

UNIVERSITY OF WARWICK

CODE OF PRACTICE ON CORPORATE GOVERNANCE

[This is an abridged version of a document, which is approved every year by the governing body (the University Council) of the University of Warwick. It brings together descriptions of the roles and responsibilities of all of those involved in governance.]

1. INTRODUCTION

This Code of Practice has been produced to provide a summary of decisions taken by the University Council in relation to corporate governance and related procedural matters. It should be read as appropriate in conjunction with the University's governing instruments (Charter, Statutes, Ordinances, Regulations, Financial Regulations and Procedures, and Standing Orders of the Council), together with the Committee of University Chairs (CUC) / Higher Education Funding Council for England (HEFCE) Guide for Members of Governing Bodies of Higher Education and Colleges in the UK (last updated March 2009, CUC paper reference 2009/14).

2. PRINCIPLES OF GOVERNANCE AND MANAGEMENT

The Council recognises that there are clear distinctions between governance and management. However, an overriding aim of both governance and management in the University of Warwick is the preservation of academic freedom within the law, combined with academic responsibility.

Governance has to do with defining policies, setting strategic objectives and monitoring of progress towards those objectives. Council members need to be satisfied that processes and procedures are in place that are sufficient, necessary and effective in running the business of the University. They do this by asking questions and ensuring responses are sound and consistent, rather than by doing direct checking themselves. Neither the Chair of the Council nor individual external members become involved in the day-to-day executive management of the University.

Effective management, and good governance, are underpinned by the following key principles:

- (a) The Council is the ultimate decision-making body;
- (b) The Council is accountable for the financial health of the institution;
- (c) Roles and responsibilities of the Council, committees and senior staff, should be defined, understood, accepted and regularly reviewed;
- (d) Competencies of the Council, committees and senior staff should be in line with needs and should be regularly reviewed;

- (e) The institution should have a strategic plan, supported by a financial plan and an annual operating plan and budget;
- (f) Risks should be recognised, assessed and managed;
- (g) Management information should be relevant, reliable and timely;
- (h) Communication should be effective throughout the institution;
- (i) Systems should be in place which are robust and fit for purpose.

From time to time the Council will review its own effectiveness and the institution's performance. Review of institutional performance will include periodic consideration of key performance indicators, University risk status reports and the University's Academic Statistics Yearbook.

It should be noted that, subject to the powers of the Council, the Senate may take such measures and act in such a manner as shall appear to it best calculated to promote the academic work of the University both in teaching and research (University Statute 15 and 16).

3. GUIDE FOR MEMBERS OF HIGHER EDUCATION GOVERNING BODIES IN THE UK

The Council will generally follow the guidance set out in the Guide for Members of Higher Education Governing Bodies in the UK, published by the Committee of University Chairmen and the HEFCE.

4. APPOINTMENT AND TERMS OF OFFICE OF MEMBERS OF THE COUNCIL

The total membership of the Council is 25, a majority of whom are external members, including the Chair of Council and the Treasurer.

[The Council currently has 14 external members and 11 from within the University. The internal members include the Vice-Chancellor and President, the Provost, two Pro-Vice-Chancellors, four academic staff who are members of Senate, one non-academic member of staff appointed by Senate, the elected President of the Students' Union and another student who is elected by the Students' Union.

External members of the Council are appointed for three years, with the expectation that they will be eligible for reappointment for a further three years. After those six years there will be no presumption of an extension of appointment, but external members may be reappointed annually up to a maximum of nine years in office in total].

5. NOMINATIONS COMMITTEE OF THE COUNCIL

The Council has established a Nominations Committee with the following membership and terms of reference:

(a) Membership

The Pro-Chancellor (Chair)
The Vice-Chancellor and President
The Treasurer
The Provost
Three Pro-Vice-Chancellors
Three lay members of the Council, appointed by the Council

(b) Terms of Reference

- (i) To keep under review the periods of membership of persons co-opted to membership of the Council.
- (ii) To keep under review the extent to which the membership of the Council is broadly representative of the public and appropriate to the interests of the University.
- (iii) To receive suggestions from any member of the University as to the names of persons who might be considered for appointment to lay membership of the Council.
- (iv) To take pro-active steps to attract nominations and suggestions for appointment to lay membership of the Council from within and without the University.
- (v) To make such nominations as the Committee considers appropriate for appointment to lay membership of the Council.
- (vi) To keep under review and to recommend to the Council the appointment of lay members of the Council and individuals external to the University to membership of Council Committees.
- (vii) To receive suggestions from non-academic members of University staff as to the names of non-academic members of staff who might be considered for appointment to membership of the Council.
- (viii) To make such nominations as the Committee considers appropriate for appointment of a non-academic member of University staff to membership of the Council for consideration by the Senate.

6. OTHER COMMITTEES OF THE COUNCIL

The terms of reference, constitution and membership of the following committees of the Council are set out in the University Calendar which is available online on the governance web-site: www.warwick.ac.uk/go/governance/calendar.

Written reports, with decisions or recommendations, will be made by these committees to the Council. In a small number of cases these reports will only comprise an annual report

or will only be brought forward when a matter is raised that requires the attention of the Council.

- (a) Audit Committee
- (b) Building Committee
- (c) Equality and Diversity Committee (joint with the Senate)
- (d) Finance and General Purposes Committee
- (e) Honorary Degrees Committee (joint with the Senate)
- (f) Intellectual Property Committee (joint with the Senate)
- (g) Nominations Committee
- (h) Remuneration Committee
- (i) Research Governance and Ethics Committee (joint with the Senate)
- (j) Art Collection Committee
- (k) University Health and Safety Executive Committee
- (l) Gift Acceptance Committee (joint with the Senate)

In addition, the Finance and General Purposes Committee has established a number of sub-committees which have an important role in overseeing the conduct of specific areas of financial business including the Budget Steering Group, the Financial Plan Sub-Committee and the Investment Sub-Committee.

7. DELEGATION OF POWERS OF THE COUNCIL

Subject to periodic reports to the Council, the Council has delegated powers to certain of its major committees and officers of the University as follows:

- (a) The power to act on all day-to-day matters not within the province of any other Committee of the Council to the Finance and General Purposes Committee.
- (b) Executive powers to deal with matters of importance which would normally be referred to the Council, but agreed by the Chair and Vice-Chancellor as requiring urgent decisions, to the Finance and General Purposes Committee (such decisions to be reported to the next Committee and Council).
- (c) The distribution and allocation of resources for academic and non-academic purposes to the Finance and General Purposes Committee.
- (d) Investment policy and decisions and budgetary control of all funds to the Finance and General Purposes Committee, within the context of the University Financial Plan.
- (e) The provision and maintenance of buildings, premises and grounds to the Building Committee and the Director of Estates.
- (f) The power to make contracts on behalf of the University has been delegated, subject to a report to the Council whenever the seal and arms of the University are used, to the appropriate Executive Officers of the University.
- (g) The determination of the remuneration of senior members of the University staff whom it is deemed appropriate, including but not exclusive to the Vice-Chancellor

and President, the Provost, the Pro-Vice-Chancellors, the Registrar and Chief Operating Officer, and the Group Finance Director to the Remuneration Committee. The determination of all other senior salaries is made by the Advisory Group chaired by the Vice-Chancellor.

- (h) The determination of the level of severance pay to be awarded to those members of staff whose salary exceeds £100,000 to the Remuneration Committee.
- (i) Health and Safety matters to the University Health and Safety Executive Committee.

[A revised scheme of delegated authority is currently being prepared.]

8. DUTIES AND RESPONSIBILITY OF MEMBERS OF THE COUNCIL

The University was created by Royal Charter granted in March 1965 which provides that the Council shall be the University's executive governing body.

The full details of the Council's powers and constitution are set out in the Charter and Statutes of the University. The Council is the governing body of the University. It is the employing body and is responsible for the University's overall organisational structure and for its finances, property, investments and business. The Senate is the supreme academic authority and, subject to the powers of the Council, is responsible for regulating and directing the academic work of the University in teaching and research, including the awarding of degrees. The Senate appoints four of its members and one non-academic member of staff to membership of the Council.

The University is an independent Corporation. Although a member of the Council may have been appointed or elected as a representative of other University bodies such as the Senate or the Students' Union, he or she owes his or her duty of care as a managing trustee to the University and not to his or her appointing body or electorate.

Members of the Council as individuals are personally responsible for any breach of trust, which includes wilfully exceeding their powers or spending University funds on something outside the University's charitable objects. The Audit Committee of the Council will, of course, act vigorously to ensure that the University's spending of funds will be in strict compliance with these charitable objects.

Members of the Council as 'trustees' must at all times act in the best interests of the University and within the scope of their powers. Provided that they do so, as individual members, they will be indemnified by the University against the results of their actions or decisions. Members of the Council will not be held personally liable for debt in the unlikely event of the University's becoming financially insolvent.

9. THE SENATE

Whilst the Council is ultimately accountable for the efficient management and good conduct of all aspects of the University's operation, within that the Senate has responsibility for the academic activities of the University including all aspects of the

operations of the University that have a bearing on teaching, research and the welfare, supervision and discipline of students.

In order that the Senate may fulfil its remit there are certain statutory provisions which ensure that the Council must take into account the views of the Senate on resource matters whether physical or financial insofar as they affect educational and social policy. In particular, the Senate has the power to advise the Council on the allocation of resources for teaching and research and to advise the Council on priorities for new buildings and on the long-term development of the University. In addition, the Senate may make recommendations to the Council on any matter of interest to the University.

10. CONFLICTS OF INTEREST FOR MEMBERS OF THE COUNCIL

It is important that all members of the Council of the University take due cognisance of any conflict of interest which might arise from their membership of the Council (or other University body) on the one hand and membership or connection with other bodies outside the University on the other. The following is a set of simple steps which members of the Council and members of Council Committees are asked to follow.

The Registrar and Chief Operating Officer will maintain, and make available for public inspection if necessary, a Register of Members' Interests in which any third party pecuniary or non-pecuniary interests may be registered if the member considers that a conflict of interest could arise, or be perceived to arise. Annually, the Registrar and Chief Operating Officer will seek from all members of the Council confirmation of their current interests. All members must respond, whether or not they have any interest to record. The Registrar and Chief Operating Officer shall keep the Register of Members' Interests, which shall be available for inspection to any bona fide enquirer on demonstration of good cause and at the discretion of the Chair of the Council and the Registrar and Chief Operating Officer and subject to the provisions of the Freedom of Information Act.

If a member has any pecuniary or non-pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Council or other University body at which the relevant matter is the subject of consideration, the member shall, at the meeting and as soon as practicable after its commencement, disclose the fact (notwithstanding any entry in the Register of Members' Interests). He or she should then judge whether it is appropriate to take part in the consideration or discussion of the matter or vote on any question with respect to it, and whether it is appropriate to leave the meeting during the consideration of the relevant matter. At every meeting of the Council, the Chair will give members an opportunity to declare any interests at the start of the meeting.

Members of the Council should also bear in mind the requirements under the UK Bribery Act 2010 and the University's Anti-Bribery Policy, including the need for members to act with care in relation to hospitality or gifts which could be perceived as inducements by persons or bodies seeking to supply goods or services to the University (see Financial Procedures 3 and 16). Similarly, members should take care not to solicit or recommend any person for employment by the University or admission to it other than through the proper procedures, and should disclose if a candidate is related to them by family when providing testimonials of a candidate's ability, experience or character.

The above guidance applies equally to a committee, sub-committee, joint committee, board of trustees or board of directors belonging to the University or appointed in whole or part by it, and to the members of such bodies. Matters concerning conflicts of interest in relation to members of staff of the University generally are covered in the relevant terms and conditions of employment.

11. ROLE OF THE PRO-CHANCELLOR AND CHAIR OF THE COUNCIL

The key role of the Chair of the Council is to ensure that the necessary business of the Council is carried out effectively and in a manner appropriate for the proper conduct of public business. The Chair ensures that the Council discharges its responsibilities in accordance with University Statutes, its Statement of Primary Responsibilities and its internal rules and regulations. He or she is also responsible for ensuring that the Council conducts itself in accordance with accepted standards of behavior in public life, embracing selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Registrar and Chief Operating Officer, as Secretary of the Council, provides advice and guidance to the Chair of the Council on all matters relating to the proper conduct of Council business.

The development of a strong, constructive and challenging working relationship between the Chair of the Council and the Vice-Chancellor is of key importance to the effective operation of the University. While the Chair plays a key role in the business of the University he or she has no role in the day-to-day executive management of the University which rests with the Vice-Chancellor and his or her key officers. The Chair of the Council must also build a strong and effective relationship with the University Treasurer, as the second lay Officer of the University, and a range of University officers, in particular the Registrar and Chief Operating Officer, Deputy Registrar and the Group Finance Director.

The University Council meets up to seven times in each year and the Chair of the Council is expected to attend all meetings and to be readily available to attend the University to discuss Council business outside meetings of the Council. The Chair of the Council should ensure that the Council exercises collective responsibility and that decisions are taken corporately by all members acting together as a body whether they be lay, academic or non-academic members.

The Chair also acts in ambassadorial role and represents the Council and the University in a range of external contexts including development and fundraising events and activities. The Chair represents the University on all relevant sector-wide bodies (such as CUC) and at relevant meetings of relevant sector-wide bodies (such as HEFCE).

In order to meet the requirements of the position the Pro-Chancellor and Chair of the Council must have significant senior experience of Chairing organisations of a size and complexity similar to those of the University. The Chair must be of a robust and independent frame of mind and at the same time possess diplomatic skills which will allow him/her to facilitate and participate in free debate on key issues. It is also important that the Chair of the Council has understanding of and empathy with the objectives of the University, its teaching and research activities and the broader and strategic issues facing the HE sector.

12. ROLE OF THE VICE-CHANCELLOR AND PRESIDENT

The Vice-Chancellor and President is the chief academic and administrative officer of the University. The Senate and the Council approved the use of the supplemental, non-statutory title of President in July 2012. The Statutes prescribe that he or she has 'a general responsibility to the Council and the Senate for monitoring and promoting the efficiency and good order of the University'. The Vice-Chancellor and President is the 'accountable officer', as specified in the Higher Education Funding Council for England (HEFCE) Financial Memorandum, responsible for ensuring that the University complies with the terms and conditions specified by the HEFCE for the use of HEFCE funds and may be called, with the Chief Executive of the HEFCE who is the accounting officer for the institutions funded by the Council, to give evidence before the Public Accounts Committee. The Vice-Chancellor and President is formally a member of all University committees and chairs the Senate and a number of committees of the Council and the Senate.

13. ROLE OF THE REGISTRAR AND CHIEF OPERATING OFFICER AND SECRETARY TO THE COUNCIL

The Registrar and Chief Operating Officer is Secretary to the Council and to all University bodies and committees and plays a key role in the operation and conduct of the business of the Council.

Subject to the direction of the Vice-Chancellor and President, the Registrar and Chief Operating Officer is responsible for the administration of the University. He is assisted by a range of senior staff including the Deputy Registrar, the Group Finance Director, the Director of Estates, the Academic Registrar, the Director of Human Resources, the Finance Director, the Director of Campus Services, the Operations Director – Campus and Commercial Services, the Directors of Business Development, the Director of Development and External Affairs, and the University Librarian.

14. ROLE OF THE GROUP FINANCE DIRECTOR

The Group Finance Director is responsible to the Vice-Chancellor and President for overseeing the financial arrangements of the University.

15. PUBLICATION OF THE PROCEEDINGS OF MEETINGS OF COUNCIL

Papers circulated to members of the Council may not be published outside the University, or made the subject of public comment, without the agreement of the Council. Members of the Council must use their discretion if they wish to discuss the contents of such papers privately with persons whose opinion they wish to obtain and they must themselves accept responsibility for the consequences of any such disclosure.

Open agendas, minutes and papers for the Council are available to Council Members from the Council Members Webpage (www.warwick.ac.uk/go/governance/councilmembers).

In the interests of openness and transparency non-restricted agendas and minutes of the Council and the Senate are available on the University's website as well (go.warwick.ac.uk/go/governance/committees).

16. PROCEDURES FOR THE MEETINGS OF THE COUNCIL

The procedures for the meetings of the Council are laid down in the Standing Orders of the Council which are published in the University Calendar.