

Prosper Group Corporate Governance Manual

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1. Corporate Governance – Introduction

Corporate governance comprises the systems and procedures by which enterprises are directed and managed. State bodies must serve the interests of the taxpayer, pursue value for money in their endeavours (including managing risk appropriately), and act transparently as public entities. These principles also apply to organisations funded pursuant to Section 39 of the Health Act 2004.

Prosper Group comprises two service provider companies, namely Prosper Fingal CLG and Prosper Meath CLG and one Housing Association, as outlined in Section 2 below. As such, Prosper Group is expected to adopt best practice Corporate Governance standards by government and its agencies, in addition to the various regulators of the abovementioned companies. Prosper Group must have regard to relevant legislation, including but not limited to:

- The Companies Act 2014
- The Charities Act 2009
- The Housing (Miscellaneous Provisions) Act 1992
- The Residential Tenancies (Amendment) Act 2015
- Memorandum VHU:2/02 as re-enacted or amended from time to time
- Assisted Decision-Making (Capacity) Act 2015
- Disability Act 2005
- UN Convention on the Rights of a Persons with Disabilities
- The Lobbying Act 2015
- The Health Acts 1947 - 2008
- Data Protection Act 2018
- S.I No. 366 and 367 of 2013
- Regulation of Approved Housing Bodies Act 2019
- and any legislation made under a relevant enactment

1.1 Corporate Governance Manual – Purpose

It is important in a well-run company that the structures and processes by which the company is controlled through its Board, and the guiding principles to be followed in carrying out the business of the company, are properly established and well understood by individuals in the company and its other stakeholders. As well as being good practice for any business, stakeholders increasingly focus on the application of sound corporate

governance processes as evidence of a demonstrable commitment to delivering long term value and sustainability.

The purpose of the Corporate Governance Manual is to draw together, in a single point of reference, a clear statement of these structures, processes and principles.

This is not an attempt to introduce additional bureaucracy or formality, but rather to clarify the role of the parent company and its Board in controlling and monitoring performance throughout the Group, and to empower managers to run the company's businesses efficiently and effectively within clearly defined parameters and according to a commonly applied set of guiding principles.

This Corporate Governance Manual should be reviewed on an ongoing basis.

1.2 Guiding Principles

The following sets out the guiding principles for the Board of Directors:

Principle 1: Leading the organisation

1. Agreeing vision, purpose and values and making sure that they remain relevant.
2. Developing, resourcing, monitoring and evaluating a plan to make sure the organisation achieves its stated purpose.
3. Managing, supporting and holding to account staff, volunteers and all who act on behalf of the organisation.

Principle 2: Exercising control over the organisation

1. Identifying and complying with all relevant legal and regulatory requirements.
2. Making sure that there are appropriate internal financial and management controls.
3. Identifying major risks for the organisation and deciding ways of managing the risks.

Principle 3: Being transparent and accountable

1. Identifying those who have a legitimate interest in the work of the organisation (stakeholders), and making sure that there is regular and effective communication with them about the organisation.
2. Responding to stakeholders' questions or views about the work of the organisation and how it is run.

3. Encouraging and enabling the engagement of those who benefit from the organisation in planning and decision-making.

Principle 4: Working effectively

1. Making sure that the governing body, individual Board Directors, committees, staff and volunteers understand their roles, legal duties, and delegated responsibilities for decision-making.
2. Making sure that the Board exercises its collective responsibility through Board meetings that are efficient and effective.
3. Making sure that there are suitable Board recruitment, development, succession planning and retirement processes in place.

Principle 5: Behaving with integrity

1. Being honest, fair and independent.
2. Understanding, declaring and managing conflicts of interest and conflicts of loyalties.
3. Protecting and promoting the organisation's reputation.

2. Prosper Group Structure and Overview



2.1 Prosper Social Care Services CLG

Prosper Social Care Services CLG, a company limited by guarantee without a share capital, was founded in March 2015 and is a non-trading holding company with the business name Prosper Group. Prosper Group comprises two service provider companies (Prosper Fingal CLG and Prosper Meath CLG) and a housing association (Prosper Fingal Housing Association CLG).

- *Registered Office: Strand Street, Skerries, Co. Dublin*
- *Company Registration No.: 558553*

2.2 Prosper Fingal

Prosper Fingal, formerly Fingal Workshop Limited, was established in 1978 by parents and friends of people with disabilities, namely the *Fingal Association for the Handicapped*. That Association, with its objective of establishing a day service for local adults with an intellectual disability, drew knowledge and support from all parts of North Dublin. The result was the formation of Fingal Workshop Limited which changed its name to Prosper Fingal Limited in January 2000. The company is a registered charity.

A significant number of individuals avail of Prosper Fingal services, which include Day, Residential, Respite and Clinical supports. These services are located in the main centres of population in North County Dublin. Prosper Fingal is a Section 39 (Health Act 2004) funded agency (see definition in Appendix 4) with an annual Service Arrangement with the HSE. This contract sets out the quantum and quality of services expected and the governance obligations on Prosper Fingal as a commissioned service provider.

Prosper Fingal is part of the National Federation of Voluntary Service Providers, which is a national umbrella organisation for voluntary / non-statutory agencies that provide direct services to people with intellectual disability in Ireland on behalf of the HSE.

- *Prosper Fingal CLG, trading as Prosper Fingal, is a company limited by guarantee not having a share capital*
- *Registered Office: Strand Street, Skerries, Co. Dublin*
- *Company Registration No.: 65998*
- *CHY (Revenue) Number.: 11458*
- *Registered Charity Number (RCN): 20031466*

2.3 Prosper Meath

Prosper Meath, formerly MIDWAY (Meath Intellectual Disability Work Advocacy You), became part of the Prosper Group in 2016. The Prosper Meath organisation that we know today was founded as Meath Sheltered Workshop when it was established by a parents and friends' body in 1982. In keeping with the sector at that time, they established a sheltered workshop that provided work-like activities in packing and assembly from a location at Beechmount Industrial Estate in Navan.

Over the years, the organisation evolved from Meath Sheltered Workshop to MIDWAY Limited and in December 2015 changed its trading name to Prosper Meath. This was in advance of it becoming part of the new Prosper Group structure. With this significant change, it adopted the core purpose, values and operational principles of Prosper Group.

Prosper Meath provides day and clinical services on behalf of the State within the towns of Navan, Trim, Kells, and Ashbourne with a commitment to expand that provision in line with need, opportunity and resourcing. These services are commissioned by the HSE.

Prosper Meath is a Section 39 (Health Act 2004) funded agency with an annual Service Arrangement contract with the HSE. The company is a registered charity. Prosper Meath is part of the National Federation of Voluntary Service Providers.

- *Prosper Meath CLG, trading as Prosper Meath, is a company limited by guarantee not having a share capital*
- *Registered Office: Strand Street, Skerries, Co. Dublin*
- *Company Registration No.: 185627*
- *CHY (Revenue) Number.: 10243*
- *Registered Charity Number (RCN): 20025960*

2.4 Ethos of Prosper Fingal and Prosper Meath

Mission Statement

To provide services and supports to adults with an intellectual disability, that responds to their needs and wishes, while maximising each individual's potential to live their best life.

Vision Statement

To support each individual to live the life they choose in the same way and same places as everybody else.

Values

- Person centred
- Respectful
- Professional
- Ethical
- Progressive
- Positive

Operating Principles

- Being person centred in our approach
- Being community focussed
- Being ambitious
- Working in partnership with key stakeholders
- Having and valuing the right staff
- Commitment to ongoing quality improvement
- Being transparent in what we do and say
- Working to a plan
- Being environmentally responsible

2.5 Prosper Fingal Housing Association CLG

Prosper Fingal Housing Association CLG was established in October 2007 when it took over the ownership of the Fingal Association for the Handicapped properties under a Transfer of Undertaking.

The main objective of Prosper Fingal Housing Association is to provide housing accommodation for persons in need of housing including the construction, purchase, rehabilitation or conversion of buildings for dwelling purposes and the management and maintenance of same.

- *Prosper Fingal Housing Association CLG, trading as Prosper Fingal Housing Association, is a company limited by guarantee not having a share capital*
- *Registered Office: Strand Street, Skerries, Co. Dublin*
- *Company Registration No.: 447579*
- *CHY (Revenue) Number.: 17998*
- *Registered Charity Number (RCN): 20068158*

As an Approved Housing Body (AHB), the Association must be cognisant and meet all obligations required by Approved Housing Bodies, the Residential Tenancies Board, Fingal County Council, Irish Council for Social Housing, Housing (Regulation of Approved Housing Bodies) Act 2019; Chapter 3, Health Information and Quality Authority (HIQA), and any other relevant parties. This will include regular reporting, as appropriate, to the Approved Housing Body Regulatory Authority (AHBRA).

2.6 Charitable Status

Prosper Fingal, Prosper Meath and Prosper Fingal Housing Association have charitable status and are registered with the Charities Regulator (an organisation set up in 2014 to regulate and protect Charities in line with the Charities Act 2009). The provider companies of Prosper Group must comply with the Charities Governance Code, which was published in 2018. The Charities Governance Code explains the minimum standards that should be met to effectively manage and control a charity, and complying with the Code involves putting in place systems and processes to ensure that the charity achieves its charitable objectives with integrity and is managed in an effective, efficient, accountable and transparent way.

By law, charity trustees (the Directors in our context) have individual and joint responsibility for what happens within the charity. This means that if their charity does not meet its legal duties, they are responsible both as individuals and together as a board. Every charity must provide an annual report to the Charities Regulator indicating compliance with each standard outlined in the Code. All Directors should read the Charities Governance Code in full, which is provided upon induction to Prosper's Board of Directors.

3. Duties and Responsibilities of the Board of Directors

3.1 Responsibilities of the Board of Directors

The Board of Directors of Prosper Group and its subsidiary companies (hereafter referred to as 'Prosper') is responsible for ensuring Prosper is compliant with all relevant statutory obligations and meets the requirements of the HSE, as service commissioner. The Directors should satisfy themselves that all such obligations are identified and made known to them.

The Board of Directors should have effective internal Codes of Governance in place, including an adequate system of internal controls to ensure compliance with laws and regulations, and should use the following documents (among other relevant publications) as a guide in drawing up such Codes of Governance:

- The HSE Code of Governance
- The Code of Practice for the Governance of State Bodies

- The Governance Code – A Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland
- Building for the Future, A Voluntary Regulation Code for Approved Housing Bodies in Ireland 2013

The Board of Directors should annually review the effectiveness of Prosper’s system of internal controls, including financial, operational and compliance controls and risk management. This must include the number and use of bank accounts and credit card accounts.

The Board of Directors should put in place procedures whereby employees may raise concerns, in confidence, about possible irregularities in financial reporting or other matters and for ensuring meaningful follow-up of matters raised in this way.

The Directors should ensure that the business is a going concern with supporting assumptions or qualifications as necessary.

The Directors are collectively responsible for the business of the organisation and are the trustees of its assets. Directors must, therefore, act with due care and diligence.

The main company law duties the Directors acknowledge and note are:

- Duty to keep adequate accounting records.
- Duty to prepare and file annual returns.
- Duty to have annual financial statements audited (if applicable).
- Duty to maintain certain registers and other documents.
- Duty to file certain documents with the Registrar of Companies.
- Duty of disclosure of certain personal information.
- Duty to convene general meetings of the company.
- Duties of Directors of companies in liquidation and Directors of insolvent companies.

The Companies Act 2014 sets out the fiduciary duties of Directors in Part 5 Section 228 of the Act. A Director of a company shall:

- a. Act in good faith in what the Director considers to be the interests of the company.
- b. Act honestly and responsibly in relation to the conduct of the affairs of the company.

- c. Act in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law.
- d. Not use the company's property, information or opportunities for his or her own or anyone else's benefit unless:
 - (i) This is expressly permitted by the company's constitution; or
 - (ii) The use has been approved by a resolution of the company in general meeting.
- e. Not agree to restrict the Director's power to exercise an independent judgment unless:
 - (i) This is expressly permitted by the company's constitution.
 - (ii) The case concerned falls within subsection (2) of Section 228 of the Act; or
 - (iii) The Director's agreeing to such has been approved by a resolution of the company in general meeting.
- f. Avoid any conflict between the Director's duties to the company and the Director's other (including personal) interests unless the Director is released from his or her duty to the company in relation to the matter concerned, whether in accordance with provisions of the company's constitution in that behalf or by a resolution of it in general meeting.
- g. Exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both:
 - (i) The knowledge and experience that may reasonably be expected of a person in the same position as the Director; and
 - (ii) The knowledge and experience which the Director has; and
- h. In addition to the duty under section 224 (duty to have regard to the interests of its employees in general), have regard to the interests of its members.

3.2 Reserved Functions of the Board of Directors

The Board of Directors should assure itself that it has clearly documented the range of responsibilities that it reserves to itself. At a minimum, these should include:

- Putting in place a clear scheme of delegation of accountability from the Board of Directors to the Chief Executive Officer (CEO).
- Approval of strategic and annual service plans.
- Approval of annual budgets.
- Approval of significant procurement contracts, acquisitions, disposals and retirement of assets of Prosper or its subsidiaries. The Board of Directors should specify clear

quantitative thresholds for contracts above which Board of Directors approval is required and should approve the terms of major contracts.

- Approval of risk management policies.
- Oversight of senior management remuneration. The Board of Directors must ensure that it has proper oversight of remuneration within the organisation.
- Approval, and publication on the Prosper websites, of annual reports and audited financial statements.
- Approval of the Annual Compliance Statement prior to submission to the HSE.
- Appointment of the CEO and assessment of the performance of, and succession planning for the CEO.

The Board of Directors is responsible for overseeing the proper management of the organisation. In particular it has a collective responsibility for:

- Acting in the best interests of the body they oversee and for the users of their services and their staff.
- Ensuring that appropriate clinical and professional governance arrangements are in place.
- Leading and directing the organisation's activities.
- Providing strategic guidance.
- Monitoring the activities and effectiveness of the CEO and management team.
- Ensuring effective systems are in place for identifying and managing risk.
- Ensuring the adequacy of internal financial controls.
- Accounting accurately to the State as the primary funder of its activities.

The Board of Directors should act on an informed basis, in good faith, with due diligence and care, and in the best interests of the organisation to ensure that public monies are applied for the purpose for which they have been provided.

In the exercise of their duties, the directors shall be cognisant of:

- All statutory obligations applicable to a company funded under Section 39 of the Health Act 2004 and the specific obligations of the Company set out in the Service Arrangements between the Company and the Health Service Executive and the documents ancillary thereto.
- All relevant government policies and conditions of approved status as apply to the Prosper Fingal Housing Association, including but not limited to the Housing

(Miscellaneous Provisions) Act 1992, the Residential Tenancies (Amendment) Act 2015, Memorandum VHU:2/02 as re-enacted or amended from time to time and any subordinate legislation made under a relevant enactment.

- All regulatory obligations applicable to a Registered Charity under the Charities Act 2009.
- Any other relevant legislation as re-enacted or amended from time to time.

3.3 Appointment of Directors

The composition of the Board of Directors should ideally reflect diversity in terms of age, gender, religion, ethnicity, skills and areas of competency. The size of the Board of Directors, therefore, should be large enough to take account of the full range of members' duties and responsibilities but small enough to enable the Board of Directors to perform effectively. The nature, scale and complexity of the business being conducted by Prosper should be taken into consideration when deciding the structure and size of the Board of Directors.

Supporting, engaging and advocating on behalf of our key stakeholders (service users and their families) is of great importance to the Board. In addition to the diversity considerations above, diversity should also encapsulate attitudes, experience and decision-making processes. In this regard, the Board should be made up of both:

- individuals who are stakeholders themselves, i.e. are related to a service user of Prosper;
- individuals who are not related to a service user of Prosper.

The Board should have no more than 3 direct stakeholders as Directors at any one time. The remaining 5 Directors (based on an ideal Board composition of eight) should be independent in that they do not avail of, or support an individual who avails of, supports provided by Prosper Group.

The number of Directors, (who shall be unrelated and shall be independent of each other) shall be not less than 8 and unless and until otherwise determined by the Company in general meeting, not more than 12. Every person appointed as a director shall automatically become a member of Prosper Social Care Services CLG. Board vacancies should be filled as soon as possible.

Prosper will inform the HSE, HIQA and any other relevant authority of any changes to its Directors.

How the Board is appointed

Vacancies will arise for Directors as individuals serve their full term or retire early.

Prosper has put in place a nominations strategy (overseen by the Board Nomination Committee) to respond to the filling of both the Board and Board Committee vacancies. Central to this strategy is the building of a 'Register of Interested Parties' from an open call 'expression of interest' process primarily targeted at our main stakeholders:

1. Existing Board Directors' personal networks
2. Prosper Fingal Parent/Family Forum and Prosper Meath Parent/Family Forum
3. Personal networks of employees of both service provider companies, i.e. Prosper Fingal and Prosper Meath
4. Prosper Fingal and Prosper Meath social media pages
5. Prosper Fingal and Prosper Meath websites
6. Board recruitment platforms such as BoardMatch
7. Local newspapers
8. Local media
9. Other disability provider agencies
10. Local networks / contacts of the organisation

This strategy is used on an ongoing basis to react to Board and Board Committee vacancies as they arise and to ensure that the 'Register of Interested Parties' is current. The Nominations Committee will consider the Register of Interested Parties and put forward recommendations to the Board of Directors for individual/s to fill vacant position/s as they arise. The selection process will be based on a set criteria including; knowledge, experience, availability, gender balance, geographical region, etc. The Board has the final decision on nominations put forward and it is the Board only who can approve the appointment of a new Director.

Throughout this process, the original Memorandum of Understanding dated 15/04/2013 between MIDWAY (now Prosper Meath CLG) and Prosper Fingal Limited will be applied as per point 4 of that Memorandum of Understanding, i.e.:

The composition of the Board of the new Prosper organisation will be agreed and will be based on a 60% Fingal and 40% County Meath representation. In the event

that there are eight Board members, which is the preferred Board composition, five will be from Fingal and three from the entity formally known as MIDWAY (Meath Intellectual Disability Work Advocacy You) from County Meath.

In addition, appointments will be informed by a target ratio as approved by the Board of Directors on 1st March 2021, that the Board would comprise a 5:3 ratio of those Directors without family members in a Prosper service (5) to those Directors with family members in a Prosper service (3). Prosper will work toward this ratio in so far as possible.

Individuals who are nominated as Directors, are also nominated as Members concurrently. As Directors retire or resign, they also retire as Members.

The following are not eligible to be a Board Director

- A person who is a spouse or civil partner, parent, sibling or child of a serving Director
- A child of the spouse or civil partner of a serving Director
- A spouse, civil partner, parent, sibling or child of an employee at senior management level
- A serving employee (unless provided for in legislation)

A Director shall remain in office for a period of three years (excluding any part year between co-option and election to the Board of Directors), when he shall become eligible for re-election at the next annual general meeting, provided always that no Director shall serve more than three consecutive terms, i.e. a maximum of nine years.

This resignation of Directors should occur on a phased basis to ensure the continuity of governance.

The Directors of the Company may from time to time appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing directors of the Company, in line with the provisions in the Company Constitution.

Board Directors are non-executive and voluntary, i.e. do not receive remuneration and are entitled to claim reasonable expenses incurred.

Board Induction

The Nominations Committee are responsible for ensuring that new Board Directors of Prosper Group and its subsidiary companies receive a formal induction. Board Induction will comprise receipt of an Induction Pack, in-person induction and a 'partner' system with an experienced Director on the Board. The Nominations Committee will tailor this strategy to each new Director in accordance with their training needs and experience.

Election of Chairman and Chairman's Term of Office

Unless otherwise provided for by Statute, the Board of Directors should elect the Chairman. The Expression of Interest process may take a dual-approach, whereby Directors may set out a personal expression of interest, or a Director may nominate a fellow director for an upcoming position. The Expression of Interest process should begin 6 months in advance of the known retirement of a Chairman, and such nominations should be put forward to the Secretary of the Board of Directors. The Election of the Chairman can occur at any meeting of the Board of Directors.

The appointment should be for a period not exceeding three years in line with the duration of the term of office of Directors. At the end of three years, if re-elected, the Chairman can be re-appointed for a maximum of a further three years.

4. Board Procedures

4.1 General

The Board of Directors should:

- Have clearly documented procedures in place for the identification, selection and appointment of Directors.
- Have a succession plan in place for the Board of Directors to ensure continuation of the effectiveness of the Board of Directors.
- Maintain a record of Board of Directors tenure.
- Clearly document procedures for the disqualification of Directors.
- Put in place an appropriate induction programme for new Directors.

4.2 Regular Meetings

The Board shall hold at least 6 meetings in each year and such other meetings as may be necessary for the performance of its functions.

Meetings will normally be held at the head office of the Prosper Group in Skerries. However, from time to time, meetings may be held at times and places determined by the Directors at prior meetings, or as shall be directed and approved by the vote or written consent of those concerned.

Should circumstances arise, which in the opinion of the Chairman, would make it inconvenient for a large number of Directors and/or the CEO and senior management to attend a meeting, he or she may direct that the meeting be deferred to a later date to be fixed by him or her.

A Board meeting may, at any reasonable time, be convened by the Chairman or the Secretary, or on written request from at least four Directors.

4.3 Adjourned Meetings

No notice need be given of an adjourned meeting of the Directors if, at the meeting at which the adjournment is taken, the time and place to which the meeting is adjourned are announced.

4.4 Ad hoc Board Meetings

On occasion, the Board may be required to schedule ad hoc meetings for the necessary performance of its functions. Due notice will be given to all Directors and the notice shall state the purpose of such meeting. No business shall be conducted at an ad hoc meeting except the business specified in the notice of the meeting.

4.5 Quorum and Participation

The quorum for a meeting shall be five Directors present in person.

Attendance at meetings is mandatory for Directors unless the proposed absence is excused by the Board Chairman.

A Director may participate in a meeting by a conference telephone, video conference equipment, web and internet technology equipment or similar communications equipment by which all persons participating in the meeting may speak to each other

and be heard by each other, if all participants are advised of the communications equipment and the names of the participant and those in attendance are divulged to all participants. Participation in a meeting in this fashion constitutes presence in person at the meeting and the Director shall be entitled to vote and be counted in the quorum accordingly.

4.6 Notice, Agenda and Papers

Notice of at least seven calendar days of the time and place of each meeting of the Directors shall be given to each Director either personally or by posting or emailing such notice to the address designated by each Director for such purposes. It is good practice to set out the schedule of Board meetings at the start of each operational year.

At least three working days before any meeting of the Board, an agenda for the meeting, together with all papers required for discussion of the items on the agenda, will be forwarded by email (and/or post according to stated preference) on behalf of the Chairman to every member of the Board. Directors can request to have items included on the agenda by contacting the Chairman seven days before the meeting is due to take place.

A Board meeting may exceptionally be called at not less than two clear working days' notice. Such shorter notice will be valid only if ratified at the Board meeting called at short notice. Papers may exceptionally be tabled at a Board meeting with the Chairman's permission.

4.7 Proceedings at Meetings, Quorum and Decision-making

The Chairman of the Board shall, if he or she is present, chair the meeting. In the absence of the Chairman, the Vice-Chairman will take on that role. The vote of a majority of the Directors present at any meeting at which there is a quorum shall be the action of the Directors. A Director is not counted in the quorum on an item in respect of which he or she is not entitled to take a decision.

4.8 Voting

Decisions by the Board will normally be made by consensus rather than by formal vote. This is based on the Board having access to appropriate information and sufficient time for discussion and debate.

The Chairman reserves the right to move to vote where consensus cannot be reached after adequate discussion. It is considered that this would be a rarity. When a vote is taken, a decision will be by simple majority. Each Director shall have one vote. In the case of a tied vote, the Chairman will have a casting vote in addition to his or her original vote. Failing consensus, decisions will be made by a vote when:

- The Chairman feels that there is a body of opinion among Directors at the Board meeting which disagrees with a proposal or has expressed reservations about it and no clear consensus has emerged; or
- A Director who is present requests that a vote be taken and this is supported by at least one other Director; or
- The Chairman considers that a vote is appropriate.

4.9 Conflicts of Interest Policy

The following Conflict of Interest Policy has been developed (in accordance with Section 231 of the Companies Act 2014) to provide a framework for Board Directors to disclose actual and perceived conflicts of interest. The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Board. Board Directors should avoid a conflict of interest. If, however, a conflict of interest arises, it must be dealt with appropriately in accordance with this policy.

Conflict of Interest Definition

A "conflict of interest" is any situation where (a) personal or work interests, or (b) those of a close friend, family member, business associate, company or partnership in which the Director holds a significant interest, or a person to whom the Director owes an obligation could influence their decisions and impair their ability to act in the company's best interests or represent the company fairly, impartially and without bias.

It is important to note that a "conflict of interest" exists if the decision could be, or could appear to be influenced - it is not necessary that influence takes place.

Avoiding a Conflict of Interest

Unless authorised to do so by the Board, a Director may not:

- Act on behalf of the company, or deal with the company, in any matter where the Director is in a conflict of interest or appears to be in a conflict of interest, nor use their position, office or affiliation with the company to pursue or advance their own personal interests or those of any other person or body.
- Use their relationship with the company to confer a benefit on a person described above or;
- Personally benefit or indirectly benefit from any business activity involving the company except in unique situations, authorised by the Board.

An "indirect benefit" is a benefit derived by a close friend, family member, business associate, or a company or partnership in which a Director holds a significant interest, or a benefit which advances or protects the Director's interests, although it may not be measurable in monetary terms.

Declaration of Conflict

Where a conflict of interest exists, or where a conflict of interest could be reasonably perceived to exist, the Director must immediately disclose the details of the conflict to the Board (via the Chairman) either in writing or as minuted at a Board meeting. It is important to make the disclosure when the conflict first becomes known even if the Director only becomes aware of the conflict after a matter has concluded.

All disclosed conflicts of interest must be recorded on a 'Register of Interests' by the Company Secretary. The following details should be recorded in the Register of Interests:

- Name of Director
- Date declaration of interests was made
- Details of the interest

Where there is any doubt as to whether the Director has a conflict of interest or where their objectivity or ability to perform their duties is in question, the Director should consult with the Chairman / Company Secretary (or the chairman may consult with the Director) to ascertain whether or not a conflict of interest exists. Should this issue not be resolved through discussion, final resolution rests with the Board.

Participation

The Director shall not vote at a Board meeting on any resolution / decision concerning a matter in which they have, directly or indirectly or together with any person or persons

connected with them, an interest which is (to their knowledge) an interest or a duty which conflicts or may conflict with the interests of the company.

The Director shall not vote at a meeting of the Board on any resolution / decision concerning a matter where their objectivity or ability to properly fulfil their duties to the Board may be otherwise compromised.

In both instances outlined above, the Director shall not be counted in the quorum present at a meeting in relation to any such resolution / decision on which they are not entitled to vote and shall (unless otherwise agreed by a majority of the remaining Directors) vacate the meeting room.

Information

Board information is information that is acquired solely by reason of a Director's position on the Board.

The Director may use Board information only for company purposes. They must not use Board information for their personal benefit. They must protect Board information from improper disclosure. The Director must report to the Board, or to a person the Board designates, any incident of abuse of Board information. The Director may divulge Board information if they are authorised by the Board or by a person designated by the Board to release it, and it is to a person who has a lawful right to the information.

If in doubt about whether Board information may be released, the Director must request advice from the Board or from a person the Board designates.

4.10 Obtaining Board Approval between Board Meetings

The Chairman shall decide when an issue is of a sufficiently urgent nature to warrant the taking of a decision by the Directors by written procedure in the interval between meetings of the Board.

In the event that any member of the Board seeks additional clarification or information on the issue to be decided, a copy of that information will be sent to all members of the Board. Directors should not seek information relating to Board matters from sources external to the company without the prior permission of the Board.

A resolution in writing signed by **all** the Directors of the company, and who are for the time being entitled to receive notice of a meeting of the Directors shall be as valid as if it had been passed at a meeting of the Directors duly convened and held. The resolution may consist of several documents in like form each signed by one or more Directors and for all purposes shall take effect from the time that it is signed by the last Director.

The Secretary will communicate the decision of the Board to all Directors by e-mail as soon as it practicable after the decision has been taken.

Any resolution in writing of the Board will be inserted into the minute book of the company.

4.11 Minutes of Meetings

The Company Secretary or a person nominated by him / her as minute-taker will be responsible for the keeping of minutes of meetings. The minute-taker will record names of Directors present and absent, apologies for absence and the minutes of the meeting. Minutes of each meeting shall be in an agreed format and should reflect information presented, the key points discussed, the decisions taken and the actions to be taken. An action list shall be sent to the Board within 48 hours from the conclusion of the meeting.

Draft minutes of a meeting of the Board, prepared by the nominated minute-taker, shall be sent to the Chairman for review within ten working days of the meeting. The reviewed minutes will be circulated no later than one week in advance of the following meeting to the Board and signed by the Chairman (or the Vice Chairman in their absence) at the subsequent meeting. Minutes should be a true and accurate reflection of the meeting. The signed minutes shall be inserted into the minute book of the company.

Any discussion on the approval of the minutes, except as to their accuracy, shall be deemed out of order and the Chairman will rule accordingly. Questions will only be permitted on matters arising out of the minutes.

When minutes of meetings have been adopted and confirmed by the Board, it will not be in order for any member of the Board to question their accuracy nor seek their amendment at subsequent meetings.

4.12 Attendance

Besides the Chairman, Directors and Company Secretary, the CEO, the Financial Controller and the HR Manager shall attend each meeting of the Board. Other members of staff may be invited by the Chairman to participate in all or part of meetings as required by the agenda. Only Directors shall be entitled to vote at any meeting of the Directors.

4.13 Order of Business

The Order of Business at meetings may include some or all of the following:

- List of documents sent out before the meeting including correspondence
- Apologies for absence
- Quorum
- Declarations of Interest (if any)
- Minutes of previous meeting/s
- Minutes of decisions (if any) taken between formal Board meetings
- Prosper Group company bank accounts
- Board Committee reports / recommendations
- Corporate planning
- Report from the CEO
- The business as set forth on the agenda
- Any other business
- Date, time and place of the next scheduled meeting.

5. The Role of the Chairman

The main role of the Chairman is to exercise authority in leading the Board and the business of the organisation. The Chairman must ensure that the Board provides leadership to the organisation.

5.1 General

The Chairman is responsible for ensuring that the role of the Board and that of the senior management team respectively are clearly defined, and, between meetings, is the main point of contact between the CEO and the Board.

The Board is responsible for directing the organisation, determining the strategy of the organisation and meeting reporting requirements, not managing the organisation.

The Chairman should ensure that each Director is aware of the reserved functions of the Board, and of the powers delegated to Committees.

The Chairman will ensure that the Board has defined the competencies required for the Board to be able to fulfil its purpose. S/he will take a leading role in keeping the company's constitution and Board policies on corporate governance under review to ensure that they are relevant and fit for purpose.

5.2 Managing Board Meetings

The role of the Chairman in managing Board meetings is to:

- Chair the meetings, ensuring that every item on the agenda is addressed.
- Mediate, ensuring that every Director that wishes to contribute on an issue has had the opportunity to do so and that no individual voices dominate.
- Ensure that the Board maintains the proper focus to carry out its objectives.
- Agree meeting schedules, meeting structures and procedures for Board meetings.
- Set the agenda for meetings ensuring that all relevant topics are covered.
- Ensure that the information received by the Board from the Executive is of a quality and timeliness adequate to the Board's needs.
- Ensure that Directors act in the best interests of the organisation.

5.3 Delegation for Decisions between Meetings

The Board may delegate authority to the Chairman to exercise during the period between Board meetings. A record of all actions taken under these delegated powers will be submitted at the earliest subsequent meeting of the Board for review.

5.4 Evaluating the Effectiveness of the Board of Directors

The Chairman should, on an annual basis, and together with the Board of Directors, undertake a formal review of the Board of Directors performance for the previous year.

6. The Role of the Company Secretary

Every company is required by law to have a Company Secretary. The role of the Company Secretary of the Prosper Group involves administrative duties, strategic leadership, acting as a link between the executive management and the Board and facilitating the delivery of the organisational objectives. The Company Secretary may take on the full breath of

responsibilities or may decide to delegate tasks to the executive management of the organisation.

The Directors of the Prosper Group must ensure that the person appointed as Secretary has the skills or resources necessary to discharge his or her statutory and other duties.

6.1 Statutory duties of the Secretary

The Companies Act 2014 sets out the statutory duties that the Secretary must comply with including:

- Countersign, with a Director or registered person, any instrument to which the company seal is affixed.
- Countersign, with a Director, the annual return.
- Countersign, with a Director, the certificate annexed to the financial statements stating they are a true copy of the original.
- Sign the certificate annexed to the abridged financial statements.
- Countersign, with a Director, a satisfaction or release form with respect to any charge.
- Submit and verify the statement of affairs required where a receiver has been appointed.
- Summon a meeting of the Directors on the requisition of a Director.
- Sign CRO Forms.

6.2 Administrative duties of the Secretary

The administrative duties of the Secretary can be extensive. External expertise can be sought to assist in carrying out these duties. Some of the key duties include the following:

- Maintain the statutory register, minute books and headed paper.
- Maintain a list of seals.
- Prepare and file the annual return.
- Organise meetings of Directors and members.
- Attend meetings and record minutes and resolutions.
- Ensure necessary forms are filed with the Companies Registration Office in a timely manner.
- Ensure the company complies with disclosure requirements such as letterheads and electronic communications.
- Provide legal and administrative support to the Board.

- Act as the Governance advisor to the Board.
- Provide support and guidance to the Chairman.

7. The Role of the Chief Executive Officer (CEO)

7.1 General

The role of the CEO is to ensure that the company achieves its strategic objectives and to provide leadership and direction to the executive management team and staff. The CEO may delegate some responsibilities to members of the executive management team. The CEO of Prosper will:

- Develop and deliver on the company's strategic plan in the most effective and efficient manner.
- Be accountable for the overall performance of the company and for the day-to-day running and management of the company's business, under delegated authority from the Board.

7.2 Responsibilities

It is the responsibility of the CEO to:

- Develop and present the strategic and annual business plans to the Board for approval.
- Implement the Board's policies and strategies.
- Report to the Board on progress against the strategic and annual business plans on an ongoing basis
- Ensure that the flow of information to the Board is well presented, relevant, timely and accurate, and is sufficient for the Board to perform its role.
- Manage the day-to-day operations of the company.
- Ensure that financial results, business strategies and targets are communicated to those who need to know.
- Monitor the financial and operating results against plans and budgets.
- Manage, motivate, develop and lead members of the executive management team.
- Manage resources efficiently and effectively to achieve the company's objectives.
- Chair executive management team meetings.
- Take a leadership role in establishing or developing the company's culture and values.
- Carry out performance review of the executive management team.

- Ensure that there is a fit between the ethics and values of the organisation, its strategy and the company's processes and structure.
- Ensure that the appropriate internal audit processes and procedures are in place.
- Develop and maintain an effective framework of internal controls over risk in relation to business activities and report to the Board as appropriate.
- Develop processes to ensure that investment proposals are reviewed thoroughly, that risks are identified and steps taken to manage them.
- Together with the Remuneration Committee and the Board, ensure that there is a succession plan in place for the executive management team.

7.3 Performance Appraisal

The Board of Directors is responsible for overseeing and challenging the work of the CEO. The CEO will present an Annual Work Plan to the Board for approval. This schedule of work will reflect commitments within the HSE Service Arrangement, governance obligations and the ambitions within the Group's current Strategic Development Plan. The CEO's appraisal will be determined by the outcome of work vis-a-vis the commitments outlined in the Annual Work Plan. The Chairman and one other Director will carry out the appraisal. This is a two-way process, where the CEO can also review the support and / or guidance from the Board.

8. The Role of the Senior Management Team (SMT)

8.1 General

The SMT is typically made up of the CEO, heads of operations and heads of support functions e.g. Clinical, Finance, HR and Quality. Members of the SMT may attend Board meetings, when requested, to discuss specific issues.

When the SMT makes a collective decision, it must be supported by all members of the team, even if they do not agree with it, as once a decision is made it will have to be supported outside the SMT by all on the basis of collective responsibility.

8.2 Role

The role of the SMT is:

- To assist the CEO to manage the resources of Prosper to achieve its strategic and annual business goals.
- To manage the day-to-day operations of the business.

8.3 Responsibilities

The responsibilities of the SMT are to:

- Develop and manage the implementation of the strategic and annual business plans.
- Identify and address key strategic and business issues, and communicate these to the Board.
- Manage the annual budgeting process.
- Regularly monitor and report on performance against strategic targets and the annual business plan.
- Develop a risk management strategy, address and manage the key risks and report to the Board as appropriate.
- Play a key role in leadership and motivation of staff in the organisation and build upon the ethical foundations set by the Board and the CEO.
- Implement recommendations by external auditors that have been approved by the Board of Directors / Audit Committee and act on the findings from any internal audits carried out.
- Meet on a monthly basis, or more frequently as required.
- Communicate strategic, annual plans and company policy to ensure that everyone involved is working towards the same goals.
- Manage the operation and development of the function/s for which the executive management team has individual responsibility.
- Provide accurate, appropriate and timely management information to the Board, in order to facilitate effective decision-making and to measure progress.

9. Establishing Board Committees

9.1 General

The Board of Directors is responsible for overseeing and challenging the work of the CEO and Senior Management team, ensuring that systems of internal controls are in place, including financial controls, that risk is managed, and for overseeing the remuneration of the employees of the organisation.

To do this the Board of Directors is required to oversee the operation of the organisation. Towards this end, the establishment of Board Committees is required that will deal with Audit, Remuneration, Nominations and Quality and Risk. The Board of Directors should ensure that Board Committees are established.

Membership of each Committee should comprise Directors of Prosper Group and invited participants with relevant expertise.

The Terms of Reference for each Committee should be specified in writing, approved by the Board of Directors and reviewed annually.

The Chairman of the Board, in consultation with the Board Directors, will appoint a Chairman to each Committee. The Chairman of the Committee must be a Director of Prosper Group. The Chairman of the Committee is responsible for reporting to the full Board on the work of the Committee for bringing recommendations accordingly. Each Board committee can only make recommendations to the Board – it is the Board of Directors who make the final decision.

The term of office of a Chairman of any Committee shall be consistent with the terms of office of the Chairman of the Board and the Terms of Reference for that Committee.

The CEO and relevant members of his / her staff team will support each of the Committees, including taking on the role of Secretary to each Committee.

Unless alternative provisions for the selection of Directors are set out in statute, the Board of Directors should also establish a Nominations Committee.

The Committees, where appropriate, should cover the following and, where Committees are not in place, the Board of Directors should ensure that it is satisfied that these matters are appropriately covered:

Audit

An Audit Committee should be established to assist the Board of Directors in fulfilling its duties by providing an independent and objective review of:

- The financial reporting process.

- The process relating to the organisation's management of financial risks, prevention of corruption and waste and the system of internal control.
- Internal and external audit processes.

The Board of Directors should ensure that at least one of the members of the Audit Committee shall be a person who has competence in accounting or auditing.

Remuneration

The Board of Directors should ensure that a committee is established that will deal with remuneration and which will assist in ensuring that the remuneration policies and practices of the organisation have regard to the particular requirements of public pay policy and any specific directions or instructions of the HSE. The Board of Directors should ensure that at least one of its members has strong relevant human resource expertise.

Quality and Risk

The Board of Directors should ensure that a Committee is established to provide assurance that there are appropriate and effective systems in place to cover aspects of Quality & Risk. The Committee should oversee quality and safety on behalf of the Board of Directors, in addition to the continuous and objective review of non-financial risks.

In particular, it should:

- Ensure that a risk management policy is prepared and approved by the Board of Directors.
- Review processes related to the identification, measurement, assessment and management of risk in the organisation.
- Promote a risk management and quality improvement culture throughout the organisation; and
- Set the risk tolerance of the Provider for its key risk areas.

Nominations

The Board of Directors should satisfy itself that, where appropriate, plans are in place for the orderly succession of appointments to the Board of Directors and / or Board Committees so as to maintain an appropriate balance of skills and experience within Prosper and on the Board of Directors and to ensure progressive refreshing of the Board of Directors. In this regard, the Board of Directors should have a committee to deal with Nominations. This committee should be responsible for:

- Developing and recommending to the Board of Directors formal, rigorous and transparent procedures for the identification, selection and appointment of Board of Directors and Board Committee members.
- Reviewing and monitoring the membership needs of the Board of Directors and its Committees.
- Ensuring that the search for Board of Directors candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board of Directors, including gender and skill mix.

9.2 Ad Hoc Committees

Ad hoc Committees or working groups may be established by the Board Chairman to address an issue as is deemed necessary and appropriate by the Board. The Board Chairman may appoint members and a Chairman to these ad hoc Committees.

10. Membership of the Company

10.1 Membership

- The number of members of Prosper Social Care Services is 8 but the Directors may from time to time register an increase in the number of members up to a maximum of 12. The maximum term of a member shall be nine years.
- It is a condition of membership that you be a Board Director.
- If a Board Director resigns from the Board they must also resign as a member of the company.
- The group is controlled via membership of subsidiary companies.
- Each subsidiary company has one member which is Prosper Social Care Services.
- The Directors of the subsidiary companies are not members of the subsidiary companies.

10.2 Board Structure

- The Board Directors of Prosper Social Care Services are also the Board Directors of all subsidiary companies.
- The Board Directors are also the members of Prosper Social Care Services.

10.3 Annual General Meeting (AGM) and Extraordinary General Meetings (EGMs)

Purpose of the AGM

Every year the company holds an annual general meeting. In accordance with Section 186 of the Companies Act 2014, the purpose of the meeting is to:

- Receive and consider the audited financial statements.
- Review the companies' affairs.
- Elect / re-elect the Directors.
- Re-appoint the auditors.
- Fix the auditors remuneration.

Organising and Running the AGM

There is a statutory obligation on the company to hold an AGM in each calendar year. The AGM is held once a year within nine months of the financial year end and no later than 15 months from the last AGM. All members should be given 21 days' notice of the meeting. The quorum for AGMs is five members present in person.

As outlined in Section 324 of the Companies Act, where the Directors of the company are satisfied that the statutory audited financial statements of the company give a true and fair view and otherwise comply with the Companies Act 2014, those statements shall be approved by the Board of Directors and signed on their behalf of by 2 directors.

As outlined in Section 186 of the Companies Act, the business of the Annual General Meeting shall include:

- a) A consideration of the company's statutory financial statements and report of the Directors and the report of the statutory auditors on those statements and that report;
- b) The review by the members of the company's affairs;
- c) The authorization of the Directors to approve the remuneration of the statutory auditors;
- d) Appointment or re-appointment of statutory auditors.

As each company within the Prosper Group has disapplied S1196 of the Act, the appointment of Directors can occur at any Directors Meeting. However, the constitutions contain the requirement to carry out re-elections at an AGM. For example, if a Director was appointed and has served a term of three years, should they wish to be re-elected, this should occur at the next AGM.

Extraordinary General Meetings (EGM)

EGMs are formal meetings of the members that are called outside of AGMs. The purpose for these meetings is to agree on resolutions, special or ordinary, which are reserved for the members. These resolutions may include amendments of the company constitution, change of registered address, change of name, and all others as provided for in the Companies Act 2014. The period of notice, quorum and requirements for taking minutes shall be in accordance with the Company Constitution and the provisions of the Act, depending on the type of resolution proposed (special or ordinary).

Statutory Registers

The Directors are required to maintain a Register of Members for the company. The Register should be updated to ensure the company has an active list of members at any given time.

The Company Secretary shall be responsible for maintaining the statutory registers of the company, which includes:

- Register of Members
- Register of Directors
- Register of Secretaries
- Register of Disclosable Interests
- Register of Instruments creating charges
- Register of Beneficial Owners

11. Confidentiality

Reports, documents, and briefings issued to members in relation to Board matters must be treated as confidential until such time as the Board has had an opportunity to discuss and make decisions on their contents, including their distribution outside the directorship.

Directors who retire are obliged to return or dispose of any company documents / data, provided in hard or soft copy.

12. Provision of Information

The Company Secretary is the link between the Board and the company. A Director wishing to access information should contact the Secretary in the first instance. Directors should not contact members of staff directly seeking information. Any queries or comments should be raised through the formal Board structures and procedures. Board Information may be made available where requested by individuals and groups. The distribution of any information to selected individuals or groups shall be approved by the Board in advance. However, Board Directors may be tasked to carry out or oversee special responsibilities and towards this end can contact executives of the company directly. Their contact with the company executive and staff should be contained to these responsibilities.

13. Seeking External Advice

In determining the need to seek external advice, Directors should first consider relying on expert advice supplied by Prosper personnel or advisors retained by the company. It is only in relation to significant issues and in circumstances where such advice cannot be obtained from these sources or is considered to be unreliable or lacking in objectivity that independent professional advice should be sought.

The services of the Secretary should be used in selecting and agreeing terms with advisors. This will be of assistance to the Director/s, both from the perspective of selecting the best resource and with a view to ensuring that appropriate procurement procedures are followed.

The Secretary will consult with the Director/s regarding costs associated with seeking external advice so as to satisfy internal procedures for procurement. Prosper will bear all reasonable costs pertaining to the supply of independent professional advice to Director/s and/or committee member/s providing that such services are procured in compliance with this protocol.

14. Statements on Behalf of the Board

Only the Chairman or the CEO shall issue any statement on Board matters to the press or the public on behalf of the Board.

15. Annual Planning

The Board of Directors, to accomplish its goals, will agree an annual work plan with the CEO.

16. Code of Conduct

The Board of Directors is required to produce a Code of Conduct which must be signed off by each Director. It should identify the relevant provisions regarding conduct/conflicts of interest in the governance of Prosper. The Code should also set out procedures for addressing conflicts of interest and loyalty.

The Board of Directors should ensure that:

- It has a written Code of Conduct.
- This Code of Conduct has been approved by the Board of Directors.
- The Code of Conduct has been signed off by each Director.
- The Code of Conduct is published on the organisation's website.
- All staff of the organisation are made aware of the provisions of, and procedures regarding, Protected Disclosures of Information.

17. Financial Governance

17.1 HSE Annual Service Arrangement

An annual Service Arrangement is signed by the Board and the HSE within the timelines advised by the HSE on an annual basis. Within this Service Arrangement the HSE sets out funding to be granted and the terms and conditions attached to this funding, including the following:

- Good financial governance.
- Transparency for all financial transactions.
- Funding is spent for purposes received.
- Expenditure can be vouched.
- Public accountability is adhered to e.g. public procurement, tendering, tax clearance.
- Principles of clarity, governance and value for money are adhered to.

17.2 Annual Budgets

Annual income and expenditure budgets are prepared for each service within Prosper. Budgets are informed by Prosper's Annual Work Plan, service requirements, service user numbers and funding levels available. Income and expenditure is continuously monitored by the Board's Audit Committee and the HSE through their IMR process to ensure that Prosper remains within budget.

17.3 Reporting to the Board

There is a system of reporting to the Board which supports good financial planning, budgetary control and risk management.

The Audit Committee assists the Board to oversee financial governance. The following reports are prepared for the committee to review:

- Detailed quarterly management accounts showing all income and expenditure analysed by type.
- Analysis of any variances from budget.
- Detailed analysis of key or critical areas of income or expenditure.
- Exceptional income or expenditure items.
- Capital expenditure analysis.
- Any item that might have a financial impact e.g. potential changes to funding, changes to service user numbers, changes to staff numbers, potential changes to salary structures, new investment proposals.

17.4 Policies, Procedures and Guidelines

There are financial policies, procedures and guidelines in place to ensure good financial management and control and also to maintain compliance with obligations as set out in the following:

- Annual Compliance Statement by the Members of Section 39 Providers (HSE).
- The annual HSE Service Arrangement.
- The Code of Practice for the Governance of State Bodies and/or The Governance Code - A Code of Practice for Community, Voluntary and Charitable Organisations in Ireland.

- Department of Public Expenditure and Reform circulars.

Financial policies are implemented following review by the Audit Committee and signed off by the Board. The committee continuously reviews financial policies for updates.

17.5 Preparation of Annual Financial Statements

Annual financial statements are prepared under financial reporting standard (FRS) 102 and the Charities Statement of Recommended Practice (SORP) which are considered best practice. This includes the declaration of salaries of the CEO and senior management.

As per HSE requirements the signed audited Annual Financial Statements must be submitted to the HSE by 31st May each year and published on the Prosper websites.

17.6 Annual Financial Monitoring Return

In accordance with obligations set out by the Department of Public Expenditure and Reform the Annual Financial Monitoring Return (AMFR) is prepared as an addendum to the audited financial statements. This return reconciles the HSE funding provided under the annual Service Arrangement with the figures reported in the Annual Financial Statements and also contains an assurance statement on specific financial governance items.

This is signed by the CEO and Financial Controller and returned to the HSE with the annual financial statements.

17.7 Internal Audit

The Audit Committee is made aware of internal audit findings where relevant.

17.8 External Audit

The Board reviews the external auditor's management letter presented as part of the annual audit.

The Board ensures that the external audit function is put out to tender every three years. The Board will ensure that the HSE are informed of any change of auditor.

17.9 Procurement

Pursuant to the Government decision of April 2013 in relation to Procurement, which mandates 'Health' to act as one voice in the market, the HSE and all Service Providers funded by the HSE are mandated to use contracts put in place by HSE Health Business Service (HBS) Procurement and the OGP. As such, Prosper Group must operate in compliance with Public Procurement obligations.

APPENDIX 1

CODE OF CONDUCT

Code of Conduct for Board of Directors

This Code of Conduct details what each individual must commit to in their role as Board Director - and in all areas relating to their interaction with, and on behalf of, the Prosper Group and its subsidiary companies (hereafter called Prosper). Prosper asks all its Board Directors to sign and return this document, and these signed copies are kept on record.

Framework

The intent of this Code of Conduct is to set a standard for governance within Prosper. The objectives of having this code are to set out an agreed set of principles, the promotion and maintenance of confidence and trust and the prevention of development or acceptance of unethical practices.

Individual Commitment

As a Director of Prosper, I have a legal responsibility to act in the best interests of the organisation. Abiding by this Code of Conduct and the Governance Code for non-profit organisations describes how I will do that. If any of these commitments cause me to come in conflict with my legal obligations then these latter will take precedence.

Organisational Values

As a Board Director of Prosper I promise to abide by the fundamental values that underpin all the activities of our organisation.

Accountability

Everything Prosper does should be able to stand the test of scrutiny by members of the public, the media, members, beneficiaries, stakeholders and the regulatory authorities.

Integrity and Honesty

These will be the hallmarks of all conduct within Prosper, particularly when dealing with colleagues (Board and staff) and external individuals and agencies.

Transparency

Prosper will strive to promote an atmosphere of openness throughout the organisation in order to promote confidence to members of the public, staff, beneficiaries and regulators and also to promote strategic and operational effectiveness.

Procedure

Board Directors should direct all queries and observations regarding company business to the Company Secretary who will send them to the Chairman at the earliest opportunity. All such queries and observations received will be formally raised at the following Board meeting if deemed necessary by the Chairman.

Governance Code

I will support Prosper's adoption of, and compliance with, the Governance Code for Community, Voluntary and Charitable organisations and its associated implementation actions.

In addition to the above, I agree to the following:

Law, Mission, Policies

- In my role as Board Director I will not break the law or act against any regulation in force.
- I will support the organisation's mission and actively promote it.
- I will abide by organisational policy and procedure.
- I will seek to maintain and promote integrity, good governance, effectiveness and efficiency for the delivery of the organisation's mission.
- If I find evidence of any non-compliance with statutory obligations that apply to Prosper, I will bring this to the attention of fellow Board Directors with a view to having the matter rectified.
- I understand I can seek independent legal advice, at a reasonable cost to the Association, as set out in the relevant procedure

Conflicts of Interest

- I will always act in the best interests of the organisation.
- I will do my work in accordance with Prosper's "Conflict of Interest" position and declare any conflict of interest or any such circumstance as may be viewed by others as conflicting as soon as it arises.
- I will submit to the judgement of the Board and do as it requires regarding potential conflicts of interest.
- Where a conflict of interest arises, I agree to absent myself from any discussion or vote taken on that particular matter by the other Directors.

Person to Person

- I will act in regard of organisational policies in my relationships with fellow Board members, staff, volunteers, beneficiaries or anyone I come into contact with in my role as Board Director.

Guardian of the Organisation's Reputation

- I will not speak as a Board Director to the media or any public forum without the prior knowledge and approval of the Chair or CEO.
- When I am asked to represent the organisation, any comments I make will reflect current policy even if I do not agree with them.
- When speaking as a private citizen I will aim to uphold the reputation of the organisation and those who work and volunteer for it.
- I will respect organisational, Board and individual confidentiality.
- I will take an active interest in the organisation's public image.

Personal Gain

- I will not personally gain from my role as a Board Director nor will I permit others to do so as a result of my actions or negligence.
- I will document expenses and seek reimbursement according to agreed procedure.
- I will not accept gifts or hospitality without the consent of the Chair.
- I will use organisational resources responsibly, when authorised in accordance with procedure.

At Board Level

- I will embody the principles of good governance in all my actions and live up to the trust placed in me by Prosper.
- I will abide by the Board governance procedures and practice.
- I will commit to attend all Board meetings, and in the event of unavoidable inability to attend, will observe the Board attendance guidelines.
- I will strive to be familiar with all agenda items sent to me in good time and be prepared to contribute my opinions during meetings.
- I will honor the authority of the Chair.
- I will maintain a respectful attitude to the opinions of others.
- I understand that decisions will ideally be made by consensus, but may be by vote. I will consider any majority vote as a corporate decision and will accept and support it.

- I will maintain confidentiality unless authorised to speak on matters outside Board meetings.

Enhancing Governance

- I commit to supporting Prosper's compliance with the Governance Code for Community, Voluntary and Charitable Organisations.
- I will participate in appropriate induction, training and development of Board activities.
- I will support the CEO in his/her executive role and the Chair in his/her leadership role.
- I will visit services, in conjunction with the relevant managers, to meet with people using services, their families and staff, to ensure an effective connection between my governance role and the people using and providing services and supports.

Leaving the Board

- I understand that any substantial breach of this code may result in my removal from the Board. ^[1]
- Should I wish to resign, I will inform the Chair in writing, stating my reasons for resigning from the Board.
- I will participate in an exit interview if requested.
- I understand that on termination of my appointment, I agree to return all Board papers, documents, memos, notes and any other material of a confidential nature (without retaining any copies) to the Company Secretary within an agreed period of time. I also agree to delete any Company data held in soft copy.

Signed: _____ **Date:** _____

Director of Prosper

^[1] *The process for dealing with breaches of this Code of Conduct is that any such breaches will be reviewed by the Board of Directors for consideration and decision.*

APPENDIX 2

CONFLICT OF INTEREST DECLARATION FORM

CONFLICT OF INTEREST DECLARATION FORM

I, _____, as Board Director of Prosper Group, have set out below my interests in accordance with the organisation's Conflict of Interest Policy, which is outlined in Section 4.9 of the Corporate Governance Manual entitled, *Managing Conflicts of Interest*.

Category	Details of interest and whether it applies to yourself or, where appropriate, a member of your immediate family or some other close personal connection
Current employment and any previous employment in which you continue to have an interest/financial interest	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority membership, tribunals, etc.	
Membership of any professional bodies, special interest groups or mutual support organisations	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings and beneficial interests that may conflict with Prosper Group operations	
Gifts or hospitality offered by external bodies in the last 12 months	
Related to a Service User	
Related to a Staff Member	
Any other conflicts that are not covered by the above	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the Conflict of Interest Policy and for no other purpose.

Signed: _____

Date: _____

APPENDIX 3

BOARD OF DIRECTORS CHAIRMAN / OFFICER NOMINATION FORM

**BOARD OF DIRECTORS CHAIRMAN / VICE-CHAIRMAN /
SECRETARY POSITION NOMINATION FORM**

Instructions for Directors: Directors may set out a personal expression of interest, or a Director may nominate a fellow director for an upcoming position. Please fill out the following form and submit to the Secretary of the Board of Directors.

On behalf of Prosper Group Board of Directors,

I nominate:

Director's Name: _____ Current Position: _____

For the following position (s). Please tick the position (s) nominated for:

- | | | |
|---|------------------------|-------|
| <input type="checkbox"/> Chairman. | Current Chairman: | _____ |
| <input type="checkbox"/> Vice-Chairman. | Current Vice-Chairman: | _____ |
| <input type="checkbox"/> Secretary | Current Secretary: | _____ |

Nominated by: Self / Other **(Please circle)**

Signed: _____ Name (Print): _____

TO BE COMPLETED BY THE NOMINEE:

Nomination Accepted by: Name (Print): _____

Signed: _____ Date: _____

APPENDIX 4

DEFINITION OF SECTION 39 OF THE HEALTH ACT 2004

Section 39 of the Health Act 2004 reads:

Assistance for certain bodies:

1. The Executive may, subject to any directions given by the Minister under section 10 and on such terms and conditions as it sees fit to impose, give assistance to any person or body that provides or proposes to provide a service similar or ancillary to a service that the Executive may provide.
2. Assistance may be provided under this section in any of the following ways:
 - a. By contributing to the expenses incurred by the person or body.
 - b. By permitting the use by the person or body of premises maintained by the Executive and, where requisite, executing alterations and repairs to and supplying furniture and fittings for such premises.
 - c. By providing premises (with all requisite furniture and fittings) for use by the person or body.
3. Assistance may be provided to a person under this section whether or not the person is a service provider.

Distinction between Section 38 and Section 39 agencies

The HSE funds a range of services providers under either Section 38 or Section 39 of the Health Act 2004. The HSE (the Executive) is required by statute to manage and deliver, or arrange to be delivered on its behalf, health and personal social services. The Health Acts, 1947 to 2013, empower the Executive to enter into an arrangement with the Provider to provide health and personal social services.

Annually, the Executive provides funding of approximately €3bn to almost 3,000 agencies for the delivery of a range of services. The bulk of this funding, €2.44bn, goes to some 44 agencies (known as Section 38 agencies) primarily in the acute hospital and disability sectors.

Section 38 arrangements involve organisations that are funded to provide a defined level of service on behalf of the HSE, while under Section 39, the HSE grant-aids a wide range of organisations, to a greater or lesser extent.

The employees of agencies that are funded under Section 38 of the Health Act 2004 are classified as public servants. They are subject to the standard salary scales for the health sector as well as having access, in the main, to a public service pension scheme. The

employees are included in public service employment numbers. In Dublin North, a number of Section 38 agencies operate, including St. Michael's House, Daughters of Charity and the Central Remedial Clinic.

The employees of agencies that receive grant-aid from the HSE under Section 39 are not public servants and are not specifically subject to the pay-scales approved for public servants. The employees of such organisations are not included in public service employment numbers. Prosper Fingal and Prosper Meath are Section **39** Agencies.