

Independent Review into Purpose, Governance and Strategy

Background and Purpose

In January 2021, RICS Governing Council voted unanimously to proceed with an independent review into events that took place in 2018 and 2019 in relation to the commissioning, and subsequent management, of an internal Audit into the Institution's treasury management functions.

The review was undertaken by Alison Levitt QC who delivered her report to Governing Council on 11 August 2021. Her report, conclusions and recommendations were accepted in their entirety by Governing Council which published the report on 9 September 2021.

The review concluded that the governance structure of RICS, in particular a lack of clarity on the roles and responsibilities of governance bodies, enabled, rather than prevented, poor leadership and decision-making by senior executives, officers, and non-executives. The Report recommended that RICS undertake a '*...wide-ranging examination of purpose, governance and strategy, conducted by an external reviewer*'.

This review implements that recommendation.

Objectives

Mindful of RICS' role as a professional body, governed by Royal Charter, and other regulatory obligations, the Review objectives will be to:

- create clarity about RICS' purpose given its current position and the context within which the profession and Institution operate
- make proposals for the future which will put RICS in a position to stand as a beacon for best practice in governance, transparency, and accountability - strengthening the reputation and position of members and the Institution itself
- ensure that RICS' strategy, governance structures, culture and resources are fit not just for today but also contain mechanisms whereby they can be reviewed and refreshed so they remain relevant in the future.

Scope

The review's scope will include the objectives noted above, and should specifically cover RICS' purpose, governance, and strategy. The reviewer will be able to consider their own scope within this context and the approach they wish to take, and following their appointment agree revised terms with Governing Council, but should consider the following questions when doing so:

- what is the purpose of RICS, and is that purpose the same in the UK as it is in the rest of the world?
- what functions *must* RICS undertake to deliver that purpose and what functions *might* be undertaken, but are not essential?
- how should resources be allocated and prioritised, including between functions, surveying specialisms and geographies?
- how might any strategic objective, and resource allocation, to increase membership and the locations within which members operate, be balanced with the need to support and develop existing members in current locations?
- what is the role of Governing Council (i.e., the Institution's governing body)?
- how should that governing body be structured and composed, and how might different approaches build trust and confidence in the governing body from members, the public and other stakeholders?
- what functions should the governing body undertake itself, and what functions should it delegate?
- what governance structures does the governing body require to ensure delegated functions are undertaken appropriately?
- how might effective governance functions be supported by formal and informal structures focused on ensuring effective engagement with members?
- how might the Institution increase effective engagement with members and their involvement in its work?
- what should RICS' relationship be with firms and other employers of surveyors?
- to what extent should non-members hold roles within the various governance bodies of the Institution?
- what should be the role of the Institution's executive, including Chief Executive, and should senior executives also be members of relevant governance bodies?
- how should regulatory activities (including registration, supervision, standard setting, and entry requirements) be structured and governed?
- to what extent should RICS undertake commercial activities, and how should this activity be structured and governed?

Term

The Reviewer should present findings to Governing Council no later than six months after the commencement of their work.

Governance

The appointment of the Reviewer shall be made through an open appointments process. The appointment will be made by Governing Council on the recommendation of an appointment panel established by Council. The Review shall report directly to Governing Council. Oversight and support during the review will be undertaken by a Governing Council Steering Group.

Secretariat

The Reviewer may appoint a dedicated secretariat, which will be agreed with RICS.

Member and Stakeholder engagement

The Reviewer will undertake engagement with significant stakeholder groups, both inside and outside the UK, including (but not limited to);

- members across a range of specialisms, firm type, and geography
- regulated firms
- relevant RICS Boards and Committees;
- clients and consumer groups;
- relevant industry participants;
- governments and regulators; and,
- RICS staff.

Publication

The review will be published by Governing Council.