

**Imperial College Union
Board of Trustees / 23 June 2021**

Corporate Governance Review: Board Subcommittees

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Governance Review Steering Group

Purpose: To approve changes to the subcommittee structure of the Union, and an associated amendment to the Byelaws of the Union (subject to ratification by Union Council).

1. Background Context

In 2020 the Board of Trustees approved a range of thematic reviews to shape our transformation as we implement our new strategy. One of these themes was our corporate governance (rather than democratic governance).

2. Board Subcommittees

One of the major areas for specific consultation has been over the role of Board subcommittees within the Union, and how they contribute to good governance. A consultation with Trustees and review of other organisations has resulted in the following suggestions.

4.1 Why should the Board delegate work?

There is broad agreement that Board should delegate work to a smaller body / group only when the following principles apply:

- i. *Added value*: when doing so is preferable to undertaking the work by the full Board or delegating to key individuals.

This added value should largely be based on one of the follow four principles:

- ii. *Focussed expertise or experience*: in cases where the subject matter requires specific skills or experience to understand and fully engage with the topic being considered.
- iii. *Increased assurance*: in cases where the subject matter requires significant additional time, detail or commitment for assurance to be obtained on behalf of the Board.
- iv. *Increased engagement*: in cases where the involvement of specific key individuals in greater detail or depth (that may or may not be a member of the Board) is beneficial for the organisation.
- v. *Increased agility or speed*: in cases where the Board is required to respond to a specific challenge or deliver a specific piece of work within a compressed timeline.

As with the broader work of the Board, subcommittee business should usually take one of the following four forms of business:

Approve / Recommend	Where the subcommittee has been given delegated responsibility by the Board to approve something. This can also include the decision to ‘recommend for approval at Board’.
Consider	Where the subcommittee is being asked to consider a range of relatively well ‘worked up’ options, with the ability to approve or send the item back for further work.
Consult	Where the subcommittee is being asked to discuss and consider an issue either open ended, or with a range of relatively underdeveloped options.
Note	Where the subcommittee is being updated on an issue.

4.2 What types of delegation should the Board use?

There is broad agreement that the Board should establish the following three levels of ‘group delegation’:

i. Standing Subcommittees

These are required where there is a substantial business need for the subcommittee, and there is an expectation that it will meet regularly (at least quarterly) over the course of the year. The annual calendar of business will include dates and an indicative agenda.

ii. Ad hoc Subcommittees

These are required where there is a substantial business need for the subcommittee. However, beyond an annual meeting identified in the annual calendar of business, it will meet only when required for specific business.

iii. Task & Finish Groups

These are required where there is a substantial business need (including responding to a specific critical incident) for a smaller group of Trustees to consider / develop specific projects of areas of work. They should be time limited with a narrowly defined SMART remit.

4.3 What should be included in a Terms of Reference?

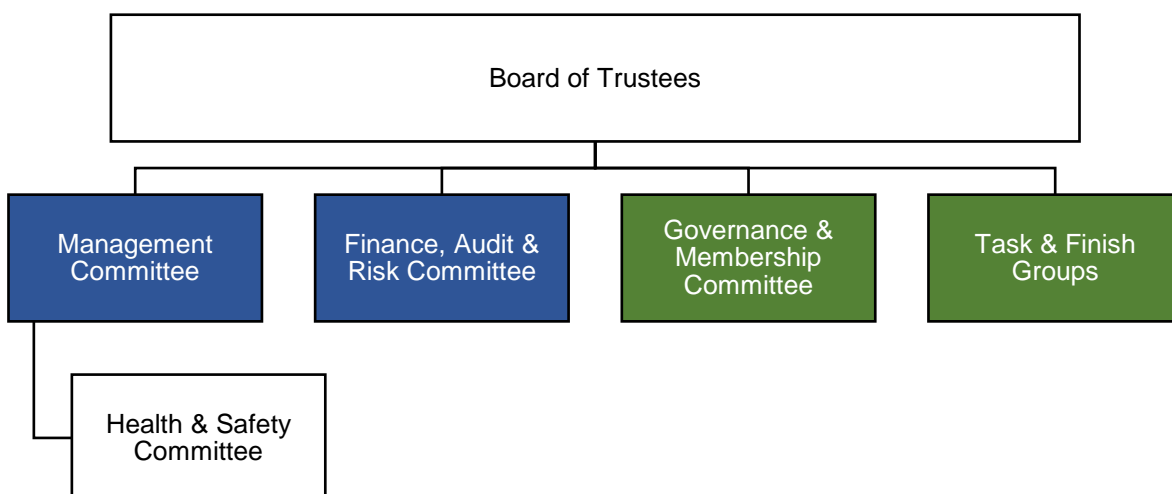
Each subcommittee or task and finish group should have the following four areas detailed in a Terms of Reference approved by the Board:

- i. The 'principal purpose' (also included in the Union's byelaws when a subcommittee)
- ii. The specific objectives, activities, and powers of the committee
- iii. The composition of the committee
- iv. The lifespan and expected frequency of the committee, and how the committee reports to the board.

4.4 What areas require a Board Subcommittee?

There feedback from Trustees suggests the following structure would be fit for purpose for ICU, with Task & Finish Groups used for large pieces of 'Board level work' such as the strategic plan, the appointment of Trustees / the Managing Director.

Key Board level tasks performed by the previous Communications Committee and People, Appointments and Remuneration Committee would be taken forward as needed as Task & Finish Groups.



Keys

- Blue = Standing Committee (meets regularly)
- Green = Ad hoc (meets annually and then as required)

4.5 How are slots filled?

There are broadly two options for Board to consider how subcommittee slots are filled:

Option One (Election)

Subcommittee roles should usually be filled before first meeting of the full Board in each academic year. Self-nominations (including from External Trustees as Chairs) should be requested by the Governance Officer in advance of the paper deadline, including statements up to 250 words indicating:

- i. Motivation for joining the subcommittee / acting as Chair
- ii. Relevant experience

If positions are contested, a secret election should be run by the Board via email to appoint individuals into roles.

Option Two (Appointment by the Chair & President)

Subcommittee roles should usually be filled before first meeting of the full Board in each academic year.

For Chairs of subcommittees, the Chair of the Board and President will approach a suitable External Trustee and make a recommendation for ratification to the Board.

For all other subcommittee vacancies, all trustees will be asked to indicate a preference. The Chair and President will make appointments as closely as possible aligned with those preferences.

5. Management Committee

NB. This formalizes the role already fulfilled by Leadership Group for the organisation (and is common within the sector). For transparency and accountability in a democratic organisation this should be set down in writing and placed on a 'constitutional footing'.

Why is it needed?

The committee will add value due to:

- Increased experience and expertise provided by the SMT and OTs in terms of managing the Union and its activities.
- Increased engagement of OTs in terms of student representation.
- Increased agility and speed to make delegated tactical decisions more quickly on behalf of the Board.

Principal purpose

The principal purpose of the Management Committee is to take day-to-day decisions on behalf of the Board on the running of the Union and deliver the strategic plan.

Specific objectives, activities and powers

Specific objectives and activities of the committee include:

- Lead on the development and delivery of the annual planning, budgeting and monitoring rounds.
- Approve operational policies and procedures related to the services and activities of the Union.
- Approve plans for major projects that affect all areas of the Union.
- Lead the development of and propose items for consideration by the full Board.

Composition of the committee

Managing Director (Chair)

Officer Trustees

SMT (appointed by the MD)

Other Sabbatical Officers as required

Secretary: Managing Director

Assistant Secretary: Governance Officer

Lifespan, frequency and reporting

The committee should meet at least once every two weeks.

A summary report should be provided to each Board on key discussions / work.

6. Finance, Audit & Risk Committee

Why is it needed?

The committee will add value due to:

- Increased experience and expertise provided by External Trustees in terms of financial management.
- Increased assurance provided for the Board in terms of detailed consideration of matters related to finance, audit and risk.

Principal purpose

The principal purpose of the Finance, Audit & Risk Committee is to oversee the Union's financial planning, performance and management, and to assure the Board of its approach to risk management.

Specific objectives, activities and powers

Specific objectives and activities of the committee include:

- Lead the development, approval and scrutiny of the Union's annual budgeting round and associated management account reporting.
- Oversee and ratify the allocation process of grant funding for student groups.
- Lead the development, approval and scrutiny of the Union's strategic risk register and associated policies and procedures.
- Receive the annual audit findings report (AFR) and College's internal audit report (IFR) and provide scrutiny over appropriate actions.
- Undertake detailed scrutiny of significant expenditure and contract items.

Composition of the committee

External Trustee (Chair) (with the expectation the postholder has a suitable financial qualification)

One External Trustee

Union President

Up to two Deputy Presidents

Up to two Student Trustees

College Appointee (in attendance)

Secretary: Director of Finance & Resources / Managing Director

Assistant Secretary: Governance Officer

Lifespan, frequency and reporting

The committee should meet at least quarterly in conjunction with the wider Board timeline.

7. Governance & Membership Committee

Why is it needed?

The committee will add value due to:

- Increased experience and expertise provided by Trustees with constitutional and governance knowledge.
- Increased assurance provided for the Board in terms of detailed consideration of matters related to governance, elections and membership / disciplinary matters.

Principal purpose

The principal purpose of the Governance & Membership Committee is to oversee the Union's democratic structures and consider issues related to membership and student disciplinary matters.

Specific objectives, activities and powers

Specific objectives and activities of the committee include:

- Approve the Union's election rules and regulations and recommend the appointment of an External Returning Officer to the Board.
- Lead the development, approval and operation of the Union's various membership disciplinary policies and procedures.

Composition of the committee

External Trustee (Chair)

External Trustee

Alumni Trustee

Union President

Up to two Deputy Presidents

Up to two Student Trustees

Council Chair

Secretary: Director of Membership Services / Managing Director

Assistant Secretary: Governance Officer

Lifespan, frequency and reporting

The committee should meet at least once every year to consider the detailed rules regarding the election cycle and recommend the appointment of an External Returning Officer to Board.

The committee should meet as required to consider membership and disciplinary matters.

Appendix A: Byelaw 41 (Board Subcommittees)

The current wording for Clause 41 of the Union's Byelaws:

41. The Board of Trustees shall establish the following committees (which is a non-exhaustive list) in accordance with their powers under Clauses 38 and 39:

- 41.1 People, Appointments and Remuneration Committee
- 41.2 Finance and Risk Committee
- 41.3 Governance Committee
- 41.4 Communications Committee

Proposed amended text:

41. The Board of Trustees shall establish the following subcommittees (which is a non-exhaustive list) in accordance with their powers under Clauses 38 and 39:

41.1. Management Committee

- i. Lead on the development and delivery of the annual planning, budgeting and monitoring rounds.
- ii. Approve operational policies and procedures related to the services and activities of the Union.
- iii. Approve plans for major projects that affect all areas of the Union.
- iv. Lead the development of and propose items for consideration by the full Board.

41.2. Finance, Audit & Risk

- i. Lead the development, approval and scrutiny of the Union's annual budgeting round and associated management account reporting.
- ii. Oversee and ratify the allocation process of grant funding for student groups.
- iii. Lead the development, approval and scrutiny of the Union's strategic risk register and associated policies and procedures.
- iv. Receive the annual audit findings report (AFR) and College's internal audit report (IFR) and provide scrutiny over appropriate actions.
- v. Undertake detailed scrutiny of significant expenditure and contract items.

41.2. Governance & Membership

- i. Approve the Union's election rules and regulations and recommend the appointment of an External Returning Officer to the Board.
- ii. Lead the development, approval and operation of the Union's various membership disciplinary policies and procedures.