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Institute of Directors  
Governance  
2023

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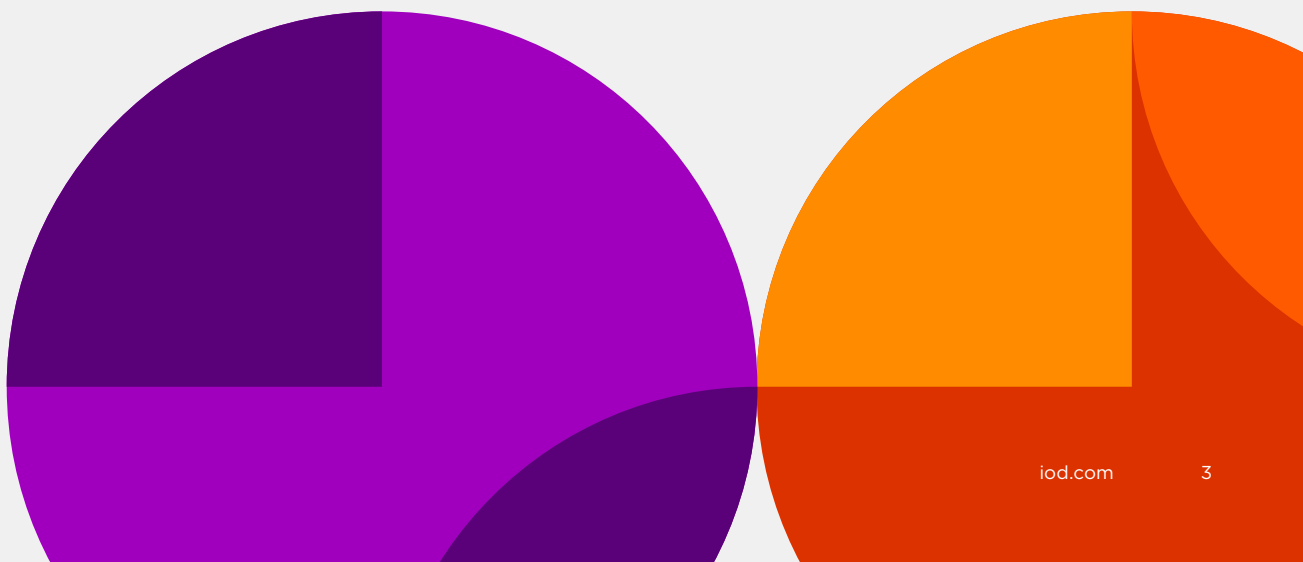
# Platform for growth

2023 was a very good year for the IoD. In our 120th year, we overcame challenges and moved forward.

Our focus on members is a key strength. As an integral part of society, we've been supporting and representing directors and their equivalents for generations, always working for their benefit.

Our main priorities remain unchanged — connecting members, improving directors' skills and knowledge, and representing our members' interests.

Despite challenges, we stuck to our plan and laid a strong platform for growth. Now we're focused on staying relevant and impactful for the next 120 years.



# Chair of the Institute's report



**Patrick Macdonald**  
Chair

## Your Institute enjoyed a stellar year.

We **grew our membership** for only the third time since the IoD changed its governance structure two decades ago.

And we delivered our **best-ever financial result**, underlining the tremendous progress we have made in the last three years.

It is important that we continue to rebuild our reserves after the setbacks of previous years to secure our long-term future, give us the headroom to invest in better services and deliver a greater impact on the profession of business leadership.

The record 2023 result was down to the hard, focused work of our team and the relentless delivery of value for current and prospective members. And I'm pleased to tell you that the upward trajectory has continued into the first part of 2024.

I'd like to congratulate the Executive on one of the most impactful turnarounds I have ever been a part of. Director General Jonathan Geldart and his Management Team rightly deserve praise for their perseverance and tenacity through the many challenges faced.

### Extending our reach, delivering more value

As well as enhancing the value we deliver to members, using our Connect-Develop-Influence approach, we got our message out to more people, using digital channels as well as personal interactions. For example, we broadened our range of exclusive member services, including new podcasts and the Business Paper series. We upgraded our

finance and customer systems, transformed our brand and streamlined our processes and procedures. The renovation and revitalisation of 116 Pall Mall provides a facility we can all be proud of.

This is an important moment for the IoD, one which sustains our belief that our plan for the future is appropriate, one we can now execute with confidence.

We intend to further develop the value we deliver to our members and in turn raise member retention rates; build greater external awareness with a compelling case to attract new members; deliver a programme of events that brings members together; and continue to develop and produce world-class professional development programmes.

Our Board has evolved over the last three years and continues to change. John Watson's leadership as Interim Chair before I arrived, as well as Chair of the Audit and Risk Committee, laid the foundations for the success we have achieved now. I wish him well following the completion of his time on the Board.

Alex Simpson and Deborah Davis CDir also leave us having provided great service as Senior Independent Director and Chair of the Remuneration Committee respectively. I have valued their wise counsel and support throughout my term.

I thoroughly appreciate the huge efforts of all members of the Board, current and past, in bringing us to where we are today. They have been an exemplary source of support, ideas and innovation over the last three years.



Perhaps the most important change I see over the last three years is a regaining of the Institute's self-belief in its ability to set the agenda and lead the way. We all succeed when the IoD succeeds.

I'd also like to acknowledge the contribution of the Council, noting especially the Chairs during my time, Jean Church MBE and David Langworth CDir.

And our terrific volunteers have continued to lie at the heart of the organisation, underpinning the network which is one of the Institute's real strengths. Thank you all.

When I took over as Chair, we were in the foothills of our journey to modernise. We have made great strides despite intense headwinds, many from matters out of our control, some not.

#### Renewed self-belief

Perhaps the most important change I see over the last three years is a regaining of the Institute's self-belief in its ability to set the agenda and lead the way. We all succeed when the IoD succeeds.

This is my last report to members as Chair and as I leave, I believe we have made a great deal of progress in modernising the Institute. However, the best organisations should always ask — can we do more, go further?

At the turn of the century, the IoD's membership peaked, and the decision was taken to split responsibilities and powers within the organisation's governance structure.

In a fast-moving world, I believe that streamlining the structure now would accelerate the IoD's journey to a more modern organisation and bring it closer

to members. We have already come far and this change would build on the uplifting momentum of 2023/4, giving us a more positive and resilient future.

In closing, it has been a huge honour to serve as Chair after more than 20 years as an ordinary member. I would particularly like to thank you, the members, for your fantastic support. I am pleased that, as I leave, the Institute is in a much stronger, more confident position than when I took over. I wish my successor all the very best in leading this amazing organisation.

**Patrick Macdonald**  
Chair





# Director General's report

**Jonathan Geldart**  
Director General

**2023 marked a turning point for the Institute. We returned to growth, stabilised our finances and increased our reach among the wider business community. This achievement during our 120th anniversary is testament to our resilience, innovation and dedication to our strategic goals.**

The foundation of this success was and is built on the consistent application of a strategy that the Board agreed in 2021. This is centred on ensuring the Institute's relevance for generations to come, by representing and empowering the next wave of directors, irrespective of age, gender or ethnicity.

Amidst the backdrop of global upheavals, from the enduring challenges of the COVID-19 pandemic to the economic strains of the cost-of-living crisis and geopolitical tensions associated with the war in Ukraine, we have remained committed to this strategic vision.

## IoD members

**18,405**

As of 31 December 2023

## EBITDA

**£3.4m**

As of 31 December 2023

## Investments are paying off

Over the last couple of years, we have made significant investments to modernise and revitalise our operations, including the revamp and relaunch of the IoD branding, the implementation of a new CRM system, and the refurbishment of our flagship premises at 116 Pall Mall. These investments, though initially accompanied by short-term financial losses, have been instrumental in changing the trajectory for the Institute and providing a platform for long-term growth.

## Finances are stable, membership is growing

Despite the challenging backdrop for all businesses, I am delighted that we were able to grow the membership of the Institute in 2023, closing the year at 18,405, up from 18,220 at the end of 2022.

With our membership being the core of our offer, it was important that we were able to return to growth. However, as with any business, we must also focus on ensuring the financial stability of the organisation. Therefore, I am happy to report that both revenue and EBITDA were well ahead of 2022, at £18.7m and £3.4m respectively.

Beyond our membership, our growth was underscored by our increased reach amongst the wider business community on other platforms such as LinkedIn, where our main page grew to 84,037 followers.

## Number of business training delegates

**5,000+**

As of 31 December 2023



## Director General's report

### Making an impact across the UK and beyond

As custodians of the Institute's legacy, and in the face of significant political and societal changes, we have recognised the need for stability.

We have remained steadfast in amplifying the voices of our members and staying true to our core principles of Connect, Develop and Influence. Our purpose-driven ethos, enshrined in our Royal Charter, has served as our North Star as we remain focussed on creating better directors for a better world.

Throughout our 120 years of supporting and nurturing directors, we have become part of the fabric of UK society. Through our Regions, Nations and branch network, we touch the lives of individuals across the length and breadth of the UK, providing a community for members to learn, develop and grow.

Increasingly, however, we are promoting our values beyond our shores, significantly increasing our international footprint. In 2023 we were immensely proud to deliver courses in new places to new audiences, including to delegates from Australia, Canada, China, Germany, Ireland, Italy, Taipei and the UK.

### A voluntary code of conduct for directors is taking shape

In recent years we have seen a number of corporate scandals, such as those at Carillion, P&O Ferries and the Post Office, that suggest business conduct does not always meet the standards expected by society.

There is a clear need to enhance the professionalisation of directors and responsible business in a manner which rebuilds societal trust whilst avoiding a disproportionate regulatory burden.

To address this issue, last year the Institute launched a Commission to develop a code of conduct for directors. The Commission is being chaired by Lord (Iain) McNicol of West Kilbride, supported by leading figures from the worlds of business and public affairs.

The IoD's vision is for board members from all types of corporate entity to sign up to this code of conduct on a voluntary basis. By committing themselves to the code, directors will signal their willingness to apply high ethical and behavioural standards in their governance and leadership activities.

### Thank you to the Board and Management Team

Once again, I would like to thank the Board for their support over the last year. In particular, as he approaches the end of term as Chair of the Institute, I would like to take the opportunity to thank Patrick Macdonald for all that he has done over the last three years to steer the organisation and for the support he has given to me personally.

When Patrick joined in 2021, we were in the early stages of the journey to modernise the Institute. He leaves the Institute in a stronger, more confident place with increasing membership and a better financial position.

I would also like to pay tribute to the work of the Management Team and other Institute colleagues, who have all played such an integral part in the growth of the organisation. I am delighted to have welcomed Roisin Sweeney as our new Director of Membership Services last year. Roisin has a wealth of experience working for professional membership bodies and we have already significantly benefited from this expertise in her short time with the Institute.

### The best is yet to come

Even as we celebrate our achievements over the last 120 years, I firmly believe that the best is yet to come for the Institute. While there is still much work to be done to further strengthen the Institute and enhance the value we provide to our members, and the path ahead may be fraught with challenges, I am confident that we are well-equipped to navigate them.

Our goal is to consistently elevate the quality of directors while staying updated on developments like the potential of AI. We will also tackle significant challenges such as those posed by climate change and assess their impact on our members and the broader business community.

My vision for the Institute, which I hope is shared by all, is that in another 120 years we will still be here as advocates for our members, serving as the rational voice of business.



**Jonathan Geldart**  
Director General





The complexities of being a director are multifaceted and diverse. As an IoD member, I benefit from a robust support network, access to continuous professional development (CPD), and many other director-specific resources unavailable elsewhere. Achieving chartered status has significantly enhanced my skills and expertise, reaching a level essential for all directors.

**Sarah Clarke CDir FABP**  
Co-Founder, Think Organisation



# Governance structure

Our governance structure is an integral part of the way the Institute of Directors delivers its Royal Charter obligations and strategy, supporting effective decision-making. This enables the right people to have access to the right information at the right time.

We are immensely proud of the diversity and depth of experience contained in our Board and Council, which are responsible for the Institute's strategic direction and sustainability.

## Board

**Sets the strategy and holds Management Team to account for its delivery, while also providing them with support and guidance**

### Non-executive chair

Leads the Board and ensures it operates effectively.

### Non-executive directors

Work with and challenge executive directors.

### Director General and executive directors

Day-to-day management of the business and implementation of strategy.

## Council

Guardian of the constitution to make sure that the Charter Objects are being delivered. Critiques and provides opinion to the Board on the overall progress of the IoD.

## Committee of the Board and Council

### Nomination Committee

Leads process for Board and Council appointments.

## Committees of the Board

### Audit and Risk Committee

Oversees financial reporting, internal control, risk management systems and audit processes.

### Remuneration Committee

Advises on the Institute's remuneration framework and policy and terms of employment for senior members of staff and executive directors.

### Membership Committee

Advises on membership conduct matters.

### Accreditation and Standards Committee

Approves standards and competencies required by directors and boards and the methods for assessing directors.

## Management Team

### Executive remit

Is responsible for the ongoing management of the Institute. It considers day-to-day operational matters for running the business and reviews performance of the Institute, in line with the strategic plan.

## Region, Nation and branch chairs

Work closely with all staff and volunteers in the IoD to promote the ethos of 'OneIoD'.





Understanding that ‘environment dictates performance’, being an IoD member – and currently, Surrey Chair – ensures I keep the right company; accessing inspiration, best practices, key resources, development and accountability. The IoD community provides the environment for excellence standards supporting success.

**Jarmila Yu**

Founder, MD and Consulting CMO,  
YUnique Marketing Ltd and  
Regional Chair, IoD Surrey

# Governance of the Institute

## **The Institute is dedicated to a high standard of governance and follows best practice for guidance.**

The Institute of Directors was established in 1903 and became a body corporate under Royal Charter in 1906. The IoD's constitution comprises the charter, by-laws and regulations.

The Board is responsible for all of the affairs of the Institute and the Council is the forum in which the Board is held directly accountable to the charter.

As a chartered organisation, initial control of the Institute is vested in the members and the Institute is fundamentally controlled by the Privy Council and in turn the King in Council. The Institute does not have owners and is not subject to the normal laws and regulations relating to the operation of registered companies. The Institute, however, is accountable to the public as well as its members, and must therefore meet the public interest test in the pursuit of its objects.

Our governance structure shapes the way that information flows throughout the Institute, and we constantly strive to improve our own governance procedures and processes.

## **The relationship between the Board, Council and committees as defined in the Institute's constitution are:**

- The King in Council and Privy Council granted the Institute its Royal Charter and by-laws.
- The membership approves any changes to the Royal Charter prior to submission to the King in Council and Privy Council, who approve any changes to the charter and by-laws.
- The Council holds the Board to account for delivery of the Royal Charter Objects and provides critique and opinion on the Institute's overall progress. Council is the guardian of the constitution and considers any changes to the constitution before they are proposed to members.
- The Council also appoints Board members, via the recommendations of the Nomination Committee (the joint committee of the Board and Council). Council member appointments are approved by members at the Annual General Meeting.
- The Board is responsible for the overall leadership of the Institute and for holding the executive to account. The Board approves the strategy and is responsible for setting the Institute's values, standards, aims and objectives and delivering them in line with the Charter Objects. The Board has a number of committees that support its decision-making across the Institute. The committees of the Board are: the Audit and Risk Committee, Remuneration Committee, Membership Committee and the Accreditation and Standards Committee. There is also an established geographic network, which reports to the Board via the regional chairs.

**The Institute is accountable to the public as well as its members, and must therefore meet the public interest test in the pursuit of its objects.**





Having benefited from the professional development offered by the IoD and becoming a chartered director, I have subsequently found the IoD community to be one of the main benefits of membership. The networking events are always first class, both in terms of topics and speakers, and also the opportunity to meet with peers from a wide range of sectors. It is a very supportive environment and one that any director (or aspiring director) should be part of.

**Roger Wilson CDir**

Chief Executive, Armagh City, Banbridge and Craigavon Borough Council



# Council report



**David Langworth CDir**  
Chair, IoD Council and  
SICM

**After completing my first full year as Senior Independent Council Member (SICM) and Council Chair, I want to pay tribute to the significant efforts of the entire Board, and everyone involved in improving the Institute's membership numbers and financial well-being.**

It's clear that the Institute has successfully negotiated some real challenges as the business landscape for our members has changed enormously and continues to do so.

As Council, our formal interface is with the Chair of the Board and Director General, and occasionally with the whole Board, with whom we probe the progress of the Institute against its obligations under our Royal Charter. Whilst we do provide critique, we note the professionalism and leadership of the Board's directors as being exemplary. Some will be leaving in 2024 including Patrick Macdonald who steps down as Chair of the Board at our AGM having contributed enormously to the Institute regaining some positive momentum. Deborah Davis and John Watson also stood down having made important contributions in recent years.

**As for our duties as Council, they are actually enshrined in the Institute's governance but, in simple language, we;**

- appoint and remove non-executive directors to the IoD Board;
- report to the membership on the Council's opinion on IoD strategy and Board performance at the AGM;
- monitor stakeholder engagement by taking the pulse of IoD membership and wider stakeholders, relaying key themes back to the Board;
- hold the IoD Board to account for delivery of the Royal Charter Objects and by-laws, acting as guardian of the Institute and providing the Board with critique and opinion on the Institute's overall progress. To that end we put questions to the Board and promote constructive debate. Rather like an active shareholder would and that's how we should be seen.

To carry this out we have an extremely diverse and experienced team of volunteer Council members that I am proud to work alongside. They have been deliberately drawn from different professions and geographies, both here and abroad, and we no longer have any regional chairs or other postholders appointed by the Board, hence we've removed any danger of circular governance.

Looking forwards, we will take great interest in the priorities for investment as funds become available and will seek dialogue with the Board on how we will jointly measure the Institute's progress against our Royal Charter. We should also never forget that the Charter gives us an obligation to represent the business community, including our membership and beyond, and the need to strive for 'better directors' only ever grows. With the pace of change facing business and directors, your Institute remains more relevant than ever.

Finally, as Council members, we seek to be 'out there' as much as possible; either on our own account to touch base with businesses and the membership but also to support the Executive whenever possible to provide an IoD presence at internal and external events, both in the UK and overseas to do our part in raising the most positive profile for the Institute.

## IoD Council

### Chair of Council and Senior Independent Council Member (SICM)

David Langworth CDir

### Council members

Mehrdad Mansourpour  
Prof Marie McHugh OBE  
Anneliese Reinhold  
Andrew Griffiths  
Dr Eelco Fiole CDir  
Kahumbya Bashige CDir  
Robert Stansbury CDir  
Derek McIntyre

### Elected Council member departures

Brian Hall CDir  
(September 2023)  
Paul Terrington CBE  
(September 2023)  
Rick Denton  
(September 2023)

## Objects of the Institute of Directors' Royal Charter

To promote for the public benefit high levels of skill, knowledge, professional competence and integrity on the part of directors, and equivalent office holders however described, of companies and other organisations.

To promote the study, research and development of the law and practice of corporate governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.



Looking forwards, we will take great interest in the priorities for investment as funds become available and will seek dialogue with the Board on how we will jointly measure the Institute's progress against our Royal Charter.

# IoD Board

**The Board's responsibility for leading the Institute and overseeing the governance of the organisation continues to be supported by a robust structure which allows for constructive debate and challenge.**

**This approach enables the members of the Board to make effective decisions at the right time and based on the right information.**

## Leadership

As at 31 May 2024, the Board comprised the Chair, the Director General and eight other independent Non-Executive Directors. We continue to have a strong mix of experienced individuals on the Board. The majority are independent non-executive directors who are not only able to offer an external perspective on the business, but also constructively challenge executive directors, particularly when developing the Institute's strategy and in their performance. Our governance structure is designed to ensure that decisions are taken at the appropriate level and with the proper degree of oversight and challenge. Elements of our business require quick decision-making and this is enabled by an agile Board and Management Team that collaborate effectively on complex issues.

## Strategy days

The Board was able to hold its annual strategy day in London in November 2023. The event was attended by the Board and Management Team and was structured to allow for the critical evaluation of the organisation's strategy against the context of a sustained periods of higher inflationary environment.

The Director General and senior executives delivered presentations to attendees, providing in-depth analysis on aspects of the business and the external environment before a deep dive into each of our strategic priorities.

The day was carefully structured to achieve a balance between presentations, debate and discussion. Areas focused on at the 2023 strategy day included: membership model, value proposition, retention, growth and creating sustainable long-term value for members.

## Role of the Board

The Board has reserved key decisions and matters for its own approval, including its core responsibilities of setting the Institute's strategic direction, overseeing the delivery of the agreed strategy, managing risk and establishing the culture, values and standards of the Institute as a whole. Matters below the financial limit set by the Board are delegated to the Management Team. The board culture is one of openness and constructive debate; when running board meetings, the Chair maintains a collaborative atmosphere and ensures that all directors have the opportunity to contribute to the debate.

The directors are able to voice their opinions in a calm and respectful environment, allowing coherent discussion. There are regular informal meetings and events throughout the year to help build constructive relationships between Board members and the Management Team.

The Senior Independent Director provides a sounding board to the Chair, as well as being available to other Non-Executive Directors and Council members should they have any concerns. The Director General is responsible for the Institute's strategy, promoting our culture and sharing key member views with the Board.

### Division of responsibilities

There is a clear written division of responsibilities between the Chair (who is responsible for the leadership and effectiveness of the Board) and the Director General (who is responsible for managing the Institute's business). The Board has delegated authority for the day-to-day management of the business to the Director General, with specific areas of the business being managed by the other members of the Management Team. The Management Team has been given delegated authority by the Board to make decisions within specified parameters. Decisions outside of these parameters are reserved for the Board, although management will often bring decisions within their delegated authority to the Board for scrutiny and challenge.

### Operations of the Board

Our governance structure set out on page 42 ensures that the Board is able to focus on strategic proposals, major transactions and governance matters which affect the long-term success of the business. Regular board and committee meetings are scheduled throughout the year. Ad hoc meetings may be held at short notice when board-level decisions of a time-critical nature need to be made or for exceptional business. Care is taken to ensure that information is circulated in good time before board and committee meetings, and that papers are presented clearly and with the appropriate level of detail to assist the Board in discharging its duties. The Institute Secretary assists the Board and Committee Chairs in agreeing the agenda in sufficient time before the meeting to allow for input from key stakeholders and senior executives. Chairs of Committees are also sent draft papers in advance of circulation to committee members to give time for input.

Papers for scheduled meetings are circulated one week prior to meetings and clearly marked as being 'For decision', 'For information' or 'For discussion'. To enhance the delivery of board and committee papers, the Board uses a board portal which provides a secure and efficient process for meeting pack distribution.

Under the direction of the Chair, the Institute Secretary facilitates effective information flows between the Board and its committees, and between senior management and non-executive directors.

Each scheduled meeting includes a director general report delivered by the Director General and a finance report, as well as regular updates on the activities of various standing committees. Discussions also take place on strategic proposals, risk management, legal and governance matters.

The Board held a combination of monthly, virtual and face-to-face, meetings in the first half of 2023. As confidence in the performance and financial results of the business improved in the first quarter, the Board reverted to the standard annual schedule from July. The Board has responded swiftly to the external environment, focusing on the financial stability of the organisation, adjusting costs to address the impact of the economic challenges, while continuing to invest in improved systems, processes and membership growth strategies. The Board has reviewed topics related to the organisational values, culture and related policies of the Institute. The whistleblowing arrangements including the external provider of the independent line have been updated, the Board continues to receive reports on complaints as appropriate.

During the year, substantial work has continued with a focus on the integration of the customer relationship management systems, review of internal control effectiveness, membership and professional development.

## IoD Board

### Board committees

Four standing committees have been operating throughout the year: Audit and Risk Committee, Remuneration Committee, Accreditation and Standards Committee and Nomination Committee (joint Board and Council), to which certain powers have been delegated. Membership of each of these committees is comprised of independent non-executive directors. The reports of these standing committees are set out in the following pages. The terms of reference of each committee and the matters reserved for the Board are reviewed regularly.

### Conflicts of interest

The directors are required to avoid a situation in which they have, or can have, a direct or indirect conflict with the interests of the Institute. The Institute has established a procedure whereby directors submit annual declaration of interest forms and are required to notify the Chair and the Institute Secretary of all new outside interests and actual or perceived conflicts of interest that may affect them in their roles as directors of the IoD.

### Board non-executives

#### Chair

Patrick Macdonald

#### Senior Independent Director

Alexander Simpson

#### Members

Femi Bamisaiye  
Amaechi Nsofor  
Ieda Gomes Yell  
Robin Watson CBE  
Graeme Jenkins

#### New members

Beth Ahlering (September 2023)  
Julia Marsh (September 2023)

#### Departed members

John Watson (January 2024)  
Deborah Davis CDir (April 2024)

### Board executive directors

Jonathan Geldart





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The IoD is a global brand with prestigious Royal Charter; and membership certainly has its privileges. The membership has opened a network of like-minded individuals and businesses on similar growth journeys to ours which in turn provides a great forum to learn, share and inspire.

**Harpal Mattu**

Managing Director, Agilyx Group  
and Tech Ambassador, IoD Central



# Nomination Committee

## The Nomination Committee supports the Board and Council on composition, succession and diversity matters.

The development and execution of our long-term strategic objectives, embedding of our culture and values and promotion of the interests of our stakeholders all depend upon effective leadership at board, council and executive level.

Our rigorous and transparent procedures for appointing office holders are led by the Nomination Committee. It is the Committee's responsibility to maintain an appropriate combination of skills and capabilities amongst the directors and council members. The Committee regularly reviews the structure, size and composition of the Board and Council to ensure it is made up of the right people with the requisite skills and experience including diversity of thought and approach, who can provide strong and effective leadership to the business and support the delivery of the Institute's strategy and Charter Objects.

Succession planning at Board and Council level continues to be a priority for the Committee. The Committee is mindful of office holders approaching six years in post and the search process for appropriate successors is ongoing.

As office holders approach their end of term limits, the Committee has an opportunity to consider more broadly the skillset and diversity of the Board and Council as a whole. It is a key consideration for all office holder roles that, alongside appropriate knowledge and expertise, directors and council members will embody and demonstrate our values and aim to strengthen our commitment to sustainability and diversity.

In the year ahead, the Committee will continue to focus on the medium to long term succession of the Board and Council.

The Committee is a joint committee of the Board and Council consisting of eight members, four Board and four Council representatives. The Senior Independent Council Member chairs the Committee.

## Board and Council membership

The Committee's principal responsibilities remain:

**To approve the appointment principles** for all IoD office holders and the processes by which the principles will be delivered.

**To ensure that the appointment of all Board and Council members** delivers a balance of skills, knowledge, experience, diversity and geographical spread.

**To annually review the effectiveness of governance across the Institute** and to make recommendations regarding the structure, size and composition of the Board and Council. Effectiveness reviews are carried out by Board and Council separately.

## Succession planning

The Committee is responsible for reviewing the succession plans for the Board and Council. The succession plans for the executive directors are prepared on an immediate, medium and long-term basis, while those for non-executive directors and council members reflect the need to regularly refresh the Board and Council. Such plans take account of the tenure of individual members.

The Board and Council complete a skills matrix periodically to determine which skills and expertise are held by the governance body members and where we can strengthen our skillset for current and future strategic needs. We also seek to ensure succession for the Board's expertise in audit, finance, remuneration and governance over the long term.

The Director General, with the support of the People and Culture team, is responsible for developing succession plans for senior management.

### Role and responsibilities

The Committee oversees the search, selection and appointment process for Board and Council appointments which is summarised below.

1

#### Role brief

The Committee works only with external partners who have adopted the voluntary code of conduct for executive search firms on gender diversity and best practice.

The Committee and agency work together to develop a comprehensive role brief and person specification, aligned to the Institute's values and culture. This brief contains clear criteria against which prospective candidates can be objectively assessed.

2

#### Longlist review

The external search agency is challenged to use the objective criteria for the role to produce a longlist of suitably qualified candidates from a broad range of potential sources of talent.

The candidate's skills are scored against a skills matrix developed specifically for Board and Council. This process supports creation of a diverse longlist. The Nomination Committee selects candidates from this list to be invited for interview.

3

#### Interview

A formal, multi-stage interview process is used to assess the candidates. For each appointment the choice of interviewers is customised to the specific requirements of the role and panel members are representative of both the Board and Council. All interview candidates are subject to a rigorous referencing process.

**It is the Committee's responsibility to maintain an appropriate combination of skills and capabilities amongst the directors and council members.**

## Nomination Committee

### Board and Council composition reviews and appointments

During the year the Committee reviewed the broader composition and balance of the Board and Council and adhered to our formal, rigorous selection, appointment and induction processes for new directors and council members. There have been several changes to the Board. A recruitment process for board members with expertise in professional development resulted in two appointments, Julia Marsh and Beth Ahlering.

The Committee has appointed Mullwood Partnership to conduct the search for a non-executive Chair of the Institute as the current Chair, Patrick Macdonald, leaves the organisation following the end of his term in office. The appointed search firm has no other relationship to the Institute or individual directors and has adopted the voluntary code of conduct for executive search firms on gender diversity and best practice.

John Watson completed two full three-year appointment terms and stepped down from the Board in January 2024. Deborah Davis CDir and Alex Simpson SID are stepping down from the Board in April and July 2024 respectively following the completion of two terms.

### Focus for coming year

As well as the regular cycle of matters that the committee schedules for consideration each year, we are planning over the next 12 months to continue to focus on succession planning for the Board, Council and senior management and will continue to develop a strong talent pipeline.

The Committee is satisfied that, following the Board and Council composition changes described above, the Board and Council continue to maintain an appropriate balance of skills and experience required to fulfil their roles effectively.

### Diversity

The Committee, the Board and Council are committed to increasing gender and ethnic diversity when searching for candidates for board, council and other appointments.

As directors and Council members approach the end of their second term, the Committee has an opportunity to consider more broadly the skill set and diversity of the governance bodies. In addition, the ongoing search processes for office holders is being conducted within the context of our commitment to improving inclusion and diversity across the Institute.

### Nomination Committee

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#### Chair

David Langworth CDir

#### Members

Patrick Macdonald  
Marie McHugh OBE  
Anneliese Reinhold  
Alex Simpson  
Ieda Yell

#### New members

Femi Bamisaiye (January 2024)  
Dr Eelco Fiole CDir (October 2023)

#### Member departures

John Watson (January 2024)  
Deborah Davis CDir (May 2023)





**I have been engaged with the IoD for many years after joining to take the Certificate in Company Direction. The professionalism and support services are excellent, and I now insist that all the Exec complete the certificate as a minimum to joining the board.**

**Rob Wallace**

Group Director,  
Energy Efficiency Consultancy Ltd





# Committees of the Board

**Our committees are an integral part of the governance of the Institute, covering remuneration, professional development standards, membership and compliance.**

## Audit and Risk Committee

### Role and responsibilities

The Committee plays a key role in the governance of the Institute's financial reporting, risk management, internal controls and assurance processes and the external audit. As well as our main areas of responsibility, throughout the year the Committee paid particular attention to the performance of the finance function and the review of the internal control effectiveness and system processes.

The principal responsibilities of the Committee continue to be:

**Financial reporting** – Monitoring the integrity of the Institute's financial statements and considering significant financial reporting issues, judgements and estimates.

**External audit** – Oversight and remuneration of the external auditor, assessing effectiveness and making recommendations to the Board on the appointment of the external auditor.

**Internal audit and controls** – Monitoring and reviewing the adequacy and effectiveness of the internal financial controls and risk management, and approving the statements to be included in the annual report concerning internal control and risk management.

**Risk management** – Reviewing the system of internal control and risk management.

Reviewing the process for identification and mitigation of principal and emerging risks, assessment of risk appetite and key risk indicators, and challenging management actions where appropriate.

## Corporate and financial reporting

The Committee continues to review the content and tone of the Annual Report and Accounts and make recommendations to the Board regarding their accuracy and appropriateness. Drafts of the Annual Report and Accounts are reviewed by the Committee as a whole prior to formal consideration by the Board, with sufficient time provided for feedback.

The Committee reviewed the key messaging included in the Annual Report and Accounts, paying particular attention to those matters considered to be important to the Institute by virtue of their size, complexity, level of judgement required and potential impact on the financial statements and wider business model.

The Committee has satisfied itself that the controls over the accuracy and consistency of the information presented in the Annual Report and Accounts are robust. The Committee reviewed the procedure undertaken to enable the Board to provide the fair, balanced and understandable confirmation to members.

**The Committee continues to review the content and tone of the Annual Report and Accounts and make recommendations to the Board regarding their accuracy and appropriateness.**

## Committees of the Board

**The Committee annually reviews the audit requirements of the Institute, for the business and in the context of the external environment.**

### Committee composition and governance

Graeme Jenkins is the Chair of the Audit and Risk Committee. The Committee continues to be composed mainly of independent non-executive directors with sufficient financial experience, commercial acumen and sector knowledge to fulfil their responsibilities.

Members of the Management Team, including the Director of Finance, Institute Secretary and representatives of the external auditors, continue to attend committee meetings.

In addition, the Director General and other key employees are invited to attend part, or all, of specific committee meetings.

The Committee meets privately with external auditors and is satisfied that neither is being unduly influenced by management. The Committee Chair additionally holds regular meetings with the Director General, Director of Finance and other members of the Management Team to obtain a good understanding of key issues affecting the Institute and is thereby able to identify those matters requiring meaningful discussion at committee meetings.

### External audit

RSM UK Audit LLP (RSM) was appointed as the Institute's external auditor for the 2021 Annual Report following a formal competitive tender process. Given the continuing effectiveness of RSM in their role as external auditor, the Committee believes it is in the best interests of members for RSM to remain in role for the following financial year.

The Committee is responsible for overseeing the relationship with the external auditor and for considering their terms of engagement, remuneration, effectiveness, independence and continued objectivity.

The Committee annually reviews the audit requirements of the Institute, for the business and in the context of the external environment, placing great importance on ensuring a high quality, effective external audit process.

### Internal control

In 2023, the Committee continued its focus on internal control and overseeing the Management Team's progress on the recommendations for the strengthening of the control environment and improvement of reporting for branches in the UK and abroad.

The Committee has paid particular attention to the underlying business performance of the Institute, closely monitoring the deferred balances, debtor and creditor processes and cash flow forecasting, which included assumptions of timings of temporary and permanent cost savings. The cash flow forecasts, including a detailed 90-day look forward and monthly forecast, continued to be circulated for review on a weekly basis by a sub-group of Board members until February 2024.

Work has continued on the implementation of processes and enhancement of the monthly management account reporting.

A review of the entire internal control framework was completed during the year including those in relation to key financial controls, financial reporting system implementation and cyber security. Key observations and management actions are reported to and debated by the Committee.

The Committee has highlighted some process and control improvements, with follow up review scheduled quarterly in 2024.

## Committees of the Board

### Risk management

The Board has delegated responsibility for overseeing the effectiveness of the Institute's risk management and internal control systems to the Committee.

During the year, the Committee reviewed the process for identification and mitigation of key business and emerging risks, challenging management actions where appropriate.

The Institute's approach to risk management is based on a strong governance process, including policies and procedures to ensure consistency in the reporting of risk identification throughout the monitoring, measuring, and mitigation activities.

This methodology provides comprehensive reporting and collective oversight across the Institute. All risks are assigned individual and/or group responsibility, depending on the nature of the risk itself.

In addition, risks are assessed against the risk appetite framework, the residual risk that the Institute is willing to accept in order to deliver its charter objects, and to ensure the risk is within acceptable levels.

The Committee reviewed the Institute's principal and emerging risks including consideration of how risk exposures have changed during the period. Both external and internal risks are reviewed and their effect on the Institute's strategic aims considered.

The assessment of emerging risks includes a bottom-up review of all business units and a deep dive by the Committee. The Committee made a recommendation to the Chief Compliance Officer regarding the identification, assessment and presentation of principal and emerging risks.

The Institute's whistleblowing arrangements which enable all staff, including temporary and agency staff, to report any suspected wrongdoing, was reviewed during the year. These arrangements, which are monitored by the People and Culture team, Institute Secretary and General Counsel, include an independent and confidential whistleblowing service provided by a third party.

### Focus for the year

During the year ending 31 December 2024, the Committee will continue to focus on:

- The processes by which the Board identifies, assesses, monitors, manages and mitigates risk, particularly in light of the challenging conditions within the membership sector and the inflationary environment.
- Monitoring key risk areas for the business, particularly those scheduled for review, including, but not limited to, key financial, operational and IT controls, cyber security and sustainability targets.
- Continue to prepare and enhance our readiness for the proposed corporate governance reforms.

### Audit and Risk Committee

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#### Chair

Graeme Jenkins

#### Members

Aidan O'Carroll CDir  
Amaechi Nsofor

#### Departed members

John Watson (January 2024)

## Committees of the Board

### Remuneration Committee

The Remuneration Committee has delegated responsibility for designing and determining remuneration for the executive directors and senior management, including the Institute Secretary. The Committee oversees the organisation's overall remuneration strategy and ensures it is aligned to the organisation's purpose and values, and clearly linked to the successful delivery of the long-term strategy.

The Committee is chaired by Femi Bamisaiye, Non-Executive Director. The Remuneration Committee reviews employee remuneration and related policies. The purpose of this review is to ensure the reward, incentives and conditions available to the Institute's employees are taken into account when deciding the pay of executive directors and senior management. This enables the Remuneration Committee to feed back to the Board and support the latter's monitoring of whether the Institute's policies and practices support culture and strategy.

During the year under review the Committee has focused on the implementation of our Remuneration Policy; working with management to re-frame the organisation's reward and recognition proposition with a relaunched bonus scheme being mindful of the need to mitigate the disproportionate impact of the cost of living crisis on our colleagues. The Committee also considered the gender and ethnicity pay gap reporting requirements and employee well-being policies and incentives.

We are pleased with progress made with the Great Place to Work Certification, the Institute was certified under the scheme at the end of 2023 achieving a Trust Index score of 67% following improvements to workplace culture and communications.

The Committee has sought to balance the reward and incentivisation of our people with the challenging conditions and difficult outcomes that the organisation and its stakeholders have experienced. In addition to the cost of living concerns, management have worked hard to reform the reward and recognition proposition. Within the existing framework, more focus has been applied to using reward to incentivise the successful delivery of key objectives. Following the review, a recommendation on the bonus structure was approved by the Board together with an overall increase of salaries.

In making key decisions, the Committee has been in close dialogue with the executive members of the Board and fellow non-executives. Discussions have taken place at length about how the uncertain external environment has impacted all our people, having been briefed at each meeting by the People and Culture team and Director General. This has enabled the Committee to remain in touch with the Institute's plans and actions to support employee wellbeing, hearing about concerns and achievements through regular surveys and other ways of understanding the issues. This connection has been important in the Committee's decision making.

### Focus for the coming year

During 2024, the Committee will continue to monitor the impact of higher inflation on our workforce and ensure the overall reward package at the Institute remains appropriate.

The Committee has planned a review of the Remuneration Policy, salary banding levels and pension scheme contributions, in order to ensure that the remunerations package is fit for purpose, meets the needs of the business and colleagues, and allows the Institute to attract and retain talent.

Focus will continue on the Great Place to Work Certification, monitoring of choice of performance measures for the bonus scheme and approach to recruitment remuneration.

### Remuneration Committee

#### Chair

Femi Bamisaiye

#### Members

Patrick Macdonald

Robin Watson CBE

#### Departed member

Deborah Davis CDir (April 2024)

### Membership Committee

The Membership Committee is a committee of the Board which carries out oversight of member and chartered director conduct under the Members Regulations.

## Committees of the Board

### Accreditation and Standards Committee (ASC)

The Accreditation and Standards Committee is chaired by Julia Marsh, who was appointed as Non-Executive Director in September 2023. The ASC sets the educational competencies and standards for directors and boards, oversees the standards for external accreditation providers and maintains and protects the integrity of professional standards for candidates for the principal professional assessments conducted by and under the auspices of the Institute.

The ASC oversees the work of the Assessment Committee, and is ultimately responsible for the overall quality assurance of the examinations and assessments and supporting processes.

The Committee's main responsibilities remain:

1

To approve the competency framework, accredited learning outcomes and assessment criteria.

2

To approve the code of conduct and CPD requirements for the professional competency of chartered directors.

3

To ensure the safeguarding of the IoD's powers to award by adherence to the accreditation principles and our policies and procedures and to escalate any issue to Board where integrity is not being maintained.

A more integrated approach to professional development and changes in the leadership have presented an opportunity to review the Committee's remit to ensure it remains focused on areas that are key to the Institute's strategy.

### Accreditation and Standards Committee

#### Chair

Julia Marsh

#### Members

Suzy Brain England OBE CDir  
James Gambrell CDir  
Carmel McKinney OBE  
Robert Smith CDir

#### New members

Julia Marsh (September 2023)

#### Departed members

John Warden (August 2023)

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## Management

### Institute Secretary

The Institute Secretary ensures the highest standards of governance and compliance with legal requirements and best practice. This includes providing support and advice to all board, council and committee members and acting as the conduit for all communication and engagement with them.

The role contributes to achieving the aims of the IoD by advising on, and ensuring compliance with, the laws and good governance practices relating to the workings of the organisation, and with the IoD's constitution.

### Institute Secretary

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Kristina Lewis

### Management Team

The Director General is supported by the Management Team in discharging his duties which have been delegated by the Board. Comprised of key personnel from across the business in the relevant subject area, the Committee's main areas of focus are the formulation and implementation of strategic initiatives, business performance monitoring and evaluation and overseeing culture and stakeholder engagement.

### Management Team

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#### Members

Dr Roger Barker  
Kate Cooper  
Jonathan Geldart  
Kirsty McManus  
Richard Townsend

#### New members

Roisin Sweeney (June 2023)

#### Departed members

Paul Adams (September 2023)





**My membership of the IoD has helped me increase my knowledge and skills associated with being a director. This has helped me bring an extra dimension to my role as a Trustee for a multi-academy trust and ensure we are setting the right direction for our schools and pupils.**

**Jason Hyde**  
Trustee, Bishop Fraser Trust



# Statement of Board responsibilities

**As a body corporate established by Royal Charter, the Institute is obliged to comply with its constitution (comprising charter, by-laws and regulations).**

The constitution requires that the Board lays before the members, in a general meeting, financial statements for the year, giving a true and fair view of the state of affairs of the Institute. The financial statements must include the surplus or deficit of the Institute for that period. The Board is also required to approve the financial statements, only if they are satisfied that they give a true and fair view of the state of affairs of the Institute and of the surplus or deficit for that period.

**In preparing the financial statements, the Board is required to:**

- Select suitable accounting policies and apply them consistently.
- Make informed judgments and estimates that are reasonable and prudent.
- State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in operation.

The Board is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Institute. The Board is also responsible for safeguarding the assets of the Institute and taking reasonable steps to ensure the prevention and detection of fraud and any other irregularities.

**Each board member confirms that:**

- So far as they are aware, there is no relevant audit information of which the Institute's auditor is unaware.
- They have taken all necessary steps to ensure that they are aware of any relevant audit information and to establish that the Institute's auditor is aware of the information.
- The Board is responsible for the maintenance and integrity of the financial information included on the Institute's website. Practice in the United Kingdom governing the preparation and dissemination of financial statements may differ from practice in other jurisdictions.





# IoD Chairs

## Regions and Nations

### Central

Inez Brown

### East of England

Biplab Rakshi

### London

Razi Mireskandari

### Northern Ireland

Gordon Milligan OBE

### Scotland

Julie Ashworth

### South

Faisal Khan

### South West

Steve Hill CDir

### Wales

Richard Selby

### Yorkshire & the North East

Delroy Beverley

## Branches

### Aberdeen & Grampian

Sarah Downs

### Berkshire

Shaun Davis CDir

### Black Country & Staffordshire

Vacant

### Buckinghamshire & Milton Keynes

Rashesh Joshi

### Cambridgeshire

Lake Falconer

### Central Scotland

Neil Bradbrook

### Cheshire

Stuart Waddington

### City of London

John McLean

### Coventry & Warwickshire

Abid Khan

### Cumbria

Vacant

### Derbyshire & Nottinghamshire

Vacant

### East Yorkshire

Vacant

### Edinburgh & Lothians

Nathalie Agnew

### Essex

Paul Durrant

### Fife & Tayside

Marlene Lowe

### Glasgow & West of Scotland

Mark Spragg

### Greater Lincolnshire & Rutland

Philip Worrall

### Greater Birmingham

Andy Wilkinson

### Hampshire & the Isle of Wight

Matthew Wallis

### Hertfordshire

James Keeling

### Highlands & Islands

Clare Winskill

Alison Wilson

### Kent

Sweena Badhan

### Leicestershire & South East Midlands

Craig Bentley

### Liverpool

David Wafer

### Manchester

Vacant

### Mid Wales

Gareth Jarman

### Norfolk

Saul Humphreys

### North East North

Sarah Waddington CBE

### North East South

Nick Tompkins

### North Yorkshire

Caroline Pullich

### North Wales

David Roberts

### Oxfordshire

Tagore Ramoutar

### South Scotland

Vacant

### South Yorkshire

Pete Shillito

### South Wales

Geoff Hancock

### South West Wales

Nicola John

### Suffolk

Vacant

### Surrey

Jarmila Yu

### Sussex

Michele Augusti

### West Yorkshire

Poonam Kaur

### Worcester & the Marches

Tim Jones

## International branches

### Belgium

Deborah Nash

### Bermuda

Vacant

### China

Lutao Ning

### Guernsey

Glen Tonks

### Isle of Man

Steve Billingham

### Jersey

Alexandra Ruddy

### Monaco

Vacant



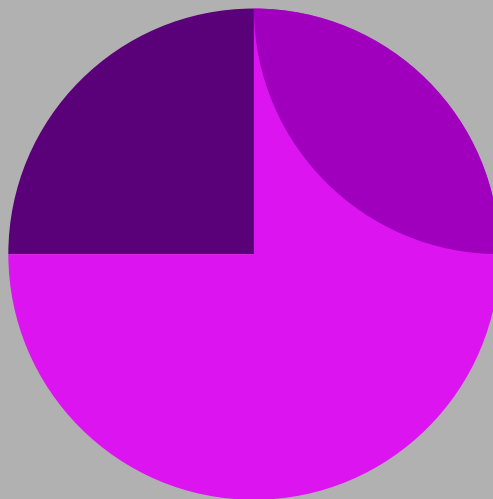
**Membership of the IoD provides access to a network of business leaders industry experts and policymakers, creating opportunities for collaboration, partnerships and knowledge-sharing. I value the business support for members as we are able to access resources, tools and guidance to help us navigate challenges, make better decisions and drive business growth. Being a member of the IoD also provides recognition and credibility.**

### Dr Inez Brown

Managing Director, Mckenzie Brown Consultancy Ltd and  
Regional Chair, IoD Central

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