

CORPORATE REPORTING

Governance report 2023

Year ended 31 December 2023

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Our governance structure

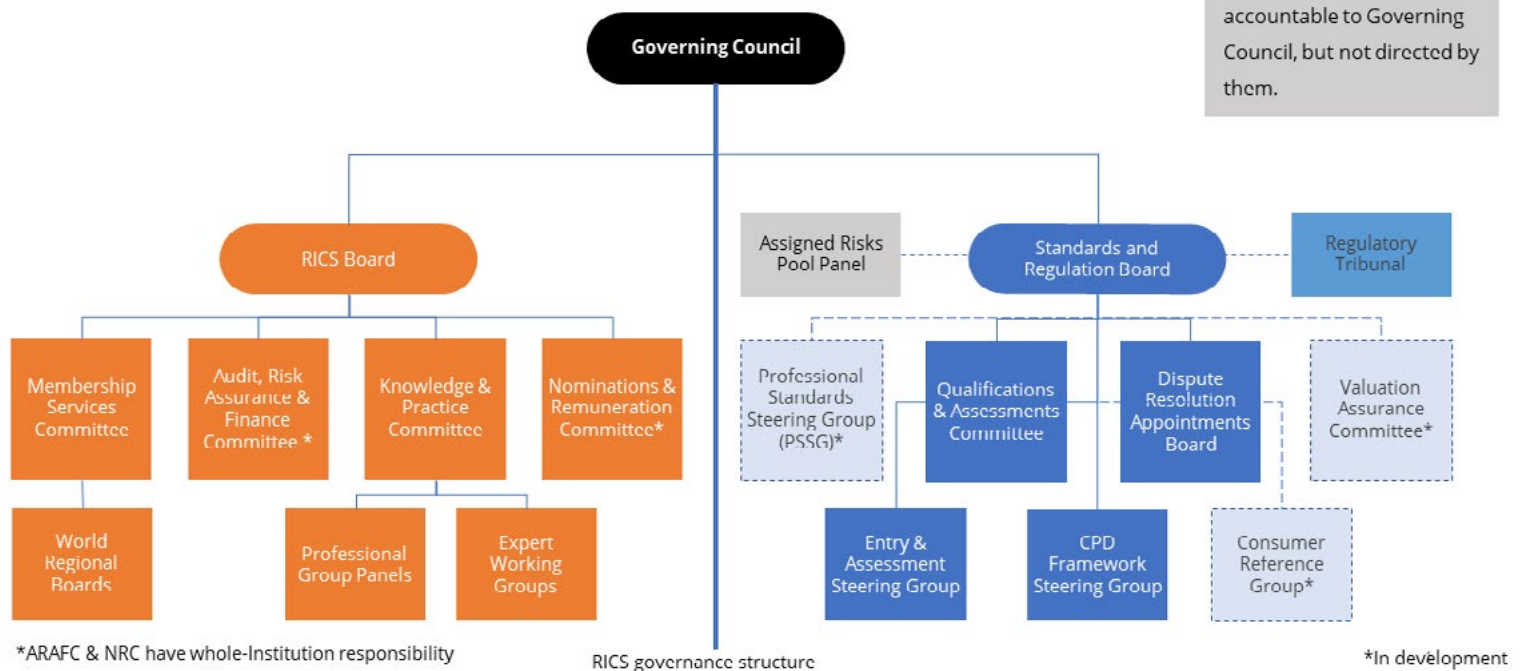
This report forms part of our annual reporting for the year ending 31 December 2023. The other reports are the *Annual review*, *Financial statements* and *Remuneration report*, which are available on the [RICS website](#). This report summarises RICS's governance arrangements and activities for 2023.

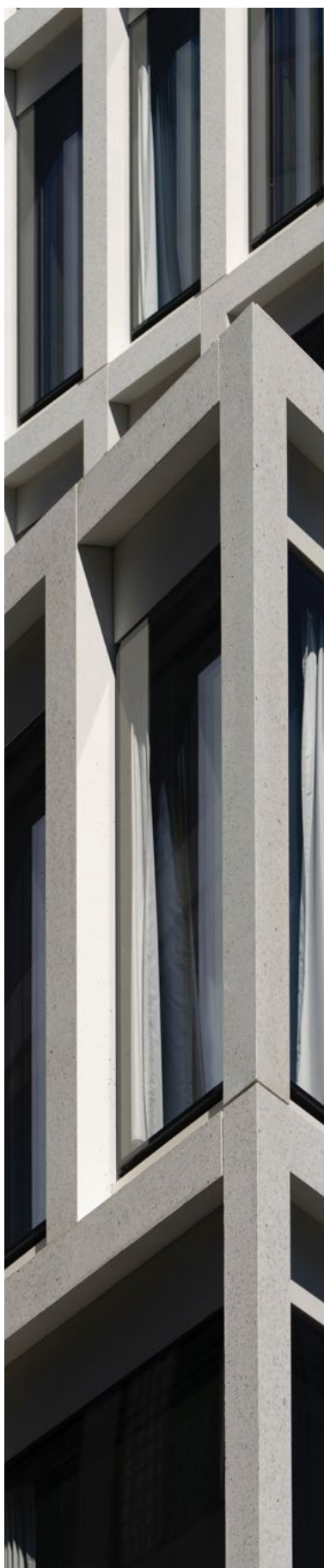
Under the Royal Charter, RICS' governing body is Governing Council, which is responsible for approving the strategy and overseeing the direction and performance of RICS and the RICS Group. Governing Council is supported by expert boards and committees populated by RICS members, RICS employees and independent non-executives to which it delegates responsibilities.

The Standards and Regulation Board (SRB) performs the role of independent professional regulation within RICS. SRB is independent of the RICS Board, being ultimately accountable to Governing Council, although it is not directed by them.

The governance structure as at 31 December 2023 is shown below. The up-to-date governance structure can be found on the [RICS website](#).

Independent professional regulation is guaranteed through our governance structure





RICS' officers

RICS' officers for 2023 were the President (who chairs Governing Council), the President Elect and the Senior Vice President. The Senior Vice President role is elected each year by Governing Council following a rigorous assessment process. The Senior Vice President ultimately becomes the President.

On 1 January each year, the newly elected Senior Vice President takes up their role, the Senior Vice President in the preceding year becomes the President Elect, and the President Elect of the preceding year becomes President.

The following officers were in post during 2023.

Name	Position	Period
Ann Gray	President	From 1 January 2023
Tina Paillet	President Elect	From 1 January 2023
Justin Sullivan	Senior Vice President	1 July 2023

The Senior Vice President role was vacant from 1 January 2023 to 30 June 2023 because the process, which was undertaken in 2022, had been unsuccessful in finding a suitable candidate. The process was undertaken again, and Justin Sullivan was elected.

Governance body members

All governance body members are required to participate in a full induction following their appointment as an RICS non-executive and raise any conflicts of interest at the start of each of their meetings. If a conflict of interest or a perceived conflict of interest arises that could affect the integrity of the decision making, appropriate safeguards are employed to ensure that these conflicts are mitigated.

Annual General Meeting (AGM)

All RICS members are entitled to attend the AGM so they can:

- participate in voting for the appointment of the independent auditor for the next financial reporting period
- receive the most recent annual report and accounts and
- receive an update on corporate and financial performance for the most recent financial reporting period.

In 2023, the meeting was held on 6 June with members attending in person and remotely.

Governing Council

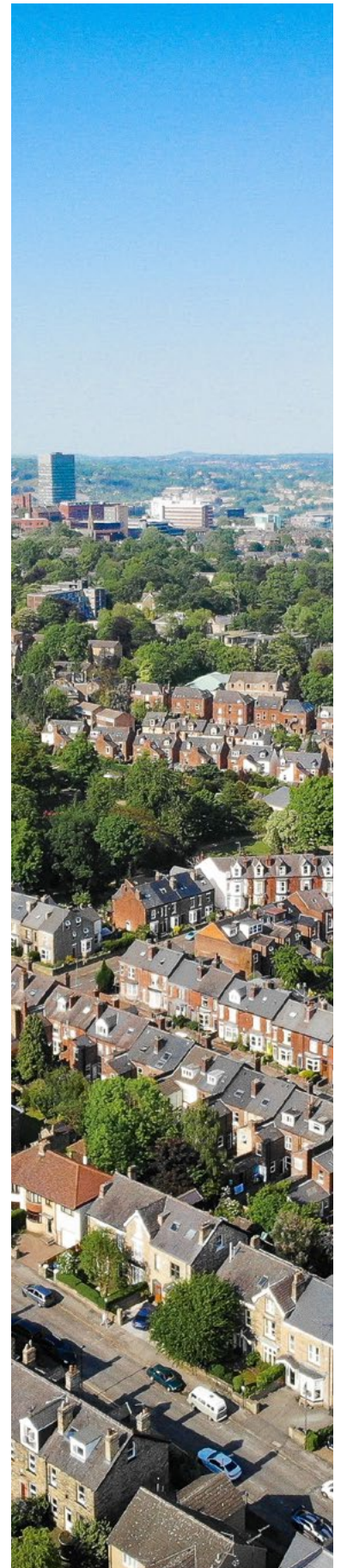
Governing Council is the governing body for RICS. Ultimate responsibility for RICS rests with Governing Council, which has the power to act in all matters in the name of RICS. Governing Council sets the vision for RICS and is responsible for articulating the strategy to achieve this vision. Its powers are set out in the RICS Bye-Laws, which are approved by the Privy Council and following a membership vote.

The primary duties and functions of Governing Council are:

- being accountable for the overall governance framework of RICS
- setting the strategy and vision of RICS
- overseeing the delivery of RICS' strategy
- overseeing the effective delivery of standards and regulations
- ensuring that RICS remains sustainable and can achieve its public interest purpose and
- agreeing changes to RICS' constitutional documents.

Governing Council holds scheduled meetings at least every quarter, and its annual schedule includes an in-person strategy meeting and an in-person oversight meeting.

They also hold special meetings, as required, to deal with specific topics and in the event of urgent matters. During the 12-month reporting period, Governing Council met 12 times, including at least monthly in the first six months and quarterly in the second six months of the year.



Key items dealt with by Governing Council during the financial reporting period included:

- establishment of the RICS Board to supersede the Management Board
- establishment of the Knowledge and Practice Committee
- establishment of the Membership Services Committee
- appointment of the Diversity, Equity and Inclusion (DEI) Chair
- appointment of the Sustainability Chair
- approval of RICS' 2024–2030 strategy
- approval of the cycle for future Governing Council meetings comprising five scheduled meetings per year
- approval of reporting protocol and templates for all governance bodies
- approval of commencement of the constitution and governance structures project to review RICS' constitutional documents and update internal governance delegations
- agreement that the first independent review of effectiveness and delivery of the public interest should take place in 2025 and every five years thereafter
- pursuant to the resignation of the Standards and Regulation Board, approval of arrangements for appointment of the interim SRB Chair and board members
- endorsement of recommendations from the review of 2023 Governing Council elections, including that uncontested seats shall be permitted in Governing Council elections and that vacant seats arising following an election shall be held as vacancies until the next scheduled elections
- election of the Senior Vice Presidents for 2023 and 2024
- endorsement of a revised subscriptions framework model and agreement not to increase subscription fees for 2024
- approval of the proposed 2024 budget and
- review of proposed 2024 key results and targets.

The composition of Governing Council (following the Bichard Review) comprises 28 seats, namely three elected members of the Presidential team, six elected Professional Group seats, 13 elected Geographic seats, one elected Next Generation seat, one appointed Senior Independent Governor, one appointed Independent Member and three Appointed Members with expertise in specific areas. Council composition also includes a US Market seat until November 2024. There were 21 members of Governing Council at 31 December 2023 due to four unfilled vacant seats at election and pending appointment of the Independent Member and the three Appointed Members.

The following table sets out the composition of Governing Council during the financial reporting period that ended on 31 December 2023, those Governing Council members who vacated their seats during the reporting period and changes to composition since 1 January 2024.

Composition of Governing Council as at 31 December 2023

Name	Position or seat	Period
Ann Gray FRICS	President	1 January 2023 to 31 December 2023
Tina Paillet FRICS	President Elect	1 January 2023 to 31 December 2023
Justin Sullivan FRICS	Senior Vice President	1 July 2023 to 31 December 2023
Lord Michael Bichard	Interim Senior Independent Governor	until 31 December 2023
Vanessa Curtis FRICS	UK and Ireland	From 1 July 2023
Johanna Gill MRICS	UK and Ireland	From 1 July 2023
Andrew Gooding FRICS	UK and Ireland	
Birgit Hempel FRICS	Europe	
David Hourihan FRICS	UK and Ireland	
Gordon Johnston MRICS	Land and Natural Resources	
William Jones FRICS	Asia Pacific	
Kenneth Kwan FRICS	Asia Pacific	From 1 July 2023
Steven Latta MRICS	UK and Ireland	From 1 July 2023
Jonathan Milner MRICS	Residential Property	
Alexia Nalewaik FRICS	US Market	
Sunny-Thomas Obasuyi MRICS	Next Gen	From 1 July 2023
Colin Uche Obi FRICS	Americas	
Michael Peer MRICS	Valuation	From 1 July 2023
Blane Perrotton FRICS	UK and Ireland	From 1 July 2023
Simon Radford FRICS	UK and Ireland	From 1 July 2023
Christopher Seymour FRICS	Middle East and Africa	From 1 July 2023



Previous members of Governing Council during reporting period 1 January 2023 to 31 December 2023

Name	Seat	Period
Albert Wang Hao MRICS	China	Until 30 June 2023*
Louise Archer FRICS	UK and Ireland	Until 30 June 2023*
Claudio Bernardes FRICS	Brazil	Until 30 June 2023*
Alan Child FRICS	Hong Kong	Until 30 June 2023*
Martin Eberhardt FRICS	Europe	Until 30 June 2023*
Nicholas Maclean FRICS	Dubai	Until 30 June 2023*
Kathleen Michell MRICS	Africa	Until 30 June 2023*
Praveen Subramanya MRICS	India	Until 30 June 2023*
David Torrens FRICS	Australasia	Until 30 June 2023*
Robert Wilson MRICS	Canada	Until 30 June 2023*

*Governing Council decided on 30 August 2022 to approve the extension of the then current terms of Market seat members for six months to 30 June 2023.



Changes to composition of Governing Council since 1 January 2024

Name	Position	Period
Tina Paillet FRICS	President	From 1 January 2024
Justin Sullivan FRICS	President Elect	From 1 January 2024
Nicholas Maclean FRICS	Senior Vice President	From 1 January 2024
Elizabeth Peace	Senior Independent Governor	From 1 January 2024
Gurpreet Dehal	Independent Member	From 1 January 2024

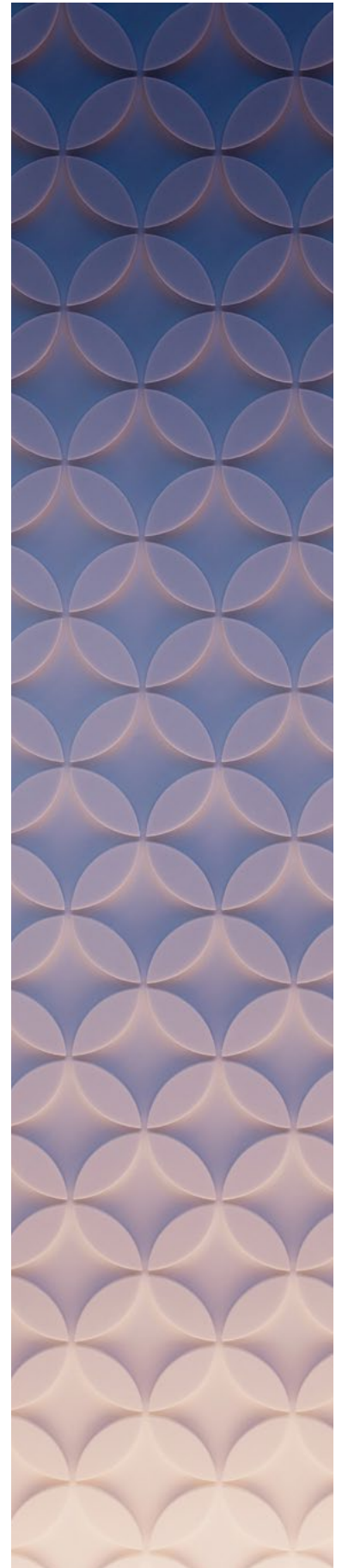
The Chair of the RICS Board, the Chair of the Standards and Regulation Board and the Committees Chairs reporting into the RICS Board (ARAF, NRC, MSC, KPC, DEI, Sustainability) were invited to attend the annual scheduled oversight and strategy Governing Council meetings.

Standards and Regulation Board

Purpose of the board

The Standards and Regulation Board (SRB) delivers independent professional regulation for RICS, acting in the public interest to uphold standards. It strengthens trust and confidence in the profession through:

- rigorously applying the principles of better regulation and maintaining regulatory autonomy
- setting and upholding the standards of entry and assessment to the profession
- responsibility for the maintenance of professional standards, including approving technical standards, setting conduct standards (including the RICS Rules of Conduct) and developing regulatory policy
- developing, setting, and upholding the professional standards of RICS' Dispute Resolution Service, which is responsible for the appointment of the President's panel of dispute resolvers, education and accreditation of alternative dispute resolution (ADR) qualifications and the administration of disputes, as well as promoting alternative mechanisms of dispute resolution
- using targeted, proactive and proportionate regulatory compliance, enforcement and assurance activities to regulate RICS members and RICS-regulated firms
- working with the profession, the public, external stakeholders and global agencies to share intelligence and lead regulatory best practice, and
- providing assurance to Governing Council that the Regulatory Tribunal and its processes are operating fairly and effectively for consideration of cases involving serious allegations of failing to adhere to the Rules of Conduct and incompetence against RICS members and RICS-regulated firms.



SRB leadership and independent regulation

The independently led SRB provides assurance to the profession, public and stakeholders that RICS members and RICS-regulated firms meet professional standards, including those set out in RICS' Rules of Conduct. The SRB leads the development of a consistent global regulatory strategy and oversees operational delivery across all world regions where RICS members operate.

The SRB oversee the Regulatory Tribunal, which acts at arm's-length from RICS. The Tribunal is independently led by Presiding Chair, Alexandra Marks CBE, who reports to the SRB. The Regulatory Tribunal consists of independent and RICS members, who sit as panels of three to make disciplinary and regulatory decisions, or on their own as single member decision makers on certain types of cases.

The SRB and staff teams maintain collaborative relationships with the Chief Executive and membership body staff by ensuring there is good communication on work, projects and matters that impact the purpose of RICS. Effective implementation of the RICS Regulatory Framework and independence of Regulation within RICS is achieved through leadership and staff reporting lines and ringfenced decision making. The SRB is supported by the SRB Executive and staff teams, as well as delegating some of their function and responsibilities to SRB subgroups including the Dispute Resolution Appointments Board, Qualifications and Assessment Committee, Valuation Assurance Committee and 'task and finish' groups including the Professional Standards Steering Group, Entry and Assessment Steering Group, Continuing Professional Development Framework Steering Group and pilot Consumer Working Group.

Interim SRB – July 2023 to present

Following the resignation of members of the SRB in mid-2023, RICS promptly undertook an exercise to appoint an interim Board, which has been in place since 24 July 2023. Acting initially as interim Chair, Nigel Clarke was permanently appointed on 4 December 2023 following a competitive appointment exercise using external recruitment specialists. The recruitment of the permanent Board is currently ongoing, with the intention to hold the induction of the new Board in May 2024.

The composition of the Standards and Regulation Board during the financial year for 2023 is shown in the following table.

Name	Position	Period
Dame Janet Paraskeva	Chair (Independent)	Until July 2023
Anne Spackman	Independent	Until July 2023
Julia Woodhouse	Independent	Until July 2023
Deborah Nicol-Omeruah	Independent	Until July 2023
Charles Banner	Independent	Until July 2023
Carmen Wee	RICS member	Until July 2023
Richard Waterhouse FRICS	RICS member	Until July 2023
Bruce Haswell MRICS	RICS member	Until July 2023
Leigh Miller FRICS	RICS member	Until July 2023
Dele Mosaku FRICS	RICS member	Until July 2023
Nigel Clarke	Interim Chair (Independent)	From July 2023 to November 2023
Nigel Clarke	Chair (Independent)	From November 2023
Peter Smith FRICS	RICS member	From July 2023
Keith Thomas FRICS	RICS member	From July 2023
Lynne Livesey	Independent	From July 2023
Yo-Hann Tan	Independent	From July 2023

Key facts for the 2023 financial year

Overview

In accordance with the Regulatory Framework and its Terms of Reference, during 2023 the SRB has reviewed and provided robust oversight of:

- regulatory governance including coordination of all SRB meetings and recruitment to the SRB, the SRB subgroups, Presiding Chair of the Regulatory Tribunal, Assigned Risks Pool Panel, Professional Standards Steering Group and pilot Consumer Working Group
- the delivery of strategic programmes (such as the Entry and Assessment Steering Group, CPD Framework Steering Group and DRS evaluation) and operational performance to meet KPIs
- on budget and efficient financial performance and hygiene
- the review of regulatory risk areas including areas of corporate strategic risk relevant to the SRB's strategy and responsibility
- the portfolio for professional standards including the approval of several standards (whether formal standards or through the approval for consultation)
- the budget and business plan for 2024 to address the requirements to deliver RICS' regulatory activities and operations
- finance: due to careful budget management:
 - total costs for SRB were £726,000 underspent against the annual costs budget
 - revenue generated by SRB activities exceeded the expected levels by £1,708,000 against budget expectation
 - a positive operating result for SRB operations of £2,434,000 for the 2023 financial year.

In addition, the SRB:

- reviewed the regulatory strategy (in May 2023) and approved the regulatory priorities for 2024, which were then further reviewed and adopted by the interim Board
- engaged with external stakeholders in the UK, EU (including Ireland), Singapore, Hong Kong, MENA, Canada and Australia – either directly or through support of the executive teams such as inviting them (e.g. senior officials in UK DLUHC), to attend SRB meetings as observers to provide transparency
- engaged with and across the RICS officers and governance bodies, including the Presidential team, Governing Council, RICS Board, Knowledge and Practice Committee, Membership Services Committee and World Regional Board meetings
- oversaw the development of a consumer reference group (as highlighted in the Bichard Review), which will start its pilot working group in April 2024
- facilitated changes following Governing Council’s decision to develop a professional practice team reporting to the Knowledge and Practice Committee. This included the creation of the Professional Standards Steering Group, revised staff team structures, development of processes for approval of technical standards to uphold the public interest and
- contributed to the development of Governing Council’s strategy and aligned the regulatory strategy with RICS’ vision, mission, and strategic themes.

SRB executive summaries

Education and Qualification Standards

- Increased assessment and enrolment activities – globally we have assessed 5,168 candidates (of which 4,159 are APC) and enrolled 7,497 individuals.
- Trained over 500 new assessors – while, however, noting that the increase in assessment activity and delivery, in which 99% of candidates were assessed during the year, was negatively impacted by a sharp decline in the overall number of members volunteering to assess and an increase in the number of members withdrawing at late notice.
- Successfully launched the new Assessment Platform, which replaced the previous Assessment Resource Centre.
- Increased reviews of university accreditations and planned for further increased reviews alongside additional resource in 2024.
- Reviewed existing processes confirmed the need for work to promote reforms designed to better meet the needs of the profession and RICS overall. This should be covered with the publication by the Entry and Assessments Steering Group of the [Entry and assessment review interim report](#) – a final report submitted to SRB in Q1 2024.

Professional Standards and Regulatory Policy

- Ongoing implementation of the Valuation Review, including the positively received introduction of new standards in the UK requiring the rotation of valuers undertaking valuations that are relied on for investment or reporting purposes.
- Approved and launched (with KPC colleagues) the revised [Whole life carbon assessment](#) professional standard.
- Implemented recommendations of the Professional Indemnity Insurance Review.

- Supported the work of the CPD Steering Group to review the existing CPD framework for RICS members in comparison to models in other professional bodies. The Steering Group launched a survey of members and will build proposals for improvement of the CPD framework in 2024.
This work will involve close collaboration with teams across RICS and was reported to SRB in Q1 2024.
- Developed and recruited members of the Professional Standards Steering Group, ensuring continued mechanisms for close collaboration with the practice teams and the Knowledge and Practice Committee and their subgroups.
- Established Terms of Reference and commenced recruitment to the pilot Consumer Working Group.

Regulation assurance and operations

- Developed and embedded an enhanced quality assurance process and reviewed our external service complaint process.
- Progressed a number of high-profile complex investigations, which have resulted in immediate suspensions.
- Delivered newly formatted Designated Professional Body and Client Money Protection Scheme workshops and introduced VR Scheme Red Book workshops in APAC (in addition to UK&I) – these were oversubscribed and received good feedback.
- Conducted member, practice support and regulatory review visits, which remain well received by participants
- Initiated and published two Practice Alerts in 2023 relating to UK property management and UK home surveys
- Initiated regulatory relationships with Trading Standards, the Chartered Institute of Builders and the UK Insolvency Service to share intelligence aimed at supporting joint action against RICS members and non-members where there is increased risks to consumers.
- Generated income for 2023 (relating to scheme fees and disciplinary fines/costs), which exceeded budget expectation by over £1.7 million.
- Responded to an increasing number of concerns being raised against RICS members and RICS-regulated firms, which has resulted in higher investigation case numbers and careful management of resources.



- Continued to develop the new case management system, which is due for implementation in Q2 2024, despite the impact to operational efficiency caused by the 2022 D365 integration.

Dispute Resolution Service

- Processed over 3,300 applications for appointments, receiving more than £1.1 million in income from fees relating to appointing dispute resolvers.
- Developed and launched the *Dispute Resolution Programme for Advisers and Party Representatives* – the first of its kind in the industry.
- Trained over 450 delegates who enrolled on a variety of courses selected from a suite of DRS training programmes (a 16% increase on last year), with total income from training programmes of over £780,000.
- Developed a range of global opportunities, for example, in India, Australia, China, Canada and MENA; establishing a presence in new sectors, such as the UK consumer market.
- Launched an industry-leading 'Women in Construction Scholarship' and contributed to activities in partnership with the Adjudication Society to drive greater diversification and wider representation.



RICS Board

This report covers the activities of the Management Board from 1 January 2023 to 27 February 2023, and the activities of RICS Board from 28 February 2023 to 31 December 2023, thus comprising the whole of the financial year from 1 January 2023 to 31 December 2023.

During 2023, the former Management Board transitioned to become the RICS Board in accordance with the recommendations from the Bichard Review. The RICS Board was established with effect from 28 February 2023 on Governing Council approving adoption by the RICS Board of the Management Board Terms of Reference, subject to adjustment of Board composition requirements.

The Management Board and the RICS Board have acted under delegated authority from Governing Council during the financial reporting period. The Management Board was chaired by Martin Samworth from 1 January 2023 and the RICS Board has been chaired by Martin Samworth since it superseded the Management Board on 28 February 2023.

The main purpose of the RICS Board as set out in the Terms of Reference is to inform and oversee RICS affairs under delegated authority from Governing Council. The current RICS Board Terms of Reference (as approved by Governing Council on 28 February 2023) will be updated as part of the review of RICS constitutional delegations following the Bichard Review.

The main duties of the RICS Board under its current Terms of Reference include:

- approval of a business plan to meet the strategic objectives set by Governing Council while safeguarding RICS' and the RICS Group's assets
- assessing and monitoring strategic risks
- monitoring performance against agreed financial strategy
- preparing the annual report and financial statements and
- approval of the annual report and financial statements.

The main activities of the RICS Board during 2023 comprised the following:

- quarterly review of operational performance
- quarterly review of Risk Report and Strategic Risk Register
- quarterly reports from Board Committees (ARAF, NRC, MSC, KPC, DEI, Sustainability)
- Standards and Regulation Board interaction – receiving information updates on SRB activities
- quarterly report on RICS' legal entity structure
- annual report and accounts – approval for 17-month period ending 31 December 2022
- RICS letters of support issued in relation to approval of financial statements of subsidiaries
- external auditors – endorsement of Grant Thornton appointment for the 2023 financial year
- subscription fees review – final recommendation to Governing Council being not to increase subscriptions in 2024 but to continue exploration of fee changes for 2025 and beyond
- investment strategy – move to new strategy with Mercers appointed as investment manager.
- RICS India overdraft – approval to repay in full using general reserve and intercompany loan
- communications centre – endorsement of approach to data privacy consent for member email communications.
- business plan and budget for 2024 – review and approval for presentation to Governing Council and
- corporate objectives, key results and KPIs for 2024 – reviewed for endorsement by Governing Council.

The RICS Board (and former Management Board) met eight times in the period from 1 January 2023 to 31 December 2023.

The following table sets out the composition of the RICS Board and the former Management Board during the financial reporting period from 1 January 2023 to 31 December 2023.

Name	Position	Period
Martin Samworth FRICS	Chair, non-executive RICS member	
Harriet Kemp	Chair of Nominations and Remuneration Committee, independent non-executive member	
Louise Brooke-Smith FRICS	DEI Chair, non-executive RICS member	from 23 March 2023
Frank Hovorka FRICS	Sustainability Chair, non-executive RICS member	from 29 March 2023
Simon Rawlinson MRICS	Chair of Knowledge and Practice Committee, non-executive RICS member	from 1 July 2023
Nicholas Maclean FRICS	Interim Chair of Membership Services Committee, non-executive RICS member	from 1 July 2023 until 31 December 2023
Javed Edahtally MPA, MIED, RSES	Independent non-executive member – Technology	until 1 December 2023
Lord Michael Bichard	Interim Senior Independent Governor	until 31 December 2023
Anurag Mathur FRICS	Non-executive RICS member	until 31 March 2023
Rebecca Best FRICS	Non-executive RICS member	until 31 March 2023
Hannah Purves Solicitor Advocate	Independent co-optee – Risk	until 31 July 2023
Matthew Rees FCA	Independent co-optee – Finance	until 28 June 2023
Andrew Gooding, FRICS	Non-executive RICS member – interim board member as Chair of Knowledge and Practice Steering Group	from 14 February 2023 until 1 July 2023
Rory Murphy, FRICS	Non-executive RICS member – interim board member as Chair of Member Services Steering Group	from 14 February 2023 until 3 July 2023
Richard Collins OBE	Chief Executive Officer (interim)	until 5 July 2023
Justin Young	Chief Executive Officer	from 5 July 2023
*Mike Driver CB, FCPFA, FCMA, CGMA	Chair of Audit Risk Assurance and Finance Committee, independent non-executive standing attendee	* RICS Bye-Laws currently preclude an Audit Committee member from sitting on the Board, hence Mike Driver is a standing attendee pending amendment of the Bye-Laws.

Following changes in membership with effect from 1 January 2024, at the date of signature of the annual report and accounts, the current composition of RICS Board is as follows.

Name	Position	Period
Martin Samworth FRICS	Chair, non-executive RICS member	
Harriet Kemp	Chair of Nominations and Remuneration Committee, independent non-executive member	
Louise Brooke-Smith FRICS	DEI Chair, non-executive RICS member	
Frank Hovorka FRICS	Sustainability Chair, non-executive RICS member	
Simon Rawlinson MRICS	Chair of Knowledge and Practice Committee, non-executive RICS member	
Douglas McCormick FRICS	Chair of Membership Services Committee, non-executive RICS member	from 1 January 2024
Kelly Olsen	Independent non-executive member – Digital and Technology	from 1 January 2024
Elizabeth Peace	Senior Independent Governor	from 1 January 2024
Justin Young	Chief Executive Officer	
*Mike Driver CB, FCPFA, FCMA, CGMA	Chair of Audit Risk Assurance and Finance Committee, independent non-executive standing attendee	* RICS Bye-Laws currently preclude an Audit Committee member from sitting on the Board, hence Mike Driver is a standing attendee pending amendment of the Bye-Laws.

Audit, Risk Assurance and Finance Committee

This report covers the activities of the Audit Risk Assurance and Finance Committee (ARAFC) from 1 January 2023 to 31 December 2023.

The main purposes of the ARAFC under its Terms of Reference are:

- oversight regarding financial management and reporting, financial sustainability and the annual reports and accounts.
- accountability for reserves policy, investments and pensions and
- ensuring that there is an adequate and effective risk management and assurance framework in place and that these are reviewed to meet the needs of the RICS Board and, where necessary, Governing Council.

The ARAFC's responsibilities are to advise the RICS Board and CEO on:

- the strategic process for risk, control and governance
- the accounting policies, the accounts and the RICS annual report, including the process for review of the accounts prior to submission for audit, levels of error identified and management's letter of representation to the external auditors
- the planned activity and results of both internal and external audit
- adequacy of management response to issues identified by audit activity, including external audit's management letter
- assurances relating to the management of risk for RICS
- the performance of and (where appropriate) proposals for tendering for either internal or external audit services and for purchase of non-audit services from contractors for special investigations and
- anti-fraud policies, whistleblowing processes and arrangements for special investigations

The ARAFC met ten times during the period of 1 January 2023 to 31 December 2023.

The main activities and areas of focus for the ARAFC in 2023 were:

Annual report and accounts

The ARAFC worked with the RICS finance team and the external auditor on preparation and review of the annual report and accounts for the 17-month period ending 31 December 2022. The Committee has also monitored the project to enhance the relevance and transparency of the accounts in future years and improve the year-end process.

Strategic risk management and internal audit

Improving risk management has been a focus of the ARAFC's work programme.

The Committee oversaw evolution in four key areas:

- risk management policy and process
- the strategic risk register
- resourcing of the risk function and
- 'deep dives' into strategic risk themes.

The Committee monitored progress to complete the 2023 internal audit plan and develop a risk-based plan for 2024 and considered internal audit reports on expenses and procurement.

Management accounts and performance reviews

The ARAFC monitored and reviewed the management accounts and performance against business objectives. The Committee reviewed and endorsed the business strategy and budget for 2024.

Pensions

The ARAFC discussed the future of the RICS defined benefit pension scheme, with support from external advisers and agreed actions to prepare the scheme for a potential future transition to an insurance scheme.

Investments

The ARAFC reviewed investment performance and recommended a transfer of investment arrangements from Cazenove to Mercers, which has now been completed. The Committee also monitored implementation and operation the reserves policy.

Review of business cases

The ARAFC reviewed proposals on two large business cases, namely proposed changes to subscription fees and future use of Great George Street.

The following table sets out the composition of the ARAF Committee from 1 January 2023 to 31 December 2023.

Name	Position	Period
Mike Driver CB, FCPFA, FCMA, CGMA	Independent Chair	
Peter Lewis MRICS, MCMI	RICS non-executive member	
Tom Barclay FRICS	RICS non-executive member	
Lorraine Gaytten FRICS	RICS non-executive member	From 1 September 2023
Brigid Sutcliffe	Independent non-executive member	Until 30 April 2023
Sarah Walsh	Independent non-executive member	From 5 October 2023
Simon Rose FCCA	Independent non-executive member	From 5 October 2023

Nominations and Remuneration Committee

This report covers the activities of the Nominations and Remuneration Committee (NRC) from 1 January 2023 to 31 December 2023.

The main purposes of the NRC under its Terms of Reference are:

- to oversee the election, appointment and succession planning process, as appropriate, for all governance bodies, the President and the CEO, ensuring that processes are fair, objective and able to identify high-calibre individuals with the right skill sets from a diverse pool of applicants
- to oversee the performance evaluation process for all governance bodies, ensuring they are linked to the appraisals for individual governance body members and that there are mechanisms in place to address poor performance and identify mentoring and training needs
- to set the remuneration policy for RICS employees at all levels in line with RICS' long-term strategy and approve the annual budget available for salary review
- to determine and review the remuneration strategy for senior RICS employees to recruit, retain, motivate and engage high-calibre senior employees in order to deliver its business objectives globally and
- to set the total remuneration for the CEO and non-executives and review the remuneration of the executive team and other senior employees that fall in its remit.

The NRC's responsibilities include:

- approval and oversight of the Global Appointments Model (GAM)
- an advisory role to Governing Council and the RICS Board in relation to matters in its remit
- oversight of elections to Governing Council, including any validation process
- identifying and nominating for approval candidates to fill RICS Board vacancies
- monitoring adherence to the GAM in relation to other governance body appointments
- ensuring orderly succession planning to governance bodies and to the executive team
- ensuring adequate induction and training for all new governance body members
- performance evaluation reviews of Governing Council and the RICS Board
- oversight of the performance evaluation process used by other governance bodies
- approval and review of the appointment process for the CEO
- assessing the diversity and inclusiveness of governance bodies and senior management
- setting the remuneration policy for RICS employees in line with RICS' long-term strategy
- determining the terms of employment and remuneration package for the CEO
- determining the terms of employment and remuneration for the executive team
- determining the remuneration of non-executive governance body member roles
- approving the design of executive incentive plans, including eligibility and plan rules and
- approving the overall level of incentive payments and individual bonus amounts.

The NRC met seven times during the period of 1 January 2023 to 31 December 2023.

The main activities of the NRC during 2023 comprised the following.

Governing Council elections 2023

The NRC provided input into the development of the election collateral and communications plan and approved the finalised collateral. The NRC monitored progress during the application and election stages and the outcome of the elections. Post-elections, the NRC reviewed the Governing Council election process and lessons learned and reported its recommendations to Governing Council in November.



Senior Vice President (SVP) election process (2023 and 2024)

The NRC provided input into the development of the election collateral and communications plan, in conjunction with the SVP appointment panel. The NRC monitored progress reported by the appointment panel, noting the panel's decision to reopen applications in May 2023 and the outcome of the elections. Post-elections, a working group, with representation from both Governing Council and the NRC, reviewed the process and reported its recommendations to Governing Council in March 2024.



Appointments

The NRC has overseen and actively participated in the appointment processes for:

- the CEO
- Chair of Membership Services Committee
- Chair of Knowledge and Practice Committee
- Senior Independent Governor
- Governing Council Independent Member
- interim and permanent SRB Chair
- Independent Member of RICS Board with Digital and Technology Expertise and
- Independent Member of the NRC with Appointments/Nomination Expertise.

The Committee has also approved and provided input to numerous other appointment processes, including Chairs and members of WRBs, Professional Group Panels, the interim SRB and members of the RICS Executive Leadership team.



Performance evaluation

The NRC set up a working group that developed a performance evaluation process for Governing Council, in readiness for launching the process in 2024. The working group also reviewed the performance evaluation process for individuals who hold governance roles, which will also be implemented in 2024.

The NRC also has responsibility for ensuring that all governance bodies operate effectively and has appointed external advisers to undertake an evaluation of RICS Board in 2024.

Salary review 2023 and 2024

The NRC approved a small salary adjustment for April 2023, in addition to a usual salary review in October 2022, to accommodate the change in financial year end. The NRC also finalised its recommendations for the April 2024 salary review.

Executive incentive plan 2022, 2023, 2024

The NRC approved payout on the five-month plan covering the August to December 2022 period following the change in the financial year end. The NRC reviewed and approved the setting up of the executive incentive plan for 2023. The NRC has also reviewed further the operation of the executive incentive plan for 2024.

Fees for individuals holding governance roles

The NRC debated the appropriateness of paying fees to RICS members who sit on governance bodies and has currently approved the principle that no RICS members who serve on boards or committees should be paid except for the President, the President Elect, the RICS Board Chair and members who sit on the SRB. The NRC continues to monitor remuneration for non-executives sitting on RICS governance bodies, with support from external advisers.

The following table sets out the composition of the NRC from 1 January 2023 to 31 December 2023.

Name	Position	Period
Harriet Kemp	Independent Chair	
Martin Samworth FRICS	Chair of RICS Board, RICS member	
Fiona Griffiths	Independent non-executive member	
Mary Robertson	Independent non-executive member	
Nick Crofts	Independent non-executive member	From 15 August 2023
Ashley Hook MRICS	RICS non-executive member	
Katie Smith MRICS	RICS non-executive member	
Ben Chaston FRICS	RICS non-executive member	

Membership Services Committee

The Membership Services Committee is a new committee that was formed in August 2023 following the Bichard Review.

The Committee has oversight of the five World Regional Boards – UK and Ireland, Americas, Asia Pacific (APAC), Europe, Middle East and Africa (MEA), which report into the Committee.

The main purposes of the Membership Services Committee, under its Terms of Reference are to:

- 1 consider and recommend regional business plans developed by World Regional Boards for approval by RICS Board as part of the overall business plan
- 2 champion the delivery and ensure the quality and consistency of member services, experience, engagement and value and
- 3 act as a conduit between RICS members, World Regional Boards and the RICS Board to ensure that the sentiments expressed by members and permanent staff of RICS to World Regional Boards are conveyed to and understood by the RICS Board.

The key activities of the Membership Services Committee included:

- reviewing and approving global market plans
- reviewing the allocation of budgets to World Regional Boards
- monitoring the activities around improvements to member communications and consent centre
- consultations with the member engagement team
- reviewing the new subscriptions model and
- agreeing an approach to reporting from the World Regional Boards to the Committee.

Retention and growth of the membership and ensuring overall membership satisfaction are key goals for the Committee. The Committee will be working further to align with RICS' strategic themes, which are to enhance member engagement and value, attract a diverse next generation, strengthen trust in the profession, lead and influence sustainability and become a first-class organisation.

Following its formation, the Committee met twice during the period 1 August to 31 December 2023. The first meeting of the Committee was held on 8 August 2023.

The following table sets out the composition of the Committee during 2023.

Name	Position	Period
Nicholas Maclean FRICS	Interim Chair	Until 31 December 2023
Simon Prichard MRICS	Member and UK&I World Regional Board Chair	
Susanne Eickermann-Riepe FRICS	Member and Europe World Regional Board Chair	
Eric Cheah MRICS	Member and APAC World Regional Board Chair	
Christopher Smith MRICS	Member and Americas World Regional Board Chair	
Christopher Seymour FRICS	Member and MEA World Regional Board Chair	Until 1 December 2023
Haroon Niazi FRICS	Member and MEA World Regional Board Chair	From 1 December 2023

The recruitment process for a permanent Chair commenced in Q4 2023 and Douglas McCormick FRICS was appointed as Chair of the Committee with effect from 1 January 2024, for a period of three years.

The Membership Services Committee reports into the RICS Board after each of its meetings and annually to Governing Council at its annual oversight meeting.

Knowledge and Practice Committee

The Knowledge and Practice Committee is a new committee that was formed in October 2023 following the Bichard Review.

The main purposes of the Knowledge and Practice Committee under its Terms of Reference are to:

- maintain and develop the knowledge and professional practice of surveying for the public advantage by developing, maintaining and promulgating:
 - technical standards, associated advice and practitioner information regarding the knowledge and professional practice of surveying and
 - RICS' body of education, training and professional development materials, for the different sectors in the surveying profession.
- advance industry and public knowledge on relevant, key issues affecting the natural and built environment, amplifying the expertise and voice of the profession, to maximise its influence for the public advantage
- develop and maintain arrangements that ensure RICS' work is informed and guided by expert insight and member input on practice and market issues, trends and emerging/future professional requirements relating to the knowledge and practice of surveying, and
- through expert insight and member input, develop and evolve the competencies required for APC pathways and ideas for new pathways as and when appropriate ensuring no overlap of role with the Standards and Regulation Board.

Since its formation, the Knowledge and Practice Committee has identified its key priorities aligning with RICS' strategic themes. These include member engagement; assurance around plans for CPD, standards and thought leadership; and specific initiatives around standards and guidance related to sustainability and AI. In addition, the Committee reviewed and recommended for approval to SRB two key standards: [Whole life carbon assessment](#) and the [RICS Valuation – Global Standards: UK national supplement](#).

The Committee also works closely with the internal RICS Knowledge and Practice team and Professional Group Panels to review and support the work being undertaken to achieve RICS' corporate objectives.

Following its formation, the Committee met once during the period 1 October to 31 December 2023. The first meeting of the Committee was held on 31 October 2023.

The following table sets out the composition of the Committee during 2023.

Name	Position
Simon Rawlinson MRICS	Member and Chair of the RICS Board
David Parker FRRICS	Deputy Chair
Emma Fletcher MRICS	Member and Chair of the Residential Professional Group Panel
Roger Esson MRICS	Member and Chair of the Construction Professional Group Panel
Nick Knight MRICS	Member and Chair of the Valuation Professional Group Panel
Cliff L'Aimable MRICS	Member and Chair of the Building Surveying and Building Control Professional Group Panel
David Sandbrook FRICS	Member and Chair of the Land and Natural Resources Professional Group Panel
Roderick Houston MRICS	Member and Chair of the Commercial Property Professional Group Panel

The Knowledge and Practice Committee reports into the RICS Board after each of its meetings and annually to Governing Council at its annual oversight meeting.

Chief Executive

The Chief Executive operates in accordance with the Delegated Authority Matrix, established and approved by Governing Council. Reporting to the Chair of the RICS Board, the Chief Executive is responsible for the overall management of RICS, the development and implementation of strategy and ensuring that RICS operates effectively. Richard Collins was appointed as interim Chief Executive by Governing Council on 5 October 2021 and continued in this role until Justin Young was appointed as permanent Chief Executive on 5 July 2023.

Justin Young's appointment was approved by Governing Council following an extensive search and rigorous appointment process, which was overseen by the Chair of the Nominations and Remuneration Committee.



Executive team

The Executive team report directly to the Chief Executive, except for the Senior Executive Officer, Standards and Regulation, who reports to the Chair of SRB. The Executive team have day-to-day management responsibility for RICS' key operational areas.

The following table sets out the composition of the Executive team during the financial reporting period that ended on 31 December 2023.

Name	Position	Period
Richard Collins	Chief Executive Officer (interim)	Until September 2023
Justin Young	Chief Executive Officer	From July 2023
Christopher Alder	Executive Director, Profession and Advocacy (interim)	Until February 2023
	**Senior Executive Officer, Standards and Regulation	From February 2023
Alison Currie	Executive Director of Corporate Services (interim)	Until November 2023
	Chief Operating Officer	From December 2023
Luay Al-Khatib	Director of Knowledge and Practice (interim)	From July 2023
*Corinna Alströmer	General Counsel	From December 2023
Adeola Ajayi	Director of CEO Office	From December 2023
Jonathan Gorvin	Director of Strategy and Planning (interim)	
John Malley	Chief People Officer (interim)	Until March 2023
Andrea Sutherill	Chief People Officer (interim)	From April 2023
Neil Shah	Executive Director for Market Strategy, Growth and Engagement (interim)	Until July 2023
Emma Causer	UK and Ireland Market Director	From June 2023
Lorella Paterson	International Market Director	From August 2023
Rebecca Brown	Director of Quality and Customer Experience (interim)	Until May 2023
Ilana Rapaport-Clark	Director of Communications (interim)	Until October 2023

* The role of General Counsel only became a member of the Executive team in December 2023; however, Corinna Alströmer held of the role of General Counsel throughout 2023.

Following changes in membership with effect from 1 December 2023, at the date of signature of the annual report and accounts, the current composition of the Executive team is as follows.

Name	Position	Period
Justin Young	Chief Executive Officer	
Christopher Alder	**Senior Executive Officer, Standards and Regulation	
Alison Currie	Chief Operating Officer	
Luay Al-Khatib	Director of Knowledge and Practice (interim)	
Corinna Alströmer	General Counsel	
Andrea Sutherill	Chief People Officer (interim)	
Rob Man	Chief Experience Officer	From March 2024
Adeola Ajayi	Director of CEO Office	
Emma Causer	UK and Ireland Market Director	
Lorella Paterson	International Market Director	

** On 1 January 2024, Standards and Regulation Executive team was put in place that supports the work of the SRB and is led by the following members of the Standards and Regulation Executive. Other than the Senior Executive Officer, who reports to the Chair of SRB, these executive directors report to the Senior Executive Officer.

Christopher Alder	**Senior Executive Officer, Standards and Regulation
Christine O'Rourke	Executive Director, Professional Standards
Ian Jeal	Executive Director, Education and Qualification Standards
Belinda Howell	Executive Director, Regulation and Assurance Operations
Dr John Fletcher	Executive Director, Dispute Resolution Services

Directors' indemnities and insurance

Members of RICS governance bodies, officers and members/agents acting on behalf of RICS have the benefit of the indemnity provisions contained in the RICS Bye-Laws in respect of liability incurred exclusively in the course of performance in good faith of their office or duties on behalf of RICS, subject to exclusions set out in the Bye-Laws and Regulations. The indemnity provisions were in force during the 2023 financial reporting period and remain in force.

Directors' and officers' liability insurance cover is held by RICS to provide protection, in accordance with the policy terms and conditions, for directors and officers and other persons falling within the definition of 'insured person' under the policy during the applicable policy period, against losses, liabilities, costs and proceedings arising from the potential exposures associated with their office or duties on behalf of RICS.

The directors' and officers' liability insurance cover was in force during the 2023 financial reporting period and remains in force.



Signed on behalf of the RICS Board on 16 May 2024

Martin Samworth FRICS
Chair, RICS Board

Justin Young
Chief Executive

12 Great George Street
Parliament Square
London SW1P 3AD

Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

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