

Carmichael.

**COMPLIANCE WITH THE
GOVERNANCE CODE**

Guiding nonprofits
www.carmichaelireland.ie



Compliance with the Governance Code

The Directors are committed to maintaining the highest standard of Corporate Governance and they believe that this is a key element in ensuring the proper operation of the Company's activities. At its January 2017 meeting, the Board formally reconfirmed its adoption of the Governance Code for Community, Voluntary and Charitable Organisations. In line with the compliance requirements of the Governance Code, the Directors wish to make the following confirming statement.

“We comply with the Governance Code for Community, Voluntary and Charitable Organisations in Ireland. We confirm that a review of our organisation's compliance with the principles in the Code was conducted in October 2016. This review was based on an assessment of our organisational practice against the recommended actions for each principle. The review sets out actions and completion dates for any issues that the assessment identifies as needing to be addressed.”

Explanations of variances from the Governance Code

Principle 2.1(b) of the Governance Code states that if the organisation is a company limited by guarantee, that a board member should be appointed to act as Company Secretary. It goes on to state that a non-board member, including a member of staff, but not the CEO, may be considered for the Company Secretary role. This is because one of the two main roles of the Company Secretary is to act as one of the 'custodians of governance' within the organisation. If the CEO is the Company Secretary, then one of the necessary checks and balances which ensure best practice in governance is removed. The Governance Code operates on a “comply or explain” basis.

The Board having reviewed this requirement in light of the CEO also performing the Company Secretary role, is happy that it has sufficient governance checks and balances in place. It has a board sub-committee with specific responsibility for the adherence to good corporate governance and it has board members with strong governance expertise and experience. The board also took into account the practical needs of having the CEO as the Company Secretary for the purpose of its management of Carmichael's Community Employment scheme. The board is satisfied that it has sufficient 'custodians of governance' within the organisation and is, therefore, in compliance with the principles of the Code.