

Chair of the board – appointment, roles and responsibilities, cessation

Checklists

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Appointment

Introduction

Every board needs a chair to oversee the functioning of the board and chair board meetings. The governing document usually sets out some broad responsibilities and powers for the chair with regard to the conduct of board meetings.

It is good practice for the board to approve a written role description for the chair and to review and update this from time to time. The role description should be consistent with the relevant provisions of the governing document.

These checklists should be read alongside the discussion of the role and responsibilities of the chair in Section 4 of the SGA knowledge base and the specimen role description provided in the tools section.

Checklist

- Consider legal criteria for eligibility to serve as a board member (as the chair will be a director and/or trustee).
- Check eligibility criteria in the governing document.
- Consider pre-appointment checks and due diligence that are required or desirable.
- Take into account the 'fit and proper persons' requirements under the Finance Act 2010 and HMRC's guidance on meeting those requirements.
- Consider safeguarding issues and any checks or verifications needed in relation to those.
- Verify the candidate's identity and home address details.
- Check appointment method specified in the governing document (appointment by decision of the members at the AGM may be required or the board may be empowered to appoint its own chair).
- Consider whether the candidate must first be admitted to membership and/or appointed as a board member before they can be appointed as chair of the board.
- Consider whether it would be prudent or advantageous, if it is not already the case, that an independent chair be appointed.
- Review the chair role description and update as appropriate.
- Ensure that the appointment of the chair takes place via an open, publicly advertised recruitment process.
- Ensure the candidate has a copy of the role description and a copy of the governing document (including all amendments to date).

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- Consider whether the candidate, if appointed, may need any support or training as they take up their new role.

Procedure

- Carry out pre-appointment checks and verifications (if appropriate or required).
- Obtain all appropriate contact details for the candidate, if not already held.
- Follow appropriate procedures to make the appointment, in accordance with the governing document.
- Ensure the appointment decision is recorded in the minutes of the relevant meeting.
- Notify appropriate registrars and regulators (e.g. Companies House, the Charity Commission). It is good practice to notify regulator(s) of changes even where there is no strict legal requirement to do so.
- Make necessary register entries if the appointment involves appointment of a new trustee:
 - Register of directors (companies).
 - Register of trustees (registered charities).
- Consider and action practical matters in consequence of the appointment (e.g. changes to website, literature, documents, alteration of bank account signatories).
- Make a note of the date of commencement of office and any applicable term of office and its end date.

Filing requirements

- There is an obligation to notify the Charity Commission of changes among the trustees of registered charities and CIOs, so if the appointment of the new chair involves appointment of a new trustee ensure this obligation is met.
- Appointment of a new company director must be notified to Companies House within 15 days (form AP01). Notification of the appointment of a serving director as chair is not required.

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Role and responsibilities

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Checklist

Role

- The chair's overall role is to lead the board, ensuring that it fulfils its responsibilities for the governance of the organisation.

Responsibilities – general

- The chair's principal responsibilities are:
 - Leadership of the board in its role of setting the direction and strategy of the organisation.
 - Ensuring that the board acts in furtherance of the organisation's interests.
 - Ensuring that the board deploys the organisation's resources responsibly and prudently.
 - Setting the agenda for meetings of the board.
 - Monitoring that decisions taken at meetings are implemented.
 - Overseeing the evaluation of the board and board members and implementing any development actions identified.
 - Proactively addressing and managing conflicts of interest among board members.
 - Planning the annual cycle of board meetings and committee meetings.

Chairing of board meetings

- The chair must ensure that board meetings are conducted in an orderly fashion in accordance with the governing document. The chair should seek to ensure that all board members have the opportunity to participate in the discussions at meetings, so all voices and points of view are heard and the board can reach a balanced and well thought through conclusion.

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Chairing of general meetings of the members

- In a membership organisation, typically the chair of the board will also have responsibility for chairing general meetings of the members (e.g. the AGM).
- Some governing documents provide for the holder of some other role to chair the AGM (e.g. the honorary president).

Procedure

- Chairing of meetings should be carried out in accordance with applicable provisions of the governing document.

Filing requirements

- The chair should be identified in the annual report.
- There is no specific filing or notification obligation in relation to the charity regulators (Charity Commission or Companies House) when a chair is appointed or ceases to hold office. However, there may be if the change involves:
 - appointment of a new trustee and/or director; or
 - cessation of office of a trustee and/or director.

Cessation of office

Introduction

It is healthy for the principal offices within an organisation to change hands periodically, including the office of chair. The Code for Sports Governance places limits on the length of time that board members may serve, though allows for the maximum of 9 years to be extended to 12 where the board member is appointed as chair (Requirements 1.13-1.14). The governing document may ensure this happens in relation to the chair by providing limited periods of office and/or limits on the number of terms that may be served by an individual or an overall limit on the number of years' service permitted in a particular office or permitted for a board member generally.

A chair may cease to hold office because of any of these reasons:

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- Voluntary resignation as chair (check the governing document carefully to see if a former chair may remain on the board and, if so, what the limits are placed on his or her remaining period of office as a board member; also consider issues of good governance – it is not always helpful for the new chair to have a predecessor at his or her shoulder!)
- Cessation of office as a board member.
- Completion of a term of office (without any re-appointment to a new term).
- Bankruptcy (this automatically disqualifies the individual from serving as a director or trustee).
- Other disqualification by law (as a charity trustee or as a company director, as applicable).
- Death.

Procedure

Resignation

It is best practice to obtain a written resignation letter.

- Ensure the resignation is recorded in the minutes of the relevant meeting. The minute should make it clear if the individual remains a board member after the resignation as chair.
- Notify regulator(s)/registrar(s) if required or desirable, particularly if the resignation involves cessation of office as a director or trustee (e.g. Companies House form TM01 cessation of office of an individual director).
- Make necessary register entries if the resignation involves cessation of office as a director or trustee:
 - Register of directors.
 - Register of trustees.
- Consider and action practical matters in consequence of the resignation (e.g. changes to website, literature, documents, alteration of bank account signatories).
- Address appointment of a new chair.
- Consider any interim arrangements necessary to chair board meetings held in the meantime (note the governing document may include provisions about the chairing of meetings in the absence of a chair of the board).

Other cessations of office

- Most of the above steps will also apply.

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Filing requirements

- Companies - appointment of a new director must be notified to Companies House within 15 days (form AP01). Notification of the appointment of a serving director as chair is not required.
- Registered charities, including CIOs – there is an obligation to notify the Charity Commission of changes amongst the trustees, so if the appointment of the new chair involves appointment of a new trustee ensure this obligation is met.

Notes

- It is wise to carry out succession planning, ready for future changes of chair. This should include periodic review of the skills needed for the office in the organisation's situation and periodic review of the chair's role description.
- The provisions regarding term limits in the Code for Sports Governance and in the organisation's governing document will help to determine how a succession planning process should be timetabled. Confirmation at an AGM, if required, will also be a relevant consideration.
- Arrange any consequential actions relating to the change of chair (e.g. alterations to website, stationery and documents, alteration of bank account signatories).

