



Compliance report for 2013/14 against the Code of Governance & Statement of Primary Responsibilities

REPORT

Under the Committee of University Chairs' Code of Governance & Statement of Primary Responsibilities adopted by the Board of Governors on 1.8.11, the Board of Governors of Leeds College of Art has committed itself to measuring its own effectiveness against these documents annually. The Code requires the results of effectiveness reviews, as well as of the institution's annual performance against key performance indicators (KPIs), to be published widely, including on the internet and in its annual report.

A Red-Amber-Green (RAG) rated table assessing the Board's performance against the Code & the Statement in 2012/13 has been produced and is attached below. Red indicates non-compliance, Amber/Orange indicates partial compliance and Green indicates compliance. A key to the symbols used in the table is given below. The Board is generally compliant with both documents. It was agreed at the Board's October 2012 meeting that, in the interests of transparency, the table reporting against the Code and Statement should be published on the College's website.

A report by exception against the Code and Statement has also been included in the Members' Report for the financial year ended 31.7.14. Under the College's Freedom of Information Publication Scheme, the College's approved Financial Statements and Members' Report for the year ended 31.7.14 will be published on the College website in January 2015.

Future development of the Code and Statement: The Code of Governance & Statement of Primary Responsibilities is currently included in the CUC's *Guide for Members of HE Governing Bodies in the UK* (2009). The CUC is consulting on integrating the Code of Governance & Statement of Primary Responsibilities and *Guide* into a principles-based format similar to that used in the Financial Reporting Council's UK Corporate Governance Code.

Key to symbols used in the attached table



= non-compliance



= partial compliance



= compliance

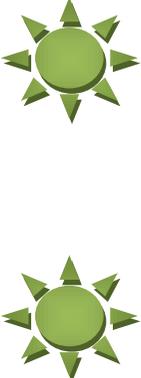
Governance Code of Practice

This Code is voluntary and is intended to reflect good practice in a sector which comprises a large number of very diverse institutions. It is recommended that institutions should report in the corporate governance statement of their annual audited financial statements that they have had regard to the Code, and that where an institution's practices are not consistent with particular provisions of the Code an explanation should be published in that statement.

A	Role of the Governing Body	Compliance level	Comments	Action to be taken
A.1	<p>Every higher education institution shall be headed by an effective governing body, which is unambiguously and collectively responsible for overseeing the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised.</p> <p>The governing body shall ensure compliance with the statutes, ordinances and provisions regulating the institution and its framework of governance and, subject to these, it shall take all final decisions on matters of fundamental concern to the institution.</p>		<p>Compliant with the Instrument & Articles of Government approved by the Privy Council & the Board & with the Board's Schedule of delegation. These documents define the respective roles & responsibilities of Governors & the Principal.</p>	
A.2	<p>Individual members and governing bodies themselves should at all times conduct themselves in accordance with accepted standards of behaviour in public life which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership.</p>		<p>Compliant. Nolan principles incl. in Governors' Code of Conduct. Governors complete register of interests, eligibility & third party transactions statements & declarations of interest is a standing agenda item for meetings.</p>	

	Role of the Governing Body	Compliance level	Comments	Action to be taken
A.3	The governing body shall meet sufficiently regularly, and normally not less than four times a year, in order to discharge its duties effectively. Members of the governing body shall attend regularly and actively participate.		Compliant. Board held 6 formal meetings & 3 Governor training/development sessions in 2013/14, including sessions on the Strategic Plan, the Academic Registry and a session with the College's Taught Degree Awarding Powers (TDAP) consultant. Board attendance is monitored by the Board's Search & Nominations Committee (SNC).	
A.4	The institution's governing body shall adopt a Statement of Primary Responsibilities which should include provisions relating to:		Compliant - Statement of Primary Responsibilities (which includes the provisions below) was adopted by the Board of Governors at its first meeting as an HE institution (HEI) on 1.8.11.	
	4.1 Approving the mission and strategic vision of the institution, long-term business plans, key performance indicators (KPIs) and annual budgets, and ensuring that these meet the interests of stakeholders		<i>As above.</i>	
	4.2 Appointing the head of the institution as chief executive of the institution and putting in place suitable arrangements for monitoring his/her performance		<i>As above.</i>	
	4.3 Ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest		<i>As above.</i>	
	4.4 Monitoring institutional performance against plans and approved KPIs, which should be, where possible and appropriate, benchmarked against other institutions.		<i>As above.</i>	

	Role of the Governing Body	Compliance level	Comments	Action to be taken
A.5	This Statement shall be published widely, including on the internet and in the annual report, along with identification of key individuals (that is, chair, deputy chair, head of the institution, and chairs of key committees) and a broad summary of the responsibilities that the governing body delegates to management or those which are derived directly from the instruments of governance.		Compliant. Statement of Primary Responsibilities is on the Governance section of the College website & a report against it, by exception, is included in the Statement of Corporate Governance & Internal Control in the Members' Report & Annual Financial Statements for the years ended 31.7.12, 31.7.13 & 31.7.14.	
A.6	All members should exercise their responsibilities in the interests of the institution as a whole rather than as a representative of any constituency. The institution shall maintain and publicly disclose a register of interests of members of the governing body.		Compliant. Governors complete register of interests, & remuneration & third party transactions statements & declarations of interest is a standing agenda item for meetings.	
A.7	The chair shall be responsible for the leadership of the governing body, and be ultimately responsible for its effectiveness. The chair shall ensure the institution is well connected with its stakeholders.		Compliant.	

	Role of the Governing Body	Compliance level	Comments	Action to be taken
A.9	<p>There should be a balance of skills and experience among members sufficient to enable the governing body to meet its primary responsibilities and to ensure stakeholder confidence.</p> <p>A governing body of no more than 25 members represents a benchmark of good practice.</p>		<p>Compliant. The Search & Nominations Committee (SNC) regularly reviews Governors' audit of skills table to ensure the Board's skills mix remains appropriate.</p> <p>Compliant. The Board of Governors currently has an agreed membership of 16 Governors.</p>	
A.10	<p>The governing body shall have a majority of independent members, defined as both external and independent of the institution.</p>		<p>Compliant. The Board of Governors has a majority of Independent members i.e. 10 Independent Governors out of a total membership of 16.</p>	
A.11	<p>Appointments shall be managed by a nominations committee, normally chaired by the chair of the governing body.</p> <p>To ensure rigorous and transparent procedures, the nominations committee shall prepare written descriptions of the role and the capabilities desirable in a new member, based on a full evaluation of the balance of skills and experience of the governing body.</p> <p>When vacancies arise they should be widely publicised both within and outside the institution.</p>		<p>Compliant. The Board has an SNC. The Members' Report for y.e. 31.7.14 notes that while the Chair of Governors is an SNC member, the SNC is chaired by another Independent Governor.</p> <p>Compliant. The Dec. 2011 meeting of the Board of Governors, approved: a Recruitment & Appointment Procedure; a generic Person Specification & information about being a Governor; Governor Role Description. These documents are reviewed annually & updated as required. In 2013/14, vacancies for Governors with financial expertise were advertised nationally. Governors with expertise in equality & diversity & the creative industries were sought through contacts in local networks.</p>	

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	When selecting a new chair, a full job specification should be produced, including an assessment of the time commitment expected, recognising the need for availability at unexpected times.		Under the Board's Standing Orders, the Chair of Governors is appointed annually. Role descriptions for the Chair and Deputy Chair of the Board of Governors were approved by the Board in June 2013.	
A.12	The chair shall ensure that:			
	12.1 New members receive a full induction on joining the governing body;		Compliant. Clerk undertakes induction session for new members.	
	12.2 Opportunities for further development for all members of the governing body are provided regularly in accordance with their individual needs;		Compliant. The SNC is responsible for overseeing Governor training opportunities. Governor training/development sessions were arranged in 2013/14 - see A£ above. A target of 3 Governors attending external training events in 2013/14 set by the SNC was achieved.	
	12.3 Appropriate financial provision is made for support.		Compliant. There is specific provision of £5,000 for governor training in the 2014-15 budget.	
A.13	The secretary to the governing body shall be responsible for ensuring compliance with all procedures and ensuring that papers are supplied in a timely manner with information in a form and of a quality appropriate to enable the governing body to discharge its duties. All members shall have access to the advice and services of the secretary to the governing body, and the appointment and removal of the secretary shall be a decision of the governing body as a whole.	 	Compliant. Compliant. Under the Articles of Government the appointment, suspension & dismissal of the Clerk to the Corporation, as a designated senior post-holder, is the responsibility of Board of Governors	

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A.14	<p>The proceedings of the governing body shall be conducted in as open a manner as possible, and information and papers restricted only when the wider interest of the institution or the public interest demands, including the observance of contractual obligations.</p>		<p>Compliant. Minimal use of confidential minuting & annual review of confidential minutes. Non-confidential minutes published on Governance section of College website.</p>	

	Role of the Governing Body	Compliance level	Comments	Action to be taken
B.2	<p>In reviewing its performance, the governing body shall reflect on the performance of the institution as a whole in meeting long-term strategic objectives and short-term KPIs.</p> <p>Where possible, the governing body shall benchmark institutional performance against the KPIs of other comparable institutions.</p>		<p>Compliant. The Board of Governors has set up processes to enable it to reflect on the performance of the College as a whole in meeting strategic objectives and key performance indicators. Reports on KPIs are, with the CEO's Report & to the management accounts, a standing agenda item for each Board meeting. Where possible, these are benchmarked to other institutions. The Carver-style model of governance model adopted by the Board emphasises monitoring using KPIs. Performance against Strategic Plan objectives & KPIs was also considered at the Governor development session held in Sept. 2013.</p>	

	Role of the Governing Body	Compliance level	Comments	Action to be taken
B.3	The results of effectiveness reviews, as well as of the institution's annual performance against KPIs, shall be published widely, including on the internet and in its annual report.		<p>The Board of Governors agreed at its Oct. 2012 meeting that a report against the Code of Governance & Statement of Primary Responsibilities should be placed on the College website. A report by exception is also included in the College's annual financial Statements & Members Report.</p> <p>See B1 above for details of effectiveness reviews undertaken by the Board of Governors and the Academic Board. The outcome of these reviews has been included in the Board of Governors' minutes which are published on the College website.</p>	

Model Statement of Primary Responsibilities

The principal responsibilities of the governing body should be set out in its Statement of Primary Responsibilities, which must be consistent with the institution's constitution. While there may be some variations because of different constitutional provisions, the principal responsibilities are likely to be as follows.

C	Statement of Primary Responsibilities	Compliance level	Comments	Action to be taken
C.1	To approve the mission and strategic vision of the College, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.		Compliant. New Strategic Plan 2012-17 approved at July 2012 Board meeting.	
C.2	To delegate authority to the Principal, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Principal.		Compliant. See Principal's responsibilities as defined in Articles of Government & authority delegated to Principal in the Board's schedule of delegation - see also A8 above.	
C.3	To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.		Compliant. Monitored by the Board's Audit Committee & reported on in the Audit Committee's opinion in its annual report to the Board of Governors.	
C.4	To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the College against the plans and approved key performance indicators, which should be - where possible and appropriate - benchmarked against other comparable institutions.		Compliant. See response at B.2 above.	
C.5	To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.		Compliant. See response at B.1 above.	
C.6	To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.		Compliant. See response at A.2 above.	

	Statement of Primary Responsibilities	Compliance level	Comments	Action to be taken
C.7	To safeguard the good name and values of the College.		Compliant. Through ensuring relevant codes of conduct for Governors, staff & students, including policy against fraud, bribery & corruption & Whistleblowing Policy.	
C.8	To appoint the Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.		Compliant. See response at A.8. Principal's performance is monitored at annual appraisal and with reference to key strategic objectives and KPIs - see also response at B.2 above.	
C.9	To appoint a Clerk to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.		Compliant. See response at A.13 above. Clerk has no other managerial responsibilities in the College.	
C.10	To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.		Compliant. The Board of Governors is the legal employer of all staff. Under Article of Government 3.1, the Board of Governors is responsible for the appointment of senior post-holders(a non-delegable responsibility), pay & conditions of senior post-holders (responsibility may be delegated)and for setting a framework for the pay and conditions of service of all other staff (responsibility may be delegated).	

	Statement of Primary Responsibilities	Compliance level	Comments	Action to be taken
C.11	To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.		Compliant. Under Article of Government 3.1, the Board of Governors is responsible for the effective and efficient use of resources, the solvency of the College and the Corporation and for safeguarding their assets; approving annual estimates of income and expenditure (non-delegable responsibilities).	
C.12	To be the College's legal authority and, as such, to ensure that systems are in place for meeting all the College's legal obligations, including those arising from contracts and other legal commitments made in the College's name.		Compliant. The Board monitors the College's legal obligations e.g. through annual reports on health & safety; safeguarding; HR; equality & diversity; compliance with HEFCE's requirements in its Financial Memorandum with the College and as the College's principal charity regulator.	
C.13	To make such provision as it thinks fit for the general welfare of students, in consultation with the Academic Board.		Compliant e.g. the Board approved the College's OFFA Access Agreement in 2014, considered the Student Charter in 2013, has appropriate welfare policies including an equality scheme and safeguarding children policy) and has a Governor with responsibility for safeguarding.	

	Statement of Primary Responsibilities	Compliance level	Comments	Action to be taken
C.14	To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the College.		Compliant with requirements of HEFCE as College's principal charity regulator - see response at C.12 above.	
C.15	To ensure that the College's constitution is followed at all times and that appropriate advice is available to enable this to happen.		Compliant. The Board has appointed a Clerk to advise on its constitution. The Clerk would take legal advice as appropriate.	