

Guidance note

Specimen induction pack for charity trustees (England & Wales)

Contents:

Introduction

Overall purpose

Induction design

Specimen induction pack for new trustees



Specimen induction pack for charity trustees (England & Wales)

Introduction

This ICSA guidance note is aimed at trustees in England and Wales¹ and can be adapted for any size of charity to reflect best practice for each organisation's needs. This document, and others in the series, should provide sufficient detail for trustees, and others interested in governance, to think about the governance arrangements within their own charity, and apply those aspects of best practice that are most appropriate and proportionate.

It is good practice for each charity to undertake a periodic review of their governance arrangements as the charity evolves, and where appropriate, amend policies, procedures, and the governing document² to ensure that they remain fit for purpose and are structured in the most effective way to meet the charity's objects.

This guidance note has been updated to reflect the findings of the Charity Commission and ICSA's review project into the governance arrangements in newly registered charities.³ This pilot project found that few of the charities reviewed undertook regular induction for trustees of recommended guidance to help charities develop appropriate induction processes.

The information in this document expands upon, and consolidates, the principles highlighted in *Good governance: A code for the voluntary and community sector*.⁴

For the purpose of this guidance note, it is assumed that the charity employs staff including a charity secretary, or other governance and compliance professional, who is not the chief executive officer.⁵

-
- 1 Whilst principles of good governance should transcend national borders, it is important to bear in mind the specific differences in charity legislation for those charities operating in Scotland, Northern Ireland, and elsewhere.
 - 2 There are specific actions that must be taken in order to change a charity's governing document depending on the corporate structure of the organisation; in all cases changes to the charity objects will require approval from the Charity Commission. See ICSA guidance note on changing a charity's governing document for further information.
 - 3 Please see the ICSA website
 - 4 This can be downloaded from www.governancecode.org/
 - 5 Further details on the role of the charity secretary can be found in an ICSA guidance note of the same title.

If you have any feedback on the content of these resources, or additional questions that you'd like to discuss, please contact the ICSA information centre: **020 7612 7035** | informationcentre@icsa.org.uk

© ICSA, 2014

The information given in this guidance note is provided in good faith with the intention of furthering the understanding of the subject matter. While we believe the information to be accurate at the time of publication, ICSA and its staff cannot, however, accept any liability for any loss or damage occasioned by any person or organisation acting or refraining from action as a result of any views expressed therein. If the reader has any specific doubts or concerns about the subject matter they are advised to seek legal advice based on the circumstances of their own situation.

Specimen induction pack for charity trustees (England & Wales)

Overall purpose

For a trustee to be effective it will be necessary to provide the individual with sufficient information about the charity to be able to contribute to trustee discussions in a meaningful manner as soon as possible. It is unrealistic for each and every trustee to be fully versed with the issues facing the charity at their first trustee meeting, but each trustee should be working towards gaining that comprehensive knowledge. The induction pack is just one method in which necessary information can be imparted.

As individuals absorb information in different ways a number of methods should be used for inducting each trustee. These could include:

- an induction pack that uses both text and graphics to display contextual and performance data
- site visits to observe the charity in action
- meetings with key members of staff, where the charity employs them, and other key individuals
- observing board or committee meetings to gain an overview of the scope of the charity's activities
- a buddying system with a more experienced trustee

As well as providing a checklist of topics and documents to consider that could be covered in an induction programme, this note makes suggestions for induction design because the way in which any induction is delivered is an essential factor in its success. The time taken to complete an induction will depend on the charity, its size and complexity, but it may take 12 months in order to cover a full board cycle.

The following outlines all the information about a charity a new trustee may require in the first months in office. By staggering the approach of when and what kind of information is provided, it is hoped that the new trustee will not be overwhelmed by the sheer volume of information to be digested.

This guidance, therefore, has broken the information down into those documents and activities that should be offered to the new trustee upon appointment, three months, and six months into the first year of tenure.

Specimen induction pack for charity trustees (England & Wales)

Induction design

The following suggestions are offered to charity secretaries when designing an induction programme for a new trustee.

To ensure that the trustee receives the information s/he requires in the most appropriate format it is advisable to consult the new trustee before devising the induction. This conversation should inform how the programme should be tailored, in relation to both content and delivery. Previous trustee experience and knowledge is of course relevant to the induction design, as the trustee may already be aware of the legal and regulatory aspects of the trustee role. An update of any developments may however, be advisable.

The charity secretary, in consultation with the chairman, should prioritise the information to be provided to the trustee and schedule the various induction elements over an extended period. Arrange meetings with employees, volunteers, advisors, users and beneficiaries over an extended period. However, let the trustee see the whole induction plan at the start so s/he has the option to request certain elements earlier, or to have access to certain documents sooner.

Vary the delivery of information, and limit the amount of data presented just as reading material (whether in hard copy or via a board portal/on-line reading room), for example by designating meetings with staff, volunteers and fellow trustees to cover certain charitable matters, making use of advisors, other stakeholders, external training courses and organising site visits.

Take account of any relevant training and development programme in place or planned, when drawing up the induction programme, so as to complement other activities and avoid any unnecessary duplication. It might be worth thinking about whether some training and development activities could be delivered to the whole board, thereby providing a useful refresher to established trustees and developing the relations of the entire board. For example:

- consider asking an existing trustee to bring their experience to bear by commenting on the content and design of the draft induction intended for an incoming trustee

Specimen induction pack for charity trustees (England & Wales)

- to maximise the time of trustees and staff, the charity secretary should consider arranging induction meetings and site visits around existing board, committee and other meetings
- a buddying system may be beneficial to a new trustee in order to speed up the trustee's understanding of the charity's values and softer aspects of the trustee board, such as informal behaviours and ways of working.

The trustee should be encouraged to contact the charity secretary for any other guidance and information s/he may require.

Equally important to the induction process is receiving feedback from the trustee as to the effectiveness of the package provided. Feedback should be sought mid-way through the process, at the end and about six months afterwards to gain a balanced view of the trustees' experience. Any suggestions for improvement should be given due consideration and incorporated into the design of the next induction process.

Specimen induction pack for new trustees

The objective of induction is to provide a new trustee with the information he or she will need to become as effective as possible in their role within the shortest practicable time. The induction process should aim to achieve four things:

- build an understanding of the nature of the charity, its purposes and the communities in which it operates
- develop the new trustee's understanding of the role, including legal duties
- build a link with the charity's people – whether paid staff, volunteers or beneficiaries and users
- build an understanding of the charity's main relationships.

The expectation is that the induction will be tailored to the needs of the particular trustee to avoid repeating information the trustee is already well aware of, and that the content will be delivered using a variety of methods, over an extended period.

Specimen induction pack for charity trustees (England & Wales)

Many of the topics listed below will be best conveyed by making the trustee aware of the source document, while providing a summary of the key points and how they relate to the charity, where appropriate.

This list should not be seen as exhaustive, and certainly will not apply to all charities in all cases. Where a charity has an intranet that includes the documents listed, the trustee will be able to access relevant papers at a suitable time. Where this is the case, the charity secretary should ensure an ongoing dialogue with the trustee to avoid any gaps or oversights in the trustees' developing knowledge.

Role of the trustee

| Suggested document/activity | Suggested timeframe |
|--|---|
| <ul style="list-style-type: none"> • a brief outline of the role of the trustee or director/trustee and a summary of his or her responsibilities and continuing obligations. This may need to be more detailed where the appointee has no previous experience as a charity trustee | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • Charity Commission booklets, for example CC3 <i>'The Essential Trustee: What you need to know'</i>. | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • An outline of the role of the charity secretary in supporting the trustee | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • the charity's guidelines on: <ul style="list-style-type: none"> o matters reserved for formal trustee meetings o the procedure for obtaining independent professional advice by trustees o other standing orders, policies and procedures of which the trustee should be aware, or where they can be obtained from (including investment and reserves policies, CRB checks, children and vulnerable people policies, anti-bribery, money laundering, diversity and equality, and data protection, to name a few) | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • any trustee liability insurance that may be in place | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • personal development programme | <ul style="list-style-type: none"> • three to six months |

Specimen induction pack for charity trustees (England & Wales)

Board issues

| Suggested document/activity | Suggested timeframe |
|---|---|
| <ul style="list-style-type: none"> board structure and schedule of meeting dates | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> the list of matters reserved to the board and scheme of delegations | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> the biographical and contact details of other trustees or director/trustees and key employees | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> the minutes of the meetings of trustees of the last six meetings and agendas for board meetings held in the last three years | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> a list of current trustees or director/trustees, the charity secretary and their respective dates of appointment | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> a description of the procedures to be adopted at trustee meetings. These would normally cover details such as: <ul style="list-style-type: none"> when the papers are sent out normal location of meetings how long they last an indication of the routine business transacted procedure for raising items for consideration board etiquette policy domestic arrangements e.g. access, parking, lunch, child care and other expenses, etc | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> trustees' conflicts of interest policy and register of interest⁶ | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> trustee code of conduct | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> training in the use of any board portal or online board paper/reading room facility | <ul style="list-style-type: none"> upon appointment |
| <ul style="list-style-type: none"> corporate calendar which details important dates for the charity, including annual returns, general meetings etc | <ul style="list-style-type: none"> three to six months |

⁶ See the ICSA *Best practice guide managing conflicts of interest in the not-for-profit sector* and the Charity Commission's *A Guide to Conflicts of Interest for Charity Trustees*, for further information.

Specimen induction pack for charity trustees (England & Wales)

| | |
|---|---|
| <ul style="list-style-type: none"> • details of relevant committees, for example executive, finance and general purposes, with <ul style="list-style-type: none"> o terms of reference for each committee o specifications of those responsibilities delegated by the trustees to any committees o reporting requirements o names of the trustees serving on any committees • biographical details of any non-trustees serving on committees | <ul style="list-style-type: none"> • three to six months |
| <ul style="list-style-type: none"> • board, committee and individual director evaluation processes | <ul style="list-style-type: none"> • three to six months |
| <ul style="list-style-type: none"> • board training and development programme | <ul style="list-style-type: none"> • three to six months |
| <ul style="list-style-type: none"> • most recent board evaluation report • board composition, board renewal, succession plans and policy on trustee re-election/re-appointment. Details of procedure for resigning or removal from office, where appropriate | <ul style="list-style-type: none"> • three to six months • after six months |

Specimen induction pack for charity trustees (England & Wales)

The nature of the charity

| Suggested document/activity | Suggested timeframe |
|--|---------------------|
| • an up-to-date copy of the governing document | • upon appointment |
| • a copy of the strategic plan | • upon appointment |
| • a copy of the business plan | • upon appointment |
| • a copy of the mission statement, vision and values | • upon appointment |
| • a brief history of the charity | • upon appointment |
| • the annual report and accounts for the past three years, audit report and performance records (including beneficiary surveys), current annual budget and most recent management accounts | • upon appointment |
| • details of the charity's professional advisers (e.g. accountants and solicitors), together with the name of the partner or other nominated person dealing with the charity's business | • upon appointment |
| • details of the charity's registration and other information held by regulators and website details for each regulator or registrar | • upon appointment |
| • a glossary of charity and sector jargon and acronyms | • upon appointment |
| • current non-statutory review and/or impact report, where applicable | • after six months |
| • a copy of all management accounts prepared since the charity's last audited accounts | • after six months |
| • details of any significant contractual obligations | • after six months |
| • summary details of the charity's insurance policies | • after six months |
| • details of any ongoing litigation presently being undertaken either by the charity or against the charity | • after six months |
| • the charity's risk profile and tolerance, risk management and internal control procedures and relevant disaster recovery plans | • after six months |
| • marketing and branding | • after six months |

Specimen induction pack for charity trustees (England & Wales)

Building a link with the charity's people

| Suggested document/activity | Suggested timeframe |
|--|---|
| <ul style="list-style-type: none"> • an organisational chart – including staff, premises and branches | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • the internal telephone directory, email and web addresses | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • meetings with senior management, where appropriate | <ul style="list-style-type: none"> • appointment and ongoing |
| <ul style="list-style-type: none"> • internal staff satisfaction survey results | <ul style="list-style-type: none"> • after six months |
| <ul style="list-style-type: none"> • site visits and programme/project observations | <ul style="list-style-type: none"> • ongoing |

The charity's main relationships

| Suggested document/activity | Suggested timeframe |
|--|---|
| <ul style="list-style-type: none"> • relevant media coverage, of a positive nature or otherwise | <ul style="list-style-type: none"> • upon appointment |
| <ul style="list-style-type: none"> • recent and relevant correspondence with regulator(s) | <ul style="list-style-type: none"> • three to six months |
| <ul style="list-style-type: none"> • list of stakeholders and any agreed engagement plan for each group | <ul style="list-style-type: none"> • three to six months |
| <ul style="list-style-type: none"> • copy of complaints procedure for users, beneficiaries and suppliers, including a précis of major complaints and incidents resolved in past two years | <ul style="list-style-type: none"> • three to six months |
| <ul style="list-style-type: none"> • the minutes of general meetings of the last three years | <ul style="list-style-type: none"> • after six months |
| <ul style="list-style-type: none"> • list of major suppliers | <ul style="list-style-type: none"> • after six months |

Specimen induction pack for charity trustees (England & Wales)

Board committee induction

Where the trustee will be joining a committee, he or she should be provided with copies of the committee minutes from the preceding 12 months.

| Suggested document/activity | Suggested timeframe |
|--|---|
| <ul style="list-style-type: none">• name, role, remit and terms of reference of committee | <ul style="list-style-type: none">• three to six months |
| <ul style="list-style-type: none">• link between committee policy and the charity's strategic objectives | <ul style="list-style-type: none">• three to six months |
| <ul style="list-style-type: none">• members of the committee, and those regularly invited to attend meetings | <ul style="list-style-type: none">• three to six months |
| <ul style="list-style-type: none">• meeting schedule with pro forma forward agendas of regular items or an indication of when routine business is transacted | <ul style="list-style-type: none">• three to six months |
| <ul style="list-style-type: none">• main business and financial dynamics and risks | <ul style="list-style-type: none">• three to six months |
| <ul style="list-style-type: none">• current issues affecting the committee's business | <ul style="list-style-type: none">• three to six months |
| <ul style="list-style-type: none">• technical training on key matters, tailored according to level of expertise | <ul style="list-style-type: none">• three to six months |



Trust through governance

ICSA is the chartered membership and qualifying body for professionals working in governance, risk and compliance, including company secretaries.

We seek to develop the skills, effectiveness and profile of people working in governance roles at all levels and in all sectors through:

- A portfolio of respected qualifications.
- Authoritative publications and technical guidance.
- Breakfast briefings, training courses and national conferences.
- CPD and networking events.
- Research and advice.
- Board evaluation services
- Market-leading entity management and board portal software.

Guidance notes are prepared by the ICSA policy team to support the work of company secretaries and other governance professionals working in the business and not-for-profit sectors, and in NHS trusts.

Guidance notes offer authoritative advice, interpretation and sample materials for the many issues involved in the management and support of boards. As such, they are invaluable for those helping their organisations to build trust through good governance.

There are over 100 guidance notes available to ICSA members at www.icsa.org.uk/guidance

The Institute of Chartered Secretaries and Administrators

Saffron House, 6–10 Kirby Street
London EC1N 8TS

April 2014



Institute of Chartered Secretaries
and Administrators