Queen Mary
UNIVERSITY of London

Higher Education Code of Governance

Outcome requested:	Council is asked to **formally adopt** the Committee of University Chairs (CUC) Higher Education Code of Governance and **consider** the recommendations that will form an action plan to enable full compliance with the obligations of Code.
Executive Summary:	All universities are expected to demonstrate how the expectations of the Code are applied (or otherwise) and confirm this within the framework of publically available reporting on corporate governance. The Council Secretariat has mapped QMUL practices against the Code in order to evidence QMUL's adherence to the principles of the Code. It is intended that the report and recommendations will enable Council to formally adopt the Code in conjunction with monitoring progress against the action plan.
	Full compliance can be demonstrated in the large majority of areas, with recommendations made in the following areas:
	[a] Providing assurance that due diligence processes are rigorous and appropriate;
	[b] Oversight of QMUL's approach to corporate and social responsibility;
	[c] Academic governance and assurance;
	[d] Subsidiary entities;
	[e] Equality and diversity;
	[f] Monitoring effectiveness;
	[g] Reporting on corporate governance arrangements.
	The full mapping document is included in the additional background reading for members.
QMUL Strategy:	Effective governance supports the achievement of all strategic aims.
Internal/External regulatory/statutory reference points:	CUC Higher Education Code of Governance QMUL Charter and Ordinances
Strategic Risks:	13 – Maintain effective and constructive governance. 24. Failure to ensure effectiveness of Council and its Committees.
Equality Impact Assessment:	The report makes recommendations regarding QMUL's approach to the monitoring of equality and diversity data. Any changes to Council member recruitment arrangements will require an equality impact assessment.

Subject to prior and onward consideration by:	QMSE 06 October 2015 Governance Committee 14 October 2015
Confidential paper under FOIA/DPA	No
Timing:	Compliance with the Code will be monitored on an annual basis.
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Date:	25 September 2015
Senior Management/External Sponsor	Jonathan Morgan, Academic Registrar and Council Secretary

Higher Education Code of Governance

Compliance with the Code

1. The Committee of University Chairs (CUC) published the revised Higher Education Code of Governance in December 2014. HEIs are expected to demonstrate how the expectations of the Code are applied (or otherwise) and confirm this within the framework of publically available reporting on corporate governance.

2. An external review of Council's effectiveness was undertaken in autumn 2014, with reference to the expectations of the Code. The review concluded that QMUL has a comprehensive framework and structure of governance which conforms to sector best practice, and the standard of governance is good, albeit with scope to increase Council's strategic engagement.

3. The Council Secretariat has mapped QMUL practices against the Code in order to evidence QMUL's adherence to the principles of the Code, which can be demonstrated in the majority of areas, with some additional work required to ensure full compliance. The full report is provided as Annexe A.

Due diligence (element 1)

4. Council is responsible for ensuring that all legal and regulatory requirements are duly considered when entering into significant partnerships or collaborations, and making decisions that might have significant reputational or financial implications. It is suggested that Audit and Risk Committee should receive a report on QMUL's due diligence processes to provide assurance that they are rigorous and appropriate.

Corporate and social responsibility (element 3)

5. As part of Council's responsibility for the mission, character and reputation of the institution, Council should have oversight of QMUL's approach to corporate and social responsibility, which is already embedded within all QMUL activity. A report on these strands of activity should be included within existing reports to Council, such as the President and Principal's report and the annual stocktake.

Academic governance and assurance (element 4)

6. Council receives assurance that academic governance is effective by working with Senate in order to maintain quality. During 2015–16, following the recommendations made as part of the Council effectiveness review, Council will receive reports on academic assurance; student complaints and appeals, including the outcome of those referred to the Office of the Independent Adjudicator; and student satisfaction surveys. Council will also receive a briefing on its responsibilities in relation to academic governance.

7. Senate's reports to Council will be improved through the provision of additional information in respect of the following:

    [a] the work of the Ethics of Research Committee, to provide assurance that members of the QMUL community conduct themselves in line with the highest standards of ethical behaviour at all times;

    [b] the status of high-risk partnerships, to provide assurance that academic risks (e.g. those involving partnerships and collaboration) are effectively managed.

Subsidiary entities (element 5)

8. Finance and Investment Committee is responsible for approving the creation of new subsidiary companies. During 2015–16, Finance and Investment Committee will receive the mid-year accounts and financial statements of all subsidiary companies.

9. The appointment of suitably qualified directors or trustees to the board of any subsidiary entity and the specification of the attributes necessary to provide proper stewardship and control is the responsibility of QMSE and should be detailed in the Scheme of Delegation.

10. The practice of issuing Shareholder Agreements, which set out QMUL's expectations of the subsidiary and what QMUL will provide, should be formalised. In particular this should cover the level of investment and cash flow assistance required.

Equality and diversity (element 6)

11. Council is expected to promote equality and diversity throughout the institution and monitor compliance on an annual basis. Council does not currently receive an annual equality and diversity monitoring report; it is therefore proposed that Council should receive and monitor equality and diversity data through the following reports:

    [a] staff data should be monitored through the HR staffing report received biannually and should include a summary of disciplinary cases according to gender and ethnicity;

    [b] student data should be monitored through the VP SETL report to Council, the report on student surveys, and the student appeals and complaints report;

    [c] progress against equality and diversity objectives and their overall impact should be monitored through the annual stocktake.

12. In relation to Council's own composition, members may wish to consider whether equality and diversity targets should be set in relation to Council membership.

Monitoring effectiveness (element 7)

13. Council is expected to ensure that governance structures and processes are fit for purpose by undertaking regular review and reflection. Governance Committee should be asked to agree an approach to monitoring the contribution of members, including co-opted members.

14. An annual effectiveness survey should be introduced to enable Governance Committee to monitor the effective operation of the sub-committees (in place of the existing reviews undertaken by each of the committees).

15. Where behaviour does not meet the high standards expected, there should be provision for the removal of members within the Ordinances.

Reporting on corporate governance arrangements

16. QMUL should improve its framework for reporting on corporate governance by describing in more detail in the annual corporate governance statement:

    [a] the work of the Remuneration Committee;

    [b] any measurable objectives set in the area of equality and diversity and progress with their implementation;

[c] Council's recruitment policy and practices; its policy on equality and diversity, any measurable objectives and progress in their implementation.

Areas requiring further consideration

17. Council is expected to rigorously assess all aspects of the QMUL's sustainability, not just for the financial sustainability of the institution but also for its impact on the environment. Council receives regular reports on progress against the Carbon Management and Implementation Plan via the Finance and Investment Committee. However, members may wish to consider whether further information on environmental impact could usefully be provided in order to meet this expectation.

Outcome requested

Council is asked to **formally adopt** the CUC Higher Education Code of Governance and **consider** the recommendations that will form an action plan to enable full compliance with the obligations of Code.