



REVIEW OF COURT EFFECTIVENESS: REPORT OF THE WORKING GROUP

May 2017

Introduction

1. This paper provides Court with a report from the working group set up to oversee the above review.
2. The Scottish Code of Good HE Governance requires the governing body to undertake an externally-facilitated evaluation of its effectiveness normally not less than every five years as well as keeping its effectiveness under annual review. The last externally-facilitated review Court took place in 2011/2012, meaning that this review was scheduled to take place in the current session. In June 2015, Court approved an indicative process for the periodic externally-facilitated review.
3. Court noted that the Code of Good HE Governance for Scotland was being reviewed during the current session and the outcomes not likely to be known until March/April 2017. In addition, an internal audit was undertaken in 2015/16 on compliance with the Scottish Code and with the SFC Financial Memorandum; and for the last two years, we have undertaken an annual review and report on effectiveness of Court. Court agreed therefore that there should be a 'light touch' effectiveness review; combining a self-assessment questionnaire for all Court members with externally-facilitated group discussions on key topics arising.

The specific aim of the review was: -

To evaluate the effectiveness of Court and its Committees in the context of the Court Statement of Primary Responsibilities, the Scottish Code of Good HE Practice and the HE Governance Act 2016.

4. The remit and membership of the working group is included in the attached appendix. The group met on three occasions – twice in March 2017 and once in May 2017. Court received an update on progress with the review at its meeting on 22 April 2017.
5. The key elements involved in the review were:
 - (a) A survey: this was circulated on 10 March 2017 to all members of Court and members of the University's senior management group. 89% of those invited to respond did so and of the 4 who did not respond, only 1 was a lay member of Court. [A summary of the survey results is appended to this report as Appendix 2.]
 - (b) Focus groups: five such focus groups were facilitated by the external facilitator.

- (c) Review, by the External Facilitator, of the implementation of the recommendations of the last externally-facilitated review and of the two annual reviews available and of the internal audit of compliance with the SFC Financial Memorandum and the Scottish Code of Good HE Governance.
 - (d) Review, by the External Facilitator, of a single item of business (refurbishment of the science laboratories) through the Court committee structure.
 - (e) Consideration of, and discussion about, the results of the survey and other findings of the external facilitator by the working group.
6. The External Facilitator's report is attached to this report as Appendix 1 along with a summary of the survey results (Appendix 2).

Key observations

7. The survey and additional work provided a rich sense of the way in which Court operates and the views of those involved. The key observations of the External Facilitator, supported by the working group, are summarised below and can be found in more detail within Appendix 1.
- I. There is a high level of satisfaction amongst both Court members and senior staff that governance arrangements at the University are fit for purpose. *[Note: The working group tested this finding with the External Facilitator to ensure that this was not simply complacency or lack of self-awareness. The External Facilitator commented that from his experience this high level of satisfaction was not typical, but was realistic in his view.]*
 - II. Where issues for improvement are identified, there is widespread agreement about the need for such improvement.
 - III. Court operates in a manner that is demonstrably self-aware and reflective.
 - IV. The quality of the chair is held to be a vital factor in the positive regard for Court and its committees.
 - V. The relationship between governance and management and therefore between senior executive officers and governors was deemed by Court members to be largely appropriate.
 - VI. The Principal and the Chair of Court each reported separately a strong and constructive relationship, with the boundary between governance and management being observed appropriately.
 - VII. The Scheme of Delegation is an important guide to what business can be carried out on Court's behalf and should be more widely promulgated and understood.
 - VIII. The University has taken active steps to facilitate understanding of the reciprocal roles of Court and Senate, but there is a desire for this process to be intensified and for Court to take further interest in the priorities of the academy.
 - IX. Staff and student governors have a clear understanding of their role as trustees and were aware of the challenge involved in separating this role from others.
 - X. Opinions on Court's involvement in the strategic direction of the University varied – relating to whether the individual had 'lived through' the development of the current Strategic Plan or not.

- XI. Work is ongoing to clarify the distinction between the roles of the Audit Committee and the Finance & Corporate Performance Committee and it was suggested that Audit Committee could become more involved in assessing business risks.

Recommendations

8. Arising largely from the key observations and some of the more detailed discussions underpinning it, the working group has accepted the following recommendations from the External Facilitator, and invites the Governance & Nominations Committee and then Court to accept them, subject to them being re-stated as a set of SMART objectives with an associated action plan by October 2017.
- a) The Court should continue to develop and disseminate a clear understanding of the roles, remits and skills required of its members, paying particular attention to the induction and ongoing support of members.
 - b) The Court should provide greater focus on the Scheme of Delegation as part of its induction process and regularly revisit it.
 - c) The Court should discuss and distil the valued attributes of effective committee chairing so that these can be widely shared across its committees.
 - d) The Court should seek ways to further members' understanding of Senate business and the impact of academic imperatives on wider corporate priorities.
 - e) The Court should seek ways to intensify interaction with the wider University, through its programme of internal visits (that might benefit from being seen to be less optional) and through exercises such as the poster presentations and discussions at the annual retreat. Committees could also find ways to interact more widely.
 - f) The Court should seek ways to ensure that the University's strategy and progress towards its aims are explicitly and widely understood by its members.
 - g) The Court should clarify the *modus operandi* and relationship between the Audit and Finance & Corporate Performance committees such that they perform demonstrably separate but complementary roles.
 - h) The Court should consider renaming the Audit Committee to "Audit and Risk Committee".

Quick wins

9. In addition to the formal areas above, the working group identified some 'quick wins' from the comments provided in response to the survey by individuals. These are items that we feel can be implemented fairly easily and are not controversial. These are:

- Improving awareness of initial and ongoing induction opportunities for Court members (perhaps through production of a flier highlighting the support available internally and externally, for example).
- Circulating the unapproved minutes of Court and Court committee meetings as soon as they are signed-off by the chair, rather than waiting until the next meeting.
- Providing all members of Court with an opportunity to provide comments for the annual review of the effectiveness of Court that can be included in the review report.
- Seeking, *wherever possible*, to expand the use of benchmarks when reporting to Court.
- Seeking, *wherever possible*, to hold Court and Court committee meetings in core working hours (10am – 12 noon and 2pm – 4pm) thus helping promote participation for individuals with family commitments.

Conclusion

10. The Governance & Nominations Committee working group concluded that the Court of the University is effective and overall meets its Statement of Primary Responsibilities and complies with the Scottish Code of Good HE Practice and the HE Governance Act 2016 (where applicable). The Committee is invited to accept this report and recommend to Court that the findings and recommendations for further enhancement be accepted.

Governance & Nominations Committee Working Group

May 2017

APPENDIX 1



Review of Court Effectiveness 2017

Introduction

This paper sets out the process and findings of an external review of the effectiveness of the University Court at Abertay.

The review is being overseen by a working group of the Governance and Nominations Committee, chaired by a lay member: Shirley Scott. It has two external members: Jim McGeorge, University Secretary at the University of Dundee, and Alastair Work, an independent consultant.

The working group members are:

- Chair of Governance & Nominations Committee (as Chair) – *Shirley Scott*
- One lay member of Court – *Murray Shaw*
- One staff member of Court – *Andrea Cameron*
- University Secretary – *Sheena Stewart*
- One external University Secretary – *Dr Jim McGeorge (University of Dundee)*
- External facilitator – *Alastair Work*
- Clerk to Court & Corporate Governance Manager (as Secretary) – *Dr Alison Ramsay*

The Effectiveness Review Process

The Governance and Nominations Committee set up a working group to undertake the review and present its findings.

The working group co-opted one external member with relevant sector experience and commissioned a tendering process for the external facilitation of the process.

The contract was awarded to Workhouse8, the consultancy of Mr Alastair Work, a consultant to Higher Education institutions across the UK and, himself, a former Vice-Principal and University Secretary.

The external consultant first reviewed the recommendations of the 2012 external review, subsequent internal annual reviews and an audit report on governance and found all recommendations arising to have been implemented.

The working group considered the scope of the review and agreed that it should include all

members of Court and its committees and members of the Senior Management Group (on the grounds that the quality of their relationship with Court is an important indicator of good governance).

The external consultant drafted and proposed a questionnaire to be issued to all of the above parties. The questionnaire was discussed, amended and approved by the working group. It included both rating scales and free text comments for all questions.

The convener of the working group invited all consultees to respond to the online questionnaire, their response-rate was monitored and late respondents were reminded to participate.

32 of the 36 consultees provided a response. Of the non-respondents, one was a lay Court member and one a member of senior management. The collated results are presented in appendix 1.

The Court Effectiveness Steering group and the external consultant identified common themes arising from the questionnaire responses that might merit further enquiry in focus group discussions. The themes are outlined below.

Several focus groups were also offered to allow individuals to follow up on themes arising from the questionnaire responses. The groups were: staff & students, FCPC members, Principal and Vice-Principal (University Services) and two mixed groups of Court members.

The external consultant was invited to attend various committee meetings (Governance & Nominations and Chair's Committee) to observe the Court in action. This also included attending the Court's annual conference and the associated April Court meeting.

The external consultant also traced a single piece of business (the refurbishment of laboratory space in the Kydd building) through the Court's committee papers in order to observe how arguments were prepared, discussed and approved at the various levels of governance up to and including the Court itself.

Issues arising from the consultation:

The survey instrument scores responses from 1-5, 1 being the most positive response. In only one case (relationships with other stakeholders) was the average score outside the range 1-1.9, indicating a very strong endorsement of the Court's effectiveness against the measures of the survey.

The comments sections revealed some issues worth further discussion in focus groups; these being:

- The boundary between governance and management
- Induction
- Relationships with Senate

- Relationships with other stakeholders (especially staff and students)
- Staff governors (including university officers)
- Strategy development

These matters were raised in focus groups with various lay, staff and student governors. Other individual responses of a practical nature were noted by the Steering Group and passed for action to the Secretariat.

Observations

There is a high level of satisfaction among both Court members and senior staff that the governance arrangements at the University are fit for purpose.

Where there are issues identified for improvement, there is widespread agreement about the need for such improvement and the underlying challenges associated.

The recommendations from the 2012 review and lessons learned from the experiences that preceded that review have been learned and consolidated into current practice.

The Court operates in a manner that is demonstrably self-aware. During the meetings observed, there were clear instances of reflective practice with members being prepared to discuss and to question not just the substance of an issue but the manner in which the Court dealt with it.

The quality of the chair is held to be a vital factor in the positive regard for Court and its committees. Some of this is attributed to the capabilities of, and example set by, those individuals holding the role. However, the induction, training, guidance and support provided to committee chairs were also deemed to be valuable.

The relationship between governance and management and therefore between senior executive officers and governors, although understood to be a necessarily fuzzy boundary, was deemed by Court members to be largely appropriate. Furthermore, Court members demonstrated self-awareness of the risk of encroachment either way and the Court demonstrated active consideration for its responsibilities with regard to, for example, academic issues.

The Principal and the Chair of Court each reported separately a strong and constructive relationship between them and that the boundary between governance and management was appropriately observed.

The Scheme of Delegation was held to be an important guide to what business can be carried out on Court's behalf and a wish was expressed, particularly by student and staff governors, for the Scheme to be more widely disseminated and discussed. The Steering Group noted that, whilst the Scheme currently covers delegation by Court to its committees, consideration might be given to extending it to cover matters that are agreed to be the proper concern of the Executive.

The University has taken active steps to facilitate understanding of the reciprocal roles of Court and Senate, for example by encouraging members of each body to attend and observe the other. The Court has also undertaken a programme of visits to various parts of the University to allow members better to understand the academic business of the institution. Nevertheless, some of the feedback from the review consultation indicated a desire for this process to be intensified and for the Court to take further interest in the priorities of the academy. Universities are unusual in having a clear separation in governance between corporate business (estates, finance, people management, compliance and regulation) and academic business (research and teaching standards, curriculum, subject portfolio, student progression, attainment and employability). The Principal, as chair of Senate, and senior officers with responsibility for academic affairs carry responsibility for academic governance and report their strategic intent to Court, particularly where there are resource implications. At the Court retreat, these issues were aired and debated in an open and innovative manner. At the Court meeting observed, it was proposed to further Court's understanding of academic matters since they are core to the University's strategic intent.

Staff (and student) governors face a number of potential challenges arising from having roles within the University's management hierarchy, a perceived representative function as the voice of their constituents and the status of independently accountable trustees of the institution. Those interviewed expressed a clear understanding of their roles as trustees but were aware of the challenge involved in separating this role from the others. Other Court members reported that the boundaries between such roles were normally observed appropriately.

Opinions on the Court's involvement in the strategic direction of the university varied. Those who had lived through the most recent iteration of the University's strategic plan were more confident of their role in the strategy than those more recently appointed. The Court retreat provided an opportunity for members to hear presentations on the external factors impinging on the University's strategic intent and to discuss their implications.

Work is ongoing to clarify the distinction between Audit and FCPC roles in scrutinizing the University's business plans. It was proposed to the review that the former should focus more on risk and should challenge business plans accordingly; the latter should focus on the prioritisation of resources and associated recommendations. It was also suggested that the link between the two committees' responsibilities should be clarified and formalised.

Recommendations

1. The Court should continue to develop and disseminate a clear understanding of the roles, remits and skills required of its members, paying particular attention to the induction and ongoing support of members.
2. The Court should provide greater focus on the scheme of delegation as part of its induction process and remind Court members of it at the start of each cycle.

3. The Court should discuss and distil the valued attributes of effective committee chairing so that these can be widely shared across its committees.
4. The Court should seek ways to further members' understanding of Senate business and the impact of academic imperatives on wider corporate priorities.
5. The Court should seek ways to intensify interaction with the wider University, through its programme of internal visits (that might benefit from being seen to be less optional) and through exercises such as the poster presentations and discussions at the annual retreat.
6. The Court should seek ways to ensure that the University's strategy and progress towards its aims are explicitly and widely understood by its members.
7. The Court should clarify the *modus operandi* and relationship between Audit and FCPC committees such that they perform demonstrably separate but complementary roles.
8. The Court should consider renaming the Audit Committee to "Audit and Risk Committee"

[Original appendices including detailed spreadsheet of survey responses and profile of Court withdraw from this version of the report for the purposes of brevity]

Report prepared by

Alastair Work

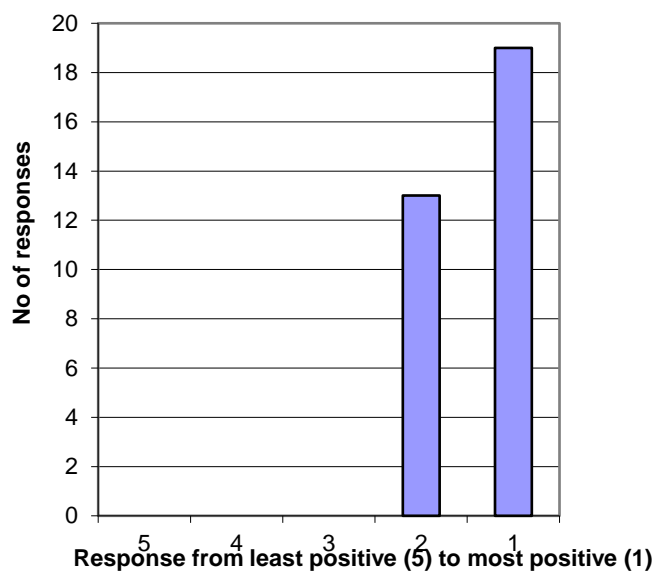
Workhouse8 OD

8 May 2017 revised 23 May 2017

Survey Summary

Questions 1 and 2 are not included here as they asked for information about the respondent, what committee(s) they were members of and in what capacity. Comments not provided.

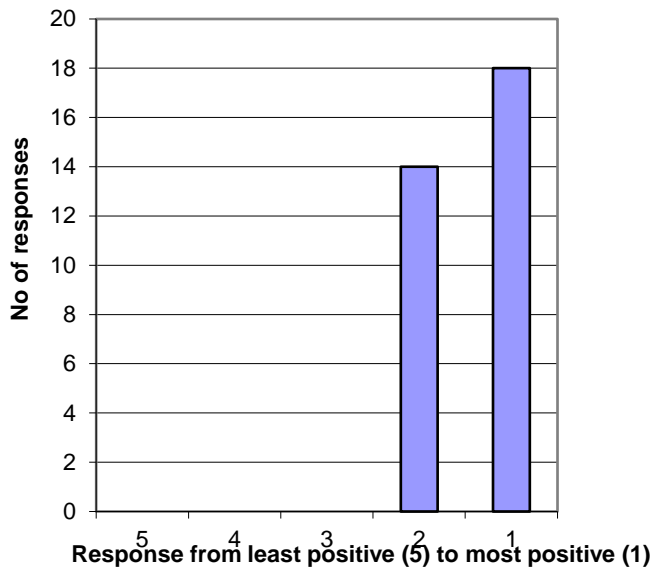
Q3 The overarching principles of good corporate governance (Nolan Principles) are selflessness, integrity, objectivity, accountability, openness, honesty, leadership. From your experience, to what extent do you consider these to be observed in the governance of the University?



Rating average: 1.45

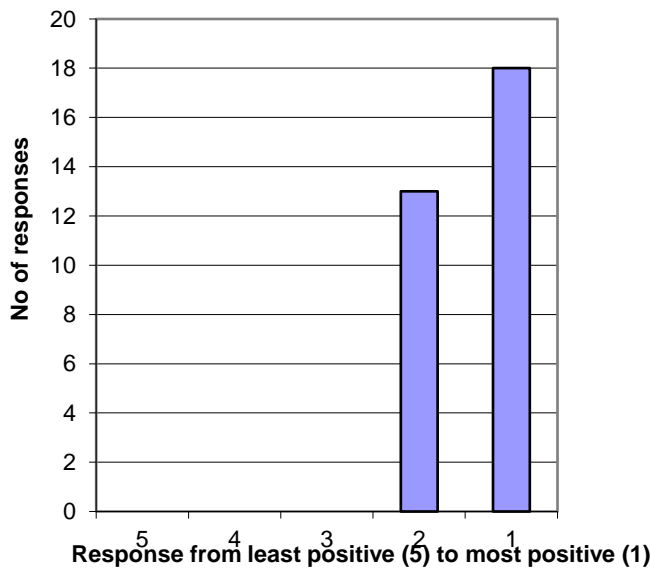
Q4 The overarching purpose of governance (as set out in the Scottish Code of Good HE Governance) is “to promote the enduring success, integrity and probity of the institution as a whole by supporting its mission as an autonomous institution; ensuring the proper and effective use of its funds; promoting an appropriate participation of its key constituents, including students and staff; guarding against potential conflicts of interest; maintaining and observing clear statements of authority and responsibility throughout the institution and; matching such authority and responsibility with accountability to key internal and external stakeholders”. From your experience, to what extent do you consider this to be observed overall in the governance of the University?

Approved by Court June 2017



Rating average: 1.48

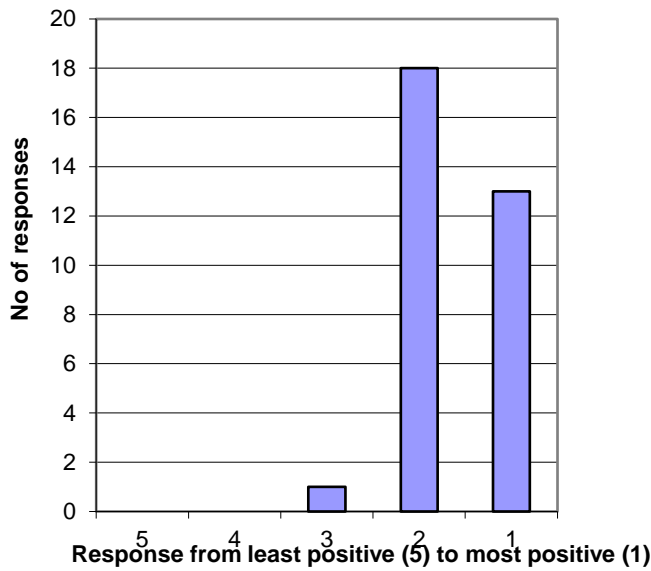
Q5 It is a principle of good governance that there should be a genuine and shared commitment by the Court, the Secretary to the Court and the senior officers of the University actively to ensure effective governance. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.47

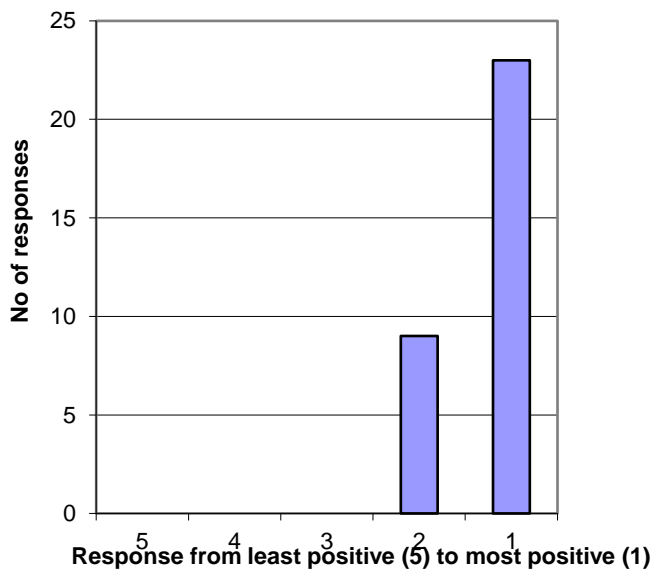
Q6 All members of Court are expected to separate their outside roles and interests from their role to act collectively and with corporate responsibility for the University. From your experience, to what extent do you consider this to be the case in the governance of the University?

Approved by Court June 2017



Rating average: 1.68

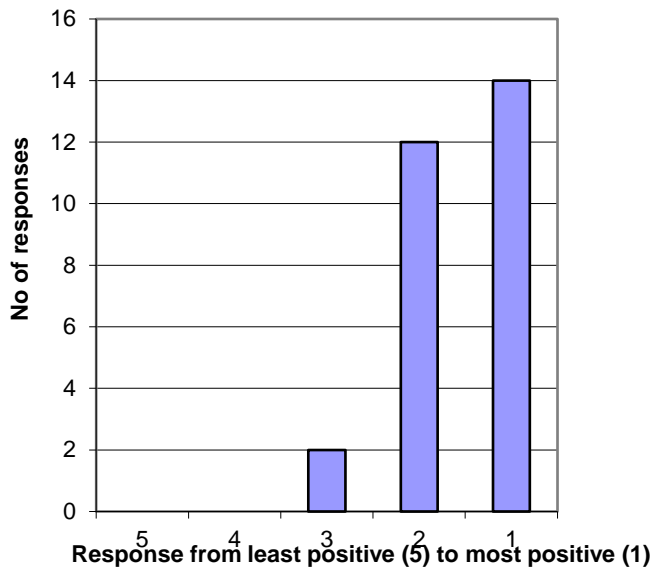
Q7 Roles, responsibilities, accountabilities and structures of governance should be clearly defined and understood to all involved. To what extent are you confident that you understand what you are accountable for in your role in the governance of the University?



Rating average: 1.32

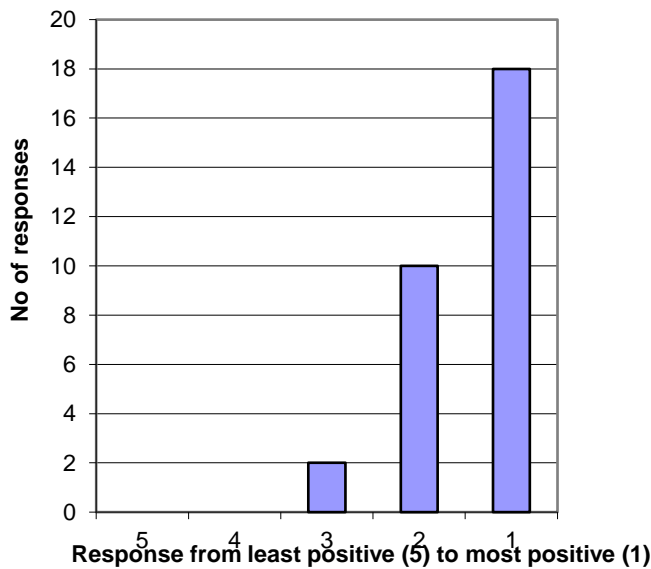
Q8 Members of Court and its committees should receive an appropriate induction into their roles and responsibilities. From your experience, to what extent do you consider this to be the case in the governance of the University?

Approved by Court June 2017



Rating average: 1.63

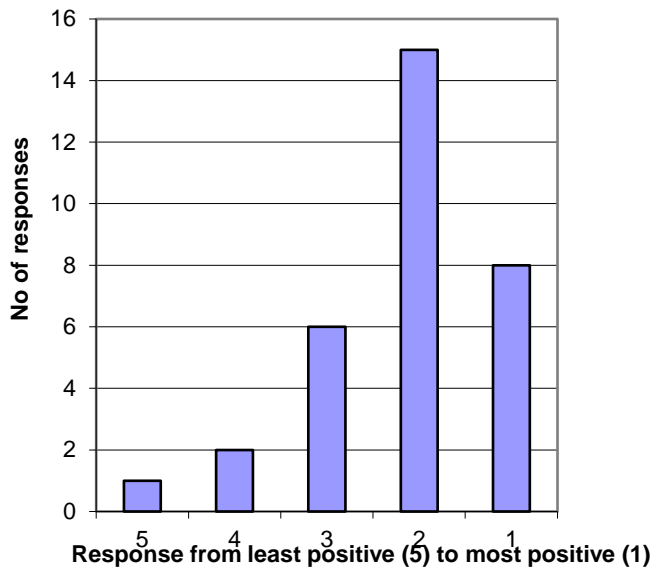
Q9 Members of Court and its committees should be well briefed on: the business of the University, institutional performance, the key risks, matters of regulation and compliance and relevant developments in the external environment. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.52

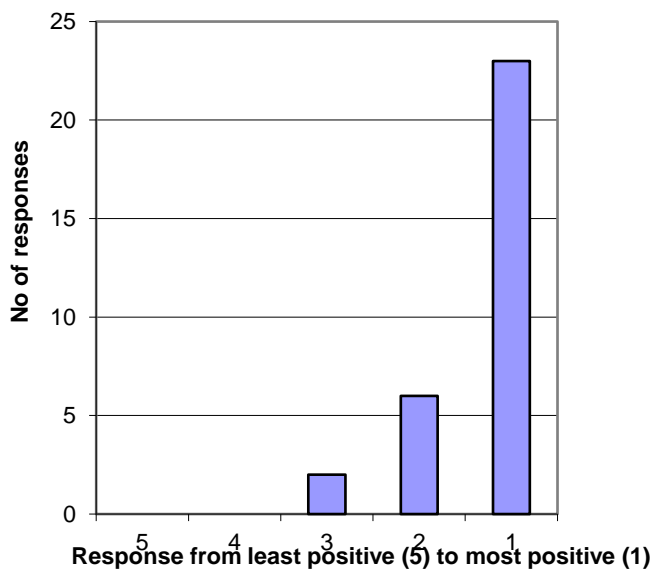
Q10 Members of Court and its committees should be encouraged, as appropriate, to contribute their skill, knowledge, and expertise to the governance process. From your experience, to what extent do you consider this to be the case in the governance of the University?

Approved by Court June 2017



Rating average: 1.77

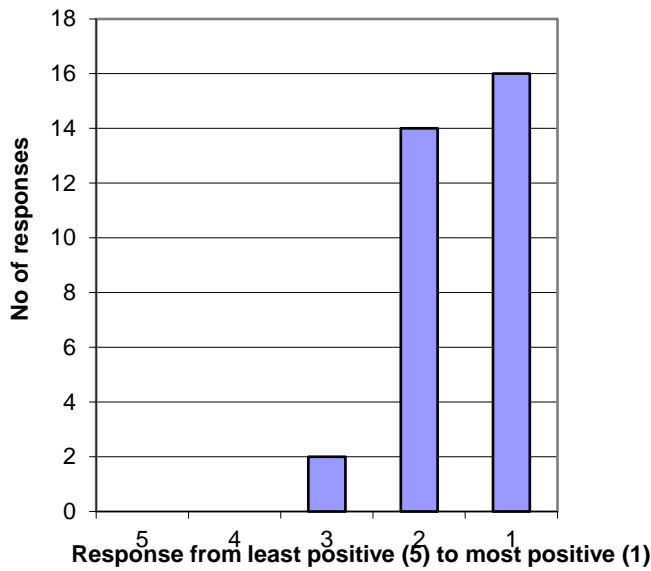
Q11 Members of Court and its committee should be provided with advice and support from the University Secretary to enable them to carry out their roles effectively. The Secretary should provide this support directly to Court and separately from any other roles she may have in senior management. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.37

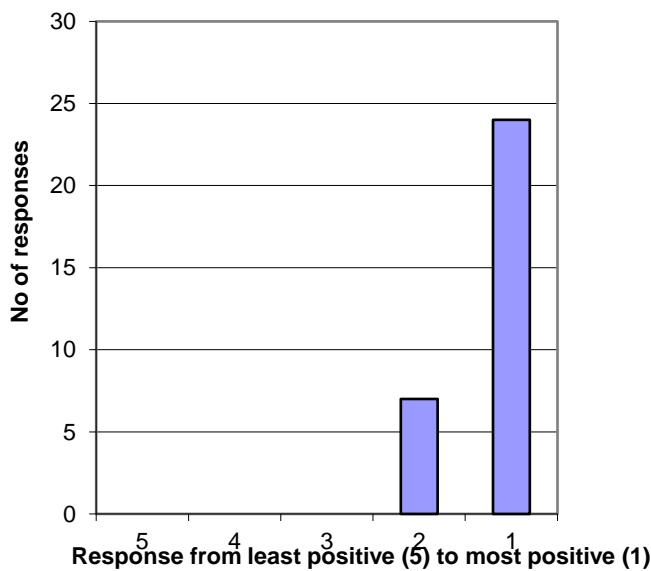
Q12 The Court and its committees should be provided with appropriate and timely information in order to discharge its responsibilities effectively. From your experience, to what extent do you consider this to be the case in the governance of the University?

Approved by Court June 2017



Rating average: 1.61

Q13 The Chairs of the Court and its committees have a responsibility to ensure that there is an open and informed discussion of items on the agenda, to ensure that all members are encouraged to contribute and to ensure a balance is struck between time-keeping and space for discussions. From your experience, to what extent do you consider this to be the case in the governance of the University?

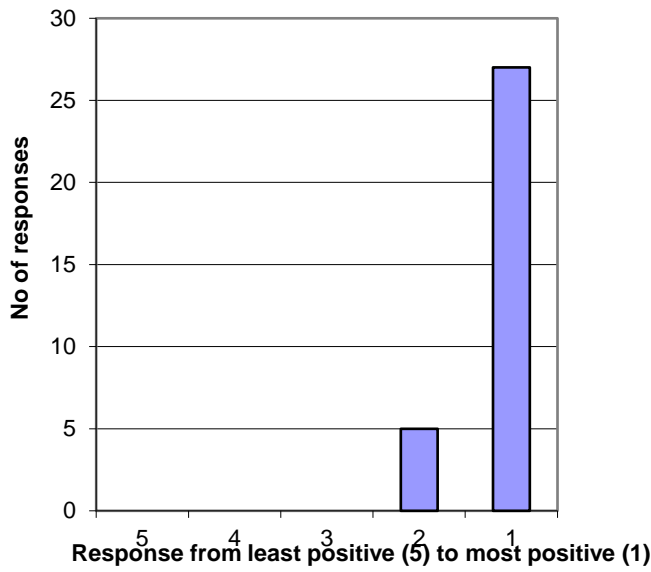


Rating average: 1.27

Q14 The Court and its committees have a responsibility to ensure that all business is dealt with (noted, discussed or decided) and that such outcomes are properly recorded. From your

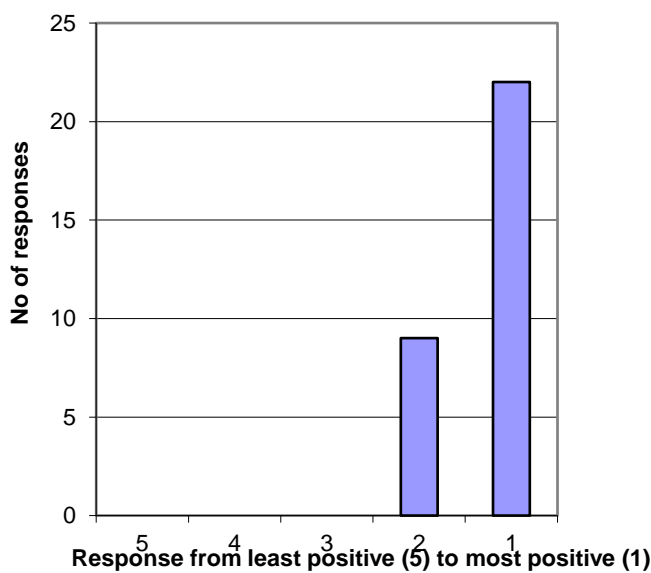
Approved by Court June 2017

experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.19

Q15 Members of Court and its committees should have timely and regular opportunities to comment on the process of governance (conduct of meeting, quality of information provided, handling of business). From your experience, to what extent do you consider this to be the case in the governance of the University?

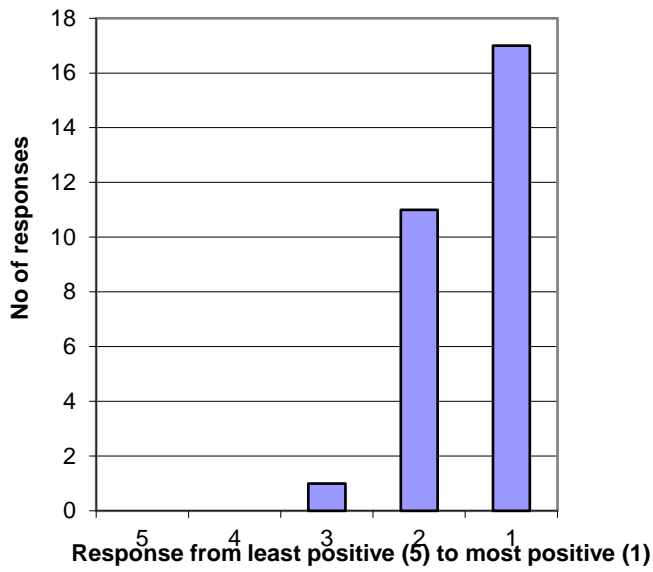


Rating average: 1.33

Q16 The expectations and responsibilities of Court members should be reasonable, proportionate and respectful of their other commitments. From your experience, to what extent do you

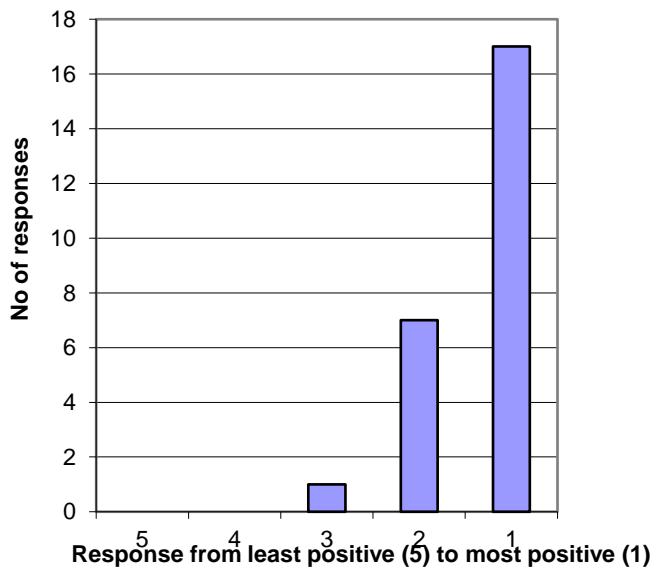
Approved by Court June 2017

consider the timing and frequency of meetings, and the commitments expected of you in the governance of the University, to meet these conditions?



Rating average: 1.50

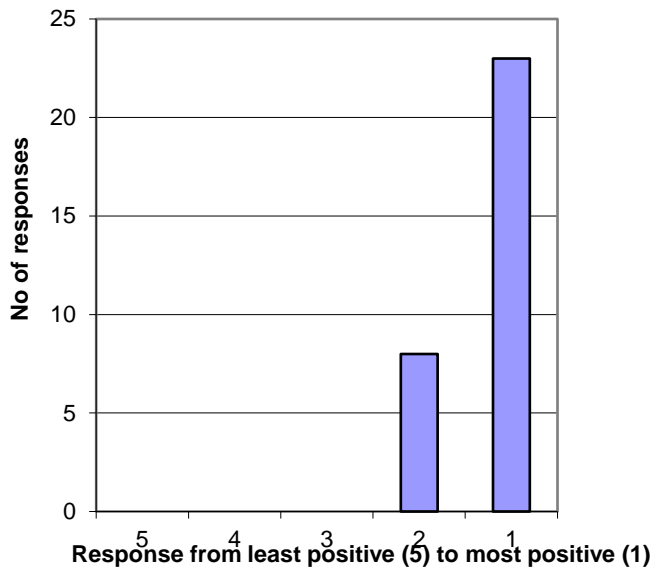
Q17 The what extent do you consider the Court's annual self-review of its effectiveness meet it stated objectives (to measure its compliance with the Code and its performance against Court's Statement of Primary Responsibilities)?



Rating average: 1.42

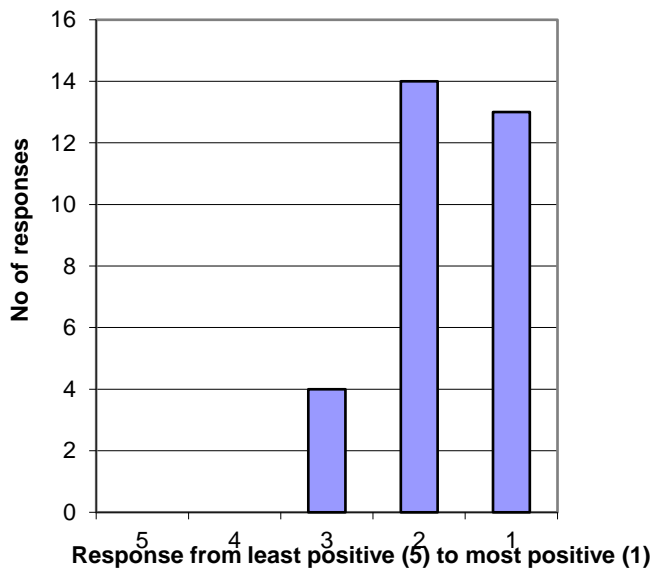
Q18 In addition to appointing the Principal, the Court has a responsibility to ensure the accountability of him/her and the senior officers of the University. From your experience, to what extent do you consider this to be the case in the governance of the University?

Approved by Court June 2017



Rating average: 1.30

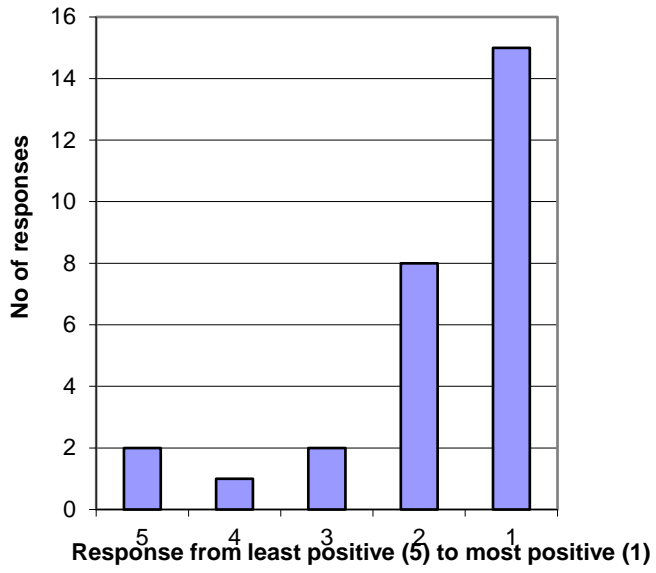
Q19 The Court has a responsibility to oversee the development of strategy for the University. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.77

Q20 The Court has a responsibility to approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators (KPIs). From your experience, to what extent have you been involved, as a governor, in approving the strategic plans of the University?

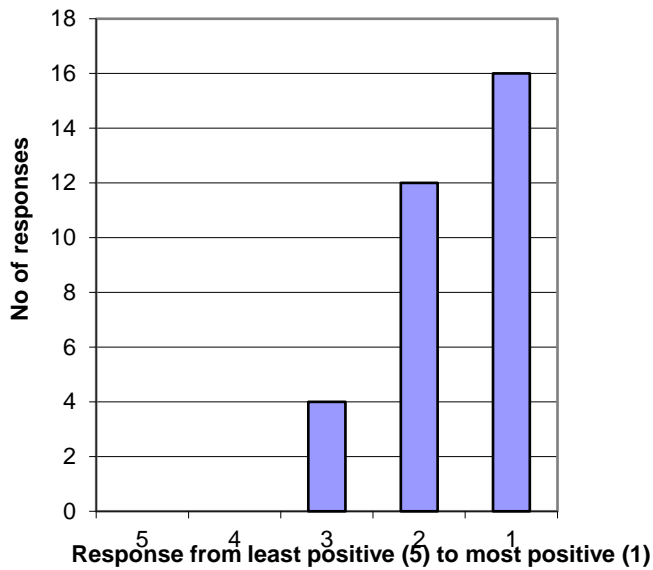
Approved by Court June 2017



Rating average: 1.89

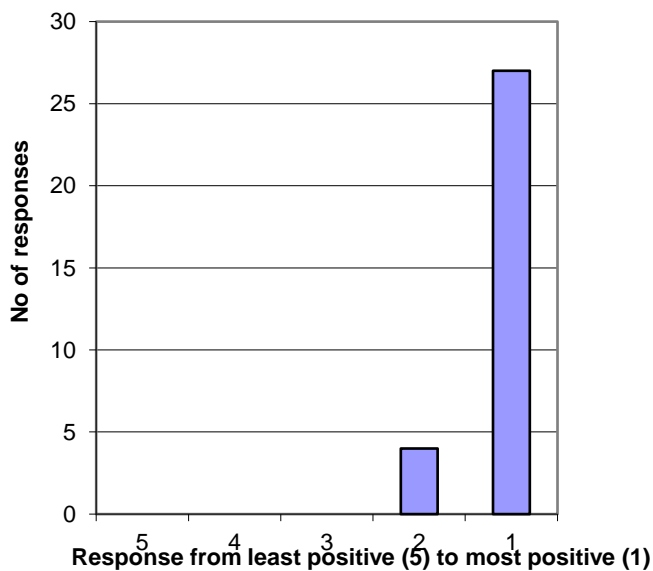
Approved by Court June 2017

Q21 The Court has a responsibility to ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.68

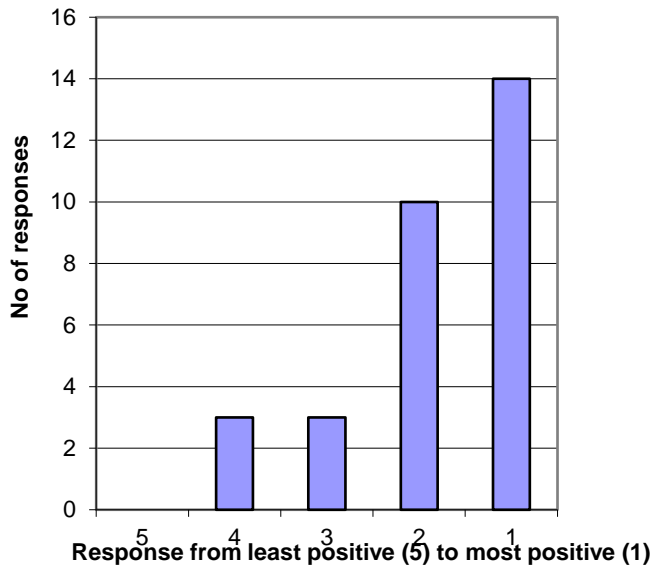
Q22 The Court has a responsibility to be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.17

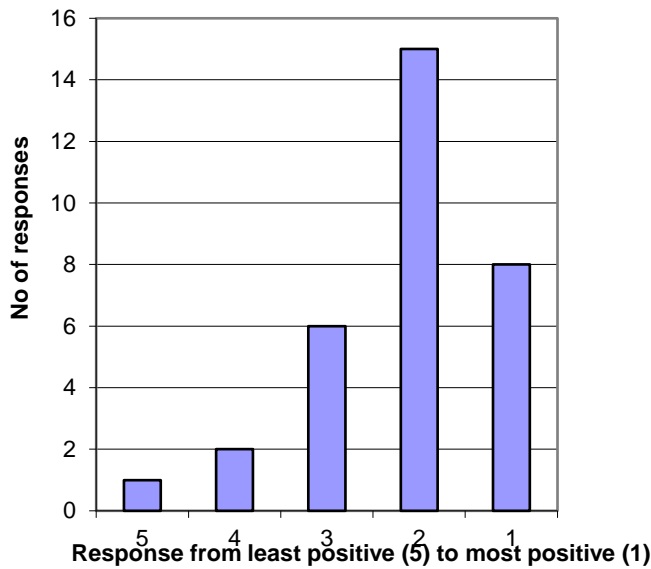
Approved by Court June 2017

Q23 The Court has a responsibility to ensure the quality of institutional education provision and to engage actively, and where appropriate collaboratively, with the Senate. From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 1.90

Q24 The Court has a responsibility to engage actively with stakeholders (in particular staff and students). From your experience, to what extent do you consider this to be the case in the governance of the University?



Rating average: 2.23