



Trustee Recruitment Policy

Policy Statement

Trustees have overall responsibility for the activities of the Trust – in particular governing its strategy and finances, risk management and monitoring its performance. The Trustees monitor risks on an on-going basis and act to mitigate their impact on the Trust's activities. They are responsible for ensuring that the Trust's income is used only for the purposes set out in the Trust's Articles of Association and have a responsibility to act reasonably and prudently in all matters relating to the Trust.

Day to day activities are undertaken by the Executive Manager supported by the Trust's administration team.

The Trustees must ensure that they retain overall responsibility and control of the Trustee recruitment, selection and induction process. The skills of the Trustees must be matched to those required to maximise the effectiveness of the Trust. All Trustee positions are voluntary and unpaid. This policy outlines how this approach is implemented.

The Trust is incorporated, regulated under Scots law and a company limited by guarantee.

Policy headline: The Trust employs a transparent recruitment, selection and induction process for Trustees

Policy Context

The duties and responsibilities of a Trustee are set out in legislation as set out below.

The Charities and Trustee Investment (Scotland) Act 2005, describes the main duties of a

Trustee are to act in the interests of the charity and to:

- seek, in good faith, to ensure that the Trust acts in a manner which is consistent with its purposes;
- act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person;
- manage any conflicts of interest; and
- ensure that the charity complies with the 2005 Act.

The Companies Act 2006

Trustees hold the office of Director which has the same legal duties as a company director, including:

- to act within the Trust's powers;
- to promote the success of the Trust;
- to exercise independent judgment;
- to exercise reasonable care, skill and diligence;
- to avoid conflicts of interest;
- not to accept benefits from third parties; and
- to declare interests in proposed transactions or arrangements.

The Gambling Act 2005 and Gambling Commission requirements

The Trust employs an External Lottery Manager (ELM) to generate funds for good causes. The Trust is therefore required to adhere to the terms of The Gambling Act 2005. Under the Gambling Commission's Licence Conditions and Codes of Practice (LCCP), the Trust is required to notify of any structural changes relating to the Trust to the Commission as a key event. This includes resignations and appointments of key personnel and notification of any

fraudulent activity or mismanagement that could affect the proper management of the ELM. It is the Trustees' responsibility to ensure that the ELM works in a crime free, fair and open way and protects children and vulnerable people.

As part of the requirement of running a society lottery, the Chair of the Board is required to hold a Gambling Commission Personal Management Licence (PML). As part of this, a Disclosure and Barring Service (DBS) or Disclosure Scotland check is completed.

The Trust's Articles of Association

Under the Trust's Articles of Association, the minimum number of Trustees required on the Board is three. A Trustee is elected for an initial term of four years after which a reappointment for a further four years can follow. Following a break period of one year, the former trustee can be reappointed. The procedure for the appointment and reappointment of Trustees is set out in the Articles of Association.

Trustees should have regard to these provisions and should take steps to ensure that the retirement of existing Trustees and recruitment of new Trustees is managed appropriately to ensure continuity. The Board of Trustees collectively consider appropriate experience, diversity and skills required for the Trust's operations.

Who can and cannot be a Trustee

In Scotland, any individual of any nationality aged 16 or over can be a Trustee. The Charities and Trustee Investment (Scotland) Act 2005, Bankruptcy (Scotland) Act 2016 and Company Directors Disqualification Act 1986 describe who is not eligible or cannot be a Trustee. Any person who is ineligible to hold the office of company director (e.g. subject to a disqualification) will be unable to accept appointment as a Trustee.

Specific Gambling Commission licence conditions also restrict the Board's membership, to exclude those that have any specific management involvement in the ELM operations. The other restrictions include:

- anyone convicted of an offence involving deception, dishonesty or an offence under charity legislation unless the conviction is spent and a waiver has been obtained;
- anyone who is an undischarged bankrupt;
- anyone who has previously been removed from Trusteeship of a charity; and
- anyone who is under a disqualification order under the Company Directors Disqualification Act 1996.

Once registered, OSCR expects that Trustees collectively ensure that the Board does not appoint or contain any individuals disqualified from acting as a charity trustee. The Money Laundering Regulations 2007 require appropriate identity (ID) evidence to be provided when certain transactions take place.

Any new trustee will be required to provide two forms of ID (one photo) verifying their name and address – further identification evidence may be required for Trustees from out with Great Britain.

Appointment of new Trustees

Before a new Trustee is appointed, s/he must understand what is involved, and how they will be supported in holding the office and doing the job effectively. Best practice demands that reliance on the recruitment alone to ensure the candidate is aware of the expectations of the role is not enough. The recruitment, selection and subsequent induction of a new Trustee, provides an opportunity to ensure the continued effectiveness of the Board. They are responsible for ensuring that the Trust's income is used only for the purposes set out in the Trust's governing document and for no other purpose.

Trustees retain overall responsibility and control of the Trustee recruitment, selection and induction process.

The role of the Board in recruitment

When recruiting new Trustees, the existing Board has regard to the Trust's purpose and

aims, their duties and responsibilities as trustees and the skills required by the Board. They must ensure that they are acting in the best interests of the Trust and that they are in a position to explain to new trustees what is required of them.

The Trustees recognise that they can benefit from seeking to recruit and retain Trustees who reflect and have knowledge of the Trust's purposes as well as existing knowledge relating to operating a society lottery. The Trustees are aware that potential conflicts of interest in relation to areas of expertise and grants awarded are also a factor in recruitment.

Recruitment process

The steps to be taken where a vacancy for a Trustee is identified are:

- Trustees agree a new Trustee should support the existing Board.
- Evaluation and identification of any skills gap.
- Advert and job description drafted to reflect the required expertise.
- Position advertised.
- Applications reviewed by Executive Manager.
- Meeting held with potential candidates (at least one Trustee and a member of the Senior Administration Team).
- E Experian checks performed if required.
- The Chair offers the post to the selected candidate setting out their duties and the charity's expectations of them. They are informed of a two-meeting probationary period prior to final appointment.
- The candidate confirms in writing they are not prevented from acting as a Trustee.
- Appointment of Trustee is confirmed as set out in the Articles of Association.
- The Trustee handbook is sent to new Trustees, and a full induction process is arranged within 6-12 months of first meeting.
- The new Trustees attend their first board meeting as an observer and are duly welcomed. Once appointed at the same meeting, they are able to participate fully. All relevant parties are notified of the new appointment.

Induction process

The Trust provides new Trustees with induction support and reference materials to ensure that they are fully informed as to the Trust's purposes, operations, fundraising activities and their own responsibilities.

With confirmation of appointment, a new Trustee will receive a Trustee Handbook and a folder with:

- Articles of Association of the Trust.
- Charity Status Award Letter.
- Incorporation Certificate.
- Annual Report and Accounts.
- Current policies, processes and procedures for the Trust and where relevant, its ELM.
- OSCR Trustee Guidance.
- Gambling Commission Licence Conditions and Codes of Practice (Society Lottery).
- Gambling Licences (remote and non-remote) and any specific conditions.

All new Trustees are expected to complete induction training to understand their role within and knowledge of the Trust, its activities and beneficiaries. Training includes the licence conditions on running of an ELM as required by the Gambling Commission. Training is provided to all Trustees annually as part of the commitment to continual development.

Review

This policy will be reviewed and approved by Trustees on a five-year basis.

Last Updated: June 2017