

aat



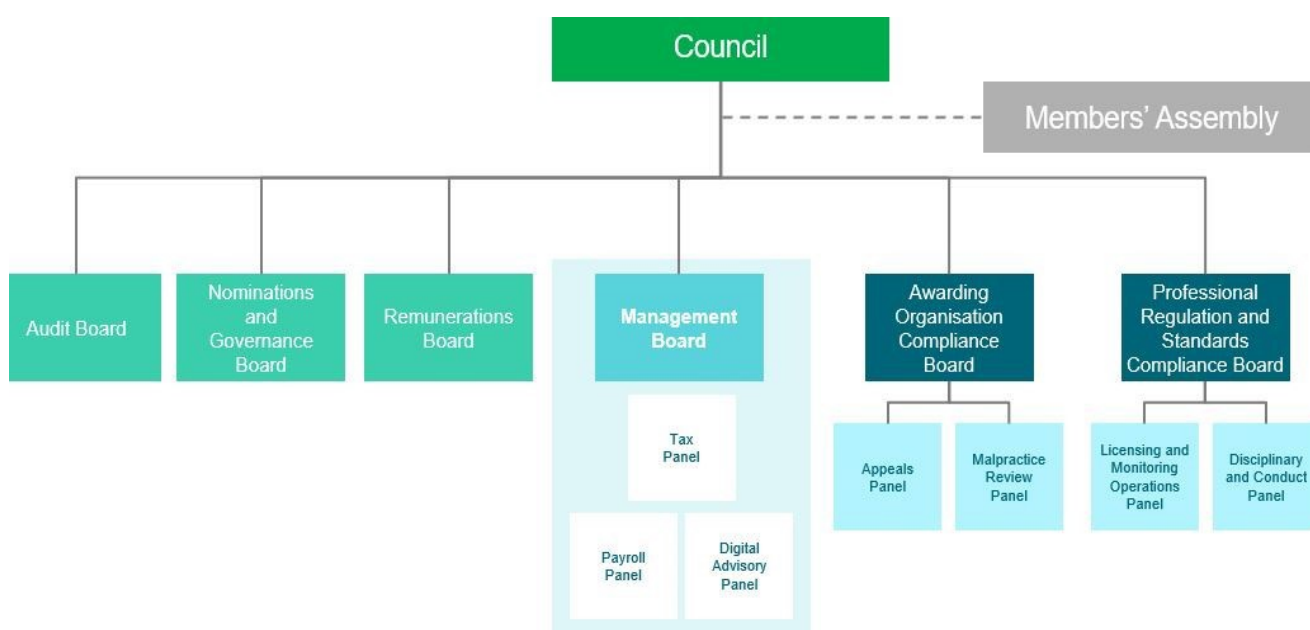
Overview of AAT Council

Introduction to AAT

AAT is the world's leading professional body for accounting technicians with around 130,000 members in more than 100 countries. We strive to build practical finance skills across the globe through our internationally respected qualifications, courses and professional membership. We focus on meeting the needs of employers, government and learners both now and in the future.

Governance of AAT

The governance structure showing the relationship of the boards and panels to Council is set out below. Council is supported by the Management Board and three core governance boards, the Audit Board, Nominations and Governance Board and Remuneration Board. There is an Independent Regulatory oversight function and, although not part of the core governance, a Members' Assembly providing a mechanism for wider engagement with AAT's membership.



Membership of Council

Council consists of 20 members, made up of: four ex-officio members (the President, the Vice President and the two Immediate Past Presidents), ten Elected members and six Independent members. Council can also appoint a maximum of two Co-opted Members.

All members of Council are trustees and directors of the Association. No distinction is made between elected, independent or co-opted members of the Council when carrying out their role and responsibilities.

Elected members

A member of Council is normally elected for a three year term retiring in rotation each year. A member can be re-elected for a further three year term as long as their total service is no more than nine years.

Independent members

Council has the power to appoint up to six Independent members of Council. AAT members are not precluded from being appointed as Independent members.

Co-opted members of Council

Co-opted members appointed to serve on Council have the same rights and duties as elected and independent members and have the same responsibilities as directors and trustees of AAT. The Nominations and Governance Board makes recommendations to Council on appointments for co-opted members. Those appointed to Council as co-options hold office until the next AGM and can be reappointed.

Membership of Council is subject to the following rules:

Service rule – members can serve on Council for up to a total of nine years before they must take a break. They can be re-elected (or appointed) for a further nine years, as long as the break is for at least two years between each nine year period.

Any period of service as an ex-officio or co-opted member on Council is not counted as part of the nine year rule nor is any service of less than a year which is spent filling a casual vacancy.

Attendance rule – while the expectation is for Council members to attend all meetings, in line with the attendance rule, elected and independent members must attend at least half of the meetings of the Council during the year. If a member does not fulfil the attendance rule, they will cease to be a member of the new Council. However, Council can exercise its discretion in extenuating circumstances.

Role of Council

The governing body of the Association is the Council which is responsible for managing its business. It does so in accordance with its constitution (the Articles of Association).

Council's key responsibilities include:

- to set and review the Association's vision, mission, values, strategies and objectives for the wider public benefit
- to undertake long-term business planning for the Association
- to develop AAT's financial strategy, approve the annual financial budget and oversee the Management Board's performance against it
- to approve the annual report and accounts prior to publication
- to agree policies and make decisions on all matters that might involve significant financial or other risk to the Association or those which raise significant issues of principle
- to oversee the Management Board's monitoring of the Association's performance in relation to business plan, budget, controls and decisions in order to set key performance indicators
- to hold the Remuneration Board and Management Board to account for their oversight of the activities of the AAT Group Personal Pension Scheme and the management of the closed defined contributions pension scheme respectively
- to consider recommendations from the Regulatory Oversight Boards for developments to the Association's regulations and processes that maintain compliance with all relevant external regulators
- to oversee the work of the Audit Board, Remuneration Board and Nominations and Governance Board
- to satisfy itself that the Association's business is carried out within the law, within generally accepted standards of performance and propriety and is in accordance with the AAT's constitution
- to recommend to the AGM the appointment and remuneration of the auditors
- to approve the composition and terms of reference of all boards/panels

- to agree and oversee a framework of delegation and systems of control
- the appointment of the Vice President through the agreed election process
- to provide updates for, and receive feedback from the Members' Assembly.

Council also has some additional responsibilities which are detailed in the scheme of delegation.

Frequency of meetings

The *minimum* expected time commitment of Council members in relation to attendance at meetings is:

- Council meetings – September, December, March and July
- Annual General Meeting – September
- Council Strategic day – held the day before the Council meeting in July to consider longer term policy and strategic issues
- Council learning and development/planning session day – held in the afternoon following the December meeting of Council.

Should you also serve on one of the supporting Boards there will be a minimum of four board meetings, normally held October/November, February/March, June and September.

Council meetings are conducted in a formal manner and all business is conducted through the President as Chairman of the meeting.

Role and responsibilities of a Council member

Directors and Trustees of AAT

AAT is a charitable company. This means that Council members are both directors and trustees of the Association and:

- have all the duties of company directors under the Companies Acts and general company law
- have all the duties of charity trustees under charity law
- are subject to regulation and sanction by the Charity Commission and Companies House
- are required to manage the business of the Association in accordance with its Articles of Association and the law generally.

Responsibilities

There is no distinction in the role and responsibilities of elected and independent Council members.

The role and responsibilities of a Council member are to:

- participate actively and responsibly in meetings of the Council
- attend Council meetings regularly and prepare for Council meetings (for example, by reading papers)
- help ensure that the Council fulfils its role of determining the overall strategic direction of the Association
- by taking part in discussions, debates and decision making on policies and strategies for the Association
- consider and make decisions on recommendations from staff, boards, panels and working parties

- participate in and help ensure that Council fulfils its responsibilities in monitoring the activities undertaken on its behalf

as a member of a board to:

- attend meetings regularly and prepare for board meetings (for example, by reading papers)
- take an active part in considering the policy formulation, strategy implementation, delegated functions and other detailed considerations of boards and panels

and in addition to:

- represent the Association by supporting as necessary Council's decisions when communicating with the membership, and others
- act and behave in ways which promote the Association and which help to implement Council's agreed policies, strategies and decisions
- act always in the best interests of the Association and in accordance with the Code of Conduct
- take an interest in the concerns of the membership and, in particular improve communications with the membership through the Members' Assembly and the branch network
- act as ambassadors for the Association by actively promoting AAT's core messages when in relevant and appropriate situation
- attend branch events, AAT conferences/events and other external meetings to promote the Association.

Council members have important duties and responsibilities as trustees and directors and AAT's ongoing learning and development programme provides a tangible way of developing Council and enhancing the collective competence of its members.

Council member ambassador role

Council members have an important role to play in representing AAT. They are seen publicly in their role and every opportunity should be taken to attend branch events, AAT conferences or events and other external meetings to promote the Association.

Council members can 'add value' in a number of ways by:

- encouraging students to progress to full membership
- promoting AAT and the benefits of membership
- encouraging members to become involved in the branch network, Members' Assembly and in Council
- communicating AAT's vision, mission and values
- explaining Council policies, changes and current issues
- sharing their knowledge and experience
- being a role model and mentor
- promoting professionalism
- supporting AAT staff that is, by endorsing policy changes
- building links with people from other professional organisations.

Code of conduct

Council members are expected to act in accordance with the Nolan Committee's 'principles of public life', as detailed in AAT's 'Code of Conduct for Council Members'. All members are issued with a copy of the Code and are asked to confirm their acceptance of the expectations and obligation set out in the Code at the time of their appointment and subsequently to re-confirm their acceptance on an annual basis.

Conflicts of interest

Council members as directors and trustees of AAT have a duty to act in the interests of AAT. This duty of 'absolute loyalty and utmost good faith to the company' is compromised where a conflict of interest arises that is not dealt with. Under the Companies Act 2006 there is also an explicit duty on the director to avoid a situation in which s/he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company. Council members are therefore expected to be open and honest about any matter, which may give rise to a conflict of interest. The position on conflicts of interests is covered by both the Articles of Association and the Code of Conduct.

In accordance with the Articles, a register of interests of members of Council is kept. Council members must record information about personal, business or other interests that might give rise to an actual or perceived conflict of interest with AAT.

Trustee remuneration and payment of expenses

In accordance with the Articles of Association and the 'voluntary principle' of trusteeship no remuneration may be payable to Council members carrying out their duties as a trustee. However, the Articles of Association does allow for some forms of remuneration to trustees for the purchase of a service in specific circumstances and Council members can claim repayment of their expenses incurred in attending AAT meetings. Council members receive full details of the expenses guidelines on appointment.

For further information please contact: Karen Marshall, Company Secretary, +44 (0)20 7397 3052
karen.marshall@aat.org.uk