

Best practice when appointing trustees

Following various disasters in corporate governance a clear checklist can now be created to govern the appointment and role of trustees. Appointments of trustees should be undertaken by the board based on merit, against objective criteria, with proper regard to diversity, including gender. This may be relatively straightforward to achieve where the Board alone has the power of appointment, but in some charities, appointments are the responsibility of the members. It may be helpful for the Board to consider creating a nominations or governance committee to try and ensure that those elected by members meet key criteria.

Checklist of Key Steps

Identifying a Need for a New Trustee: The process starts with the identification that there is a need for a new appointment and this should be done as much as a year before the proposed appointment date or AGM. There needs to be clarity as to whether this appointment is necessary, for example, simply to replace a retiring trustee, or whether a skills gap needs to be filled. A skills audit exercise can help inform discussion.

How to Find New Trustees: Another early task is to discuss how to secure suitable candidates. The traditional route of personal contacts may not yield a very diverse group of candidates. There are a number of free services available to charities from bodies with experience in providing research for new trustees, some of which are listed on this website [Click here](#) . Larger charities may wish to agree a formal search plan which may include the use of head hunters.

Provide Key Information: The Board or a committee of the Board need to create:

- A job specification;
- Shortlisting criteria checklists;
- Interview questions;
- A pack describing the role a trustee undertakes and the organisation;
- A declaration of interests form; and
- Specify the likely level of time commitment required by trustees.

The Interview: It is important that the interviews are carried out in a reasonably objective fashion and that key questions are asked of all candidates and the responses recorded so that a comprehensive report can be made when making a recommendation of appointment to the Board (or members).

The shortlisting should be done against objective criteria and any potential conflicts such as those that may result from relationships with relatives, domestic partners or business partners, commercial, professional or other trustee roles should be carefully considered.

Prospective Trustee Due Diligence: As well as examining the qualifications, background and skills of any trustee, the Board or Committee should allow the prospective trustees to conduct their own due diligence on the charity. Someone within the charity needs to be designated to respond to any enquiries that prospective trustees may have. A charity should facilitate this by providing information including:

- past annual reports;
- business plans
- up to date financial information;
- Board member details
- number of meetings;
- Board committees;
- details of key stakeholder relationships; and
- Board details of risk management.

Board or Member Approval: Once the selection process is completed the Board (or members) will need to pass a resolution which approves the appointment in accordance with its governing document. It is important to note that many in charities that only existing members may become trustees and in those cases care will have to be taken prior to appointment to ensure that the proposed trustee has also been admitted to membership, otherwise the appointment may be invalid.

The Appointment Letter: Following the decision on the appointment, a formal offer of appointment should be sent to the successful candidate(s). The letter should include details of the length of term, trustee duties which be must adhered to, the minimum time commitment that needs to be made and details of the induction he or she can expect to receive. Where applicable it should be noted that the appointment is made subject to any other checks that may need to be taken, such as a DBS check.

Induction: Following appointment, a full induction process should be undertaken. The organisation should ensure that the new trustee receives an information pack that includes dates and locations of forthcoming meetings, a copy of the governing documents, minutes of recent Board and Committee meetings and other key information such as details of vacant position on any committees, financial accounts and guidance on trustee duties and other legal duties such as Health and Safety. It is also wise to arrange site visits and meetings with staff and stakeholders so the new trustee can gain a greater insight into the organisation. The appointment of a mentor or buddy within the existing trustee group helps to ensure that the induction process is fully completed.

Post Appointment Practicalities: The company secretary, or other responsible person, will need to ensure that the new trustee is entered onto the register of directors (if the charity is a company) and inform the Charity Commission. It is also important to amend the register of members if the trustee has also become a member of the charity. Consideration needs to be given to what form, if any, of external notification of an appointment, such as a public announcement.

Please note that we have solicitors in the firm who are keen to become trustees. If you need trustees with legal skills or would like advice on your trustee appointments and induction procedures please contact.

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