



RIAS | The Royal Incorporation of Architects in Scotland

Minutes of the 101st Annual General Meeting of the Royal Incorporation of Architects in Scotland held at 4pm on Thursday 11th October 2018 at Scottish Youth Theatre, Glasgow

Members Present:

Scott Abercrombie RIAS RIBA, Richard Atkins FRIAS RIBA, Judith Barber FRIAS RIBA, Kirsteen Borland FRIAS, Gordon Carswell RIAS RIBA, Hamish Clark FRIAS RIBA, Jocelyn Cunliffe FRIAS RIBA, Joe Dagen FRIAS RIBA, Joyce Deans CBE PPRIAS RIBA, John Donald FRIAS, Marion Donald FRIAS, Anne Duff RIAS, Gordon Duffy FRIAS RIBA, Neil Ferguson FRIAS RIBA, Malcolm Fraser FRIAS RIBA, Isabel Garriga RIAS RIBA, Euan Geddes FRIAS RIBA, John Gilbert FRIAS, Stewart Henderson PRIAS RIBA (Chair), Jack Hugh FRIAS, Akiko Kobayashi RIAS RIBA, Russell Logan RIAS, Keith Macdonald RIAS RIBA, Alex Macgregor FRIAS RIBA, Gillies MacPhail RIAS, Martin McKay FRIAS RIBA, Fraser Middleton FRIAS RIBA, Christine Palmer FRIAS RIBA, Nicholas Roberts RIAS RIBA, Kerr Robertson FRIAS RIBA, Ben Scrimgeour RIAS RIBA, Fiona Sinclair FRIAS, Richard Slater RIAS RIBA, Chris Stewart RIAS RIBA, Gordon G Smith FRIAS RIBA, Nigel Somner RIAS RIBA, Charles Strang RIAS, David Sutton RIAS RIBA, Robin Webster OBE FRIAS RIBA, Tom Young FRIAS.

In Attendance:

John Campbell QC Hon FRIAS.

Staff in Attendance:

*Karen Stevenson, Acting Secretary
Carol-Ann Hildersley, Hayley Kyle, Veronica Low, Charlene Rankin, Maryse Richardson, Gemma Sinclair.*

Welcome

The President, Stewart Henderson, welcomed all those present and introduced Acting Secretary, Karen Stevenson and the RIAS staff present as well as John Campbell QC Hon FRIAS.

The President noted that as the RIAS Byelaws require 30 members as a quorum for the AGM he could confirm that with 39 full members present, the meeting was quorate. Members were reminded that no proxy votes are accepted and only Chartered Members are entitled to vote.

There was a requirement for the President to ask those present if there is a demand from 15 or more of those present for any votes to be taken by ballot rather than a show of hands. There were no requests for votes to be taken by ballot.

The President pointed out a number of Trustees were present at the meeting. Members will be given the opportunity to ask questions and that these should be raised within the relevant item being discussed.

The President noted that the membership had been given the opportunity to ask questions in advance. He confirmed receipt of one relating to the registration of the charity and confirmed this would be answered directly by the Acting Secretary.

1. Notice Calling the Meeting

The President confirmed that representations had been received from a Trustee questioning the calling of the meeting and raising an issue with the notices. Kerr Robertson (KR) confirmed he had made the representation and asked for clarification as to when postal copies were actually sent out. The President confirmed that they were posted during the two days following the electronic calling notice resulting in some members receiving 18 days' notice and some 17 days' notice. It was reported to the meeting that it was understood that the notice went out by email rather than in the post and that the 460 members that don't have email were sent the calling notice by hard copy at the same time as the email. This would mean they didn't receive the notice until two or three days later and did not get the full 21 days' notice. While there was criticism about the use of emails The President recognised that email is not an unacceptable way of communicating with the membership.

The President noted the failure to adhere to the 21 day notice period for those members without an email address. Having considered the matter and sought legal advice, he invited the membership present to adopt the Notice of Meeting as having been correctly intimated by email and post, notwithstanding that email was used and certain Members were not informed of this as they should have been a full 21 days before it was being held.

The President asked those present if they were content that the meeting proceed. Those present intimated they were content to continue with the meeting.

KR raised a procedural matter maintaining that it was his understanding that this was not a question that could be put to the membership overall, and should have been a matter for Council as Trustees to make any decision. PRIAS confirmed that Council had been notified the day before. KR noted that the Bye-laws require 7 days' notice to be given for any change to the agenda.

The President agreed that the process had not been done as precisely as it should have been, but rather than have to begin the whole process again, it was felt best to offer the option to those present.

A general discussion followed regarding the need to update the Bye-laws to reflect a more useable process.

The President asked again if there was anyone who did not wish the meeting to proceed. Silence was taken as assent and the meeting continued.

2. Apologies for Absence

Apologies for absence were received from: James Alexander FRIAS, Peter Allam FRIAS, Robert Anderson FRIAS, Stuart Bagshaw FRIAS RIBA, Stuart Baigrie RIAS RIBA, Ronald Blakey RIAS, Dr Colin Bloch FRIAS, John Brown RIAS, John Brown RIAS, Peter Caird RIAS, Alastair Cochrane FRIAS RIBA, Brian Condon RIAS, William Cooper FRIAS, Dr Malcolm Cooper Hon FRIAS, Ally Croll RIAS, Iain Dickson PPRIAS, Peter Drummond FRIAS RIBA, Sir James Dunbar-Nasmith CBE PPRIAS, Peter Elles RIAS, Edward Elliott RIAS, Jon Frullani RIAS RIBA, John Gerrard MBE FRIAS, Charles Girdler FRIAS RIBA, Alison Glen RIAS RIBA, Ian Gordon RIAS RIBA, Tom Gray FRIAS, Sir Paul Grice Hon FRIAS, Sara Hamilton RIAS, Malcolm Hay RIAS RIBA, John Hume Hon FRIAS, Sholto Humphries PPRIAS RIBA, Leslie Hutt FRIAS RIBA, Neil Jack FRIAS, Alastair Jack RIAS, John Knight OBE FRIAS, Gordon Lusk RIAS, Norman Mack RIAS, Ian MacLeod RIAS RIBA, Henry Mantell FRIAS, Lord Macfarlane of Bearsden KT Hon FRIAS, Guy Maxwell FRIAS RIBA, Liliane McGeoch FRIAS, Douglas McKirdy RIAS RIBA, Diarmid McLachlan FRIAS RIBA, Roy Milne FRIAS, William Murphie RIAS, Richard Murphy OBE FRIAS RIBA, Ann Nisbet RIAS RIBA, Ann Packard Hon

FRIAS, Thomas Reilly RIAS, Margaret Richards FRIAS, Sheila Riddell FRIAS, Peter Riddoch RIAS, Lloyd Robertson, Shane Rodgers FRIAS RIBA, Dennis Rodwell FRIAS RIBA, Graham Ross FRIAS RIBA, Sebastien Rowe RIAS RIBA, Joan Scott FRIAS RIBA, Harman Scott RIAS RIBA, James Simpson OBE FRIAS, William Smith RIAS RIBA, Prof. James Stevens Curl FRIAS, David Stillie FRIAS RIBA, Stewart Thomson RIAS RIBA, Gary Treacy RIAS RIBA, Willie Watt PPRIAS RIBA, Esther Weir RIAS RIBA, William Wellwood RIAS, Julie Wilson RIAS RIBA, George Wren PPRIAS

3. Minutes of AGM held Friday 12th May 2017 at The Engine Shed, Stirling

The President presented the minutes of the AGM held in May 2017 and asked if there were any matters arising. KR questioned the validity of the minute in relation to the presentation and approval of the Annual Accounts 2016 at the AGM meeting.

Following discussions, it was agreed to record KR's concerns that in fact the Accounts for 2016 had not been approved by Council prior to presentation to the AGM.

No further issues were raised.

The President also reported that an SGM was held in Stirling on 28th June and that the membership had been updated on the outcome of that meeting via email on the 29th June. At this meeting, 57 members voted unanimously in favour of significant and progressive reform, approving new new Interim Bye-laws which included provision for Presidential elections. The President confirmed the minute of that meeting would be signed off by the Interim Governance Committee and then circulated to members.

The President asked for a proposer and seconder for the minutes of the AGM held in Stirling on 12th May 2017.

Proposer: Jack Hugh FRIAS
Seconder: Gordon G Smith FRIAS

4. Presentation and Consideration of the Trustees Annual Report for Session 2016-2017 and the Accounts for the Year Ending 31st December 2017.

The President presented the Trustees Annual Report and Accounts for the year ending 31st December 2017 which have been submitted to and subsequently approved by the Trustees/Council.

KR raised a procedural matter regarding the purchase of the Burns book, which he understood had been purchased using the reserve funds of the charity.

Richard Atkins (RA) recalled that it was announced at Council that it had been bought in late 2013/early 2014. The Bye-laws provide instructions to the Trustees as to what they can invest in, as opposed to potentially adding to the collection. At the time it was reported to Council by his recollection as a financial investment which would also have some cultural value rather than part of the collection.

Jude Barber (JB) confirmed that the purchase of the Burns Book was an item that would be looked into further and discussed at the Interim Audit and Finance Committee. The meeting were advised that the approx. value of the book is £40k.

The importance of recording this issue was discussed and agreed.

The President gave an update on the Police Scotland and OSCR enquiries. Both organisations had been contacted by the Acting Secretary seeking an update for this meeting.

In summary, OSCR are unable to provide an update on their Inquiry, but would like to meet with trustees, suggesting that this may be done through the smaller forum of the Interim Governance Committee. It has since been intimated to OSCR that all of the trustees should take part in these discussions. Police Scotland confirmed they have no further findings to report and are waiting for the determination by OSCR before they conclude their Inquiry.

KR raised a concern about procedures applied in appointing convenors and members of RIAS committees. It was agreed that Council would review this further.

Anne Duff asked about the appointment of consultants and lawyers, and the costs associated with these investigation reports and legal advice and who authorised them. She asked if a breakdown of costs relating to "Exceptional Governance Costs" for consultants could be outlined for members.

Post meeting note - Page 27, Note 11 states:

Accountants' investigation & report	£38,842
Legal advice	£24,158
Verbatim reporting	£ 6,248
Benchmarking	£ 3,270
Other expenditure	£ 777
Allocation of irrecoverable VAT	<u>£ 6,545</u>
	<u>£79,840</u>

The President responded to this line of inquiry by reading out his statement which he had prepared in anticipation of the questions which may have been raised at the meeting:

"I did anticipate a question being asked surrounding the issues of the exit of the last Secretary & Treasurer from his post, and why the Grant Thornton report and the Settlement Agreement were required to be kept confidential. In order to answer this fully, I think some historical context would be helpful. When I was asked by Willie Watt to take on the honour of the RIAS Presidency, I was initially reluctant, but was persuaded to accept on the basis that I would wish to instigate a review of the governance of the organisation. Soon after the December Council meeting which confirmed my position as President Elect, I was approached by a member of staff who wanted to raise some issues of concern regarding aspects of the financial management of the Incorporation, and specific issues regarding aspects of the Secretary & Treasurer's financial conduct. I gave the member of staff an undertaking to include all of the concerns raised in the governance review. Council agreed the establishment of a Governance Review Group at my first meeting as President in June 2017. The Group consisted of myself and the last five Presidents. The Group had met informally before June and had been made aware of the financial concerns, both by me and by Kerr Robertson who also contacted me with similar issues.

As the Governance Group reviewed the financial issues, it was clear that a full, in-depth, independent investigation was needed. The Governance Group took some advice from the then RIAS Legal Advisor, who had had experience of similar investigations. Peter recommended Claire Probert of Grant Thornton's forensic accountancy team. Peter had worked with Claire when she was part of ACAS's investigation team. The Governance Group interviewed Claire and one of her colleagues, obtained a fee quote, and employed Grant Thornton to carry out an investigation into aspects of the Secretary & Treasurer's financial

management. Claire was given full access to the RIAS records and any staff and past Presidents she wished to involve in her work. As she was nearing completion of this first exercise, she contacted the Governance Group and said that she had concerns which she would like to investigate regarding details of all financial transactions by the RIAS for the last 10 years. The Governance Group agreed to this request and an extension to Grant Thornton's appointment was entered into. Given that she wanted to do this further work because of conduct issues she had reviewed, she indicated that the RIAS might wish to consider setting up a disciplinary process to deal with whatever her final report might reveal. (I would like to record that Grant Thornton were very impressed with the quality and thoroughness of the records kept by the Financial Manager at Rutland Square.)

As the RIAS has no on-house HR capacity, it has been custom and practice in the past to seek advice from a Partner in the practice of the Legal Advisor for any help. Given that, at this stage, Kerr Robertson had reported the RIAS to OSCR, and had expressed strong personal concerns about Clyde & Co, it was felt by the Governance Group that we should seek independent expert advice elsewhere. The Scottish Legal Review ratings of lawyers in Scotland in this area of expertise list Bodies as being No 1. Given their proximity to Rutland Square, the Governance Group considered them the obvious choice to advise the Incorporation. Lynne Marr of Brodies was briefed and asked to liaise with Claire Probert to advise us as to how to proceed when the Grant Thornton report was finally issued.

Lynne came forward with the recommendation that we should set up a disciplinary panel to consider the Grant Thornton report, which she had had sight of. She had concerns, however, that we could not undertake this exercise in-house, given the amount of public expressions of censure expressed by Trustees.

A special meeting of Council was called for 7 November 2017 to consider how to set up a disciplinary hearing and who should be asked to undertake the role. 30 members attended, 10 sent their apologies. Before the meeting was held, specialist staff-related employment lawyers, McGrade from Glasgow, submitted a proposed "Exit Agreement" on behalf of the Secretary & Treasurer. Council agreed to consider this a "tabled" offer at the meeting. Lynne outlined the general issues surrounding tribunals in modern disciplinary management. There was no guarantee, she stated, that any panel would recommend dismissal of an employee, even in a situation where "gross misconduct" was proven. Given that a number of Trustees had publicly expressed the desire to have the Secretary & Treasurer dismissed, the outcome might be less than they anticipated. She also indicated that, if the Secretary & Treasurer was dismissed, he would be able to bring a case against the RIAS for unfair dismissal, with potential costs and compensation, costing us circa £100K.

Also that, given the trail of e-mails between Trustees regarding the Secretary & Treasurer's behaviour and their aspirations for their desired outcome, a case could be brought by the Secretary & Treasurer against individual named Trustees which, if sustained, could result in individuals having to pay costs based on based on the tribunal's interpretation of the Vento scale of between £800 up to a maximum of £42K per Trustee. She also indicated that, if the Trustees were to receive a copy of the Grant Thornton report before or during a disciplinary process, it could "taint your progress and result in unfairness". The offer from McGrades would protect the RIAS and Trustees from any action. The offer would require confidentiality of the Grant Thornton report as a fundamental issue. (JDC can comment later, but I understand this is normal in cases such as this.) I had in the lead-in to the meeting asked GT if they had found any fraud or illegality in any of the actions of the S&T. They confirmed they had not. After debate (recorded verbatim by an independent stenographer), Richard Murphy, seconded by Doug Read, proposed that the RIAS enter into a settlement as quickly as possible. Kerr Robertson proposed a counter motion, but could not get a seconder.

A vote was held and, of the 30 members present, 26 voted in favour of the settlement being negotiated by Brodies, 3 abstained, and 1 voted against. The arrangement negotiated stated that the terms of the “deal” and the Grant Thornton report were to be kept confidential. It was agreed, following legal advice, that any Trustee who signed a confidentiality undertaking could have a copy of both documents.”

KR responded to the President’s report. In his response, he included concerns around the lack of approval given for consultants to be commissioned; the complete lack of governance over significant bonuses and salary increases made by the former Secretary to himself, particularly when practices were asked to donate towards the Festival of Architecture in 2016. It is his belief that because Past Presidents were involved in signing off these financial benefits they had a conflict of interest and should not have been part of the initial Governance Review Group set up by the President.

KR raised the concern, noted previously, regarding last year’s Annual Report/Accounts being presented not being those which Council had approved.

KR also questioned President Henderson’s timeline of events.

Malcom Fraser (MF) added that he would like it to be put on record that rewarding such gross misconduct with a confidentiality agreement and a payout was not a decision that members agree with and does not believe it was the correct decision. MF believed that the RIAS needed to look fair and square at these outcomes in order to reform ourselves and to never be in this situation again.

Others at the meeting expressed their concern and shock at the lack of financial control and urged that the finance committee be re-established and felt that assurances should be given that this kind of thing cannot happen again. It was agreed that it had been a good thing that all of these issues have been presented and that the RIAS must be honest and frank about things. The Trustees Annual Report goes some way to address matters, but the figures are fact and could not be altered.

Other concerns were raised and discussed, including that the President’s Governance Review Group made decisions without the approval of Council.

It was agreed that things could have been done differently and that now a scheme of delegation was in place, which hadn’t been in place at the time.

Members sought copies of reports from the Interim Governance Committee and the Governance Review Group. Although the meeting acknowledged that there have been a number of updates to members during the year, some members considered that they seem to be lacking details and appeared to be hiding information.

RA set out his understanding of the remit of the Interim Governance Committee (as Vice Chair of the committee) as looking at the existing Bye-laws and working through lots of policies and regulations. There is still a lot of work to be done. His belief is that the committee was not tasked with looking back at previous governance. KR said that he believed that one of the key roles of the Committee was to look at alternative governance models to address the issues we’ve been experiencing.

Gordon Carswell (GC) raised the issue of lack of engagement within the membership. The President confirmed that it one of the things we've been trying to encourage throughout this year through increased Chapter involvement.

The issue around the signing of a confidentiality agreement was raised again and The President asked John Campbell (JCa) to clarify for the meeting. JCa confirmed that it is quite common for these arrangements to be confidential between the employee and the employer and the arrangements enshrined in an agreement called a non-disclosure agreement or a confidentiality agreement and that this was the method chosen on that occasion.

It was confirmed that both OSCR and Police Scotland have a copy of the investigation report and settlement agreement.

KR asked to point out for those present that Grant Thornton had been appointed to carry out what was called a probity review (referred as a forensic report). They were not looking at governance and management. KR maintained that at the time that Council were told Grant Thornton had been commissioned it was agreed that the report would go directly to the trustees, and that this did not happen. There was a general discussion about concerns over only certain trustees having read the forensic report and not all of Council. Members were advised by KR that both the previous Secretary and Treasurer and Brodies solicitor had read the report and his concern as a trustee was that, he understood, the express instruction from Council as the board of trustees was undermined, there was an insubordinate decision made to give the one person who was at the centre of those allegations a copy of that report first.

Having been asked what he would like to see done about it, KR responded that he would like an independent review to take place in the form of a short review which would allow Council to then decide how it informs the membership. A number of members agreed. It was agreed this item would be taken for consideration to the next Council meeting.

The lack of minutes on the RIAS website was raised by a number of members. It was generally felt that members need to be given as much information as possible. Dave Sutton (DS) asked for this matter to be considered as a formal motion. This was agreed and the Acting Secretary would be asked to address this matter.

Neil Ferguson (NF), former IAA President, referred to inclusivity of remotely located members and the necessity to upgrade technology within the RIAS HQ as well as the need for architects being engaged and getting involved in the promotion of architecture.

Asked how many committee members were in attendance at this AGM, the President counted 7 committee members and said there were around 9 Trustees in attendance.

The President moved to adopt the Trustees Annual Report (TAR) for the session 2016 – 2017 and asked if there was anyone minded not to adopt the TAR. Silence was taken as consent.

The President confirmed that the concerns raised have been noted and will be acted upon.

5. Appointment of Auditors

The President asked the meeting if they were happy to go with the recommendation to appoint Whitelaw Wells Chartered Accountants (as External Auditors) for period 2018-2020.

The following Scope of Services was included in the tender documentation:

To provide external audit services to both the charity and the Ltd subsidiary company. The external auditor will be expected to provide assurance to the Trustees and members of RIAS Council and to the Interim Audit & Finance Committee on the truth and fairness of each company's financial statements. At a minimum, this will include:

- *Identification of areas of significant audit risk at the audit planning stage.*
- *Provision of audit opinions on the statutory financial statements of the charity and subsidiary.*
- *Provision of an audit management report to RIAS's Interim Audit & Finance Committee.*
- *Attendance annually at both the RIAS's Interim Audit & Finance Committee meeting held to review the completed financial statements and attend RIAS Council meeting held to approve the financial statements.*

Proposer: Jocelyn Cunliffe FRIAS

Secunder: Jude Barber FRIAS

The appointment of Whitelaw Wells was approved.

6. Council and Appointment of Trustees

KS summarised the statistics from the recent elections, confirming that around 24% of the membership voted.

The meeting welcomed the appointment of the Nationally Elected Trustees (Karen Anderson, Gordon Duffy, Malcolm Fraser, Helen Lucas and Ben Scrimgeour). The President said he looked forward to them joining the rest of the trustees on Council and he was absolutely convinced that their contribution will at least be heard.

7. Installation of President 2018

KS summarised the statistics for this section of the election process.

The President said he welcomed the election as this was something he felt should have been in place for a long time. He thanked Gordon Smith for his contribution to the campaign and hoped he would stay on Council and continue to give the RIAS the benefit of his experience. Robin Webster was welcomed with open arms. The President advised those present that the official handover of the Presidency would take place once the meeting had concluded.

8. Any Other Business

Fraser Middleton (FM), Past President of the Dundee Chapter and current trustee recorded that although it had been a difficult 12/18 months, the President and staff had done an incredible job and he wanted to make a vote of thanks on behalf of Council, and confirmed that the trustees will make best endeavours to do the best for the Incorporation going forward.

Applause

The President thanked FM for his kind words and added that although there are a small number of staff at the RIAS, they are very committed and have given a huge amount of their time and effort to the Incorporation and that this is appreciated.

Stewart Henderson invited Robin Webster up to be handed the Presidential gong.

Applause

The meeting was formally closed at 6pm.

DRAFT