

Summary:
Community Employment – Corporate Governance Processes

May 2019.

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Background:

Community Employment (CE) has its origins in 1994. Operational responsibility for CE schemes transferred to the Department of Employment Affairs and Social Protection (DEASP) on the 1st January 2012 as part of the integration of the FÁS Community and Employment services.

The Community Employment Programme currently has 22,860 placements (including 1,323 Supervisors). The overall budget for CE in 2019 is circa €345m.

The Community Employment programme is delivered through sponsoring organisations approved by the Department primarily from the community and voluntary sector. These organisations contract with the Department to provide work experience and training opportunities on an annual basis for jobseekers and other qualifying adults. The sponsoring committee members act on a voluntary basis. Grant aid is provided by the Department to cover the following costs on a per capita basis:

- Supervisory costs;
- Participants' wages;
- Training Grant;
- Materials Grant.

CE Financial Review 2012

Following the Budget 2012 announcement of the reductions to the materials and training budgets for CE, the Minister asked that a review of the income and expenditure of individual CE schemes would be undertaken by her Department. The reduction in training and material grants was implemented in the context of the overarching need to ensure that all exchequer expenditure is targeted appropriately and to comply with savings required within each government department.

Corporate Governance

Currently there are 916 CE schemes nationwide (April 2019). It is a requirement that the sponsoring organisation is set up as a separate legal entity (except where the organisation is a Public Body).

Qualifying sponsoring organisations receive annual contracts which fund the employment of both Community Employment participants and supervisors, and funding towards training and material costs.

As most of the schemes are run in a voluntary capacity, in addition to the legal requirements and Company Law regarding limited companies, there are various other controls in place to ensure that each scheme is managed in an appropriate manner and comply with good corporate governance as follows:

1. Divisional Financial Monitoring

New Financial Monitoring Guidelines were implemented in June 2013.

All relevant Divisional staff were briefed on these Guidelines before rollout.

The Guidelines, completed by DEASP staff on-site, aim to ascertain the adequacy and effectiveness of financial systems, controls and policies in place.

The Guidelines consist of a list of questions and statements which require a 'compliant' or 'non-compliant' answer.

Any question/statement that is deemed non-compliant is followed up with the Sponsor and recommendations are made to ensure compliance.

Overall Schemes are evaluated as either 'Compliant', 'Compliant with minor issues' or 'Non-compliant'.

Scheme's that are 'Non-compliant' are not offered a new contract until all issues are resolved.

A Financial Monitoring visit is carried out by the Division for each project at least once a year.

2. Divisional Programme and Training Monitoring

New Programme and Training Monitoring Guidelines were also implemented in 2014.

All relevant Divisional staff were also briefed on the Form before rollout.

The Guidelines, completed by DEASP staff on-site, aim to ascertain compliance with DEASP CE Procedures.

The Guidelines consist of a list of questions and statements which require a 'compliant' or 'non-compliant' answer.

Any question/statement that is deemed non-compliant is followed up with the Sponsor and recommendations are made to ensure compliance.

Overall Schemes are evaluated as either 'Compliant', 'Compliant with minor issues' or 'Non-compliant'. Scheme's that are 'Non-compliant' are not offered a new contract until all issues are resolved.

A Programme and Training Monitoring visit is carried out by the Division for each project at least once a year.

3. Central Control Visits

The CE Policy Unit carries out its own Financial, Programme and Training monitoring control visits.

This monitoring is carried out by appropriately trained/qualified staff.

5% of all Schemes nationally are randomly selected and monitoring is carried out at the Schemes premises.

A Report is then issued to the Divisional AP (copied to the relevant HEO, Divisional Manager and Assistant Secretary) and the Sponsoring Organisation.

The Report includes Action Points which the Division are required to follow-up with the Scheme.

The Division reports back to the CE Policy Unit within 3 months to update on the points raised.

4. The CE Procedures Manual

Every Sponsor is issued with a Community Employment Procedures Manual for adherence.

These Procedures list the various requirements and procedures for a Sponsor running a CE Project.

The latest version of the Procedures at: www.welfare.ie/en/Pages/CE.aspx .

5. 3 Year Application

Sponsors can now submit an application for 3 years.

Each Sponsor must be compliant in both Financial and Programme & Training Monitoring to be considered for renewal.

If successful in their application, an annual contract will issue.

DEASP will appraise the project each year and only sponsors who satisfy the appraisal process will be offered a new contract for years 2 & 3.

6. Sponsor Engagement Pack

The Sponsor Engagement Pack is being rolled out by the Divisions.

This will provide all the resources and support materials for the Sponsor Organisation to utilise in running a CE scheme.

It will also advise sponsors of their roles and responsibilities.

The Pack will include documentation on the main areas in Community Employment:-

- Community Employment Procedures Manual
- 3 Year Application
- Corporate Governance Guide
- Financial Best Practice Guidelines
- Programme & Training Guidelines
- CE Childcare Programme
- CETS-CEC
- CE Drug Rehabilitation Places

The Sponsor Engagement Pack will be presented to Sponsors and meetings will be arranged annually to keep the Sponsors informed and give them an opportunity to give feedback to the Department.

7. Corporate Governance Guide

A Corporate Governance Guide for sponsors has been compiled and will issue in conjunction with the Sponsor Engagement Pack.

The Guide gives details on the responsibilities of the Sponsors, as Directors and Employers, to ensure good Corporate Governance.

8. Financial Best Practice Guidelines

The Financial Best Practice Guidelines was revised in 2013. They were issued to all Sponsors to assist them to keep proper books of account and maintain good financial controls. The Guidelines also include templates designed for recording transactions – Payments Book, Receipts Book and Bank Reconciliations.

The Guidelines gives details on financial best practice in relation to:-

- Recording of Expenditure
- Recording of Income
- Bank Account and Bank Reconciliation
- Payroll
- Electronic Funds Transfers
- Internal Controls

9. Auditor's Certificate

All Schemes are required to have a CE Auditor's Certificate completed by their Auditor for the contract period.

This is an independent verification of the Scheme's Income and Expenditure.

The Auditor's Certificate includes:-

- Income and Expenditure Account
- Bank reconciliation
- Balancing Statement (End of Contract Reconciliation)

10. BOMi

BOMi is the administration and approvals system used for Community Employment and Job Initiative Schemes.

BOMi now supports the business processes of application, contract, funding, recruitment, training and monitoring with regard to both CE and JI.

All of these processes were custom-designed and are supported by operating guidelines which staff and sponsors have been provided with.

All details relating to each Application/Claim are entered onto BOMi. It is an online system which allows for the uploading of documentation onto the system under the relevant Application/Scheme.

The following is a sample of the documentation that can be generated through BOMi:-

- Acknowledgement Letter
- Approval Letter
- General Correspondence
- Schedule Agreement / Renewal Schedule Agreement
- Contract Amendment

All payments for CE are approved through BOMi.

Statistical information is extracted from BOMi on a monthly basis. These statistics are available to the Divisions for business management purposes to track expenditure and participant's progress on schemes.

11. Welfare Partners

The CE Programme has been integrated onto this Department's IT infrastructure via Welfare Partners.

WelfarePartners.ie is a digital platform that allows partners to manage their end-to-end relationship with the DEASP.

It aims to remove manual and paper-based processes to improve the overall customer experience, while protecting personal data and minimising fraud by the use of robust identity authentication.

Welfare Partners has had a positive impact for CE sponsors as it has eased the administrative burden and improved operational processing as Sponsors can complete Individual Learner Plans (ILPs) for participants, submit wages (AWS) and Materials and Training funding requests and engage with the Department online, thus replacing the historical practices which were paper based and labour intensive. To date over 380,000 ILP and change requests have been completed online.

A dedicated helpdesk provides assistance to sponsor groups with getting started on Welfare Partners.

In addition, sponsors and supervisors have been provided with a Welfare Partners User Manual and further guidance is available [here](#).

Each scheme also has a dedicated local DEASP Officer who is available to help with any further queries.

The sponsor is responsible, through the supervisor, to ensure that the developmental needs of each CE participant on the scheme are catered for.

It is the responsibility of the supervisor to ensure that a profile of each participant's needs is drawn up through one-to-one consultations, and that this profile is reflected in the Individual Learner Plan (ILP), which must be approved by the Department.

Each scheme must designate a member of the Project Management Committee to fulfil the role of the participant development officer.

This officer must give full support to the supervisor in the identification, preparation, procurement and delivery of all relevant training, as outlined in the ILP.

It is the individual sponsor's responsibility to meet their contractual obligations and to manage and direct their staff.

Briefings are provided to sponsors, by Departmental staff, as and when required, to assist them in the management and delivery of the CE scheme, specifically in relation to participant development and scheme governance.

12. Further Guidance

Please see the following websites for further guidance in relation to Corporate Governance:

The Charities Regulator -

<https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code>

The Governance Code -

<https://www.governancecode.ie/the-code.html>

The Code of Practice for the Governance of State Bodies (2016) –

provides a framework for the application of best practice in Governance which should cover all of your requirements in this regard. The code includes oversight, reporting requirements and the appointment of Board members. You can access it through the following link

<https://govacc.per.gov.ie/governance-of-state-bodies/>

The relevant Corporate Governance Code of Practice for CE Sponsoring Organisations must be implemented.

CE Policy Unit (CEPolicy@welfare.ie)