The Institution of Engineering and Technology

Paper Number
CO(21)14

1 June 2021

PAPER CLASSIFICATION: OPEN

Council

REVIEW OF COUNCIL REGULATIONS

(Paper by the Council Monitoring Governance Working Party. If you have any questions on this paper before the meeting please contact Dr Christopher To by email chriswto@gmail.com)

1. Issue

The Chair of the IET Council has suggested that it may be an appropriate time for Council to consider whether a review of the current Governance framework of the Council is needed before an actual outline of the scope of the review and the actual review takes place.

2. Timing

Council meeting, 10 June 2021.

3. For Discussion

Council is invited to discuss whether this is now the right time to suggest a review of our Council to the Board of Trustees, considering that the IET has conducted 6 previous reviews since 2004.

4. Background

4.1. The Council Regulations were proposed by the Council on 17 May 2007 and approved by the Board of Trustees on 11 June 2007. The Board of Trustees subsequently made amendments to the Council Regulations on 9 June 2008 and 1 October 2012.

4.2. At its meeting on 7 November 2014, the Board of Trustees agreed that a governance review should be conducted and through a competitive tender, Grant Thornton was appointed to undertake the review. As a result, Grant Thornton issued its report in August 2015 (the "*August Report*") and on 5 October 2015, the Board of Trustees accepted "*the broad thrust and recommendations of the report*". Pages 13 and 14 of the August Report identified some areas for consideration in particular suggestions on reforming the Council in terms of its role within the governance structure of IET, whether Council has a meaningful purpose within the ambit of IET, what stakeholders are needed to effectively govern and manage this advisory role. The August Report took into consideration eight other learned societies and found that IMechE and BCS were the only two bodies that had an advisory body like the IET Council.

4.3. On 2 October 2017, the Council discussed and noted the scope of review for the next IET governance review ie, Governance Review 2018 and that the review will take into consideration previous reviews as follows:

- Review of Effectiveness of the Board of Trustees, June 2004;
- Board Effectiveness Review, July 2007;
- Board Effectiveness Review, March 2009;

- Governance Review, June 2011; and
- Governance Review: Grant Thornton, August 2015 (the "August Report")

4.4. On 6 June 2019, the Council discussed the 2019 Governance Review as compiled by Crowe UK LLP (the "Crowe Report"). In the Paper Number CO (19)20 "*Crowe noted there were on-going concerns about the operation and value and of Council…*" (see Crowe Report pages 33 to 36).

4.5. The current Council Regulations are dated 6 November 2020 and on pages 20 to 23 of the Council's Regulations, it outlines the purpose, composition, elections, operations and voting of the Council.

4.6. Based on the timing of the previously reviews, the reviews usually take place every three or so years and given that Crowe UK LLP carried out a review on 6 June 2019, the next review based on timing is in the year 2022. The question one has to ask is whether these reviews do add value to IET as a whole or are they simply an exercise to tick the right boxes to satisfy the regulatory framework.

4.7. As seen by previous reviews the question of the Council, its function and composition are often discussed and some concerns about its value within the entire IET framework[1] has been repeated in various reviews. The issue of ownership of the reviews and whether the suggested actionable items within these reviews have taken place, similar to what was conducted by the Special General Meeting of 11 February 2016 is not visible from the resources obtained as stated below.

5. The Council

5.1. According to the IET website[2], the "*Council is the consultative body which tenders advice to the Board of Trustees and promotes a culture of continuous improvement*". Its responsibilities include the following:

- *tendering advice to the Board of Trustees concerning the conduct of the IET's affairs generally,*
  including its direction and strategy, and on any other matters referred to it by the Board of Trustees
- *communicating views that are representative of the range of views of members of the IET on these*
  and other matters to the Board of Trustees
- ***monitoring the governance of the IET*** *and promoting a culture of continuous improvement.* [**Emphasis added**]

5.2. The Council is composed of 27 Ordinary Members (18 elected and 9 appointed Ordinary Members) and the President. In terms of spread and mix as well as tenure of Council members these are stipulated within the Council Regulations[3].

6. Resources

6.1. The following information was reviewed in compiling this Paper:

- Council, Approved by the Board of Trustees in May 2007
- Council Regulations, 1 October 2008
- Council Regulations, Revised 1 October 2012
- Council Regulations, Revised 9 March 2015

[1] See https://www.theiet.org/media/7188/iet-governance-structure-chart.pdf accessed on 1 June 2021.
[2] See https://www.theiet.org/about/governance/council/ accessed on 1 June 2021.
[3] See https://www.theiet.org/media/3661/council-regulation-mar-2019.pdf accessed on 1 June 2021.

- Council Regulations, Revised 7 September 2015
- Governance review Paper Number CO(15)32 dated 6 October 2015 attaching the August Report (Grant Thornton, August 2015)
- Special General Meeting of 11 February 2016 as per letter of 1 December 2015 attaching the Form of Proxy and the explanation of the 5 Resolutions amending
- Minutes of the Special General Meeting of 11 February 2016
- Council Regulations, Revised 11 February 2016
- Council Regulations, Revised 3 November 2016
- Royal Charter and Bye-laws dated 2016
- Proposed Governance Review 2018, Paper CO(17)44(revised) dated 28 September 2017
- Council Comments on Governance Review Paper CO(19)20 dated 28 May 2019 attached the Crowe Report (May 2019)
- Regulations – Terms of Reference of Boards and Committees, 6 November 2020

7. Risk

No risks have been identified in connection with this paper.

8. Resources

No resource issues have been identified in connection with this paper.