income, family contributions and weekly collections etc are entered into the Pastoral Management system and automatically pushed into the AccountsIQ system. The bank reconciliation in AccountsIQ confirms the accuracy of the transactions and the pastoral management system manages the cash float. This double lock ensures the authenticity of the records and fulfils vital controls needed by the audit.
- It is estimated that audit costs within the archdiocese were reduced by 25%.

Learning:

- The development of appropriate IT solutions requires a significant level of consultation, testing and working alongside the client
- Appropriate IT solutions can save time and money.

This report sets out the findings of a consultation undertaken to examine the support needs of Irish nonprofit organisations of different sizes and in different locations. The aim was to establish what supports are currently being accessed, and identify how supports could best be organised and developed to enable these organisations to meet the challenges they are currently facing.

a consultation by Sheila Cahill Consulting on behalf of

**the
wheel**

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