

## Annex J Corporate Governance: Model Statement for Inclusion in Annual Reports

### For Pre-1992 Universities

J.1 The following statement is provided to enable readers of the Annual Report and Accounts of the University to obtain a better understanding of the governance and legal structure of the University.

J.2 The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to universities which has been provided by the Committee of University Chairmen in its *Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland*.

J.3 The University is an independent corporation, whose legal status derives from a Royal charter originally granted in ..... Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, the latest version of which was approved by the Privy Council in .....

J.4 The Charter and Statutes require the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

- **The Council** is the executive governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution.

It has a majority of members from outside the University (described as lay members), from whom its Chairman and, where the post exists, its Deputy Chairman must be drawn. Also included in its members are representatives of the staff of the University and the student body. None of the lay members receive any payment, apart from the reimbursement of expenses, for the work which they do for the University.

- **The Senate** is the academic authority of the University and draws its membership entirely from the academic staff and the students of the institution. Its role is to direct and regulate the teaching and research work of the University.
- **The Court** is a large, mainly formal body (somewhat akin to the shareholders' meeting of a large public company). It offers a means whereby the wider interests served by the University can be associated with the institution, and provides a public forum where members of court can raise any matters about the University. The Court normally meets once a year to receive the annual report and accounts of the University. In addition, major changes to the constitution of the University may require the approval of the Court before they can be submitted to the Privy Council.

A majority of the members of the Court will be from outside the University, representing the local community and other designated bodies with an interest in the

work of the University, but the membership also includes representatives of the staff of the University (both academic and non-academic) and the student body.

J.5 The principal academic and administrative officer of the University is the Vice-Chancellor who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council, the Vice-Chancellor is the designated officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

J.6 Although the Council meets at least ..... times each academic year, much of its detailed work is initially handled by committees, in particular the Finance Committee, the Employment Committee, the Nominations Committee, the Remuneration Committee and the Audit Committee. The decisions of these committees are formally reported to the Council.

J.7 These committees, and in some cases others, are formally constituted as committees of the Council with written terms of reference and specified membership, including a significant proportion of lay members (from whom the Chairman will be selected).

J.8 As Chief Executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Pro-Vice-Chancellors and the senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Vice-Chancellor.

J.9 The University maintains a Register of Interests of Members of the Council [and Senior Officers] which may be consulted by arrangement with .....

J.10 The Statutes of the University specify that the Registrar should act as Secretary of the Council. Any enquiries about the constitution and governance of the University should be addressed to the Registrar.

## For Post-1992 Universities and Colleges

J.11 The following statement is provided to enable readers of the Annual Report and Accounts of the institution to obtain a better understanding of the governance and legal structure of the Institution.

J.12 The Institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education which has been provided by the Committee of University Chairmen in its *Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland*.

J.13 The Institution is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Articles of Government which were approved by ..... in ..... The current version of the Articles was approved by the Privy Council in .....

J.14 The Articles require the Institution to have a Board of Governors and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

- **The Board** is the executive governing body, responsible for the finance, property and staffing of the Institution. It is specifically required to determine the educational character and mission of the Institution and to set its general strategic direction.

The Board has a majority of independent members, chosen in line with strict criteria contained in the legislation. It is customary for the Chairman of the Board to be elected from the independent members. There is also provision for the appointment of co-opted members, some of whom may be members of the staff of the Institution, and for the appointment of representatives of the academic staff and of the student body. No members of the Board will receive any reimbursement for the work they do for the Board.

- Subject to the overall responsibility of the Board of Governors, the **Academic Board** has oversight of the academic affairs of the Institution and draws its membership entirely from the staff and the students of the Institution. It is particularly concerned with general issues relating to the teaching and research work of the Institution.

J.15 The Chief Executive Officer is the head of the Institution who has a general responsibility to the Board of Governors for the organisation, direction and management of the Institution. Under the terms of the formal Financial Memorandum between the Institution and the Higher Education Funding Council, the head of the Institution is the designated officer and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

J.16 Although the Board of Governors meets at least ..... times each academic year, much of its detailed work is initially handled by committees, in particular the Finance Committee, the Employment Committee, the Nominations Committee, the Remuneration Committee and the Audit Committee. The decisions of these committees are formally reported to the Board.

J.17 A significant proportion of the membership of these committees consists of independent and co-opted members of the Board, other than co-opted student and staff members, who are not eligible to serve on these committees, except for the Nominations Committee. The Chairman may well be selected from the co-opted and independent members serving on the committees.

J.18 As Chief Executive, the head of the Institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The deputies to the head of the Institution (sometimes designated as Pro-Vice-Chancellors) and the senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the head of the Institution.

J.19 The Institution maintains a Register of Interests of Members of the Board [and Senior Officers] which may be consulted by arrangement with .....

J.20 In accordance with the Articles of Government of the Institution, ..... the ..... of the Institution has been appointed as Clerk to the Board, and in that capacity, provides independent advice on matters of governance to all Board members.