

Section 66 Inspectors' report

**North Inner City Homeless CLG
T/A Inner City Helping Homeless**

(Registered Charity Number 20101848)

Final Report

2 July 2024

Inspectors' Report

North Inner City Homeless CLG T/A Inner City Helping Homeless (Registered Charity Number 20101848)

We have, in accordance with the provisions of Section 64 of the Charities Act 2009 carried out an investigation into the affairs of North Inner City Homeless CLG T/A Inner City Helping Homeless.

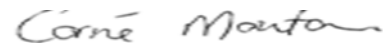
We hereby submit our report to the Charities Regulatory Authority ("the Charities Regulator") in accordance with Section 66 of the Charities Act 2009.

Signed:



Thomas Mulholland
Inspector
Charities Regulator

Dated: 2 July 2024



Cornè Mouton
Inspector
Forvis Mazars

Contents

Contents.....	2
1 INTRODUCTION.....	3
1.1 Background to the report	3
1.2 Basis of the Report	4
1.3 Investigation process	5
1.4 This Report	7
2 SUMMARY OF FACTUAL FINDINGS.....	8
3 DETAIL OF FACTUAL FINDINGS	10
3.1 Board meetings, control and oversight	10
3.2 Company appointments and recording on Register of Charities	13
3.3 Third Party Service Provider	14
3.4 Lack of Board oversight over specific matters	15
3.5 Board guidance documents and induction	19
4. CONCLUSIONS.....	20

1 Introduction

1.1 Background to the report

- 1.1.1 In October 2021 the Compliance and Enforcement Unit of the Charities Regulator sought the appointment of Inspectors as provided for in Section 64 of the Charities Act 2009 to investigate the affairs of a charitable organisation – North Inner City Homeless CLG T/A Inner City Helping Homeless (Registered Charity Number (“RCN”) 20101848) (“ICHH” or “the Charity”) – and prepare a report thereon. This action was taken on foot of a concern which had been received by the Charities Regulator in relation to ICHH.
- 1.1.2 ICHH was established in 2013 and incorporated in 2014 and was a charity providing services to the homeless of inner-city Dublin, operating a seven night a week outreach service across Dublin City. It was registered in the Register of Charities in December 2017.
- 1.1.3 As per the Constitution of ICHH, the main object for which the company was established was ‘to carry on the business of social work activities and to supply the homeless with clothing and food and all activities related thereto’.
- 1.1.4 The charitable purpose of ICHH as listed on the Register of Charities is the ‘relief of poverty or economic hardship’.
- 1.1.5 ICHH is a company limited by guarantee with no share capital and holds charitable tax exemption from the Revenue Commissioners (CHY Number 22317).
- 1.1.6 Per the financial statements of ICHH for the year ended 31 December 2020, the charity had income of €882,240 and held net assets of €653,174. ICHH received the majority of its income by way of public and corporate donations. The charity had over 200 volunteers and ran an outreach program to homeless people which operated 7 nights a week and it also distributed food packs. The office of the charity on Amiens Street was open 14 hours a day, 5 days a week, for drop in callers. It also operated a warehouse from which distributions were organised.
- 1.1.7 On 28 July 2021 the Charities Regulator received a concern containing serious allegations in relation to a service provider to ICHH. On 29 July 2021, the Charities Regulator made a report to An Garda Síochána pursuant to section 28(1) of the Charities Act 2009 as there was a reasonable belief that a suspected offence had been committed. The Charities Regulator also raised queries with ICHH and engaged with the charity in relation to the matter. On 5 August 2021 ICHH informed the Charities Regulator that they were not aware of, nor had they received, any complaints or concerns in relation to the allegations made to the Charities Regulator on 28 July 2021.
- 1.1.8 On 5 August 2021, an email was sent by the concernee to ICHH, copying the Charities Regulator, attaching a letter referring to the allegations previously made and further allegations regarding a separate serious matter. This correspondence was referred to An Garda Síochána by the Charities Regulator on 6 August 2021. On 9 August 2021, ICHH informed the Charities Regulator that subsequent to their reply to the Charities Regulator on 5 August 2021, they had received a complaint and they reported the matter to An Garda Síochána. On 12 August 2021 ICHH issued a public statement stating that serious matters had come to the attention of the board, that they had suspended an employee and the use of

a separate service provider, and that they had appointed a Senior Counsel to evaluate issues of concern.

- 1.1.9 The Charities Regulator continued to engage with ICHH regarding governance matters. During this time there was a considerable amount of publicity in relation to the charity. On 23 August 2021, the Chairperson of ICHH sent an email to the Charities Regulator outlining the difficulties facing the charity and stated that ICHH should be shut down. Three charity trustees of ICHH, including the Chairperson, resigned at the end of August 2021. A new charity trustee who was appointed could not act as they were disqualified under section 55 of the Charities Act 2009. On 27 September 2021, solicitors for ICHH wrote to the Charities Regulator stating that following the resignation of several directors, only a single director remained in situ. Per the constitution of ICHH, the minimum number of directors necessary for the transaction of business was two.
- 1.1.10 On 1 October 2021, ICHH made an ex-parte application to the High Court further to section 747 of the Companies Act 2014 seeking the appointment of a Senior Counsel as Inspector. The application outlined that two directors were still acting, but that the charity was in a perilous position. Following engagement with ICHH, the Charities Regulator wrote to the charity setting out that in the absence of a functioning executive, the most effective way of protecting services and securing the cash resources of the charity for transfer to another charity with a similar charitable purpose, would be through the appointment of a liquidator. ICHH subsequently withdrew the application to the High Court for the appointment of an Inspector under section 747 of the Companies Act 2014. On 7 October 2021, further to an application by the Charities Regulator, the High Court appointed a provisional liquidator to wind up the charity.
- 1.1.11 On 15 October 2021, pursuant to the provisions of section 64 of the Charities Act 2009, the Charities Regulator appointed Mr Cornè Mouton of Forvis Mazars and Mr Thomas Mulholland of the Charities Regulator as Inspectors to investigate the affairs of ICHH and to report to the Charities Regulator under section 66 of the Charities Act 2009.
- 1.1.12 On 3 November 2021, a formal request was issued by the Inspectors to ICHH and the liquidator under section 65(1) (a) of the Charities Act 2009 to provide detailed information.

1.2 Basis of the Report

- 1.2.1 This Report is based on investigation work undertaken in the period commencing 15 October 2021 to 2 July 2024. This report includes investigation findings in respect of governance issues and matters arising from January 2019 to the commencement of the investigation.
- The factual findings have been made in the context of these periods and have not been adjusted to take account of any matters arising in subsequent periods.
- 1.2.2 The investigation giving rise to this Report included the investigation of all aspects of ICHH's affairs under Part 4 of the Charities Act 2009 with a focus on the period from 1 January 2019 to 14 October 2021 and included the following matters:
- (a) financial and other internal controls;
 - (b) financial record keeping regarding income and expenditure;

- (c) internal policies and procedures for the appointment of staff and Board oversight of same;
- (d) job descriptions and recruitment processes for paid positions with the Charity;
- (e) internal policies and procedures governing the procurement of services from third parties;
- (f) business plans and Board authorisations associated with contractual commitments and largescale projects entailing significant commitment of resources by the Charity;
- (g) Board oversight of the affairs of the Charity more generally and in particular in relation to the management of the charity's finances and activities.

1.3 Investigation process

1.3.1 The investigation process, which this Report reflects, commenced on 15 October 2021. The Inspectors issued a description of the purpose of the investigation and an information request directing ICHH and the Provisional Liquidator to produce documentation pursuant to section 65 (1) (a) of the Charities Act 2009 on 3 November 2021.

1.3.2 The investigation process included (but was not limited to) the following:

- Requesting detailed information and documentation from ICHH and the liquidator relating to the affairs of ICHH for the period under review.
- Obtaining and examining documents and information necessary for the purpose of the investigation, which included (but was not limited to) contracts, policies and procedures, correspondence, memoranda, Board minutes, financial data, bank statements, emails, records, and external data (CRO, google etc.).
- Interviews with a total of fourteen (14) individuals who were identified as former ICHH employees or volunteers, former members of the Board of Directors i.e. charity trustees, or third parties related to ICHH. Such individuals were identified by the Inspectors as being of potential assistance to the investigation. Not all former employees, volunteers and directors were asked to attend for interview.
- The table below sets out the role and title of each individual referred to in the report:

No.	Role	Title if used in the body of this report
A	Former Chairperson (05/10/2017 to 27/08/2021) Former Acting CEO (11/08/2021 to 27/08/2021)	Former Chairperson
B	Board Member (05/03/2014 to 01/10/2019) Former CEO (01/07/2019 to 17/08/2021) Former Company Secretary (05/03/2014 to 15/04/2019)	Former CEO
C	Former Outreach Volunteer (May 2014 to April 2021) Former Board Member (05/10/2017 to 28/02/2021)	Former Board Member 2

	Former Project Manager (01/04/2021 to 07/10/2021) Former Company Secretary (15/04/2019 to 07/10/2021)	
D	Former Board Member (14/05/2020 to 28/08/2021)	Former Board Member 4
E	Former Board Member (12/01/2021 to 26/08/2021)	Former Board Member 5
F	Former Head of Fundraising and Communications (01/01/2020 to 07/10/2021)	Former Head of Fundraising and Communications
G	Third Party Service Provider Director (17/09/2020 to present)	Third Party Service Provider Director
H	Former Volunteer (Sep 2015 to Oct 2021) Former Case Manager (April 2020 to Oct 2021)	Former Case Manager

- Interviewees were asked about the issues identified from the records and provided with an opportunity to give an account of their version of events and to provide supplemental information where necessary.
- Interviews were recorded by way of a Dictaphone at each investigation interview meeting. The recordings were then sent by secure means to confidential typists who transcribed the interviews. A copy of each interview transcript was provided to each individual who had attended for interview and an opportunity was afforded to them to provide further comment if they so wished. Following each interview, interviewees were requested to voluntarily provide documentation mentioned by them during the course of their interview, if relevant.
- Statutory requests for information under section 65(2)(a) of the Charities Act were issued to 3 individuals post interview, as information referred to by them at interview was not subsequently provided voluntarily. Information was provided by those 3 individuals on foot of those statutory requests.
- At all times, the investigation was performed with regard to relevant legal principles and the requirements of fair procedures, including due process and natural justice.
- At all times, the Inspectors retained sole control of the procedures and process of the investigation and were the final decision-makers on all matters of procedure relating to the investigation.
- Preliminary reporting in line with fair procedures, included circulation of a draft report to all persons in respect of whom there was a possibility of any adverse findings for the opportunity to make comment and for the purpose of factual accuracy verification.
- Following the circulation of the draft report, some additional documentation was provided by former Board members.

- The Inspectors considered and weighed all information and submissions provided in an unbiased fashion.

1.4 This Report

- 1.4.1 This Report is confidential and has been prepared solely for the Charities Regulator as per section 66(1) of the Charities Act 2009. We acknowledge the right of the Charities Regulator as per section 66(3) of the Charities Act 2009 to publish this report in such manner as it considers appropriate and to furnish a copy of the report, if it considers it appropriate, to those listed in section 66(3) of the Charities Act 2009. We reserve the right to amend the layout, observations and conclusions set out in this report, prior to any submission to the Courts in any potential legal proceedings.
- 1.4.2 This report is based on work carried out and information provided to us to date. As new information may be made available in the future, we reserve the right to review and update our observations and conclusions as necessary prior to the issuing of an updated report.

2 Summary of Factual Findings

In summary the Inspectors found for the period under review from 1 January 2019 to 14 October 2021:

Board meetings, control and oversight

1. The Inspectors found that there was a lack of adequate control and oversight by the Board (charity trustees) in relation to the activities of ICHH, which per its financial statements for the year ended 31 December 2020 had income of €882,240 and which held net assets of €653,174. Per the meeting minutes and related papers provided, it can only be established for three of the six Board meetings held during 2019, and three of the four Board meetings held during 2020, that a range of topics relating to charitable activities were covered as part of the agendas for these meetings. The remainder of meeting minutes for these years recorded limited actions only, or special purpose decisions such as the resignation or appointment of directors / secretary. No Board meeting minutes were provided for substantial periods, including from June 2019 to April 2020 (a nine-month period) and between October 2020 and August 2021 (a further ten-month period).
2. The Inspectors found that the minutes of some board meetings provided did not adequately record discussions and decisions taken. The minutes of the board meetings of 8 January 2019 and 20 June 2019 each consist of 3 lines or sentences only. Minutes of board meetings in 2019 and 2020 did not contain any approval of the minutes of the previous meeting. Overall, the agendas, minutes and related Board meeting papers provided to the Inspectors did not provide evidence that an adequate and consistent agenda was in place for Board meetings to ensure that charity trustees had oversight over all key activities of ICHH.

Company appointments and recording on Register of Charities

3. Further to section 39(11) of the Charities Act 2009, charities are required to keep the Register of Charities up to date at all times. The Inspectors found that the Board of ICHH did not notify the Charities Regulator of several charity trustee appointments and resignations, and that the appointment and resignation of Former Board Member 5 was not recorded with the Companies Registration Office. Despite the fact that under the Charities Act 2009 all directors of a charity that is a company are charity trustees, at interview, Former Board Member 5 expressed the view that they were a director of ICHH, but that they were not a charity trustee of ICHH, which demonstrated a lack of understanding of their role and duties as a charity trustee.

Third Party Service Provider

4. The Inspectors found that there was a lack of oversight by the Board in relation to ICHH's relationship with a third party supplier that provided a listening service, and that there was no formal Board approval of any arrangement with that entity. No formal agreement or safeguards were in place to govern matters such as the use of ICHH's charitable resources or

data privacy issues in relation to ICHH vulnerable client files being accessed by Third Party Service Provider which gave rise to significant risks for ICHH and its service users.

Lack of Board oversight over specific matters

5. The Inspectors found that ICCH did not have a documented strategic or operational plan in place for the period under investigation, and that there is no clear evidence in Board meeting minutes received for this period to indicate that adequate strategic discussions took place at Board meetings. While ICHH had a Risk Register in place which was noted by the Board in August 2021, there was no evidence of a fully functional risk management framework or live discussions of risks by the Board.
6. The Inspectors found that the proposed Day Services Centre project which would have been a significant project for ICHH if implemented, should have been subject to preparation of detailed project plans and costing. A copy of a two page general project scope document listing the aims of the project was provided to the Inspectors, but it did not contain detailed budgets, costings or timelines for the project. The Inspectors found that adequate Board deliberation of the project was not evident in Board minutes received, and that clear project approval by all Board members was not recorded in Board minutes. The funding for the project, which totalled €200,000, was also not subject to a formal agreement or terms of use. Overall there was a lack of adequate Board oversight, review, and approval of the Day Services Centre project.
7. The Inspectors found that the Board exercised inadequate oversight and/or control over several internal control matters, including relating to charitable income, expenditure, payroll, fixed assets, outreach activities in County Meath, and staff recruitment, roles and responsibilities.

Board guidance documents and induction

8. The Inspectors found that there was a lack of adequate governing documents in place for the Board of ICHH, including no formally approved and adopted Governance Policy, Code of Conduct, Schedule of Matters Reserved for the Board or Conflicts of Interest Policy. The Inspectors also found no evidence of a formal Board induction process being implemented (as recommended by the Charities Governance Code), or a training / induction pack for Board members, which would have raised awareness amongst Board members of their duties as charity trustees and their responsibility for the control and management of the organisation.

3 Detail of Factual Findings

3.1 Board meetings, control and oversight

3.1.1 The Inspectors noted that the details of ICHH Board meetings and related papers provided for the period of the investigation were as follows:

Scheduled Board meeting dates*	Information relating to these meetings provided to Inspectors			
	Agendas	Minutes	Financial Reports	CEO Reports
17/12/2018		✓		
08/01/2019		✓		
09/04/2019	✓		✓	✓
15/04/2019		✓		
11/06/2019		✓		
20/06/2019		✓		
21/10/2019	✓		✓	✓
05/03/2020	✓			
04/04/2020	✓	✓		
09/04/2020		✓		
27/10/2020	✓	✓		Update from CEO included in minutes
01/03/2021	✓		✓	
04/08/2021		✓		
11/08/2021		✓		
17/08/2021		✓		Update from acting CEO included in minutes
26/08/2021		✓		Update from acting CEO included in minutes
27/08/2021		✓		
17 meetings	6 agendas	13 sets of minutes of meetings	3 financial reports	5 CEO reports

*Based on references in agendas, minutes and other Board papers.

3.1.2 Based on the above table, the Inspectors received limited confirmation of Board meetings held for the period under investigation. The minutes, financial and CEO reports received in

respect of Board meetings indicate that six Board meetings may have been held in 2019. However, the Inspectors noted that it was apparent from the evidence provided in respect of three of these meetings only that a range of agenda items were covered, including financial reports, operational matters and the CEO's report in respect of charitable activities. For three of the Board meetings in 2019, the minutes only captured very limited actions to be taken by the Board (one or two actions or special purpose actions around the resignation or appointment of directors / secretary) and it is not evident that broader agenda items around charitable activities were covered. Four Board meetings appear to have been held during 2020, but similarly the Inspectors noted that it was only apparent from the evidence provided in respect of three of these meetings that a range of agenda items were covered, including financial reports, operational matters and the CEO's report in respect of charitable activities. In respect of 2021, the Inspectors received evidence of only one Board meeting held prior to August 2021.

- 3.1.3 No minutes of Board meetings were provided to the Inspectors for the period from June 2019 to April 2020 (a nine month period), and no minutes of Board meetings were provided to the Inspectors for a period between October 2020 and August 2021 (a further ten month period).
- 3.1.4 In respect of the minutes that were provided as a record of Board meetings held, the Inspectors noted a lack of detailed recording of matters discussed and decisions taken by the Board. Some Board meeting minutes consisted of a few lines of text recording specific actions or matters addressed by the Board.
- 3.1.5 The Inspectors also noted that Board papers are not available for some Board meetings, and the inconsistent nature of Board papers which were obtained, which points to a lack of an adequate system of record keeping in respect of Board matters and records.
- 3.1.6 Upon review of the matters contained in Board agendas, minutes and other papers obtained for the period of investigation, the Inspectors noted that while Board discussions did in some cases cover topics such as finances, projects, fundraising, volunteer and outreach updates (as well as other operational matters), that this was mainly covered in the CEO and financial reports provided. The Board agendas and related matters recorded in Board minutes did not clearly indicate that a consistent agenda was in place to ensure adequate and consistent oversight of ICHH's activities at Board level, The Inspectors also noted that a declaration of conflicts of interest was an agenda item in the meeting minutes of 27 October 2020 only, with no conflicts of interest identified on that date.
- 3.1.7 At interview, several former Board members indicated that Board minutes and papers provided to the Inspectors may not be complete, but former Board members could not identify a central repository for Board papers and ultimately did not provide the Inspectors with any additional Board papers. Former Board members also could not confirm that an adequate and consistent standing agenda was in place for Board meetings, and that adequate notice of Board meetings (including advance receipt of Board papers) were received. Several former Board members indicated that Board packs in respect of some Board meetings would have only been received on the day of the meeting, and provided email evidence to support this practice. This practice (of not circulating Board packs adequately in advance of Board meetings) was not in accordance with best practice (as explained in the Charities Regulator's Guidance Note on Minute Taking).

- 3.1.8 Following the circulation of the draft report for comment, a number of Board members provided feedback that they had stated at interview that board packs with signed minutes attached, signed contracts, leases and other confidential documentation were stored in a filing cabinet in the Former CEO's office. From a review of the interview transcripts, two individuals mentioned at interview that confidential client files were kept in a locked filing cabinet, but there was no mention of a central repository for board papers or other documentation.
- 3.1.9 The Inspectors obtained and reviewed the ICHH Financial Policy and Procedures, which states that a Finance Committee should be in place comprised of the Former Chairperson and Former CEO and that the Finance Committee *"will review the policy and procedures regularly to ensure that the ICHH complies with any new legislation or regulation and that best practice standards are maintained"*.
- 3.1.10 The Inspectors obtained no evidence of the existence of a Finance Committee in ICHH, either in Board minutes or based on interviews with former Board members. In addition, the Inspectors noted that the establishment of a Finance Committee which comprised only the Former Chairperson and Former CEO would not be how a finance committee would normally be constituted and would have represented a potential conflict of interest due to the Former CEO having day to day responsibility for the finances of ICHH, over which the Finance Committee should have had oversight.
- 3.1.11 The Inspectors found that there was a lack of adequate control and oversight by the Board in relation to the activities of ICHH, which per its financial statements for the year ended 31 December 2020 had income of €882,240 and which held net assets of €653,174. ICHH had 5 employees and over 200 volunteers and ran an outreach program to homeless people which operated 7 nights a week and the charity also distributed food packs. The office of the charity on Amiens Street was open 14 hours a day, 5 days a week, for drop in callers.
- 3.1.12 Per the meeting minutes and related papers provided, it can only be established for three of the six Board meetings held during 2019, and three of the four Board meetings held during 2020, that a range of topics relating to charitable activities were covered as part of the agendas for these meetings. The remainder of meeting minutes for these years recorded limited actions only, or special purpose decisions such as the resignation or appointment of directors / secretary. No Board meeting minutes were provided for substantial periods, including from June 2019 to April 2020 (a nine month period) and between October 2020 and August 2021 (a further ten month period).
- 3.1.13 The Inspectors found that the minutes of some board meetings provided did not adequately record discussions and decisions taken. The minutes of board meetings of 8 January 2019 and 20 June 2019 each consist of 3 lines or sentences only. Minutes of board meetings in 2019 and 2020 did not contain any approval of the minutes of the previous meeting. Overall, the agendas, minutes and related Board meeting papers provided to the Inspectors did not provide evidence that an adequate and consistent agenda was in place for Board meetings to ensure that charity trustees had oversight over all key activities of ICHH.

3.2 Company appointments and recording on Register of Charities

- 3.2.1 Section 2 of the Charities Act 2009 sets out that charity trustees, in the case of a charitable organisation that is a company, are the directors and other officers of the company. Further to section 39(11) of the Charities Act 2009, charity trustees are required to inform the Charities Regulator if any particulars entered in the Register of Charities cease to be correct. The Inspectors examined information regarding the appointment and resignation of directors and company secretaries of ICHH as recorded in the Companies Registration Office, and the recording of the appointment and resignation of charity trustees in the Register of Charities
- 3.2.2 Per Companies Registration Office records, the Former CEO resigned as a director of ICHH effective 1 October 2019, but they were not removed from the listing of charity trustees in the Register of Charities until 18 August 2021 when the charity's details were updated by the Charities Regulator.
- 3.2.3 Former Board Member 2 was registered as a company director of ICHH from 5 October 2017, and as company secretary from 15 April 2019, based on Companies Registration Office records. A form recording their resignation as a director of ICHH effective 28 February 2021 was not lodged in the Companies Registration Office until 23 August 2021. On 5 August 2021, a form was lodged with the Charities Regulator removing Former Board Member 2 as a charity trustee effective 7 April 2021, even though they were still recorded as company secretary in the Companies Registration Office. Further to section 2 of the Charities Act 2009, the company secretary was a trustee of ICHH and should not have been removed from the listing of charity trustees on the Register of Charities.
- 3.2.4 The Financial Statements of ICHH for the year ended 31 December 2020 were signed off by Former Board Member 2 on 19 May 2021 as a director, which is after the effective date of their resignation as a company director as notified to both the Companies Registration Office and the Charities Regulator. During interview, Former Board Member 2 confirmed that they signed the Financial Statements for the year ended 31 December 2020 as director in error, and that they meant to only sign in their capacity as company secretary.
- 3.2.5 Former Board Member 4 was registered as a company director of ICHH from 14 May 2020 to 28 August 2021 based on Companies Registration Office records. The appointment or resignation of Former Board Member 4 was not notified to the Charities Regulator or recorded in the Register of Charities. The Inspectors note that Former Board Member 4 is listed in the Financial Statements of ICHH for the financial year ended 31 December 2020 as having been appointed as a director on 14 May 2020.
- 3.2.6 The Inspectors were informed in response to our information request to ICHH that Former Board Member 5 was appointed to the Board of ICHH on 12 January 2021 and resigned on 26 August 2021. There is a reference to their resignation only in the Board minutes of 26 August 2021. This appointment and resignation were not recorded with the Companies Registration Office or in the Register of Charities. Despite the fact that under the Charities Act 2009 all directors of a charity that is a company are charity trustees, at interview, Former Board Member 5 expressed the view that they were a director of ICHH, but that they were not a charity trustee of ICHH which demonstrated a lack of understanding of their responsibilities as a charity trustee.

- 3.2.7 The constitution submitted to the Charities Regulator by ICHH on 12 August 2017 as part of its charity registration application differs significantly from the constitution filed in the Companies Registration Office. It appears that ICHH did not file the revised constitution in the Companies Registration Office as required by the Charities Regulator on registration.
- 3.2.8 Per information recorded in the Companies Registration Office, on 30 August 2021 the Board of ICHH appointed a director who could not act as a charity trustee as they were disqualified further to section 55 of the Charities Act 2009.
- 3.2.9 The Inspectors found that the Board of ICHH did not record the appointment or resignation of directors and company secretaries in the Companies Registration Office and in the Register of Charities in a timely manner, or at all in some instances as set out above, which was not in keeping with the requirements of section 39(11) of the Charities Act 2009. As a result, the identity of those who were in control of the charity was not at all times apparent.

3.3 Third Party Service Provider

- 3.3.1 The Inspectors noted the CEO Report to the Board meeting in October 2019 advised the Board that *"We have partnered up with [Third Party Service Provider]"*. The CEO Report notes that the Third Party Service Provider offers *"a free confidential listening service for anyone under stress or that needs to talk to someone"* and that it was *"holding sessions a couple of times per week in the ICHH offices"*. The Report also states that *"[Third Party Service Provider] & ICHH provide a listening and assistance support service, ...and also provide leaflets and telephone numbers for other services. We can help with form filling and reading letters or documents."* Third Party Service Provider is not a registered charity.
- 3.3.2 The Inspectors reviewed meeting minutes of Board meetings from 17 December 2018 – 27 August 2021 and did not note any discussion of the nature of ICHH's partnership with Third Party Service Provider or Board approval of same.
- 3.3.3 The Inspectors understand that Third Party Service Provider provided services on the premises of ICHH, but there was no contract or third-party agreement in place between ICHH and Third Party Service Provider with details of how resources and data would be shared and/or protected.
- 3.3.4 At interview, several former Board members and staff of ICHH confirmed that the ICHH offices were used by Third Party Service Provider to operate their listening service. ICHH received a donation of €5,000 in respect of Third Party Service Provider. The Inspectors obtained confirmation that ICHH subsequently paid €5,000 worth of Third Party Service Provider's expenses in line with the donor's wishes.
- 3.3.5 At interview, former Board members and staff of ICHH could not confirm the existence of any contract in place between Third Party Service Provider and ICHH, or any terms that would define the relationship and/or data sharing arrangements. The Third Party Service Provider Director confirmed that no such contract or terms were ever in place. Former Board members indicated that the ICHH Board was informed of the Third Party Service Provider project by the Former CEO, including the use of ICHH office space, that the project was initially to be run on a trial basis, but could not recall being asked to evaluate or approve support for the project.

- 3.3.6 The Inspectors noted from staff and volunteer records obtained that the Former Case Manager was a volunteer for both ICHH and Third Party Service Provider. This was confirmed during interviews with former Board members and staff of ICHH. It was also confirmed that the Former Case Manager had access to both ICHH case files and case files from Third Party Service Provider, and that the Third Party Service Provider Director on occasion volunteered for ICHH.
- 3.3.7 Due to ICHH and the Third Party Service Provider having volunteers for both entities on the premises, there is a data privacy concern related to access to ICHH client case management files by those external to ICHH without an agreement in place between ICHH, Third Party Service Provider and service users. At interview, the Third Party Service Provider Director stated that a consent form was in place for clients for the sharing of data between ICHH and Third Party Service Provider. It is noted that no evidence of the existence of the consent form referred to was obtained during the investigation.
- 3.3.8 The Inspectors obtained a letter dated 12 August 2021 from the Former Chairperson to the Third Party Service Provider Director notifying them that the Board had agreed to terminate the relationship between ICHH and Third Party Service Provider. It is noted that the letter states that there was to be a handover of ICHH data or files. At interview, the Third Party Service Provider Director stated that they did not have any data related to ICHH, but that they did not respond to the letter as the Former Chairperson stepped down and ICHH closed not long afterwards.
- 3.3.9 The Inspectors noted that a statement was issued by the Board on the ICHH website on 12 August 2021 stating, "*we have suspended an employee and the use of a separate service provider*". The Inspectors understand the reference to a separate service provider related to the Third Party Service Provider.
- 3.3.10 The Inspectors found that there was a lack of oversight by the Board in relation to ICHH's relationship with Third Party Service Provider and that there was no formal Board approval of any arrangement with that entity. No formal agreement or safeguards were in place to govern matters such as the use of ICHH's charitable resources and data privacy issues in relation to ICHH vulnerable client files being accessed by Third Party Service Provider which gave rise to significant risks for ICHH.

3.4 Lack of Board oversight over specific matters

Strategic Planning and Risk Management

- 3.4.1 The ICHH Governance Policy and Documentation dated 11 May 2015 states that Strategic Planning (1, 3, 5-year plan) and Operations Planning were to be implemented. The Inspectors found no evidence in Board papers or company documentation that a strategic or operational plan was ever drafted or implemented by the Board of ICHH.
- 3.4.2 Several former Board members confirmed during interview that strategic and operational planning was never formally implemented by ICHH. The Inspectors note that planning of this

nature is recommended by the Charities Governance Code, and would be expected of a charity with annual income in excess of €800k per annum, net assets of over €650k, 5 employees and over 200 volunteers, and which provided outreach services 7 days a week.

- 3.4.3 The Inspectors obtained an ICHH Risk Register dated October 2020. No evidence of review, discussion or approval by the Board of this risk register was noted in Board meeting minutes covering the investigation period. A review of Board meeting minutes does not contain any record of this risk register being reviewed, discussed or approved by the Board.
- 3.4.4 The Inspectors obtained an ICHH Risk Register dated August 2021 and note its implementation was recorded in the Board meeting minutes of 26 August 2021. However, there is no record of any discussion or approval of the risk register by the Board in the minutes of the meeting.
- 3.4.5 The Inspectors found that ICCH did not have a documented strategic or operational plan in place for the investigation period, and that there is no clear evidence in Board meeting minutes received for this period to indicate that adequate strategic discussions took place at Board meeting. While ICHH had a Risk Register in place which was noted by the Board in August 2021, there was no evidence of a fully functional risk management framework or discussions of risks by the Board.

The Day Services Centre Project

- 3.4.6 The Inspectors obtained a letter dated 22 January 2021 from Marist Fathers to the Former Head of Fundraising and Communications of ICHH confirming a donation of €200,000 to ICHH "*towards the valued work of ICHH*". The Inspectors did not obtain any other agreement or documentation in relation to this donation.
- 3.4.7 The Inspectors confirmed during interview with the Former Chairperson and several former Board members that this donation was intended to be used for a Day Services Centre Project. At interview, the Former Chairperson stated that the intention of the Day Services Centre was to provide a day café drop-in, laundry facilities and a GP sitting twice a week. The Inspectors determined that, given the amount of funding attributed to this project, the Day Services Centre Project would be a significant project with preparation taking place during the period under review, and would have needed a structured approach during planning, implementation and completion phases.
- 3.4.8 As part of the review of all Board meeting minutes received for the investigation period, the Inspectors did not note any documented discussion or review of project costings, project plan or the formal approval of the Day Service Centre project. A two page general project scope document listing the aims of the project as sourcing a dedicated building, investigating the potential for a public facing café, delivering a budget for running costs and funding options, recruiting qualified staff and developing policies and procedures was circulated as part of the papers for the Board meeting of 1 March 2021. The document did not contain detailed budgets, costings or timelines for the project. The Board meeting minutes for this meeting were not provided to the Inspectors so it is not clear what was discussed or if any approvals or decisions were taken in relation to the project.

- 3.4.9 At interview, several former Board members and staff of ICHH displayed an awareness of the project only, but could not recall approving the project or receiving detailed project proposals or costings for the project, or any project or funding agreements being in place.
- 3.4.10 It is noted that ultimately the Day Services Centre project did not proceed due to the closure of the charity.
- 3.4.11 The Inspectors found that the Day Services Centre project, which would have been a significant project for ICHH if implemented, should have been subject to the preparation of project plans and costing, but that evidence of detailed project proposals was not provided to the Inspectors. The Inspectors found that adequate Board deliberation of the project was not evident in Board minutes received, and that clear project approval by all Board members was not recorded. The funding for the project was also not subject to a formal agreement or terms of use. Overall there was a lack of adequate Board oversight, review, and approval of the Day Services Centre project.

Other internal control matters

- 3.4.12 *Charitable income* – The Inspectors found that during interview, former Board members displayed limited knowledge and understanding of ICHH's various sources of charitable income from donations and grants, and mechanisms for receiving such income. The Inspectors could not obtain adequate evidence to suggest that income received and lodged by ICHH was reconciled on a consistent and regular basis. In addition, the Inspectors could not confirm that agreements with grantors and large corporate donors of ICHH, as recommended by the Internal Control Guidelines for Charities, which would set out the terms, conditions and any potential restrictions in respect of funding, were consistently in place.
- 3.4.13 *Charity expenditure* - The Inspectors found that the ICHH Financial Policy and Procedures dated 16 November 2020 documented key financial controls around charity expenditure, including approval thresholds at manager level (up to €1,000), CEO level (up to €3,000 non-budgeted or €5,000 budgeted) and Board level (above €3,000 non-budgeted or €5,000 budgeted), and requirements to seek quotations (>€500) or to engage in competitive tendering (>€20,000). The Inspectors found no evidence that these financial controls were in place and implemented in respect of expenditure approvals, seeking quotations and monitoring spend against budgets.
- 3.4.14 *Payroll reconciliations* - The Inspectors found that internal financial controls in relation to payroll were insufficient, particularly in respect of the absence of evidence of adequate review, approval and reconciliation of periodic payroll payments, and that payroll procedures in place were not consistent with controls and related responsibilities documented in the ICHH Financial Policy and Procedure document. The Inspectors also found that Board approval for the payment of multiple months' salary to staff during August 2021, prior to the majority of the board resigning, was not adequately documented in Board meeting minutes, including consideration of whether this decision was in line with ICHH's charitable purpose.
- 3.4.15 *Fixed assets* - The Inspectors found that a fixed assets register was provided, but that it was not adequate or comprehensive and that no procedures for fixed asset disposals were in place for ICHH.

3.4.16 *The Meath Project* - The Inspectors found that there was a lack of oversight, clear consideration and approval by the Board of charity activities taking place in County Meath (limited outreach activities) and the funds being used in relation to those activities.

3.4.17 *Recruitment process and roles / responsibilities* - The Inspectors found that formal recruitment policies and job descriptions for all roles within ICHH were not in place. The Inspectors found that there was a lack of evidence of Board oversight of recruitment decisions and determination of contractual terms for new charity employees, including salary levels. The Inspectors also found that an open recruitment process was not carried out in relation to the appointment of the Former CEO.

3.5 Board guidance documents and induction

- 3.5.1 The Inspectors were provided with an ICHH Governance Policy and Documentation, which states that it was submitted to the Board on 11 May 2015. It is noted that within the document is a Code of Conduct for Board Members, which states that it was approved at the Board meeting of 14 February 2013. The document also notes a long list of Board related policy documentation and their status as at that date, most of which are listed as 'to be created', 'to be implemented' or 'to be reviewed'. No final or approved versions of these policy documents were provided to the Inspectors.
- 3.5.2 The Inspectors obtained email evidence dated 19 June 2020 of Former Board Member 2 stating to the Board that a Board Handbook, conflicts of interest register, and risk register should be urgently focused on by the Board. A response to this email was received from the Former Chairperson on 22 June 2020 stating that operational matters and the surge in workload as a result of Covid-19 had taken priority.
- 3.5.3 The Inspectors obtained email evidence dated 2 October 2020 of the Former Chairperson sending out notice for the Board meeting of 27 October 2020. The email attaches a template Board Handbook, template risk register, and template Board Code of Conduct. It is noted from the ICHH Board meeting minutes of 27 October 2020 that the preparation of a Governance Code and Board Handbook was discussed, but no evidence was obtained to indicate that these documents were further developed or implemented.
- 3.5.4 The Inspectors did not obtain any evidence of an induction process or induction papers for Board members of ICHH.
- 3.5.5 At interview, several former Board members confirmed that limited Board documentation and no formal induction process was in place for the period under investigation.
- 3.5.6 The Inspectors found that there was a clear lack of adequate governing documents in place for the Board of ICHH, including no formally approved and adopted Governance Policy, Code of Conduct, Schedule of Matters Reserved for the Board or Conflicts of Interest Policy. The Inspectors also found no evidence of a formal Board induction process being implemented (as recommended by the Charities Governance Code), or a training / induction pack for Board members, which would have raised awareness amongst Board members of their duties as charity trustees and their responsibility for the control and management of the organisation.

4. Conclusions

- 4.1.1 Charity trustees have a duty to manage a charity's resources responsibly, to act in the best interests of the charity, and to carry out their function with due skill and care. The Inspectors found that there was a lack of adequate control and oversight by the Board (charity trustees) in relation to the activities of ICHH. Per the meeting minutes and related papers provided, it can only be established for three of the six Board meetings held during 2019, and three of the four Board meetings held during 2020, that a range of topics relating to charitable activities were covered as part of the agendas for these meetings. The remainder of meeting minutes for these years recorded limited actions only, or special purpose decisions such as the resignation or appointment of directors / secretary. No Board meeting minutes were provided for substantial periods, including from June 2019 to April 2020 (a nine month period) and between October 2020 and August 2021 (a further ten month period).
- 4.1.2 Charity trustees have a duty to manage a charity's resources responsibly, to act in the best interests of the charity, and to carry out their functions with due skill and care. The Inspectors found that the minutes of some board meetings provided did not adequately record discussions and decisions taken. The minutes of the Board meetings of 8 January 2019 and 20 June 2019 each consist of 3 lines or sentences only. Minutes of board meetings in 2019 and 2020 did not contain any approval of the minutes of the previous meeting. Overall, the agendas, minutes and related Board meeting papers provided to the Inspectors did not provide evidence that an adequate and consistent agenda was in place for Board meetings to ensure that charity trustees had adequate oversight over all key activities of ICHH.
- 4.1.3 Charities are required to keep the Register of Charities up to date at all times as required by section 39(11) of the Charities Act 2009. The Inspectors found that the Board of ICHH did not record the appointment or resignation of directors and company secretaries in the Companies Registration Office and in the Register of Charities in a timely manner, or in some instances at all. As a result, the identity of those who were in control of the charity was not at all times apparent.
- 4.1.4 Charity trustees have a duty to manage the charity's resources responsibly, to act in the best interests of the charity, and to carry out their functions with due skill and care. The Inspectors found that there was a lack of oversight by the Board in relation to ICHH's relationship with Third Party Service Provider and that there was no formal Board approval of any arrangement with that entity. No formal agreement or safeguards were in place to govern matters such as the use of ICHH's charitable resources and data privacy issues in relation to ICHH client files being accessed by Third Party Service Provider which gave rise to significant risks for ICHH.
- 4.1.5 Charity trustees have a duty to manage the charity's resources responsibly, to act in the best interests of the charity, and to carry out their functions with due skill and care. Expenditure incurred in running a charity, while necessary, must be kept to a minimum to ensure that the charity meets its obligation to apply its income and donations towards its charitable purpose to the greatest extent possible. Board oversight of expenditure is central to this. The Inspectors found that:
- ICCH did not have a documented strategic or operational plan in place for the period under investigation, and that there is no clear evidence in Board meeting minutes

received for this period to indicate that adequate strategic discussions took place at Board meetings. While ICHH had a Risk Register in place which was noted by the Board in August 2021, there was no evidence of a fully functional risk management framework and live discussions of risks by the Board.

- The Day Services Centre project, which would have been a significant project for ICHH if implemented, had not been subject to the preparation of detailed project plans and costings. The only relevant document provided to the Inspectors was a two page general project scope document listing the aims of the project. The Inspectors found that adequate Board deliberation of the project was not evident in Board minutes received, and that clear project approval by all Board members was not recorded. The funding for the project, in the amount of €200,000, was also not subject to a formal agreement or terms of use. Overall there was a lack of adequate Board oversight, review, and approval of the Day Services Centre project.
- The Board exercised inadequate oversight and/or control over several internal control matters, including relating to charitable income, expenditure, payroll, fixed assets, outreach activities in County Meath, and staff recruitment, roles and responsibilities.

4.1.6 Charity trustees have a duty to act in the best interests of the charity and to carry out their function with due skill and care. The Inspectors found that there was a clear lack of adequate governing documents in place for the Board of ICHH, including no formally approved and adopted Governance Policy, Code of Conduct, Schedule of Matters Reserved for the Board or Conflicts of Interest Policy and that no Finance Committee was in place. The Inspectors also found no evidence of a formal Board induction process being implemented (as recommended by the Charities Governance Code), or a training / induction pack for Board members.