

Wales Council for Voluntary Action

Supporting charities, volunteers and communities



5. Trustees and governance

5.4 Recruitment, selection and induction

Recruiting, selecting and inducting governing body members is one of the most important activities a voluntary organisation can undertake. A well balanced governing body will provide direction and possess the skills to develop the organisation. All too often however, this process is carried out in an ad hoc way.

NB. For ease of reference governing body members of voluntary organisations and registered charities will be referred to as 'Trustees' in this information sheet.

Introduction

An effective governing body is central to good governance, and for this reason *Good governance – a code for the voluntary and community sector*, and the *Trustee & Management Committee - National Occupational Standards*, place great emphasis on managing this process in a structured way. They make it clear that, as a matter of best practice, a trustee board needs to have a diverse range of skills, experience and knowledge to run the organisation effectively, and that trustees should make sure that they receive the induction, training and ongoing support they need to carry out their duties effectively.

The Charity Commission has placed a particular importance on this topic and issued two research reports, plus their comprehensive core guidance, *Finding New trustees – What charities need to know* (CC30):

“Trustees play an essential role in the governance of charities. They also have a lot to contribute to their success. For example they can:

- serve as a means of communication with communities that a charity exists to serve;
- bring valuable professional or other experience to charities; and
- help to ensure that charities are well-managed through the appointment of senior executive staff.”

Start as you mean to go on – Trustee recruitment and induction (RS10) states:

“In our experience, boards of trustees are more likely to:

- recruit successfully if they do so openly and transparently, taking care neither to overstate nor understate the responsibilities involved;
- operate successfully if they offer a comprehensive induction programme during which new trustees are provided with the key information they need to run the charity; and

- command confidence and respect from their client base and wider community if they demonstrate diversity in the widest sense of skills, age, sex, race and background.”

Many reasons for, and approaches to, recruiting trustees exist, but it is important to retain sight of the essential nature of Trusteeship. The qualities that make a good trustee are well summarised in *The Seven principals of Public Life* set out in the *Standards in Public Life* report chaired by Lord Nolan:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Further information on Governance and the Duties of Governing Body members can be found in our information sheets *5.1 Principles of governance* and *5.2 Role and responsibilities of trustees*.

A five stage recruitment and induction process

The traditional method of word of mouth recruitment is now giving way to a more formalized approach to recruiting trustees. Various factors have brought this about including the need to target trustees with specific skills, greater demand for trustees generally and concerns over personal liability. Adopting a formal approach to recruitment and induction can help you find the trustees you want, and ensure you carry out the process within the requirements of the law and your governing document.

Stage 1 – the planning process

- Identify the need for new trustees. This may be because vacancies have arisen through resignations, the existing trustees have decided that specific additional skills are needed to help run the organisation more effectively or wider stakeholder representation is required on the governing body. (NB no one under 18 can be the trustee of a charitable trust or unincorporated association, but they can be directors of a charitable company).
- Assess the skills of the existing trustees and identify any ‘skills gaps’ by means of a Skills Audit. In smaller organisations this can be relatively informal, but in larger ones a more formal structured process should be adopted. Trustee skills, experience and input should be reviewed on a regular basis and advance planning put in place for expected vacancies.
- Agree what skills, experience and knowledge are needed, and write it down in the form of a short job description and person specification, setting out a realistic breakdown of the expected duties and time commitment.
- Agree responsibilities and a process for recruitment, taking care to comply with any specific requirements or restrictions set out in the governing document such as: eligibility criteria; restrictions on who may be appointed; rights of co-option; notice periods, and institutional trustees. Some of the work may be delegated to a sub-group of trustees, but the whole governing body remains responsible for the process and decisions.

Stage 2 – the recruitment process

- Consider the best methods of attracting a diverse range of candidates with the skills needed by the organisation. This may include advertising in the local and/or specialist press and using trustee brokerage services. We also advertise details of current trustee opportunities.
- Carry out short-listing and interviews against agreed criteria. Interviews should be carried out by a small panel of trustees, and each candidate asked similar questions to ensure a fair and objective approach. The candidates can be scored against the person specification and the notes of each interview should be kept on file.
- Identify the preferred candidates and invite them to accept appointment, subject to references, formal vetting and approval by the full governing body. Notify the unsuccessful candidates and thank them for their interest.

Stage 3 – the selection process

- Check that the candidates have not been disqualified from acting as trustees under section 72 of the Charities Act 1993, and ask the candidates to confirm this in writing by signing a standard form of Declaration.
- Ask the candidates to consider and declare any existing or potential conflicts of interest in the above Declaration form.
- Seek any necessary Criminal Records Bureau checks and disclosures if the organisation works with young or vulnerable people (see our information sheet *4.9 Volunteering to work with vulnerable adults and children*).

- Make a decision to go ahead and formalize the appointment of new trustees if the CRB checks, declarations and disclosures are satisfactory.

Stage 4 - the appointment process

- Check the governing document to ensure that the new trustees are appointed in accordance with the procedures and limitations set out in it.
- Write to the prospective trustees (this is usually done by the Chair), setting out their duties (utilizing the above job description) and the organisation's expectations. Ask them to sign and return a copy of the letter by way of acceptance.
- Send a full induction pack about the organisation. If there is a lot of material the trustees may wish to stagger this over a period of time to avoid 'overloading' new trustees? We can advise on the basic content of such a pack, but it will typically include:
 - A short history of the organisation
 - A copy of the governing document
 - Name, contact details, term of office and short biographies of the trustees, honorary officers, and company secretary where relevant.
 - Any agreed job descriptions and code of conduct for trustees.
 - A list of committees and their membership, with copies of their terms of reference.
 - A schedule of meetings for the current year.
 - A copy of the organisation's strategic or business plan.
 - Copies of the most recent annual report and accounts, latest

management accounts, and a copy of the auditor's or examiner's letter to the trustees on the completion of the last audit together with any reply or action document.

- Minutes of the last three trustee meetings.
- An organisation chart and list of employees.
- Copies of current policies and standing orders.
- Contact details for professional advisers together with relevant banking information.
- A summary of the organisation's investments and insurance cover, and details of major property holdings.
- Details of major funders and contracts.
- Details of any affiliations or networks, and a list of useful support and training organisations.
- Copies of the Charity Commission booklets, *The Essential Trustee: what you need to know* (CC3), and *The Hallmarks of an Effective Charity* (CC60), if the organisation is a charity.
- Notify all relevant parties, such as funders and the organisation's solicitors and auditors, of the new appointments.
- Comply with any legal formalities such as notification to the Charity Commission and Companies House where relevant.

Stage 5 – the induction process

- Arrange a full induction process for the new trustees based on the induction pack, designed to acquaint them with the organisation's purposes, financial

position, work programmes, structure, staff and current issues.

- Arrange meetings with the existing trustees and others involved with the charity such as the chief officer, members of staff, volunteers, beneficiaries and stakeholders.
- Consider appointing an existing experienced trustee to act as a mentor.
- Formally welcome the new trustees when they attend their first board meeting.
- Consider a one-to-one meeting with the Chair after the first few trustee meetings in order to discuss any questions or issue that may have arisen.
- Consider a social event or away day after the next AGM to help build team spirit and allow the new trustees get to know the existing trustees in a less formal setting.

Naturally, it will be necessary to provide initial and ongoing training to ensure the new trustees are able to make an effective contribution to the organisation. This can be evaluated in a number of ways and full information on training and development can be found in our information sheet, *5.5 Training and Development for Governing Body Members*.

Resources

Many organisations offer useful free resources such as model trustee job descriptions, person specifications, role descriptions, induction pack lists, conflict of interest policies, trustee declarations, etc. Whilst these are very useful it is always important to consider the particular situation and needs of your

organisation, and tailor these documents to fit your own circumstances. A number of these organisations are listed below.

Further information

WCVA Criminal Records Unit
www.wcva-cru.org.uk

Volunteering Wales
www.volunteering-wales.net

Governance Hub
Good governance – a code for the voluntary and community sector, and, Trustee & Management Committee - National Occupational Standards
www.governancehub.org.uk

Charity Commission for England and Wales
CC30 Finding New trustees – What charities need to know
RS10 Start as you mean to go on – Trustee recruitment and induction
CC60 Hallmarks of an Effective Charity
Sample Declaration Form for New trustees
www.charity-commission.gov.uk

National Council for Voluntary Organisations
Fit to govern: a ten-point health check
www.ncvo-vol.org.uk

The Institute of Chartered Company Secretaries and Administrators
Model Code of Conduct for Charity Trustees
Model Job Description for Charity Trustees
Specimen Induction Pack for Trustees
www.icsa.org.uk

Nolan Committee
Standards in Public Life
www.public-standards.gov.uk

Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

For further information contact

Wales Council for Voluntary Action

Baltic House, Mount Stuart Square, Cardiff Bay, Cardiff, CF10 5FH
Registered Charity 218093

Tel: 0800 2888 329

help@wcva.org.uk

Fax: 029 2043 1701

www.wcva.org.uk



Tel: 0800 2888 329
www.wcva.org.uk

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