



Annual review of the effectiveness of Court: Session 2018/2019

1. Introduction

All Boards and Governing bodies should regularly review their effectiveness, and the Scottish Code of Good HE Governance requires the Courts of universities to do so annually, and, in that context, both to measure compliance with the Code and performance against Court’s Statement of Primary Responsibilities. At its meeting in June 2015, Court agreed that it should consider an evaluative annual report on quantitative and qualitative aspects relating to the conduct of Court and its committees in the preceding academic year, as set out in the diagram below, and that a summary should be included in the Annual Report & Financial Statements.

This is the fourth such report and it is published on the University’s website.

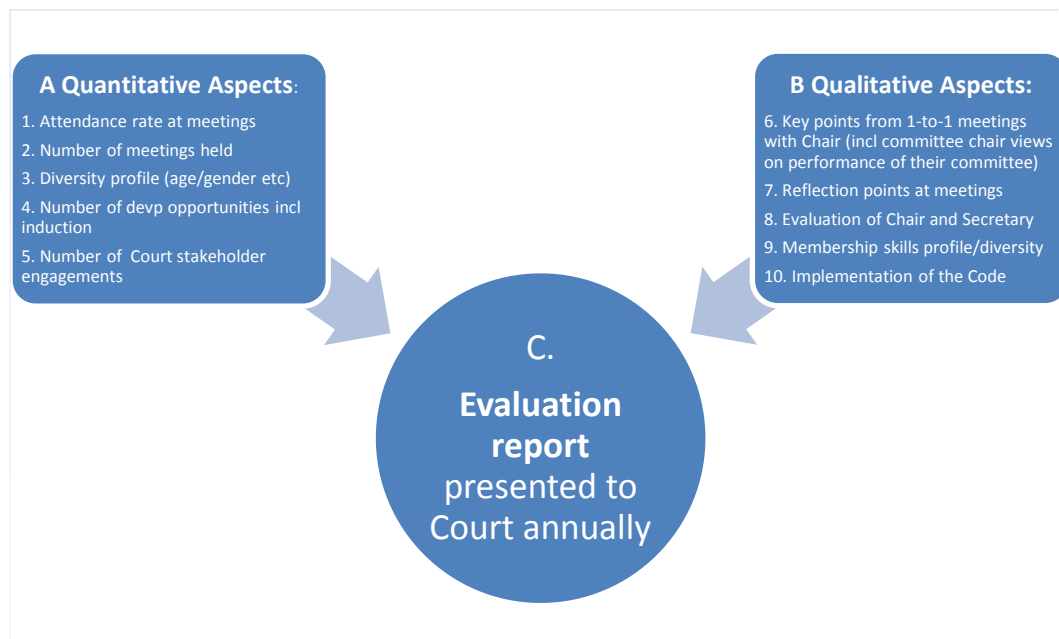


Fig 1: Approach to Annual Court Effectiveness Evaluation at Abertay

2. QUANTITATIVE MEASURES

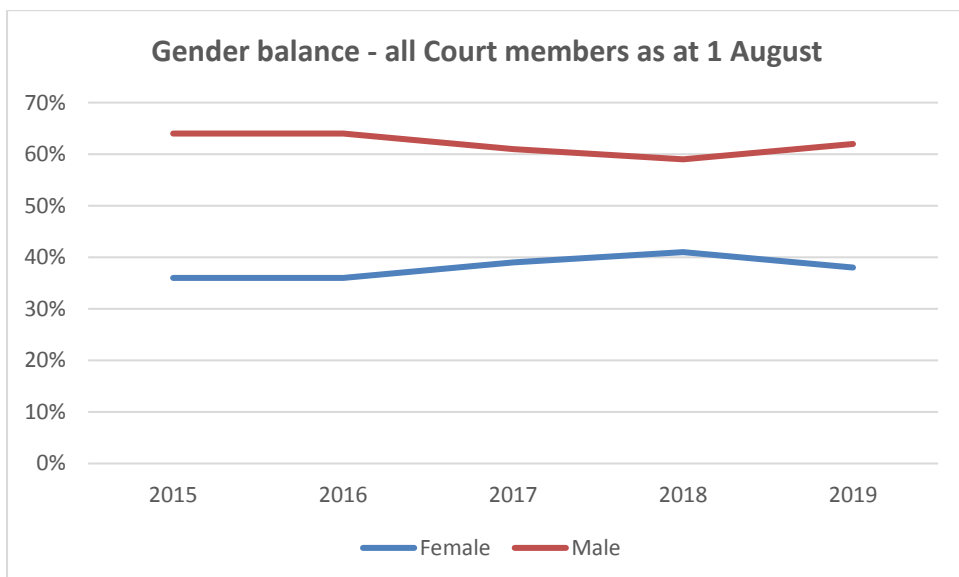
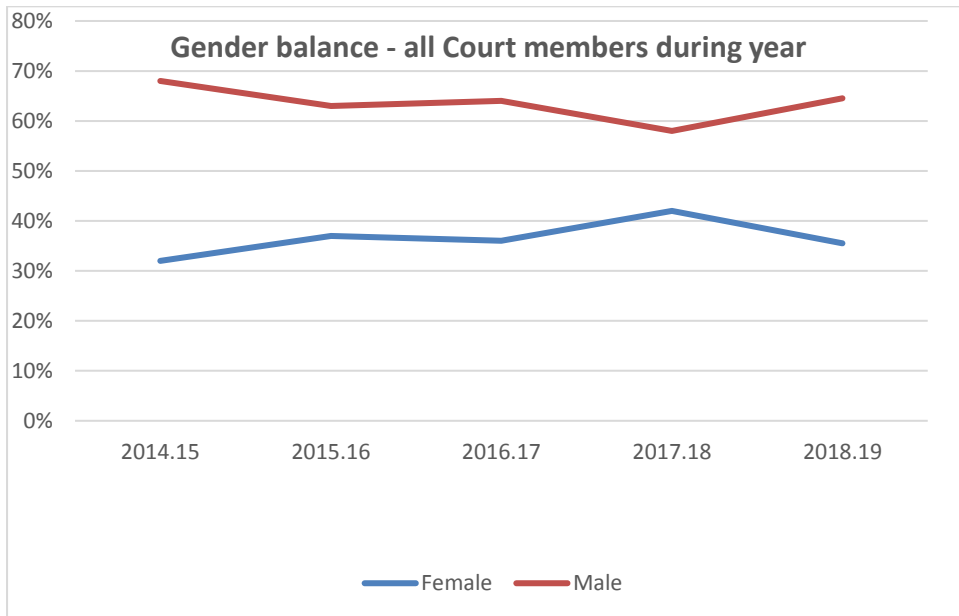
A. Meetings and attendance

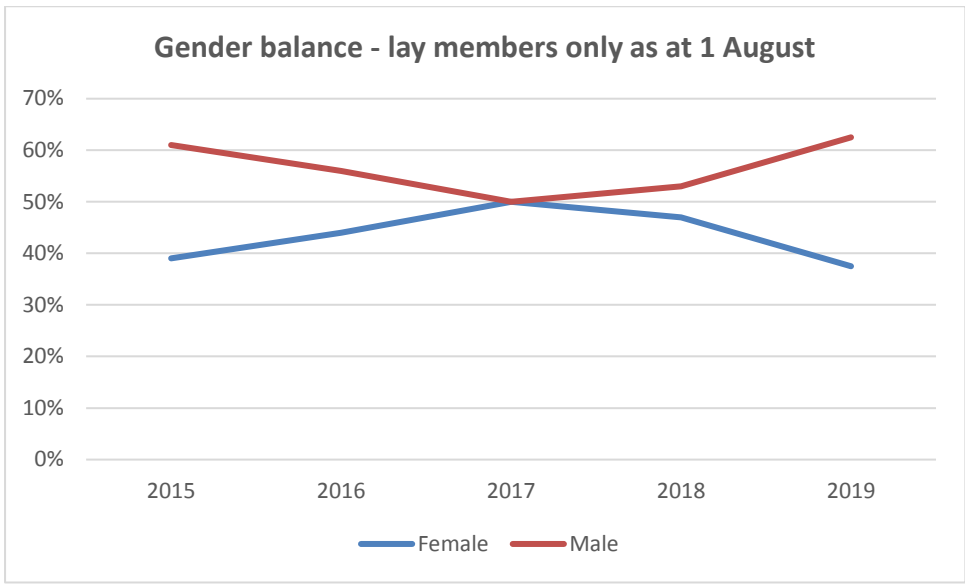
Court met on five scheduled occasions in the academic session 2018/19. There were no special meetings requested or required. There were four meetings of the Finance & Corporate Performance Committee, Governance & Nominations Committee and Chair’s Committee. People, Health & Equality and Audits and Risk committees met three times each and the Remuneration

Committee met on two occasions. Compared with session 2017/18, attendance at Court and its committees improved from 78% to 84%.

B. Membership profile

Gender Balance:

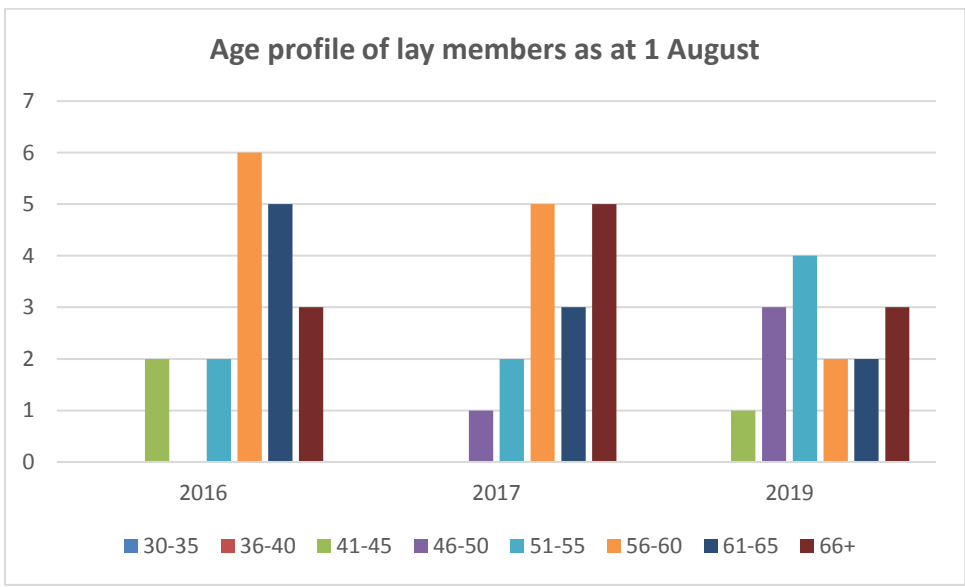




Summary:

The gender balance overall and for lay members (the membership appointed directly by Court) had been improving in terms of balance between men and women, but has changed again (see section later on Diversity).

Age profile of independent (lay) members:



Summary:

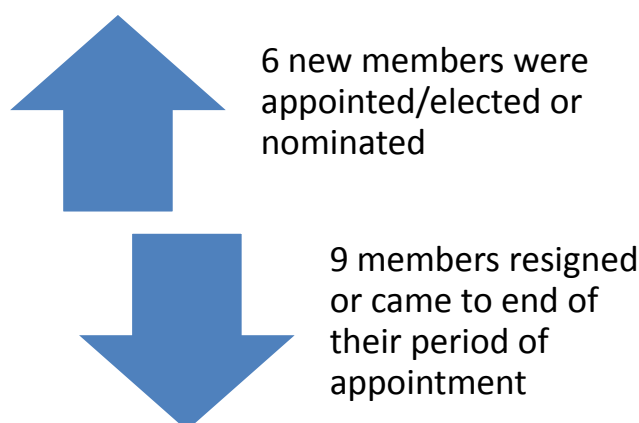
The age profile of lay members (those actually appointed by Court) now covers a wider range than in previous years when it was skewed towards those aged 56 and over. This is a positive development.

New appointments:

During the session (31 July 2018 to 1 August 2019), there were some significant changes in membership, as follows:

- 6 independent members stepped down. 5 stepped down at the end of their term of office (2 of the 6 lay members having reached their maximum 3 terms of office) and 1 resigned during their term for personal reasons (demands of other business/family reasons).
- Owing to the changes in Court membership related to the new governing order for the University, not all lay member vacancies required to be filled. 4 new lay members were recruited and appointed based on the identified skills requirements and 1 new staff governor was elected to Court.
- 2 staff governors stepped down – 1 having completed his term of office and the other as he left the University's employment.
- The Student President *ex officio* member completed his terms of office
- The new Student President became an *ex officio* member from 1 July until 1 September 2019 when he became a nominated member under the new governing order

In summary:



Development opportunities:

- All new members had an induction delivered by the University Secretary.
- 4 members attended external development events run by Advance HE (formerly the Leadership Foundation for Higher Education) for new Scottish governors.
- Visits to parts of the University also contributed to individual members' development (see below) by giving them first-hand insight into activities.

Engagement with stakeholders:

During the session, the majority of members of Court participated in some or all of the following formal engagements with a range of stakeholders:

- Student support services presentation.
- School of Applied Sciences (sports areas).
- Inaugural public stakeholder event.
- Presentation on academic business.
- Re-opening of the Bernard King Library following refurbishment.

- Attendance at 2 prize-giving events and participation in 3 graduation ceremonies (in November and July).
- Honorary Fellows event.
- Public events at the University such as professorial lectures, exhibitions, staff summer party to celebrate 25th anniversary as a University etc.

3. QUALITATIVE MEASURES

Diversity:

Court aims to have a diverse membership in terms of gender. For those positions appointed by Court (i.e. the independent or lay members) it aims to have at least 40% male or female and must have the objective – under the terms of the Gender Representation on Public Boards (Scotland) Act 2018 – of having 50% women among independent members.

In session 2017/18 this objective of gender balance of 50%/50% was met for the lay membership; however, the changes during the session covered by this report in terms of departures and appointments means that the balance has again skewed towards men. The lay member vacancies were advertised extensively but attracted no women applicants for the first time. Court discussed this and considered that future searches would likely include agencies as well as possible other open sessions to invite interest including potentially using the annual public stakeholder event, approaching companies and social enterprises and charities to raise awareness of the role.

On age profile amongst lay members, the skewed picture of a few years ago (where the majority of members were over 60) has improved such that there is more even spread of age range.

Feedback from members at meetings of Court

Court members, towards the end of the previous session, felt that they should spend more time learning about the core academic business of the University. The new Vice-Principal (Academic) presented a session to Court at its meeting in November 2018 on academic matters, which has since been followed up by a regular report on academic matters from both Senate and the Vice-Principal (Academic).

Chair's discussions with members

The Chair seeks, so far as practicable given the time pressures on all concerned, to meet individually with the Court members each year. In 2018/2019, there was a transition from one Chair to another, with the current Chair taking up the role from 1 January 2019.

During the year reported, he held meetings with all those members who joined Court in 2018 or earlier. Meetings with those who joined in 2019 will be held early in 2020. All those he met were positive about being members of Court (finding it interesting while challenging), their role on Court, on contributing to high standards of governance and assisting the University to continue to perform strongly in achieving its objectives. They felt that the business considered by Court was appropriate and relevant. Equally it was considered that the information provided to them while at times significant in volume was relevant to the governance responsibilities that Court discharged. All were however supportive of the steps being taken to provide papers in a way that better helped them fulfil their role including the use of links to other documents and summaries of key points. The support given to Court members and committees (particularly in relation to procedures) by the University Secretary and the governance team was considered constructive, practical and helpful.

Equally Court members were positive about the relationship between Court and the Executive team, with the Executive being considered to be open to, and responding to, constructive challenge in a key role of Court, namely holding the Executive to account. A number who had experience elsewhere commented upon the nature of the relationship with the Executive positively respecting the role and responsibilities of Court and *vice versa*.

Evaluation of effectiveness of Chair and Secretary

Following the designation of one independent member as the Court 'Intermediary' and in line with the agreed procedure, there was an opportunity at the meeting of Court in November 2018 for the Intermediary to lead a discussion on the effectiveness of the Chair without the outgoing Chair present. The context for this discussion was the Court-approved 'Chair of Court: Role and Responsibilities' paper. Members of Court confirmed that they felt that the Chair was very effective in his role.

The Chair of Court with the Secretary agreed objectives for 2018/19 that related to her role as Secretary to Court. This was discussed at the end of the year between the Chair and the Secretary and achievement of the objectives confirmed.

Engagement with stakeholders

All Court members, especially independent members, had a range of opportunities to meet informally with staff and students of the University and other interested parties such as Honorary Fellows (see above). This included a public event attended by about 50 people. Members particularly valued opportunities to meet students and staff whom they might not encounter at regular Court or Committee meetings. Further opportunities will be sought for engagement of this kind, to enhance the visibility of Court and assist the development of Court members.

The new methods - adopted in 2015/16 to increase the engagement with stakeholders – continued in session 2018/19. Specifically, Court members (especially lay members) were invited to attend meeting of Senate as observers and similarly Senate members were invited to observe Court meetings. During the session, one member of Senate attended Court meetings and two members of Court attended meetings of Senate. In addition, five staff members attended Court meetings as observers.

Meeting the principles of the Scottish Code of Good HE Governance

The revised Code was published in October 2017 and work was undertaken, overseen by the Governance & Nominations Committee, during 2017/2018 to map current practice against the revised Code and identify areas for action. At the first meeting of the Governance & Nominations Committee of session 2018/19, the Committee agreed that all relevant action had been taken to address the revised Code or was planned. *Planned actions* identified as in hand but not yet implemented included arrangements for the first public stakeholder event, which took place in February 2019. This event was hosted by the Chair of Court and comprised a presentation from the Principal about developments at the University followed by an open question and answer session. More than fifty people attended from the local community and from amongst staff and students of the University and members of Court.

Implementation of the Scottish Higher Education Governance (Scotland) Act 2016

Significant work took place during session 2018/19, through the Governance & Nominations Committee, to implement the requirements of the above Act. The Act required a number of substantial changes to the governance of the University including a new statutory instrument (governing order) for the University and associated new rules for the nomination of new categories of member of Court and the establishment of a new Senate membership. The new governing order

was developed by the Scottish Government Legal Directorate in partnership with the University (University Secretary and University legal advisers) and was approved by Court, by the Privy Council, by the Scottish Parliament and by the Office of the Scottish Charity Regulator - allowing it to come in to force on 1 September 2019.

Meeting the primary responsibilities

Management approved an internal audit plan for session 2018/19, which included an audit of corporate governance and whether the University met the requirements of the Financial Memorandum with the Scottish Funding Council and Court's Statement of Primary Responsibilities and this report was completed by February 2019 and reported to the Audit & Risk Committee. The scope of this review was to assess whether:

- The Court and sub-committee terms of reference were clear, comprehensive and did not overlap with those of other committees;
- The roles and responsibilities of the Court and sub-committees defined in the terms of reference were in line with the Financial Memorandum;
- The Court and sub-committees had a tangible, agreed, programme of work that allowed them to make an effective and timely contribution and meet their responsibilities;
- Minutes of Court and sub-committees indicated a strong engagement by all members;
- Members were provided with sufficient, timely and high quality management information to effectively discharge their responsibilities;
- The Court and sub-committees regularly assessed their own effectiveness and took action on areas where required; and
- Adequate arrangements for the induction and on-going education of Court members were in place

Good Practice

The auditors observed a number of elements of good practice at Abertay University with regards to the Corporate Governance arrangements. All of the committees had a remit in place which clearly stated their roles and responsibilities. Committee members were given the opportunity to contribute effectively by adding items to the agenda and there was evidence of members challenging items and ensuring corrective action was taken in response to issues raised. Members were provided with the relevant papers for upcoming meetings in a timely fashion. The Court had regularly carried out reviews of its own effectiveness, both internal and externally facilitated, in line with the guidance given by the Scottish Code of Good Higher Education Governance. The auditors also confirmed that there was an induction process in place for new members and that members were appropriately assessed on their skills and experience prior to admittance to the Court.

Key Findings

Notwithstanding the good practice noted above, the audit found the following areas in which improvements could be made;

- **Financial Memorandum Compliance:** whilst compliance with the SFC Financial Memorandum was mentioned in the remit of the Audit and Risk Committee, it was not mentioned in the Statement of Primary Responsibilities or Scheme of Delegation of the Court.
- **Sufficient Information:** Court and committee members provided feedback in a questionnaire distributed noting that papers received prior to meetings are very lengthy and not user-friendly. They also indicated that members are copied on internal communications that are not relevant to their roles.
- **Programme of work:** the auditors found that some committees did not have a clear programme of work.
- **Action Lists:** The approach to committee documentation was not consistent and while some committees did have an action list in place, the majority did not.

The auditors identified 4 low-rated recommendations for action including mapping the elements of the Financial Memorandum to demonstrate where responsibility lies. This has been prepared.

4. Summary evaluation

On the basis of the above, there can be confidence that Court continues to be effective. There are some further areas of focus for session 2019/20, which are:

- Implementing the recommendations of the internal audit report on corporate governance.
- Making sure that the new members of Court resulting from the implementation of the new governing order are supported.
- Continuing with efforts to ensure that Court is a diverse body.

**Approved by Court
February 2020**