FIVE TO SIX MONTHS BEFORE TERM EXPIRY TRIGGERS PROCESS

An appointment process will need to be commenced whenever the board of a company/entity has a member(s) whose term(s) is due to expire. A “process” will relate to an entity, or a group of similar entities (eg, all SOEs), rather than to an individual position on a board.

There is no specific point at which an appointment process should be commenced, but six months before term expiry is ideal. At this stage a timeline needs to be created covering all of the steps in the process. The timeline should be created in reverse, starting with a determination of the final date on which appointment letters should be mailed to the new board appointees or re-appointees.

The process should allow for letters to be signed and sent out six weeks before the terms of the new appointees are due to commence. Appointment processes are influenced by a number of factors (eg, parliamentary recesses) and they very seldom run exactly to the original timeline. It has therefore not always been possible to achieve the “six week” goal. It remains an important aspiration, because the extra time allows appointees time to consider the role and complete appointment formalities, to commence the new board member’s induction process and give appointees a greater opportunity to prepare for first board meetings.

Once the range of board positions to be addressed has been settled, up-to-date information needs to be gathered about the boards and, specifically, the positions under consideration.

The first step in the information-gathering process will be for COMU to form an in-house view about each company/entity’s performance, the strength of its current board and its prospects in the medium term. This process will require consultation with the wider COMU group, particularly the monitoring team.

The second step will involve a meeting with the chairs of each of the boards concerned (telephone discussion should be a second option only if a face-to-face meeting cannot be arranged). It will be important to determine from a chair:

- the dynamic of the current board and how it functions as a group
- whether the members whose terms are due to expire should be considered for reappointment, and
- if members are to retire from the Board, what the Chair’s specification for a replacement member is.

It is important that the Chair is as clear as possible about the skills the Board requires in any replacement members, as this information will form the basis of advice to the responsible Minister and will lead to the drafting of a “Person Specification” for the role to be filled.