

**Comparison of Newcastle University's Current Governance Arrangements
with the CUC Higher Education Code of Governance 2014**

The primary elements are the hallmarks of effective governing bodies operating in the UK HE sector and 'apply or explain' means that in order to report that an institution has applied the Code a governing body needs to:

1. **be confident that it has in place all of the primary elements. In order to do so it will be necessary for a governing body to meet or exceed the requirements of the supporting 'must' statements that prescribe essential components within the element; or**
2. **explain where it considers a whole primary element or supporting 'must' statements inappropriate. In such cases the rationale should be clearly noted and the alternative arrangements summarised within an institution's report on its use of the Code.**

Throughout the Code, '*should*' statements illustrate the activities that are normally conducted in order to achieve the '*musts*' outlined under each primary element. The '*should*' activities are in turn accompanied by illustrative practice identified with the word '*could*' that describes practices that engender positive governance outcomes.

Primary Element 1: The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.	
Statement:	Comment:
1.1 The governing body has a responsibility for all decisions that might have significant reputational or financial implications (including significant partnerships or collaborations). It must therefore seek assurance that the institution meets all legal and regulatory requirements imposed on it as a corporate body, including through instruments of governance such as statutes, ordinances and articles.	<p>Much assurance work is undertaken by Audit Committee on Council's behalf which, in turn, relies upon the work of internal and external auditors. Audit Committee provides Council with an Annual Report in which it gives an assurance opinion stating that the University's arrangements for:</p> <ul style="list-style-type: none"> • risk management; • internal control; • corporate governance; • economy, efficiency and effectiveness (value for money); and • the management and quality assurance of data

	<p>submitted to HESA and to HEFCE and other funding bodies are generally adequate and effective and can be relied upon by Council.</p> <p>Significant partnerships are discussed and agreed at Council level. Recent examples include INTO and Xiamen.</p>
<p>1.2 The regulatory and legal requirements will vary depending on the constitution of individual HEIs, but, for most governing bodies, members are charitable trustees and must comply with legislation governing charities and case law in the exercise of their duties. Some institutions are constituted as companies, and governing body members are normally the company's directors; the primary legislation in this case will be the requirements of the Companies Acts.</p>	<p>Newcastle University is an exempt charity under the terms of the Charities Act 2011.</p> <p>An annual process is in place to address the University's responsibilities to HEFCE in its role as regulator under the Charities Act. Required information is published annually on the Governance Office website: http://www.ncl.ac.uk/executive/governance/charity.htm</p> <p>Council receives an annual report on the University's charitable status, usually at its October meeting and a 'Charity Status and Public Benefit Statement' is included in the Financial Statements.</p> <p>The Vice-Chancellor signs the Annual Assurance Return to HEFCE which includes confirmation that, in all material respects, the institution has conducted its affairs during the year in accordance with its status as a charity.</p>
<p>1.3 In both instances members are required to discharge their duties in line with the accepted standards of behaviour in public life, ultimately accepting individual and</p>	<p>The 'Role of Council Members' document issued to members of Council on appointment advises them on</p>

<p>collective responsibility for the affairs of the institution. The main accountability requirements falling upon the governing body in respect of public funding are set out in financial memoranda issued by the funding bodies and these must be followed.</p>	<p>collective responsibility. The Seven Principles of Public Life are also highlighted to members of Council as part of the induction process.</p> <p>The Vice-Chancellor signs Annual Assurance Return to HEFCE which includes confirmation that the institution has met its responsibilities to HEFCE (the conditions of grant) as set out in the Financial Memorandum.</p> <p>An annual process is in place to ensure the University meets the reporting requirements of the financial memoranda – the relevant documentation is submitted to the October meeting of Council for approval.</p>	
<p>1.4 Student and staff members of the governing body share the same legal responsibilities and obligations as other members and must not be routinely excluded from discussions.</p>	<p>Staff and student members participate in all discussions are not excluded from any part of the agenda with the exception of cases where a conflict of interest is identified.</p>	
<p>In meeting these legal obligations the governing body should:</p>	<p>Options the governing body could consider:</p>	<p>Comment:</p>
<p>Seek assurance that decisions which might have significant reputational or financial risks undergo a rigorous process of due diligence.</p>	<p>Adopting a clear scheme of delegation.</p> <p>Asking their Audit Committee to ensure due diligence processes are reviewed.</p>	<p>A Delegation of Authority Regulations schedule is in place (most recent review October 2012).</p> <p>There is no explicit request made to Audit Committee but Internal Audit investigations review whether due diligence processes have been followed and the findings are reported to Audit Committee.</p>
<p>Obtain assurances that appropriate policies and procedures are consistently applied, and that there is compliance with relevant legislation.</p>	<p>Including an opinion to this effect within the annual Audit Committee Report by the governing body.</p>	<p>There is no explicit opinion to this effect in Audit Committee Annual Report to Council but compliance with legislation, policies and procedures is the starting point for most internal audits.</p>

		<p>The following statement is included in the Annual Report from Audit Committee to Council:</p> <p>‘Audit Committee has received and considered assurance on a wide variety of topics from various sources, including the University’s own management, ‘independent’ sources (eg the HEFCE Assurance Service, auditors from the funding councils), the University’s Internal Audit service and External Auditors.</p> <p>On the basis of the information presented to Audit Committee by these assurance providers, and the discussion and review of that information with these groups, it is Audit Committee’s opinion that the University’s arrangements for:</p> <ul style="list-style-type: none"> • risk management; • internal control; • corporate governance; • economy, efficiency and effectiveness (value for money); and • the management and quality assurance of data submitted to HESA and to HEFCE and other funding bodies <p>are generally adequate and effective and can be relied upon by Council.’</p>
<p>Conduct its affairs in an open and transparent manner.</p>	<p>Including in its annual report a corporate governance statement which sets out the institution’s governance arrangements (including the extent to which it has adopted this Code), policies on public disclosure and making the report widely</p>	<p>A corporate governance statement is included in the annual report which refers to the <i>Guide for Members of Higher Education Governing Bodies in the UK</i> (this will be updated for 2015 to refer to new CUC <i>Higher Education Code of Governance</i>). It does not, however, include a specific statement on public</p>

	available. Publishing agendas and minutes of its meetings.	disclosure. Agendas, minutes and unreserved meeting documents are routinely published on the Governance Office website.
Clearly define and communicate the scope of its own responsibilities in the context of legislation, governing instruments and guidance including the HE code through a Statement of Primary Responsibilities.		A Statement of Primary Responsibilities has been adopted and is available on the Governance Office website. A revised version of the Statement of Primary Responsibilities will be prepared to match the updated version provided in the <i>CUC Higher Education Code of Governance</i>.

Primary Element 2: The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.	
Statement:	Comment:
2.1 In protecting the reputation of the institution the governing body will want to ensure the highest standards of ethical behaviour among its members, who must act ethically at all times in line with the accepted standards of behaviour in public life, and in the interests of the institution.	A 'Role of Council Members' document is issued as part of induction process. This document advises members of the principle of corporate responsibility and the Seven Principles of Public Life.
2.2 As such, members of governing bodies must act, and be perceived to act, impartially, and not be influenced by social or business relationships. A member who has a pecuniary, family or other personal interest in any matter under discussion must disclose the interest. A member does not necessarily have a pecuniary interest merely because he/she is a member of staff or a student.	A declaration of interest statement is included at the start of each agenda. Where a member declares an interest, this is recorded in the minutes. A Register of Interest for all members of Council is maintained and updated on an annual basis. A 'Declaration of Interest and Conflicts of Interest' policy is available for Council members who are also members of University staff.
2.3 The governing body must ensure that its decision-making processes are free of	The 'Role of Council Members' document advises

<p>any undue pressures from external interest groups, including donors, alumni, corporate sponsors and political interest groups.</p>	<p>members that they are expected to exercise their responsibilities in the interests of the institution as a whole rather than as representatives of any constituency.</p> <p>A Register of Interest is maintained and a declaration of interest statement is included at the start of each agenda.</p>	
<p>2.4 Members whose views are not consistent with the decisions of the governing body should abide by the principle of collective decision making and avoid putting specific interests before those of the institution. Individually they must not make any agreement for which they do not have authority.</p>	<p>Again, members are advised on appointment that they are expected to exercise their responsibilities in the interests of the institution as a whole rather than as representatives of any constituency.</p>	
<p>2.5 Legislation requires that the governing body must take practical steps to ensure that the students' union or association operates in a fair, democratic, accountable and financially sustainable manner. This requirement is <i>in addition to</i> corporate and charity legislation that many student organisations are independently subject to.</p>	<p>Council oversees the activities of the Students' Union via the University/Students' Union Partnership Committee that is chaired by a lay member of Council.</p> <p>A Students' Union Impact report is submitted to Council annually.</p> <p>Regular meetings are held between the sabbatical officers and the Vice-Chancellor and other University officers. The Executive Director of Finance regularly attends meetings of the Students' Union Trustees.</p>	
<p>In meeting these legal obligations the governing body should:</p>	<p>Options the governing body could consider:</p>	<p>Comment:</p>
<p>Approve a policy framework on ethics which includes appropriate measures of assurance.</p>	<p>Receiving an annual report on the work of appropriate institution committees, possibly supplemented by the work of the Audit Committee.</p>	<p>Council approved a Code of Ethics and Escalation Process in May 2012. It was also approved by Senate at its meeting in June 2012. A 'Research Governance and Ethics Policy' is also in place which was approved by Council and Senate in 2006.</p>

	<p>Developing specific policies of compliance and reporting in relation to aspects of research governance which raise particular sensitivities (e.g. animal experimentation) and which have well-established codes of practice.</p>	<p>The University's Ethics Committee submits an annual report to Council, for information.</p> <p>A separate Animal Welfare and Ethical Review Body (AWERB) is established, as required by the Animal (Scientific Procedures) Act 1986, to consider all research work involving the use of animals. This body submits reports to the University Ethics Committee.</p>
<p>Approve a whistleblowing policy.</p>	<p>Seek assurance that whistleblowing is effectively managed, for example by getting an annual report on numbers and outcomes of any whistleblowing; it might also ask about the extent to which the associated protocols are widely known within the institution.</p> <p>Asking their Audit Committee to get assurance on 'whistleblowing'.</p>	<p>A policy on Public Interest Disclosure had been adopted (approved by Council in December 2011).</p> <p>No annual report is prepared on numbers and outcomes (although most investigated cases are reported to Audit Committee).</p> <p>The policy requires that a report of all disclosures and subsequent actions is made by the Registrar to the Chairs of Council and Audit Committee who have responsibility for making appropriate reports to Council.</p> <p>The Public Interest Disclosure policy is published on the University's Policies and Procedures website and is available to all staff.</p>
<p>Receive assurance that its publications provide accurate and honest information about its activities</p>	<p>Asking for an audit review of quality management systems within the publications process.</p>	<p>This is an area for further action.</p>
<p>Benchmark institutional policies and</p>	<p>Requesting its Audit Committee discuss</p>	<p>Internal audits include, where possible, comparison</p>

practice against sector practice and external requirements	with internal auditors how the institution compares with other organisations in areas undergoing audit.	with other universities and sometimes other non-HEI organisations. During discussions at meetings of Audit Committee, members do ask the external auditors how the University's practices compare with those at other institutions.
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Primary Element 3: The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.	
Statement:	Comment:
3.1 The governing body is responsible for the mission, character and reputation of the institution at a strategic level, and members will need to be adequately informed in order to carry out this key responsibility. They can expect the head of the institution to help them by providing strategic advice and guidance on the mission and strategic development of the institution.	<p>Members of Council were closely involved in the deliberations leading to the University's strategic plan 'Vision 2021'.</p> <p>Council approved the strategic plan in March 2009 and also the revised version in July 2012.</p> <p>At each of its meetings, Council receives a strategic progress report and KPIs on at least one of the areas covered in the strategic plan.</p> <p>The Vice-Chancellor submits a written report to each meeting of Council which covers recent developments and early warnings.</p> <p>The Vice-Chancellor attends Audit Committee annually to provide insight as to his top strategic risks.</p>
3.2 The strategic plan plays a crucial role in ensuring the successful performance of	See 3.1 above.

<p>the institution, and the governing body will want to demonstrate its commitment to and support for the plan by formally approving or endorsing it in accordance with its constitution. Aligned to this, it must ensure there is an appropriate financial strategy and be responsible, without delegation, for the approval of the annual budget.</p>	<p>Council provided Finance Committee with delegated authority to approve the Financial Strategy at its meeting on 16 September 2014. The final version of the strategy was reported to Council at its meeting on 27 October 2014.</p> <p>Council approves the budget and five year forecasts on annual basis, usually at its June meeting.</p>
<p>3.3 It must rigorously assess all aspects of the institution’s sustainability, in the broadest sense, using an appropriate range of mechanisms which include relevant key performance indicators (KPIs) not just for the financial sustainability of the institution but also for its impact on the environment.</p>	<p>The University receives a report on the University’s financial sustainability on an annual basis. KPIs are presented with each strategic progress report and a summary report of institutional KPIs is submitted to each meeting. In relation to the University’s impact on the environment, the report includes KPIs on the percentage of general waste recycled and scope 1&2 carbon dioxide emissions per m² gross internal area.</p>
<p>3.4 In ensuring sustainability, the governing body must be in a position to explain the processes and the types of evidence used and provide any assurances required by funders. Where such assessments indicate serious issues which could affect future sustainability, the governing body must undertake appropriate remedial action.</p>	<p>Required assurances are provided in the Annual Report from Audit Committee report that is submitted to HEFCE. The KPIs are presented by senior University Officers who are able to explain the data in detail as required or requested.</p>
<p>3.5 The governing body must receive assurance that the institution is meeting the conditions of funding as set by regulatory and funding bodies and other major institutional funders which include the requirements of the financial memoranda. These include the need to: use public funds for proper purposes and achieve good value for money; have a sound system of risk management, financial control and governance; ensure the use of regular, reliable, timely and adequate information to monitor performance and track the use of public funds; and safeguard institutional sustainability.</p>	<p>The Vice-Chancellor signs the Annual Assurance Return to HEFCE which includes confirmation that the institution has met its responsibilities to HEFCE (the conditions of grant) as set out in the Financial Memorandum.</p> <p>A document setting out the schedule of data returns required by HEFCE is circulated to Council for review at the start of each academic year.</p>

	<p>The Internal Audit annual report and Audit Committee annual report both include opinions on risk management, corporate governance, internal control and value for money. These two reports are submitted to Council.</p> <p>Council relies on the work of Audit Committee to provide much of the assurance needed to ensure it meets the requirements of regulatory and funding bodies.</p>
<p>3.6 The governing body must periodically review the delegated authority of the accountable officer (usually the Vice-Chancellor) and inform its funding body of any 'material adverse' change in its circumstances and any serious incident which, in the judgement of the accountable officer and the governing body, could have a substantial impact on the interests of the institution.</p>	<p>The University's 'Delegation of Authority Regulations' and the 'Council Delegation of Powers' document sets out the responsibilities delegated to the Vice-Chancellor. The Council Delegation of Powers document is circulated to Council for review at the start of each academic year.</p> <p>Prior to its submission to HEFCE, Audit Committee and Council receive the Annual Assurance Statement which is signed by the Vice-Chancellor as the accountable officer. This document requires the accountable officer to state whether there have been any material adverse changes that should have been notified to HEFCE.</p>
<p>3.7 Requirements of governing bodies as stipulated by the funding bodies relating to audit include: appointing the Audit Committee; considering and, where necessary, acting on the annual report from the Audit Committee; appointing the external auditors; considering the annual report of the internal audit service; and receiving and approving the audited annual financial statements (this responsibility to be reserved to the governing body for its collective decision, without delegation).</p>	<p>Council approves the appointment of the Chair of Audit Committee and delegates authority to Nominations Committee to approve the members of Audit Committee.</p> <p>At its meeting on 9 July 2012, Council agreed to grant</p>

	<p>the Chair of Council delegated authority to approve the appointment of the external auditors.</p> <p>Council receives the Audit Committee annual report and the Internal Audit annual report at its October meeting.</p> <p>The audited annual financial statements are submitted to the October meeting of Council for approval following consideration by Finance Committee and Audit Committee.</p>
<p>3.8 Data submitted for funding purposes on behalf of the governing body must comply with directions published by the respective funding body and includes: annual accountability returns; any data requested by the Higher Education Statistics Agency (HESA); any information needed for the purpose of charity regulation; and other information the funding body may reasonably request to understand the institution's risk status.</p>	<p>Audit Committee receives an annual statement from the Deputy Vice-Chancellor confirming that the University has taken all due care to ensure that its data, and the systems in place to provide and keep them, meet required standards. Such assurance addresses the specific data items, the systems for their processing, collation and reporting, and the integrity of the final statutory returns.</p>
<p>3.9 Operational financial control will be exercised by officers of the institution under delegation from the governing body, and responsibility for financial management and advising on financial matters is generally delegated to the Director of Finance (or equivalent). That individual must have access to the head of the institution whenever he/she deems it appropriate.</p>	<p>It is stated in Council's Delegation of Powers document that the regulation of the University's Finances is delegated to the Executive Director of Finance, as set out in the University Financial Regulations, approved by Council.</p> <p>The Executive Director of Finance has direct access to the Vice-Chancellor.</p>
<p>3.10 The governing body must get assurance that there are effective arrangements in place for the management and quality assurance of data. To do so the governing body could seek assurance from the Audit Committee about data quality.</p>	<p>See 3.8 above.</p> <p>The Audit Committee annual report contains an opinion on the management and quality assurance of</p>

	<p>data submitted to HESA and to HEFCE and other funding bodies.</p> <p>The Vice-Chancellor signs Annual Assurance Return to HEFCE which confirms "that the data and annual accountability returns submitted to HEFCE conform to the requirements of the Financial Memorandum and published guidance. The data have been subject to effective oversight and management review. Quality assurance has been provided to the audit committee, which in turn has been able to provide assurance to the governing body and myself as accountable officer."</p>
<p>3.11 The Audit Committee needs to be a small, well-informed authoritative body which has the expertise and the time to examine risk management control and governance under delegation from the governing body. It cannot confine itself to financial matters, and its role extends to all areas of institutional activity. While responsibility for devising, developing and maintaining control systems lies with the Executive, internal audit provides independent assurance to the governing body which should have an approved annual audit plan (it can delegate to its Audit Committee the power to agree the plan on its behalf).</p>	<p>There are five members of Audit Committee, 3 of whom are members of Council. All are lay members.</p> <p>There are five meetings of Audit Committee each year. Each meeting lasts for approximately 3 hours.</p> <p>The Committee does not confine itself to financial matters and considers all areas of institutional activity.</p> <p>It states in Audit Committee's terms of reference that it should 'review the internal auditors' strategy and plan'. Audit Committee reviews the Internal Audit strategy and plan at its July meeting and receives an update on progress in relation to the plan at each meeting.</p>
<p>3.12 The Audit Committee must be composed of a majority of independent</p>	<p>See 3.11</p>

<p>members (who may also be drawn from outside the governing body) and produce an annual report for the governing body, including: its opinion on the adequacy and effectiveness of the institution's risk management, control and governance arrangements; processes for promoting value for money (VFM) through economy, efficiency and effectiveness; and (in institutions receiving funding body support) the management and quality assurance of data.</p>	<p>Audit Committee's annual report is submitted to the October meeting of Council and includes the required statements (see 1.1).</p>
<p>3.13 The proper remuneration of all staff, especially the Vice-Chancellor and his/her immediate team, is an important part of ensuring institutional sustainability and protecting the reputation of the institution. Accordingly governing bodies must establish a Remuneration Committee to consider and determine, as a minimum, the emoluments of the Vice-Chancellor and other senior staff as prescribed in constitutional documents or by the governing body.</p>	<p>Council has established a Remuneration Committee. It considers and determines the emoluments of the Vice-Chancellor and other members of Executive Board. It also receives reports on the pay trends of all staff concentrating on professorial staff with a particular focus on gender and comparisons with other HEIs.</p>
<p>3.14 The Remuneration Committee composition must include the Chair of the governing body, be composed of a majority of independent members (who, as with audit, may also be drawn from outside the governing body) and have appropriate experience available to it. The Vice-Chancellor or other senior staff may be members of, or attend, Remuneration Committee but must not be present for discussions that directly affect them.</p>	<p>There are six members of Remuneration Committee all of whom are lay members with the exception of the Vice-Chancellor.</p> <p>The Chair of Council is a member of Remuneration Committee. The Committee is chaired by the Vice-Chair of Council.</p> <p>The Vice-Chancellor does not attend when his own remuneration is being considered.</p>
<p>3.15 The Remuneration Committee must consider comparative information on the emoluments of employees within its remit when determining salaries, benefits and terms and conditions and ensure that all arrangements are unambiguous and diligently recorded. It must report on its decisions and operation at least annually to the governing body; such a report should not normally be withheld from any members of the governing body.</p>	<p>Remuneration Committee considers comparative information on the emoluments and benefits of senior employees (professorial and equivalent). Its meetings are minuted. It reports normally annually to Council on its deliberations and this report is made available to all members of Council (unless a specific item refers to a Council member who is also a University employee then he/she does not receive that part of the report).</p>
<p>3.16 Remuneration Committee members must consider the public interest and the</p>	<p>Remuneration Committee is aware of its public</p>

safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance to the staff within its remit.		interest responsibilities and has, for example, had legal advice on aspects of charity law.
In meeting these legal obligations the governing body should:	Options the governing body could consider:	
Be assured that the strategy is realistic, supported by, and aligned to other institutional strategies.	<p>Considering, approving and reviewing a number of sub-strategies. This will vary according to type of institution, but might, for example, include the widening participation strategy, financial and other resource strategies and internationalisation strategy.</p> <p>Looking to the head of the institution to provide reports and updates on those aspects of the strategic plan being implemented in the year in question, and the resulting actions and results (such a report might explicitly demonstrate how the different sub-strategies are aligned and support the delivery of the overarching strategy).</p> <p>Requiring an annual report including appropriate benchmarks to be produced and published.</p>	<p>The University's strategic plan is set out in Vision 2021 which was approved by Council in March 2009. The strategic plan incorporates the following sub-strategies:</p> <ul style="list-style-type: none"> • Finance Strategy • Learning, Teaching & Student Experience Strategy • Student Recruitment Strategy • HR Strategy (including Equality & Diversity) • Engagement Strategy • Internationalisation Strategy • PR Strategy • Research & Innovation Strategy • Estates Strategy • Environmental Sustainability Strategy • Digital Campus and IT Strategy <p>Council receives at least one a progress report on a sub-strategy of the University strategy at each meeting.</p> <p>Council receives an annual report on the institutional Key Performance Indicators which makes reference to appropriate benchmarks.</p>
Be clear how institutional performance is measured, and identify what institutional-level KPIs and other performance measures are to be	Taking advice from the head of institution and other relevant sources (such as the ASSUR (annual sustainability assurance report) guidance), while being clear that	<p>Institutional objectives are set out in the University strategic plan 'Vision 2021'.</p> <p>Progress against institutional-level KPIs is provided in</p>

<p>adopted within a risk-based framework and monitor these on a regular basis.</p>	<p>the adoption of agreed KPIs is a governing body responsibility.</p>	<p>an annual report to Council and in summary reports at each meeting.</p> <p>Council is asked to review and approve the University's approach to KPIs periodically.</p>
<p>Be confident that the needs and interests of all stakeholders are adequately reflected in the strategic plan.</p>	<p>Look for specific references to some or all indicators of student satisfaction, research quality, business engagement, student experience and supporting graduate employment.</p>	<p>References to student satisfaction, research success/excellence, business engagement, student experience and supporting graduate employment are all included in the University's strategic plan 'Vision 2021'. The University has strategies for dealing with all these areas of activity.</p>
<p>Have oversight of its approach to corporate and social responsibility.</p>	<p>Receive reports from an appropriate committee, or agree a policy and ask for monitoring reports on implementation.</p>	<p>Aspects of corporate and social responsibility are integral to the 'civic- university' concept articulated in the University strategic plan 'Vision 2021'</p> <p>A Socially Responsible Investment Policy has been adopted which was last reviewed and approved by Council in September 2012. A report is submitted to Council whenever the policy is invoked.</p>
<p>Have clear policies on a range of institutional-level processes that it deems significant.</p>	<p>Periodically reviewing policies, for example, on access, alumni and development, treasury management, investment management, debt management and grants and contracts.</p> <p>Requesting that these processes are properly examined by the institution's auditors.</p>	<p>The University has a comprehensive range of policies published on its staff home page. The management is responsible for maintaining such policies. Much of the work in testing them is carried out via Audit Committee. Reports in the last two years have included reviews of Charitable Donations, Widening Participation, External Stakeholders, Recruitment and Selection Processes, Authorisations, Transactional Compliance, Accommodation Code, Financial Assistance for Students, Drop-out Rates, Intellectual Property, Student Complaints, Teaching Quality and Standards, Destination of Leavers from Higher Education (DLHE).</p>

		The External Auditors test treasury management and debt management annually. Finance Committee reviews investment management performance at every meeting.
Have confidence in the arrangements for the provision of accurate and timely financial information, and in the financial systems used to generate such information.	Relying on assurances from its auditors.	<p>Council receives regular reports from Finance Committee and Audit Committee.</p> <p>The External Auditors provide a clear strategy and timescales for the external audit which is approved by Audit Committee at its April meeting.</p> <p>Audit Committee requests confirmation that reliance can be placed on the University's financial and IT systems as part of the external audit.</p> <p>Audit Committee received assurance from Internal Audit on financial processes and supporting IT.</p>
Understand the financial implications of their institution's pension arrangements and any potential deficits.	<p>Asking for a briefing from their Director of Finance.</p> <p>Commissioning an independent review by appropriate external firms.</p>	A pensions briefing was provided to Council by the Executive Director of Finance at its meeting on 27 October 2014. Regular updates on the performance of the University's pension schemes are provided in the reports to Council from Finance Committee. Actuarial reviews of the University's local pension scheme are undertaken and the results are reported to Council via Finance Committee.
Obtain assurance that potential deficits on pension funds are properly reported in the annual accounts.	Receiving assurance from its auditors.	This is reviewed as part of the external audit.
Ensure that the Audit Committee undertakes regular reviews of its effectiveness, including benchmarking	Delegating to its Audit Committee the power to agree the plan.	The most recent effectiveness review of Audit Committee was undertaken in 2012.

against good practice for audit committees in HE and more widely as appropriate.		The External Auditors advise on audit trends nationally.
Have an agreed annual audit plan.		The Internal Audit Strategy and Plan is agreed by Audit Committee on behalf of Council (at the July meeting of Audit Committee).
Approve financial regulations.		Council approves the Financial Regulations on an annual basis.
The annual corporate governance statement should describe the work of the Remuneration Committee.		The corporate governance statement includes a sentence on Remuneration Committee and the membership is listed.

Primary Element 4: The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments in order to maintain quality.	
Statement:	Comment:
4.1 A high-quality student experience and, where appropriate, research portfolio are determinants of institutional sustainability and are therefore core governing body responsibilities which it shares with the wider institutional community. This, taken with the governing body's responsibility for the long-term reputation of the institution, means that it must satisfy itself that academic governance is operating effectively.	Senate is the body responsible for the majority of the University's academic governance. There is an overlap in membership between Council and Senate and Council is informed of the views of Senate on areas of strategic importance.
4.2 The underlying principles of sound academic governance are based upon collegiality, and it follows that the governing body must therefore respect the role, as defined within charters, statutes or articles, of the Senate/Academic Board and other bodies involved in academic governance. However governing bodies will still wish to receive assurance that academic risks (such as those involving partnerships and collaboration, recruitment and retention, data provision, quality assurance and research integrity) are being effectively managed.	The roles of both Senate and Council and specified in the Statutes. Both receive the same reports on partnerships and collaborations, recruitment and retention, data provision, quality assurance and research integrity so that both bodies are provided with the same level of information in relation to the management of these areas.
4.3 The governing body must understand and respect the principle of academic freedom, the ability within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions, without placing	The principle of academic freedom is understood by the members of Council and is incorporated into the University's Statutes.

<p>themselves in jeopardy of losing their jobs or privileges, and its responsibility to maintain and protect it as enshrined in freedom of speech legislation.</p>		
<p>In meeting these legal obligations the governing body should:</p>	<p>Options the governing body could consider:</p>	<p>Comment:</p>
<p>Oversee an effective academic strategy that it has approved. This strategy need not be a separate document, but may be embedded in an overall institutional strategy or be articulated in separate teaching, research and other strategies.</p>	<p>Receiving reports from Academic Board/Senate and monitoring with relevant performance measures that are credible to the academic community.</p> <p>Examining the outcomes of academic governance effectiveness reviews and requesting that they be regularly conducted (nominally every four years).</p> <p>Adopting and reviewing an internationalisation strategy (if active internationally).</p>	<p>Council receives strategic progress reports and KPIs on the Learning, Teaching and Student Experience Strategy, the Research and Innovation Strategy and the Engagement Strategy which, together encompass virtually all areas of academic activity.</p> <p>The review of academic governance has been incorporated into the overall governance review of both Council and Senate.</p> <p>Council approved the University's Internationalisation strategy in May 2012 and it receives progress reports on an annual basis.</p>
<p>Have oversight of all major academic partnerships involving significant institutional-level risks.</p>	<p>Agreeing a scheme of delegation and a process of due diligence that defines major risk and allocates responsibility for decisions.</p> <p>Receiving annual reports from relevant committees on the current status of high-risk partnerships.</p>	<p>The Delegation of Authority Regulations set out the process and levels of approval required for the establishment of memoranda of understanding and other partnership agreements.</p> <p>Council receives regular reports from Executive Board on the progress of all major academic partnerships e.g. INTO, Xiamen, Singapore.</p>
<p>Actively encourage student engagement in academic governance.</p>	<p>Receiving regular reports from students' union or association officers and/or institution/student representation committees.</p> <p>Receiving assurance that honest, accurate</p>	<p>Council receives a report from the University/Students' Union Partnership Committee at each meeting on which the Students' Union President is invited to comment. The Students' Union annual report is also presented to Council and Senate.</p>

	and timely information is provided to students, stakeholders and the public about all aspects of academic provision.	More to be done here.
Seek assurance that student complaints are effectively addressed and that the welfare and wellbeing of students are secured.	Requiring that summary reports are produced and considered (at least annually) on student complaints and appeals, taking into account – where appropriate – the requirements of the Office of the Independent Adjudicator.	Arrangements have been made for Council to receive annual reports on student complaints and the first of these will be reported to Council at its meeting on 15 June 2015.

Primary Element 5: The governing body works with the Executive to be assured that effective control and due diligence takes place in relation to institutionally significant external activities.		
Statement:	Comment:	
5.1 As already noted, the governing body has a responsibility to ensure the long-term sustainability of the institution and maintaining its reputation. It will therefore want assurance on external activities with significant potential financial or reputational risks. Where such activities involve commercial transactions, care must be taken to ensure that arrangements conform to the requirements of charity law and regulation. This is particularly the case where institutions have established subsidiary entities, for example separate operating companies or charitable trusts.	A summary report of the University's strategic risks is presented at each meeting of Council and a full report is submitted on an annual basis. The University's annual Charitable status report takes into consideration the operation of the University's subsidiary companies and provides a confirmation that their arrangements conform to the requirements of charity law and regulation.	
5.2 The governing body will also want to ensure that fundraising, donations, corporate sponsored research and partnerships and similar activities do not inappropriately influence institutional independence, mission or academic integrity.	An 'Ethical Policy for the Acceptance of Gifts and Donations: Major Gifts' is in place but is due for review. An annual report is presented on our Charitable status that includes a report on the scale of corporate funded research.	
In meeting these legal obligations the	Options the governing body could	Comment:

governing body should:	consider:	
Get assurance on external activities with significant, institutional-level financial or reputational risks.	Agreeing a scheme of delegation to make clear the authorisation requirements for approving such arrangements, including the circumstance where governing body approval is required.	Delegation of authority regulations are available that provide guidance on the appropriate level of authorisation required for most areas of University activity. The Council Delegation of Powers of Authority document states the areas of activity delegated from Council and also make clear Council's areas of exclusive decision that cannot be delegated.
Get assurance that the board of any subsidiary entity possesses the attributes necessary to provide proper stewardship and control.	Appointing suitably qualified directors or trustees to its board. Requiring the entity's board to conduct its business in accordance with a recognised and appropriate code of governance.	University policy requires that the Executive Director of Finance approves the composition of the boards of any subsidiary companies and this is reported to Finance Committee and Council through the annual equity schedule. Finance Regulations require subsidiary companies to adopt financial regulations and policies that are consistent with those set for the University as a whole. In addition, the Treasurer reviews the statutory accounts of all our subsidiary entities. All subsidiary companies other than the pension scheme (which makes its own arrangements for audit) are audited by the University's external auditors and Internal Audit have unrestricted rights of access. Council approve the appointment of University nominated trustees of the Development Trust and the RBP.
Be clear about its responsibilities in relation to any other corporate governance arrangements and associated reporting.	Incorporating into its standing orders (or equivalent) its responsibilities regarding any group structures.	This needs to be addressed.
Retain unambiguous responsibility for approving and monitoring a clear institution-wide policy on development	Receiving an annual report on development and fund-raising activity.	Council receives annual reports from the Development Trust. Information on fundraising activity is included in the quarterly management information pack

<p>and fundraising which identifies the processes for the scrutiny of proposed donations.</p>		<p>submitted to Council as an appendix to the Finance Committee report.</p> <p>More could be done here, particularly in relation to the approval of institution-wide policy on development and fundraising.</p>
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<p>Primary Element 6: The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.</p>	
<p>Statement:</p>	<p>Comment:</p>
<p>6.1 HEIs are required by law to comply with extensive equality and diversity legislation, and governing bodies are legally responsible for ensuring the compliance of their institution. The legislation covers the individual rights of staff and students not to suffer discrimination on the grounds of a number of protected characteristics. Legislation in this area does not distinguish between domestic and international students and staff.</p>	<p>Council has approved the University’s Equality Strategy and Action Plan for 2013-2016 which sets out how the University plans to meet the duties placed on it by equality and diversity legislation and also how it intends to follow best practice.</p>
<p>6.2 Beyond this there is evidence that board diversity promotes more constructive and challenging dialogue, which in turn can improve governance outcomes by helping to avoid ‘groupthink’ and that as a result there is a strong business case for diversity alongside legal and moral expectation.</p>	<p>More work needs to be done to increase board diversity – this has been acknowledged by both Council and Nominations Committee.</p>
<p>6.3 The governing body must ensure that there are arrangements in place to:</p> <ul style="list-style-type: none"> • eliminate unlawful discrimination, harassment and victimisation; • advance equality of opportunity between people who do and do not share a protected characteristic; and • foster good relations between people who share and those who do not share a protected characteristic. 	<p>There is a Diversity Committee established to consider these issues and to ensure appropriate arrangements are in place. A Dean of Diversity will be appointed shortly.</p> <p>Diversity Committee makes recommendations to Council via Executive Board on the formulation and evaluation of the University’s policies, procedures, strategies and measures to achieve compliance with equal opportunities legislation.</p>
<p>6.4 This means going further than simply avoiding discrimination, and it requires the</p>	<p>Council approved the University’s Equality Strategy</p>

<p>active promotion of equality in a number of defined areas. The governing body must therefore satisfy itself that agreed action plans to implement the equality and diversity strategy are progressed throughout the institution.</p>	<p>and Action Plan for 2013-2016 at its meeting on 9 December 2013 and receives an annual monitoring report on progress.</p> <p>Council is provided with regular updates on submissions for Athena SWAN status and successful applications as part of the Vice-Chancellor's business paper.</p>	
<p>6.5 The governing body must also routinely reflect on its own composition and consider taking steps to ensure that it reflects societal norms and values.</p>	<p>This will be considered further by both Council and Nominations Committee.</p>	
<p>In meeting these legal obligations the governing body should:</p>	<p>Options the governing body could consider:</p>	<p>Comment:</p>
<p>At a minimum, receive an annual equality monitoring report detailing work done by the institution during the year, identifying the achievement of agreed objectives, and summarising data on equality and diversity that institutions are required to produce (e.g. on staff recruitment and promotion).</p>	<p>Discussing reports based on HESA data on staff and student profiles, the National Student Survey and material from the Equality Challenge Unit.</p>	<p>Council receives an Equality and Diversity Annual Report.</p> <p>Council also receives the University's Annual Monitoring Statement which is submitted to HEFCE. This statement contains a section on Equality and Diversity Monitoring and requires the University to submit its Equality and Diversity data and to highlight the challenges it faces and successes achieved when addressing various equality and diversity issues. The questions relate to staff and students and the governing body itself.</p>
<p>Demonstrate through its own actions and behaviour its commitment to equality and diversity in all aspects of its affairs, particularly by agreeing its policy on recruiting new members.</p>	<p>Requiring its committees to explain within their annual reports how decisions have taken account of the institution's equality and diversity policy.</p> <p>Setting itself targets in terms of its own membership.</p>	<p>More could be done here.</p> <p>Nominations Committee have agreed that there should be a discussion at a future meeting of Council regarding the strategy for identifying and recruiting new members of Council.</p>

	<p>Advertising vacancies locally and nationally, including in local ethnic- minority publications, and via social media.</p> <p>Using alumni, particularly as they may give access to a more diverse and younger pool of potential applicants.</p> <p>Drawing on search consultancies who can sometimes access a broader pool.</p> <p>Building a diverse pool for the future by providing training for potential governors, appointing them to sub-committees to gain experience, and providing other opportunities for their participation in board- related events.</p>	
<p>Approve, review and report on the institution's approach to equality and diversity and its agreed indicators that measure performance.</p>	<p>Ensuring that the human resource management strategy takes equality and diversity into account and is monitored.</p> <p>Approving and monitoring the delivery of a stand-alone equality and diversity strategy.</p> <p>Including in its annual report a description of its policy on diversity, including any measurable objectives that it has set, and outlining progress on implementation.</p> <p>Producing a separate equality and diversity</p>	<p>The HR strategy was approved by Council in 2010 and reviewed in 2012. The strategy includes KPIs that monitor performance towards equality and diversity benchmarks.</p> <p>Council receives an annual report on progress in relation to the HR strategy. There is also a separate Equality Strategy and Action Plan that has been approved by Council. Council receives separate reports on progress in relation to this on an annual basis.</p> <p>The University's annual report does not include an</p>

	report with a simple cross reference to the annual report.	explicit statement on its policy on diversity and this is something that will be addressed.
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Primary Element 7: The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.		
Statement:	Comment:	
7.1 The governing body must have a majority of external members, who are independent of the institution. All members should question intelligently, debate constructively, challenge rigorously, decide dispassionately and be sensitive to the views of others both inside and outside governing body meetings.	<p>There is a majority of lay members on Council. The current composition is 12 lay members, 7 academic members and 2 student members.</p> <p>On appointment all members are provided with the 'Role of Council Members' document that sets out the expectations in terms of their contribution at Council meetings.</p>	
7.2 The governing body must have the power to remove any of its members from office, and must do so if a member breaches the terms of his/her appointment.	It is stated in the Statutes that 'Any member of the council (other than a member of the academic staff to whom statute 52 applies) may be removed from membership of the council for good cause by the council.'	
7.3 The governing body must establish a Nominations Committee (or similar) to advise it on the appointment of new members and the terms of existing members as well as the perceived skills balance required on the governing body. Normally final decisions on appointment are taken by the governing body.	A Nominations Committee is established that considers the skills balance required on the governing body. Nominations Committee makes recommendations to Council regarding the appointment of new members on Council. Approval of the appointment of new members must be made by Council.	
7.4 The governing body will need to ensure suitable arrangements exist for the continuation of business in the absence of the Chair. In some cases arrangements for a Deputy Chair are codified within institutions' governing instruments; where they are not, the Nominations Committee can advise the governing body on what arrangements should be.	The statutes make provision for the appointment of one or more Vice-Chairs of Council who can act on behalf of the Chair in his/her absence.	

<p>7.5 The Chair and Secretary will want to ensure all members receive an appropriate induction to their role and the institution as necessary.</p>	<p>A full programme of briefing sessions is made available to all members of Council and a number of specific induction sessions are arranged for new members with the Chair of Council, the Vice-Chancellor and the Registrar.</p>
<p>7.6 There is an expectation, often enshrined within the constitutional documents of HEIs, that governing bodies will contain staff and student members and encourage their full and active participation.</p>	<p>The Statutes provide for:</p> <ul style="list-style-type: none"> • three members appointed by and from the Senate (2 professorial, 1 non-professorial); • two members elected by and from the academic staff of the University (1 professorial and 1 non-professorial) • 2 student members determined by the Students' Union <p>The staff and student members are encouraged to participate fully in all discussions and are not excluded from any part of the agenda.</p>
<p>7.7 Current normal practice is not to remunerate external members and to pay only travelling and other incidental expenses. However, if the governing body decides it is appropriate to remunerate, it will need to consider the:</p> <ul style="list-style-type: none"> • provisions of charity and employment law; • implications for the division of responsibilities between the governing body and the executive; • public service ethos which applies generally among HE governors; • need to be explicit about time commitments; • need to apply a formal process of appraisal to the remunerated governor. <p>Where it is decided to remunerate, payments would need to be both commensurate with the duties carried out and reported in the audited financial statements.</p>	<p>The University does not currently remunerate lay members of Council (but pays travel expenses if requested).</p>
<p>7.8 The Secretary (or Clerk) is responsible to the governing body for the provision of operational and legal advice in relation to compliance with governing instruments, including standing orders. He/she is also responsible for ensuring information</p>	<p>The Registrar acts as Secretary to Council.</p>

<p>provided to the governing body is timely, appropriate and enables an informed discussion so that it may effectively discharge its responsibilities.</p>		
<p>7.9 All members of the governing body must have access to the services of the Clerk. Arrangements for the appointment or removal of the Secretary/Clerk may be defined by governing instruments; where they are not, it must be a decision for the governing body as a whole.</p>	<p>The arrangements for the appointment of the Registrar are included in the University's Statutes.</p> <p>The Registrar is appointed by Council.</p>	
<p>7.10 Governing bodies need to adopt an approach of continuous improvement to governance, in order to enhance their own effectiveness and provide an example to institutions about the importance of review and evaluation.</p>	<p>This is undertaken by the Governance Reviews and responses to the annual effectiveness questionnaires.</p>	
<p>7.11 Accordingly, governing bodies must conduct a regular, full and robust review of their effectiveness and that of their committees, the starting point for which should be an assessment against this Code and the statutory responsibilities alongside those which it has assumed and articulated independently (e.g. through a statement of primary responsibilities). Many governing bodies find an external perspective in this process useful, whether provided by specialist consultants or peer support from other governing bodies.</p>	<p>The review of the effectiveness of the University's governing bodies is underway.</p> <p>The current review group includes two members who are external to the University.</p>	
<p>7.12 Codes of governance in other sectors adopt a period of two or three years. Recognising the need to balance the cyclical nature of HE and the impact this can have on the implementation and embedding of new practices, and the swiftly evolving HE and broader legislative environment, reviews must be conducted at least every four years with, as a minimum, an annual summary of progress towards achieving any outstanding actions arising from the last effectiveness reviews.</p>	<p>The previous review was conducted in 2010. In future, reviews will be conducted every four years.</p> <p>One outcome from the current review will be to require a summary of progress towards achieving any outstanding actions arising from the last effectiveness review to be provided each year.</p>	
<p>In meeting these legal obligations the governing body should:</p>	<p>Options the governing body could consider:</p>	<p>Comment:</p>
<p>Ensure that the governing body has sufficient skills, knowledge and independence, including through the appointment of an independent Chair, to enable it to discharge its responsibilities.</p>	<p>Establishing a size within the range of 12-25 members, although there is no optimal governing body size, and total membership should depend on numerous factors including the nature and history of the HEI, the range of skills and experience required</p>	<p>There are currently 21 members of Council. The statutes allow for membership to range from a minimum of 21 to a maximum of 25.</p> <p>The Chair of Council is a lay member.</p>

	and the number of internal members deemed necessary.	
Be of sufficient size that its responsibilities can be undertaken effectively and speedily, without being so large that it becomes neither unwieldy nor too small.	<p>Including written role descriptions and an analysis of the skills, experience and attributes required for membership.</p> <p>Widely advertising vacancies in order to increase the pool of talent available.</p> <p>Communicating and funding development opportunities within their networks.</p> <p>Appointing external members with direct senior experience of HE could also be considered to provide such understanding.</p>	<p>Role descriptions are available for Council members, the Chair, Vice-Chair and Honorary Treasurer.</p> <p>An analysis of the skills required is undertaken by Nominations Committee although it is acknowledged that that information provided to enable Nominations Committee to do this needs to be improved. This will be addressed.</p> <p>External advertisements have been placed in the past but have had not produced candidates of the appropriate calibre for Council membership. Nominations Committee considers the value of such activity to be limited and prefers the adoption of a ‘funnel’ approach whereby individuals are invited to become involved in advisory boards or sub-committees and establish a link with the University before being considered for membership of Council.</p>
Issue an annual corporate governance statement describing the work of the key committees.	Including the governing body’s recruitment policy and practices, and a description of its policy on equality and diversity and any measurable objectives that it has set together with progress in their implementation within the corporate governance statement.	<p>A corporate governance statement is included in the University’s annual report.</p> <p>The corporate governance statement does not currently include details of its recruitment policy and practices or its policy on equality and diversity.</p>
Annually reflect on the performance of the institution as a whole in meeting strategic objectives and associated measures of performance, and	Reflecting on the extent to which it and its committees have met their terms of reference and – where they exist – their annual work plans.	Members of Council are asked to complete an annual effectiveness questionnaire in which they are asked to reflect on the University’s performance. A report of the results of the questionnaire is prepared and

<p>the contribution of the governing body to that success.</p>	<p>Benchmarking its performance and processes against other comparable HEIs, and relevant institutions outside the HE sector.</p> <p>Annual review meetings of members with the Secretary compiling a report on the feedback provided.</p> <p>Asking the Clerk to do an annual self-assessment (which could simply be an update from previous year) to assure the governing body that it properly and appropriately adheres to the principles of the Code.</p> <p>Taking account of the views of the Executive, and relevant bodies such as the Senate/Academic Board, and staff and student communities.</p>	<p>considered by Audit Committee and Council.</p> <p>Benchmarking of governing body performance is not currently undertaken.</p> <p>Individual review meetings do not currently take place.</p> <p>The Registrar does not currently undertake a self-assessment of adherence against the Code but an update of this document could be prepared each year.</p> <p>The views Senate and Executive Board on the performance of Council will be considered as part of the current governance review. Arrangements could be made for this to become an annual exercise.</p>
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John Hogan, Registrar, and Lizzie Taylor, Executive Officer (Governance)

12/5/15